

EXECUTING THE COVID-19 RECOVERY

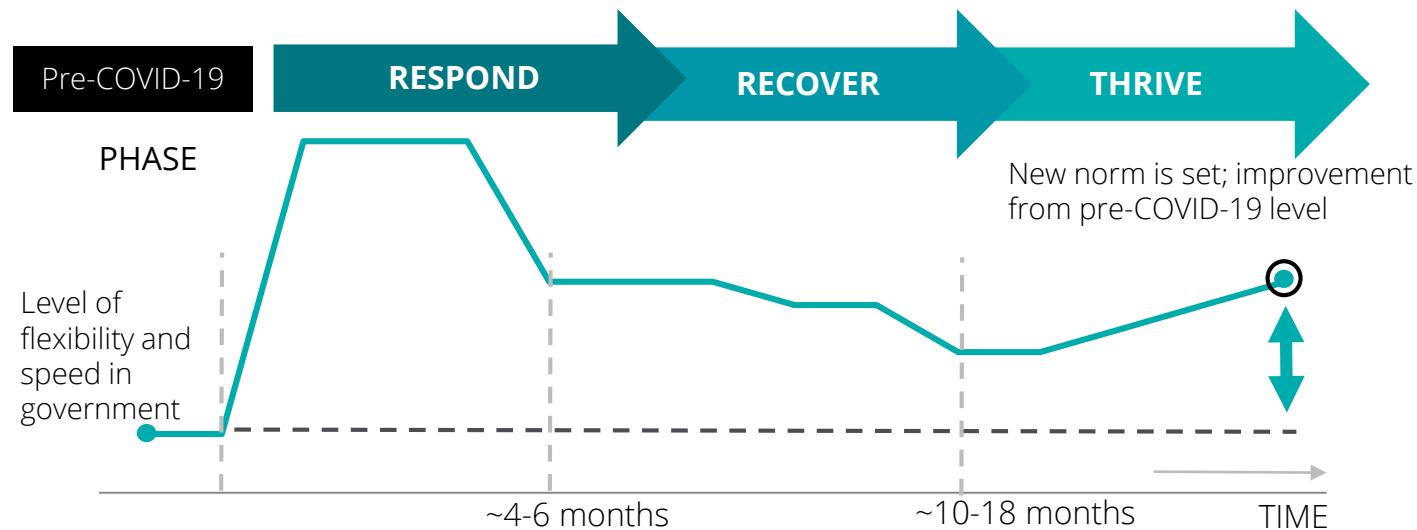
A guide for state and local governments for
reopening and restoring their economies

May 2020

THE CHALLENGE

State and local governments are starting to move into the recover and thrive phases

The figure models the COVID-19 crisis over time across the three overlapping phases governments will pass through: Respond, Recover, and Thrive



Act to promote safety and continuity

- Focus on essentials
- Offer maximum flexibility
- Use maximum speed

Restore and emerge stronger

- Move toward normalcy
- Offer high flexibility
- Use high speed

Prepare for the next normal

- Build long-term enhancements to the public sector
- Establish a better foundation for the future
- Create a new level of flexibility

“You don’t make the timeline; the virus makes the timeline.”

—Dr. Anthony Fauci

THE CHALLENGE

State and local governments must take action on three fronts to address the COVID-19 crisis



How do we address the health care crisis?



How do we address the economic crisis?



How do we keep “the business” of government operating?

Any given government agency may be involved with one, two, or all three fronts. For instance, a transit agency may limit ridership, enforce social distancing, and regularly disinfect vehicles while monitoring employee health. Later, the agency may play a part in the recovery by spending stimulus money on upgrading infrastructure.

