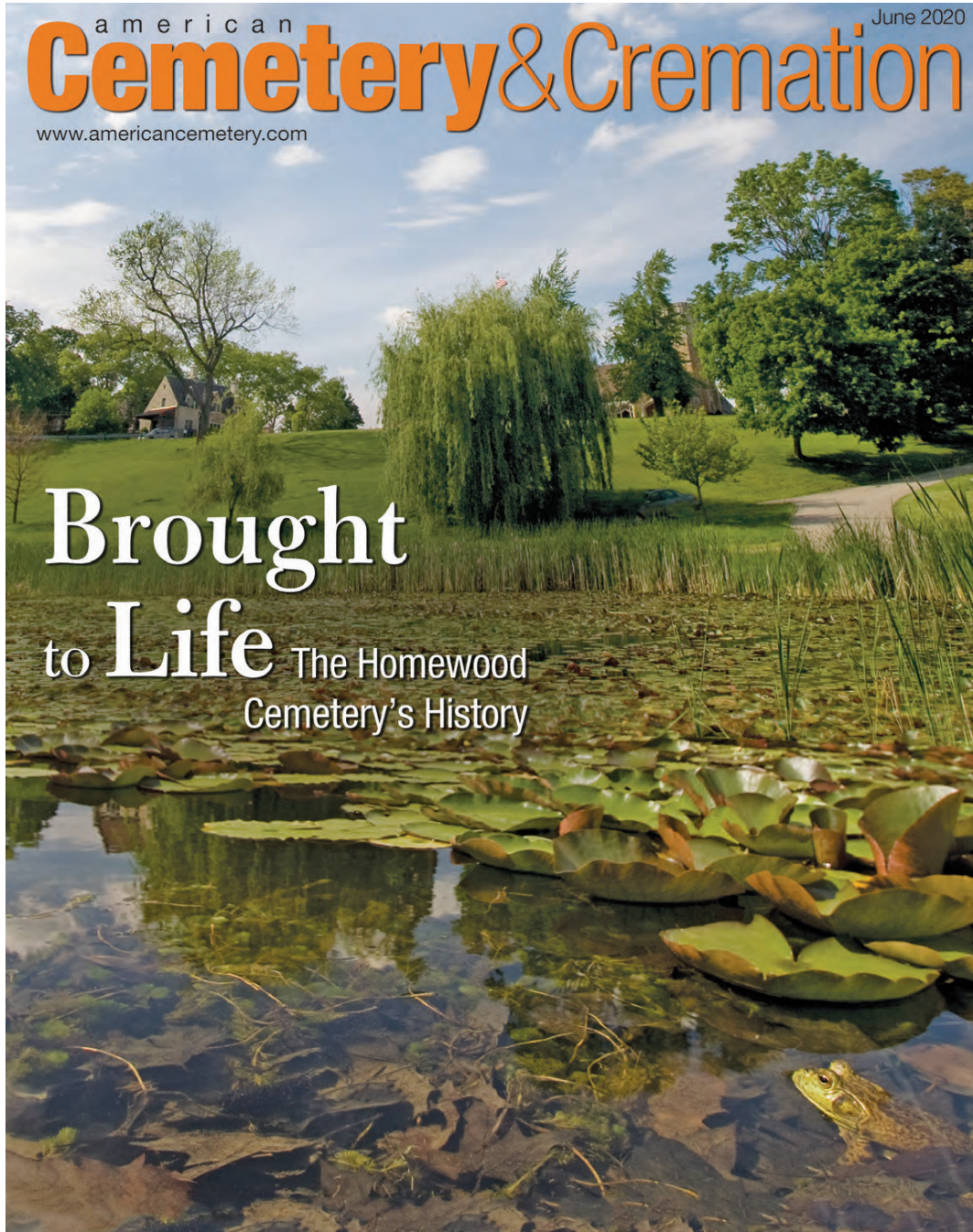


Cooperative Funeral Fund Inc.

Some Insights from the Pandemic

as seen in:



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Business

By Todd D. Mannix

Some Insights from the

Pandemic

It is hard to believe these words are materializing on my screen amid what several months ago would have been considered the beginning of a bad science fiction novel. Yet here we are in the middle of a horrific global pandemic that had recently infected about 5 million people worldwide and killed more than 300,000.



There has been much reported about how this happened, what will happen in the coming months, and plenty of second guessing and finger pointing around the globe. Taking a step back from what we have all been inundated with on a regular basis, I wanted to share some insights on where we are and what might come.

U.S. Economy and Stock Market

Since I work in the world of finance and investments, this seems like a logical place to start. There has been a lot of conjecture about the impact the pandemic will have on our economy. The short answer is nobody really knows for sure. We have never shut down the economy on purpose before. The ripple effects will take years to really understand. This is different from the financial crisis of October 2008 when there was a systematic failure in our financial systems that caused real and lasting struggles for our economy for almost a decade.

With the pandemic, the low numbers in corporate earnings and high new unemployment claims are unprecedented, but as Rick Santelli from CNBC put it, “If the doctor tells you that you are going to have triplets, you shouldn’t be surprised when you come home with three babies.”

We shuttered the economy. We closed restaurants and retail stores, we ceased manufacturing, we issued

strong stay-home orders in many states and shut down businesses. We should expect to see these numbers of new unemployment claims and low corporate earnings. Also, we shouldn’t be overly concerned if the numbers come out worse than the predictions because the predictions were just as much a shot in the dark as anything else during these unprecedented times.

