Assessing the Effects of Policy Choices on Economic and Health Outcomes

COVID-19 has brought on significant and varied policy responses at the federal and state level. This quickly changing landscape calls for new tools to support rapid-cycle policy assessment and guide future policy decisions. The real-time nature of the data in the Economic Tracker allows users to see how economic outcomes are trending with health and social outcomes and how these intersect with policy choices. This ability to overlay real-time outcomes and policy information is an important resource as states turn to the next chapter of decisions related to reopening timelines, business relief programs, and related considerations.

APPLICATION: SMALL BUSINESS HEALTH & COVID-19 CASE RATES

The Economic Tracker can be used to understand how the health of small businesses has changed as a result of local policy changes. The chart below shows the number of small businesses open in South Carolina alongside key policies in the state’s COVID-19 response. In March and April, the number of small businesses open declined well in advance of when South Carolina closed nonessential businesses on April 6th. Strikingly, the number of businesses open did not increase even after partial reopening policies went into effect on April 21st. As of April 28th, the number of small businesses open remained down by 33% from January 2020 – a decline that has been steady since late March.

Comparing these patterns in business activity to COVID-19 case rates in South Carolina may provide some context as to why businesses are staying closed. Figure 2 shows daily reported cases of COVID-19 per capita and illustrates that the public health risk has not abated. New case rates have remained fairly consistent since the beginning of April and parallels the timeline during which the number of small businesses open has remained low. The patterns in business activity appear to be correlated more with state health conditions than with the timing of local policies.

ABOUT THE ECONOMIC TRACKER

How is the COVID-19 pandemic affecting the economic prospects of people, businesses, and communities across the United States? Traditional economic indicators lack the timeliness and granularity needed to answer these questions rapidly. The Opportunity Insights Economic Tracker combines aggregate, de-identified data from leading private companies – from credit card processors to payroll firms – to provide a real-time picture of indicators such as employment rates, consumer spending, and job postings across counties, industries, and income groups. Rather than waiting weeks to see where the economy is falling and playing catch-up, the tracker offers the capacity to spot economic problems as they emerge and develop targeted, evidence-based policy responses – providing a powerful new tool for economic policy in the age of big data.

Updated as of May 7th, 2020
As time goes on, the Economic Tracker will let users see how these patterns develop as the crisis -- and associated policy choices -- unfolds. The stay-at-home order in South Carolina is scheduled to be lifted on May 4th. Soon after, the Economic Tracker will let policymakers see whether businesses and individuals continue to react more to local health conditions or if they instead change their behaviors in response to new policies.

### SOUTH CAROLINA DAILY COVID-19 CASES PER 1,000 PEOPLE

This decline in small businesses' health, when juxtaposed with the differences in COVID-19 spread, illuminates the relationship between business activity, local policies and the developing health situation. Moreover, data in the Tracker indicates that this pattern in South Carolina is consistent with patterns in other states that have implemented reopening policies but where COVID-19 case rates remain elevated.

### POLICY IMPLICATIONS

The ability to concurrently track economic outcomes, policy choices, and social conditions is critical when policy decisions are being made during such unprecedented times. Current considerations about when reopening policies should go into effect, which groups may benefit from these policies, and what outcomes to expect from these choices can be informed by layered, real-time data in the Economic Tracker. As seen with this particular overlay of business, health, and policy data, even after reopening policies are in effect, long-game strategies to curtail COVID-19 case rates and support business relief may be essential for widespread economic recovery.

### ON THE HORIZON

We look forward to continuing to add data and functionalities to the Economic Tracker. Anticipated additions include:

- Data that are available at smaller geographic levels and for specific demographic subgroups so as to support needs assessments and policy targeting.
- Data to reflect additional dimensions of consumer spending and credit, social outcomes, business response, and other areas, that can offer increasingly comprehensive insights into community experiences and policy responses.
- Data that capture longer time periods that can reveal recovery patterns and serve as a longer-term policy tool.

### CONTACT

Requests for additional information on the data or technical questions can be directed to info@opportunityinsights.org.

We'd love to hear how you’re using our tool to inform the economic recovery in your community. Tweet us @OppInsights or email us to tell us more.

### ABOUT OPPORTUNITY INSIGHTS

Opportunity Insights is a non-partisan, not-for-profit organization located at Harvard University that seeks to translate insights from rigorous, scientific research to policy change by harnessing the power of “big data” using an interdisciplinary approach.