THE CHALLENGE

A strong recovery depends on societal attitudes

Citizen concerns and confidence are part of the terrain of any recovery

55%

Rising fear of catching the diseaseⁱ

of Americans are very or somewhat concerned they that **will get COVID-19 and require hospitalization**

~60%

Concerns around social gatheringⁱⁱ

of Americans say they're concerned **about eating out**

40.9

Lack of business activityⁱⁱⁱ

US Composite Purchasing Manager Index declined to 40.9 in March 2020, a record low

61%

Concerns around health^{iv}

of respondents in the US are most concerned with the **threat to their health** from the virus, over isolation and financial impact

50.5%

Consumers not willing to spend^v

Consumer spending at clothing and clothing accessories stores decreased by 50.5% between Feb and March

37%

Concerns around privacy^{vi}

of Americans say it is at least **somewhat acceptable to use cellphone data** to make sure people are following social distancing guidelines

1.3 Million

Younger workers to be hit hard by slump^{vii}

In the US, more than 3.5 million students are expected to graduate from high school, 1.3 million students are expected to graduate from two year or four year colleges. Younger workers will have more trouble finding and maintaining jobs in an already slow economy.^{vii}

66%

Reopening too soon^{viii}

of Americans are concerned that the US may **lift restrictions too soon**

Sources: ⁱ[Pew research](#); ⁱⁱ[QSR Magazine](#); ⁱⁱⁱ[Trading Economics](#); ^{iv}[ISR](#); ^v[Quartz, Census Bureau](#); ^{vi}[Pew Research](#); ^{vii}[The Conversation](#); ^{viii}[Pew Research](#)

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KEY RECOVERY ACTIONS

State government will need to take actions on various fronts to support the economic recovery

Key actions for the economic recovery



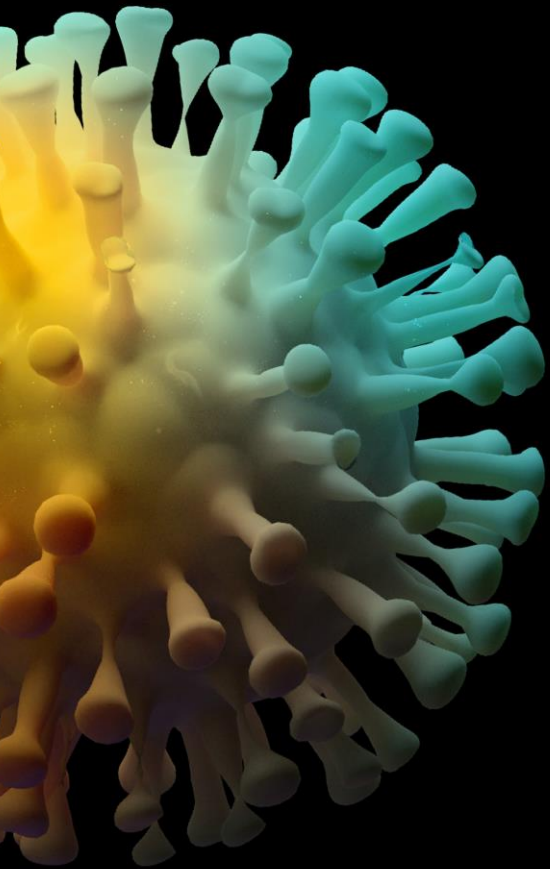
Balance actions to limit disease spread and economic impact



Provide relief for individuals, businesses and sectors



Re-open the economy



COVID-19 has presented two major issues that most states haven't encountered simultaneously or to this degree in this century...

How do they balance health and economic recovery?

KEY RECOVERY ACTIONS: Balance actions to limit disease spread and economic impact