Normally, those who follow the economy look at unemployment, sales and earnings indicators to explain what the trends are in the marketplace. These indicators provide insight as to where the weak and strong points are in the economy. For example, if the automakers’ outlook on future earnings or sales are down, it is (among other things) an indicator that consumers are spending less on cars, which could be a symptom caused by lower disposable household income. Economists will then look to understand from other indicators what might explain why consumers have less disposable income. Those indicators during normal market cycles provide insight to economists where shifts in the ebbs and flows of the economy might lead to potential areas of growth or retraction.

What the indicators are telling us today is we shut down the economy. They will not really be of strong use until we open the economy back up. The indicators will then provide

great direction as to how companies and consumers were impacted by the sudden halt in, well, practically everything. The lesson here is not to be alarmed by the slowing of consumption and productivity in our economy. People should be following guidance from health experts and implementing the recommended measures to slow the virus.

When we open things back up, we will see the impact of the pandemic. All predictions (remember my point above about predictions) are that we will come back from this in 12 to 24 months, but those projections also assume a treatment and vaccination is available, so we don’t repeat these events next year.

Financial Learning Opportunity

If you have always wanted to learn more about the market or the economy but were too turned off by the industry acronyms and financial speak normally reported on networks like Bloomberg and CNBC, now is the time to start watching.

Shutting off the economy has reduced the discussions to much simpler conversations as to how the economy works and how the market reacts to it. Prior to this, it took some level of financial acumen to really follow every story on these networks, or at a minimum to feel comfortable with what you didn’t understand

because it wasn't something you dealt with on a day-to-day basis.

Prior to this, they reported on more of the technical things that impact the fully functional economy in terms of businesses or industries. Reports included some deeper macro and micro economic references that might turn off someone who is just starting to focus on the topics covered. However, shutting down the economy has brought the discussions down to a basic level about what runs the economy. Instead of discussions of derivatives, short selling, global inventories, etc., the conversations are about the restaurants, retail stores, grocery supply chains and other things that are part of normal daily life for millions of us. This ensures topics being discussed today are accessible and understandable for everyone.

The discussions are easy to follow because almost everyone they bring on is discussing how we reopen things and the impact of keeping them closed for extended periods of time. If you have been looking to get more in tune with finance, the economy, and the markets, start watching now and you will gain a sense of comfort and knowledge on these topics so that when things return to normal, you will be able to leverage your knowledge and comfort level to connect to more of the economic analysis than before.

Environmental Truths

For years, there have been debates over global warming and the impacts on ozone, pollution and other wide-ranging environmental issues. The science is often refuted by business interests with their own studies, making it difficult to understand the real threat and the real impact of our consumption behaviors on the environment. After two weeks of a national stay-at-home order in India, New Delhi reported an astronomical drop in pollution levels. In New Delhi, residents check an index daily before going out like you or I might check the weather; that tells them the pollution level in one of the most polluted cities in the world.

The World Health Organization

has issued warnings that anything above 25 on that index is unhealthy. New Delhi's normal average on that index is an astounding 200. However, with millions of fewer cars on the road and factories shut down, in just two weeks the smog and pollution cleared, and the index dropped as low as 20. It's not just the index that makes it noticeable either. People are seeing blue skies and seeing the real and impactful difference in limiting pollution levels. This type of experiment of interruption of perceived necessities, along with the associated changes on how we work and how we get to work, would never have been possible if everyone was still going to work and if businesses were still running.

Similar indications related to pollution levels have been seen all over the world. It will be hard to put the lid back on the realization that citizens now have factual knowledge of just how much of an impact the pollution has on the environment. When things return to normal, you could expect environmentalists to show these results to move the needle on legislation worldwide. We will have to wait and see, but it is a snapshot we would never have seen without the pandemic.

Virtual Workspaces

An obvious outcome of the pandemic is the realization of how easy it is to work virtually. This will change the perspective of workers around the globe and change the landscape of how work gets done. Similar to the pollution example, this is an experiment that would never have been conducted on this scale without the necessity caused by the pandemic. Video conferencing and telecommuting have created new work cycles and ways of getting things done without commuting into the office. Similarly, it has also exemplified what doesn't work without in-person meetings. With millennials already challenging the status quo with advances in technology and a different view on

work-life balance, this is sure to be a trend that will continue to reshape our business infrastructures and employment landscapes.

Virtual Schooling

As schools and parents moved to virtual schooling with little time to plan, it has changed the landscape of the educational system. Many teachers and parents are working from home while teaching their own children. Burgeoning online teaching businesses like Outschool provide new and interesting ways for children to learn about topics they are interested in while providing work to anyone with the capacity to teach something of interest to a group of approximately five kids on video conferencing. Topics vary from finance, fractions, improv, music, art and fitness. Many classes are using Google Classroom to keep the class curriculum focused.

We may see an increase in the availability of integrative and engrossing online learning technology. We may see more students transferring to home schooling as it provides more flexibility for family life, or we may see a stronger appreciation for the school system for those who have been scared straight.

Recognition

I would like to extend deep and sincere appreciation to all those who work and support this industry. During a health crisis that increases the mortality rate so dramatically in such a short period of time, those who serve the population in the death-care industry are as important as our first responders and front-line workers. The country is looking to those who serve them in this industry to offer compassion and solace in saying goodbye to loved ones that due to isolation they were not able to offer. Through how you conduct yourselves and how you care for your families, you provide much needed hope that we will all get through this together. •