

COVID-19: WHAT WE KNOW AIN'T SO

Mark Twain (Samuel Clemens) is sometimes credited with saying, “It ain’t what you don’t know that gets you in trouble. It’s what you know that ain’t so”—no one seems to know who actually said it.

Sonal Desai, Chief Investment Officer at Franklin Templeton Fixed Income, published the results of a [Franklin Templeton-Gallup project](#) that sought to measure perceptions—and misperceptions—about COVID-19. The overarching insights were:

- Notwithstanding the popular demand that we “follow the science,” Americans misperceive the age-specific risks of death from COVID-19;
- The degree of misperceptions depends on self-identified political affiliation and source of news; and
- People claim to be willing to pay a significant “safety premium” to avoid (mis)perceived risk.

We summarize some of the findings here; the larger report is worth reading.

AGE RISK. Survey respondents over-estimated the risk of death for people under 65 years of age and underestimated the risk for those over 65 (Figure 1). For context, nearly 80% of US COVID-19 deaths have been people over the age of 65; nearly 79% of deaths occur in the over-65 group during any particular year. Respondents’ over-estimated the portion of deaths among the young—those under 25 years of age—by a factor of 4,000% (Figure 2).

Respondents’ fear that they might experience negative health consequences was also over-estimated for all age groups, except those over 65 (Figure 3). Desai writes, “the CDC has clearly stated on its website that ‘Among adults, the risk of severe illness from COVID-19

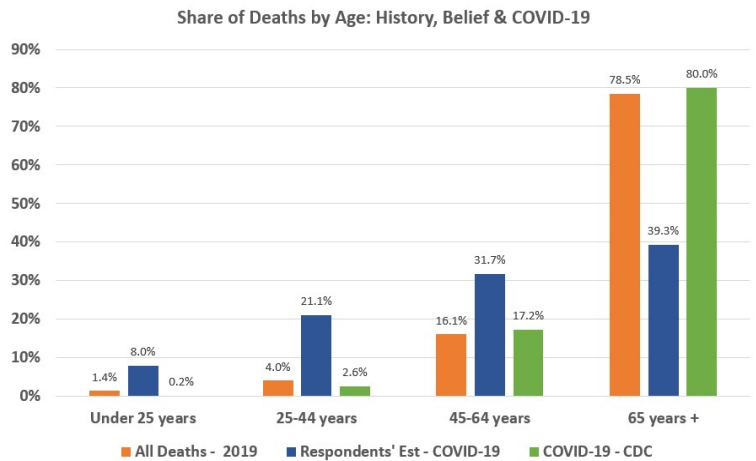


Figure 1 - Perceptions of Age Influence on Death

FEAR OF HEALTH CONSEQUENCES FROM COVID-19 VS. ACTUAL MORTALITY DATA, BY AGE BRACKET

Share of respondents worried for serious health effects from coronavirus compared to deaths reported by the Centers for Disease Control and Prevention (CDC)