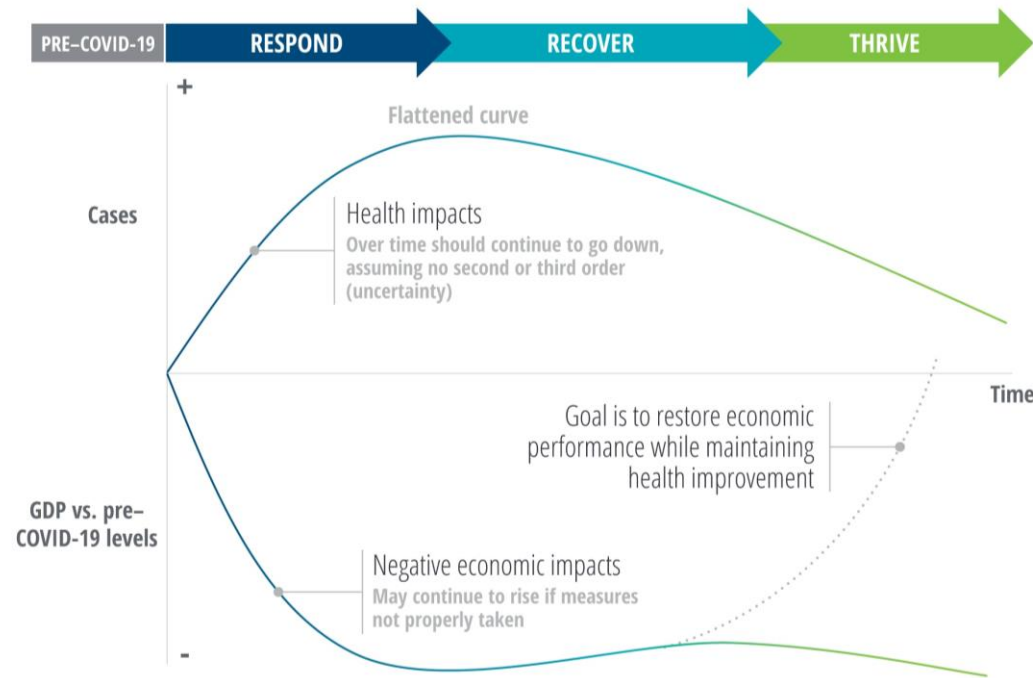


States are wrestling with balancing health and economic impacts

State leaders will have to determine what is optimal for their states

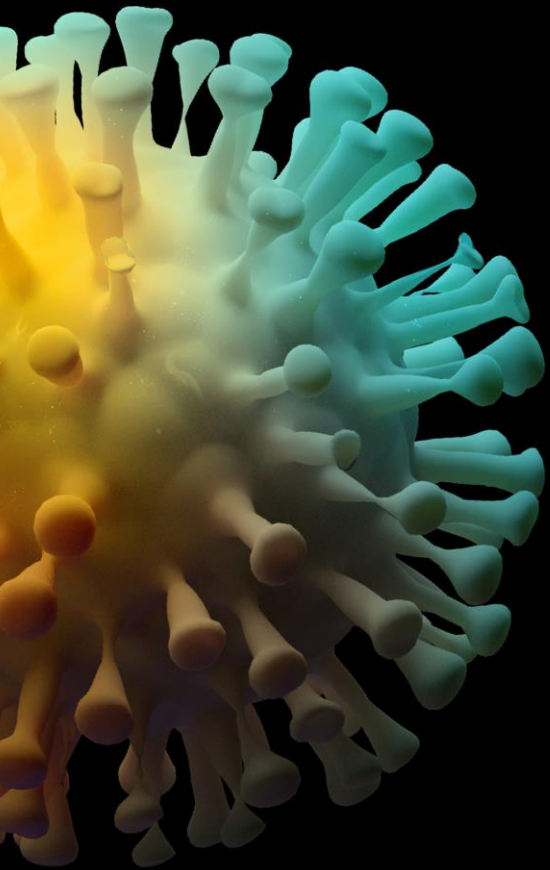
Recovery on the health and economic fronts is intertwined: Until people can gather in groups to work, travel, and shop, any economic recovery will likely be limited (see figure). How do we speed recovery while limiting risk? When do we relax the rules? What restrictions should be imposed on businesses and individuals? Should these restrictions differ by area and by industry?

Reoccurrence is likely to be patchy. This could mean that a second wave may not be as severe as the current one but may spike in a few geographic areas and could also be seasonal in some cases.



Source: Deloitte analysis.

Source: [Governments' response to COVID-19](#)



With US unemployment at an all-time high and more people filing on a daily basis, what options do states have in getting the economy and people back to work?



