

OPINION

This Is How President Trump Can Quickly – and Safely – Reopen the Economy

BY ADAM BLUMENTHAL April 27, 2020

It's the biggest debate in America today.

President Donald Trump and some Southern governors want to reopen the economy as soon as possible. Many others want to proceed more cautiously, preferring people stay home until there's more certainty around the containment of COVID-19.

But this debate – around “reopening the economy” or “staying home” – is misguided. It's far too simplistic.

Trump doesn't need to decide when to reopen America. He has better options he can pursue immediately.

We all feel the devastating impacts of a deadly, infectious disease that has taken tens of thousands of lives, and wiped away 26 million jobs in only four weeks. We're in the throngs of a pandemic and a depression.

Interestingly, despite all this pain, our economy isn't actually shut down – many people who were working on Feb. 15 are still working today. In the very same job. While employers are under great economic stress and many workers are enduring great personal risk, the majority of Americans are either doing their jobs remotely, or continuing to do the same essential work on the front lines.

Despite a strong, understandable desire to stem economic losses, no new mandate will snap the economy back to where things were before – broad levels of reasonable fear of illness and concern of others will keep that from happening fully until we have a vaccine, and probably not for some time after that.

That's why Trump does not need to pick a date to “reopen” – instead he can take three actions now that would improve the economy, protect people's health and safety, and jumpstart a return to our pre-pandemic normal:

1. Issue clear rules for what it means to *work* safe and *stay* safe.
2. Fund the cost of complying with those rules.
3. Make testing plentiful so infections are addressed rapidly and aggressively, and implement sophisticated contact tracing.

Let's start with clear rules for working and staying safe.

Trump and Congress can instruct the Treasury Department, the Federal Reserve and the Department of Health and Human Services – which are the agencies that will disburse most stimulus funding now and moving forward – that any funds flowing to employers to hire and retain workers ought to be tied to creating safe environments for employees and customers.

This isn't new: America's businesses have been learning to execute on this approach since March 1. In the past seven weeks, front-line workers in health care, food production, law enforcement, maintenance, delivery services and beyond have been forced to improvise to ensure healthy and safe conditions – their employers now know the cost of that improvisation.

At the investment firm I run, Blue Wolf Capital Partners, we manage businesses that employ over 50,000 people nationwide – most are essential industrial workers and health care providers. Over 95 percent of them are still doing their jobs. We have had to adapt to keep people safe while they do vital work, from building hospitals, to caring for the sick, to ensuring people at home have the goods and services they need to survive. Some have had their hours reduced. Fewer than 2 percent have been furloughed. Less than 0.25 percent have been infected with the coronavirus, and tragically, two nurses – despite everyone's best efforts – have died of the disease.

What we have learned is applicable to the broader economy: that employees going back to work must have adequate PPE, a frequently and visibly sanitized work area, and ongoing education and training in safe behavior. We have also learned that ergonomic redesign of work practices to allow distancing is a must, as are adequate sick and family leave benefits, along with ample testing at the most technologically advanced level —whether that's temperature screening or antibody testing. Finally, we know that scaling up thorough contact tracing efforts will slow the spread of the disease and protect more Americans.

Of course, providing all of these things comes with a cost: Across our portfolio, the price tag for these measures is roughly 20 percent of payroll, or \$200 per person, per week.

Trump, and his team, can easily work with CEOs to quantify what these costs are for every type of worker in the American economy (the President's new jobs council could provide this data overnight). These costs should inform how the federal government reimburses employers moving forward.

People at Health and Human Services have started to do this: They are developing metrics, tied to Medicare cost reports, so that health care organizations can seek reimbursement for these costs, even though the precise funding mechanism hasn't been established yet. That's a smart step.

Treasury programs, such as the Paycheck Protection Program and the Main Street Lending Program, while injecting needed emergency liquidity and support, have relied far more on conventional financial metrics, which are comfortable and familiar to those of us in finance but have little to do with the realities of operating and being safe, every day. Those programs should be re-engineered around a single goal: fund safety for America's workers.

Only then will our legitimate fears abate, giving the president, and all of us, confidence to open America back up for business – as soon as possible.

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