



RACHEL
WAKEFIELD
CFA

ABOUT RACHEL:



Analytical



Cool-
Headed



Detail-
Oriented

DOING WHAT YOU'D RATHER NOT

THE DELETERIOUS EFFECTS OF SOCIAL DISTANCING

*The only way to keep your health is
to eat what you don't want,
drink what you don't like,
and **do what you'd rather not.***



Mark Twain

Who could have guessed that 2020 would usher in a first-ever global lockdown? It has been an economic obstacle course of sorts, with some businesses flourishing while most others lock their doors.

In the past, we have witnessed disruptions on a smaller scale when fierce storms, wars, volcanoes, earthquakes, or tsunamis have devastated various regions of the globe. However, the current worldwide loss of life and livelihoods is unprecedented. The risk to our collective health has necessarily interrupted our normal lives. In just one month, we have witnessed cancellation of schools, places of worship, sporting events, conferences, non-essential businesses and all other social gatherings. "Stay at home" is the mandate, and *social distancing*, *flatten the curve*, and *essential/non-essential businesses* became new phrases in our lexicon.

Aided by video-conferencing, online communication tools, and ubiquitous internet coverage, educators and students now meet in virtual classrooms, doing their best to carry on their education remotely. Businesses are using similar strategies to cultivate virtual teamwork and to deliver goods and services. In the tech-savvy workplace, many workers can work from home, with the help of internet connectivity and modern technology. It quickly became a time of BOOM or BUST.

THE SIDE EFFECTS OF SOCIAL DISTANCING		
	BOOM	BUST
Household Essentials	<ul style="list-style-type: none"> • Food delivery services • Grocery stores • Online orders • Cleaning/hygiene products 	<ul style="list-style-type: none"> • Sit-down restaurants • Bars • Farmers markets • Non-essential businesses
Education	<ul style="list-style-type: none"> • Virtual classroom • Video-conferencing • Internet connection • Computers 	<ul style="list-style-type: none"> • Physical classroom • Face-to-face interactions • Extracurricular activities • Transportation
Workplace	<ul style="list-style-type: none"> • Home office equipment / services • Internet connection • Video-conferencing • Cloud computing 	<ul style="list-style-type: none"> • Vacant office space • Business travels and meetings • Brick-and-mortar companies • Social interactions
Discretionary Spending	<ul style="list-style-type: none"> • Online shopping • DIY projects • Video streaming / TV • Video gaming / board games 	<ul style="list-style-type: none"> • Retail stores and shopping malls • For-hire contractors • Travel and leisure • Sporting events

If the social distancing regulations are just short-term, it is likely that consumer habits will not change much. The longer these changes drag on, the more likely that some of them become long-term habits. It may be quite some time before the general population and especially the vulnerable populations (older adults and people with underlying health issues) feel brave enough to be part of a large crowd.

Even as the U.S. and much of Europe continue their effort to slow the virus spread, China is slowly opening their economy. This is important to the global economy because China is a major supplier to many businesses and they will play a vital role in kick-starting the Western economies.

By “doing what we’d rather not” – keeping our social distance – we are ensuring the safety of ourselves and our loved ones, which is the most important thing we can do right now. Although we cannot meet face-to-face, please do not hesitate to call, email, or video-conference with us if we can be of help during this unexpected crisis. We love to hear from you!