States have several ways to boost the economy

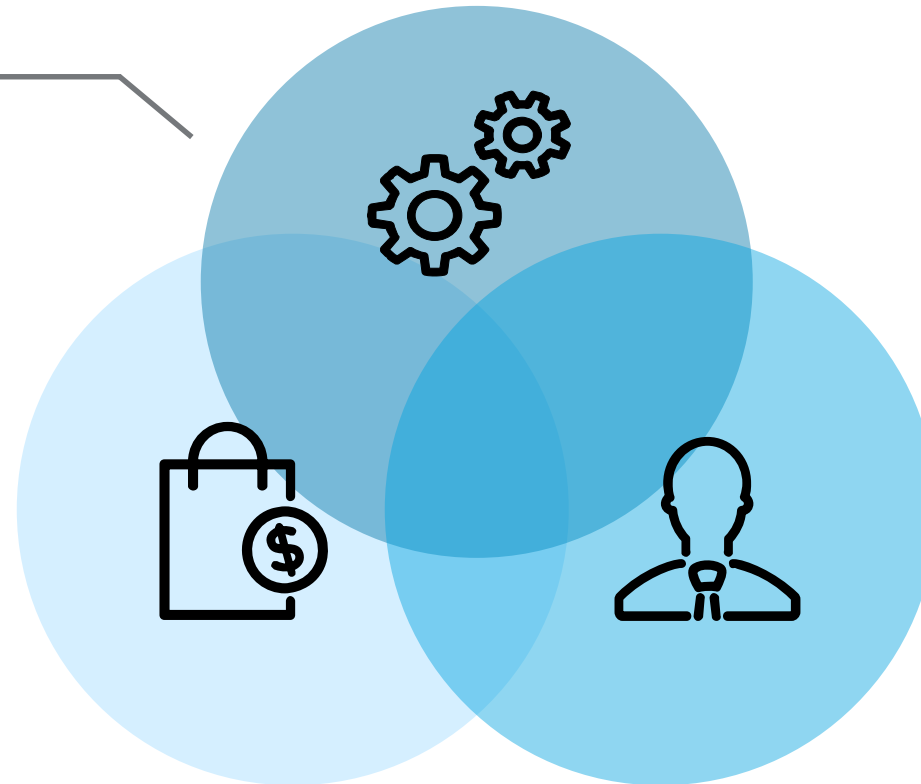
Governments need to focus on three areas when it comes to promoting economic health

Stimulating economic activity

- Promote spending
- Reducing barriers to economic activity

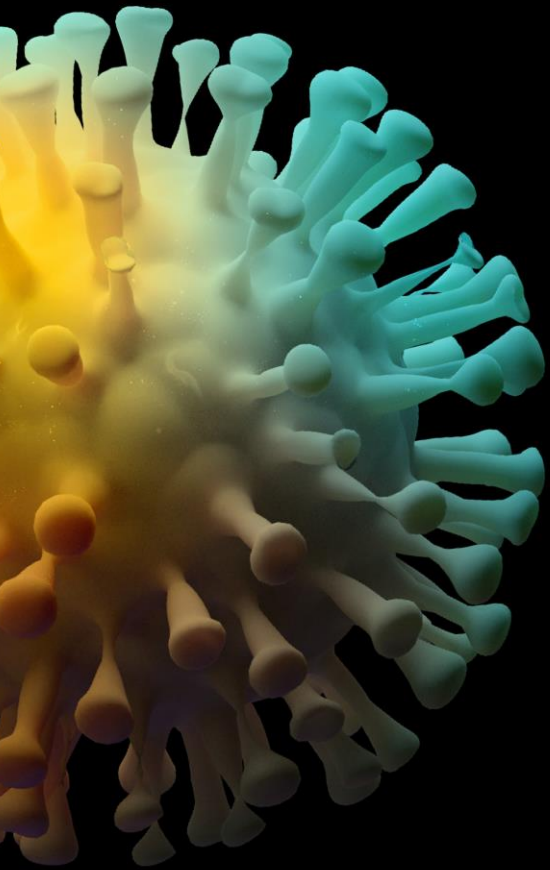
Assist distressed businesses

- Work to stabilize, then advance business health



Getting individuals back to work

- Minimize further job losses and promote job creation



What roles do governments need to play and how do they prioritize them?

