

# UW Now Livestream: Our economic possibilities

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**MADISON, WI** (November 11, 2020) It's no great surprise, but it still bears saying: the COVID-19 pandemic has been an economic crisis as well as a health crisis.

"Economic activity has largely followed the swings in virus activity," says Noah Williams, a professor of economics at UW-Madison. "Even though businesses remain open, they're still down significantly. Employment has fallen off with the resurgence of the virus and restrictions on dining and closure of some bars."

Williams, the founding director of the Center for Research on the Wisconsin Economy, joined Ananth Seshadri, chair of the UW's economics department, for The UW Now Livestream on November 10. Both spoke with Wisconsin Foundation and Alumni Association president and CEO Mike Knetter for a conversation about the future of the economy in Wisconsin and the nation.

Both economists noted the depth of the current recession. "By whatever measure, we're still down quite a ways, but also consistent with a relatively significant continued slowdown," said Williams. "The rate of improvement has slowed down."

Seshadri described the pandemic recession as a particular concern for small businesses. "A huge area of concern is what happens to small businesses," he said. "Small business revenue, while it did perk back up in the months of May and June when we opened, it plateaued at a level that's about 25 percent less than what it was pre-pandemic."

Each professor gave a brief presentation and then both took questions from viewers who followed the event live on YouTube. Seshadri noted that the nation's response to the pandemic has had surprisingly deep impact on the economy, despite leaders' professed desire to get the economy back on track.

"America is a country that spends about 17 percent of GDP on health. It's just pretty stunning that we underspent and allocated far fewer funds than would have been optimal or efficient on testing or contact tracing or things of that nature," he said. He added that people ought not to look at promoting economic recovery and preventing the spread of coronavirus as a choice between opposites. "There's not necessarily a tradeoff. With health measures, we can control the pandemic and also save the economy."

To hear more from Williams and Seshadri, [view a recording of The UW Now](#). The series is offered via YouTube and will continue through the summer. The next event will be November 17 and will explore the 2020 election.