KEY RECOVERY ACTIONS: Reopening the economy for a better future



Governments will have an unprecedented number of roles to play in restarting the economy

How government leaders communicate about the restart will be critical

- There is a need to douse fears and instill confidence in people. It won't matter if stores are open if no one will go outside
- States should seek inputs from industry associations to develop a plan

While restarting businesses is important, restarting government services will be equally critical

- From transportation to licensing, government activities support and enable economic activity

State government is a large and diverse employer

- The public sector will also employ some kind of phased reopening
- The safety of workers and those with whom they interact will be key

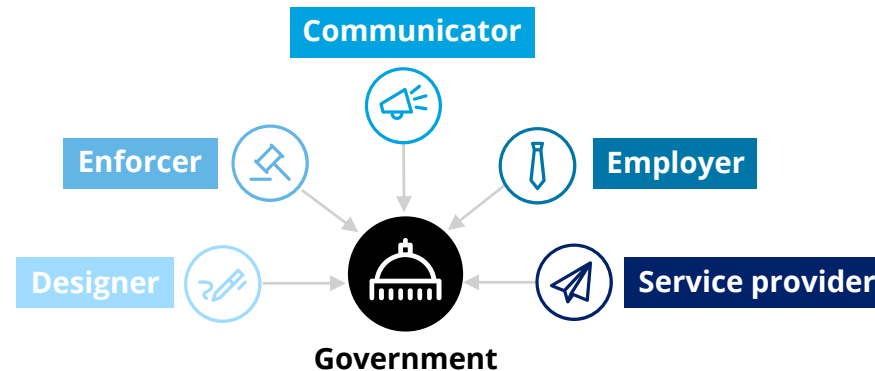
Schools, daycare, and social services to free up workers

- Many workers rely on public entities to educate and care for their children and sick relatives so they can go to work

Government as a communicator will provide clear, consistent and adequate communication to all involved in the recovery process.

Government as an enforcer will be in charge of making sure protocols are followed and inspections are conducted.

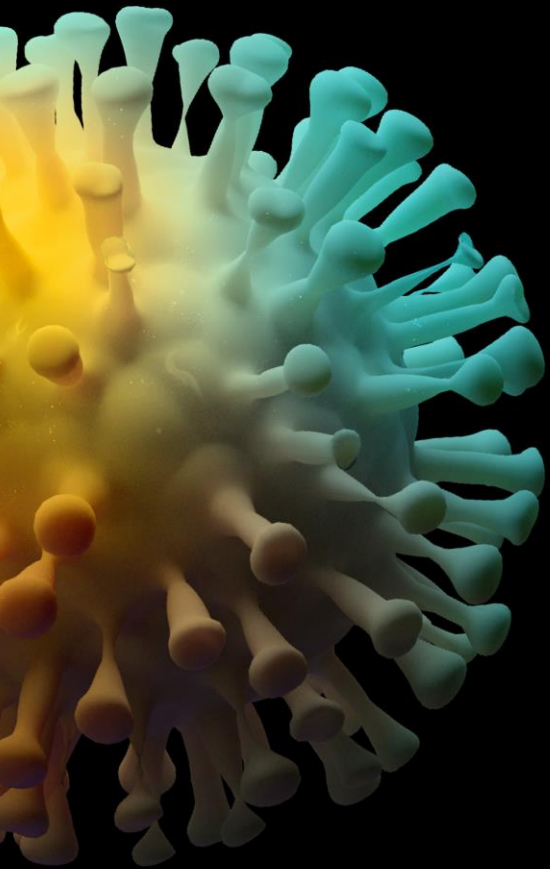
Government as a designer will draw out the initial plan, lay down the protocols and guidelines needed to reopen.



Government as an employer will have to ensure staff safety, redeployment and retraining of staff to quickly recover.

Government as a service provider will have to rethink delivery of services and create the necessary infrastructure.

Government will have to wear many hats and juggle many responsibilities



What can states and regions learn from each other (and globally) ?

KEY RECOVERY ACTIONS: Reopen the economy for a better future

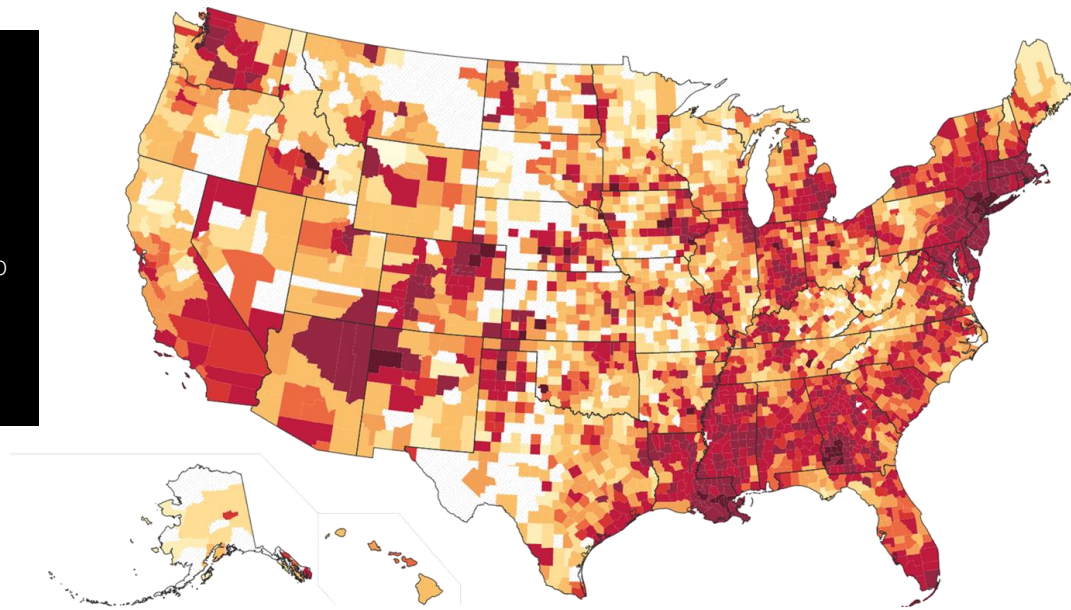
States and regions are developing their own plans

Governors have to think about this at three levels –counties, regions and states.

Pacts across regions and states for reopening

California, Oregon, Washington, Colorado and Nevada

- Formed The Western States Pact –a shared vision for reopening their economies and controlling COVID-19 into the future
- Framework prioritizing joint efforts, residents health, and scientific decisions



Confirmed Cases of COVID-19 per 100,000 People
No Data 5 10 20 40 60 80 100 250 >1,000
Bar sizes reflect number of counties in segment

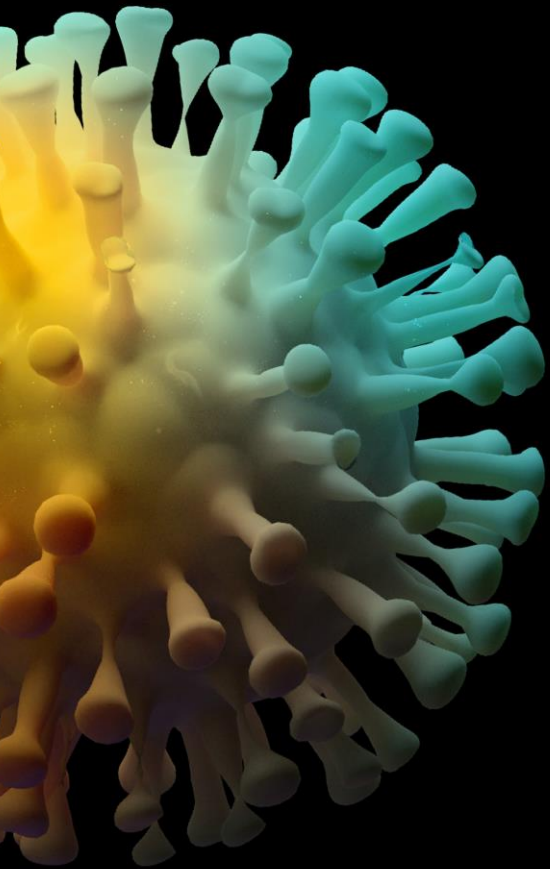
Michigan, Ohio, Wisconsin, Minnesota, Illinois, Indiana and Kentucky

- Co-ordinating to restart
- Reopening decisions based on recommendations from business, health care, education, and labor experts.
- Focusing on control of new infection, social distancing protocols, sufficient health care capacity, effective tracing and tacking measures

New York, New Jersey, Connecticut, Pennsylvania, Rhode Island, Delaware and Massachusetts

- Co-ordinated restart in phases
- Ramping up availability of rapid tests and new antibody test to certify recovered individuals
- Developing regional testing protocols

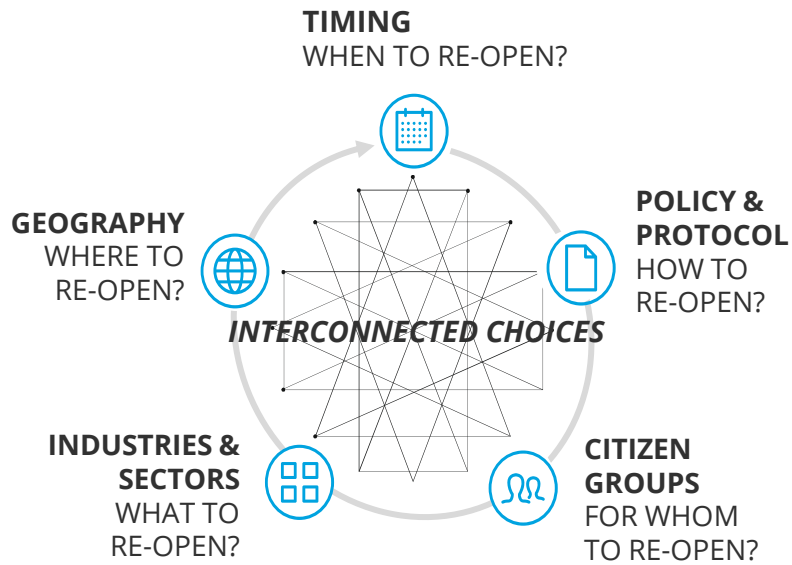
Florida, Mississippi, Alabama, Georgia, South Carolina and Tennessee are working on a plan to reopen businesses in the region and ensure citizens' safety as they return to work. Each state is issuing safety guidelines for reopening businesses.



How can data and technology be leveraged to support reopening?

KEY RECOVERY ACTIONS: Reopen the economy for a better future

Reopening is a multi-dimensional challenge requiring real-time, data-driven decision making



Illustrative State reopening plan

	1. RESPOND: CRISIS ECONOMY AND DISEASE DAMPENING	2. RECOVER: TRANSITION ECONOMY AND DISEASE VIGILANCE	3. THRIVE: NEXT ECONOMY AND DISEASE RESILIENCE
	Crisis/ shutdown	Phase 1	Phase 2
Allow	<ul style="list-style-type: none"> Hospitals Grocery stores & pharmacies Delivery food services Liquor store (e.g., package stores) Banks/financial institutions 	<ul style="list-style-type: none"> Certain offices & white collar work settings open (e.g., state gov't) Public transport (constraint riders) Restaurants & bars (with distancing restrictions) Beauty and personal care services 	<ul style="list-style-type: none"> Gov service offices (DMVs, benefits, etc.) Malls & large retail centers Sports Gym & health fitness centers Schools and universities
Restrict	<ul style="list-style-type: none"> Everything outside of "essential businesses" (e.g., above) Schools and universities Travel out of state Gatherings >10 people 	<ul style="list-style-type: none"> Gyms & health fitness centers Malls & large retail centers Move theaters & arts centers Large sporting events Gatherings >20 people 	<ul style="list-style-type: none"> Amusement parks Public pools
Suggest	<ul style="list-style-type: none"> Mandatory or recommended stay-at-home-orders and/or curfews Hours for vulnerable populations Use of face masks 	<ul style="list-style-type: none"> Continued use of face masks Limitations on store hours Limitations on store & restaurant capacity Limitations on # riders in public transit 	<ul style="list-style-type: none"> Business & health surveillance mechanisms Policies for renewed lockdown if 2nd or 3rd wave
Do	<ul style="list-style-type: none"> Make available testing for COVID-19 Negotiations for PPE for hospitals Social distancing requirements Self-quarantine for 14 days if experiencing symptoms 	<ul style="list-style-type: none"> Testing for individuals spreading the virus at <ul style="list-style-type: none"> a higher rate Mass testing for COVID-19 Testing for antibodies Contact tracing 	<ul style="list-style-type: none"> Intensive monitoring for 2nd or 3rd wave
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Tools to accelerate recovery

Technology tools and potential applications

Cloud Computing

Foundational technology for AI, sensors, and drones



Drones

Enforcing physical distancing rules for residents and inspections of facilities through drones



Social Media Technologies

Understanding citizen sentiment during times of crisis and monitoring misinformation and fake news



Facial Recognition

Authenticating citizen identity and tracking attendance in workplaces



Advanced data analytics and AI

Accelerating development of vaccines and supporting data-driven decision-making



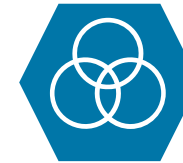
Sensors

Tracing and tracking quarantined and positive cases

Business tools and potential applications

Scenario Planning

Testing resiliency of government operations against various scenarios



Human-centered design

Making relief funds easier to navigate by focusing on customer experience



Sensing and horizon scanning

Anticipating second or third waves of outbreaks or predicting changes to business models



Behavioral insights and nudging

Nudging people to follow workplace safety and personal hygiene protocols



Networks and ecosystems

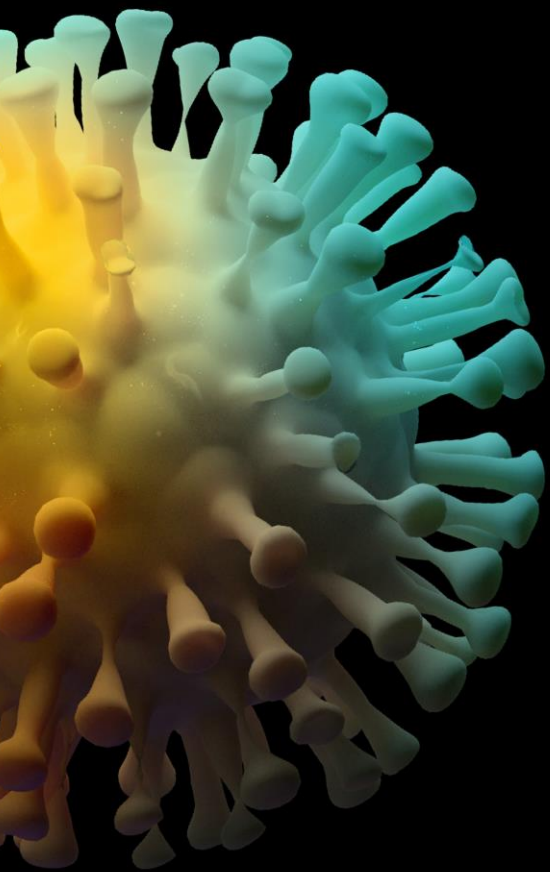
Collaborating with other governments, companies and universities to accelerate economic recovery



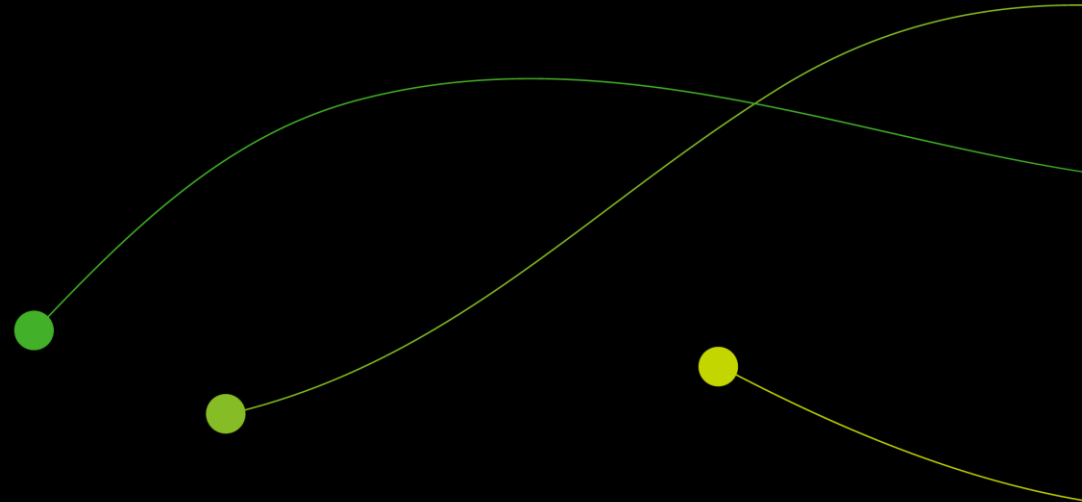
Collective intelligence

Accelerating the development of drugs and vaccines by tapping into the wisdom of crowd





Thank you



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