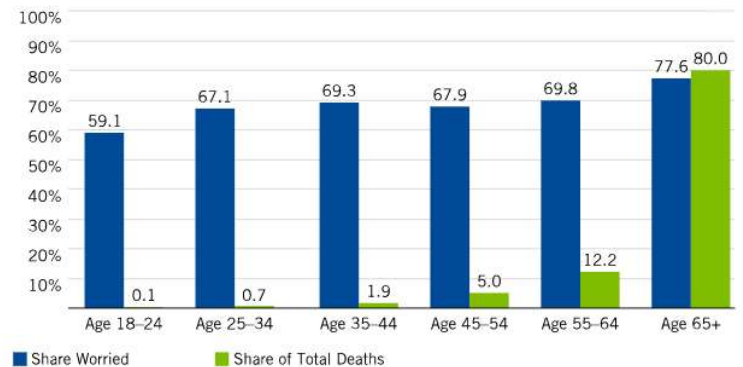


Figure 3 - Perceptions of Age Influence on Serious Health Risks

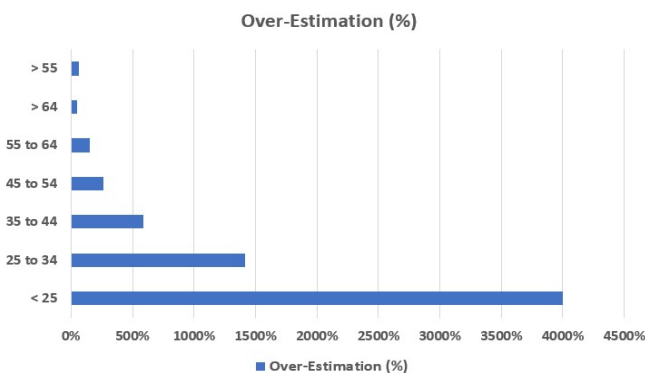


Figure 2 - Estimation Error of Age Influence on Death



10 Leading Causes of Death by Age Group, United States – 2018

Rank	<1	1-4	5-9	10-14	15-24	25-34	35-44	45-54	55-64	65+	Total
1	Congenital Anomalies 4,473	Unintentional Injury 1,226	Unintentional Injury 734	Unintentional Injury 692	Unintentional Injury 12,044	Unintentional Injury 24,614	Unintentional Injury 22,667	Malignant Neoplasms 37,301	Malignant Neoplasms 113,947	Heart Disease 526,509	Heart Disease 655,381
2	Short Gestation 3,679	Congenital Anomalies 384	Malignant Neoplasms 393	Suicide 596	Suicide 6,211	Suicide 8,020	Malignant Neoplasms 10,640	Heart Disease 32,220	Heart Disease 81,042	Malignant Neoplasms 431,102	Malignant Neoplasms 599,274
3	Maternal Pregnancy Comp. 1,358	Homicide 353	Congenital Anomalies 201	Malignant Neoplasms 450	Homicide 4,607	Homicide 5,234	Heart Disease 10,532	Unintentional Injury 23,056	Unintentional Injury 23,693	Chronic Low. Respiratory Disease 135,560	Unintentional Injury 167,127
4	SIDS 1,334	Malignant Neoplasms 326	Homicide 121	Congenital Anomalies 172	Malignant Neoplasms 1,371	Malignant Neoplasms 3,684	Suicide 7,521	Suicide 8,345	Chronic Low. Respiratory Disease 18,804	Cerebro-vascular 127,244	Chronic Low. Respiratory Disease 159,486
5	Unintentional Injury 1,168	Influenza & Pneumonia 122	Influenza & Pneumonia 71	Homicide 168	Heart Disease 905	Heart Disease 3,561	Homicide 3,304	Liver Disease 8,157	Diabetes Mellitus 14,941	Alzheimer's Disease 120,658	Cerebro-vascular 147,810
6	Placenta Cord. Membranes 724	Heart Disease 115	Chronic Low. Respiratory Disease 68	Heart Disease 101	Congenital Anomalies 354	Liver Disease 1,008	Liver Disease 3,108	Diabetes Mellitus 6,414	Liver Disease 13,945	Diabetes Mellitus 60,182	Alzheimer's Disease 122,019
7	Bacterial Sepsis 579	Perinatal Period 62	Heart Disease 68	Chronic Low Respiratory Disease 64	Diabetes Mellitus 246	Diabetes Mellitus 837	Diabetes Mellitus 2,282	Cerebro-vascular 5,128	Cerebro-vascular 12,789	Unintentional Injury 57,213	Diabetes Mellitus 84,946
8	Circulatory System Disease 428	Septicemia 54	Cerebro-vascular 34	Cerebro-vascular 54	Influenza & Pneumonia 200	Cerebro-vascular 567	Cerebro-vascular 1,704	Chronic Low. Respiratory Disease 3,807	Suicide 8,540	Influenza & Pneumonia 48,888	Influenza & Pneumonia 59,120
9	Respiratory Distress 390	Chronic Low. Respiratory Disease 50	Septicemia 34	Influenza & Pneumonia 51	Chronic Low. Respiratory Disease 165	HIV 482	Influenza & Pneumonia 956	Septicemia 2,380	Septicemia 5,956	Nephritis 42,232	Nephritis 51,386
10	Neonatal Hemorrhage 375	Cerebro-vascular 43	Benign Neoplasms 19	Benign Neoplasms 30	Complicated Pregnancy 151	Influenza & Pneumonia 457	Septicemia 829	Influenza & Pneumonia 2,339	Influenza & Pneumonia 5,858	Parkinson's Disease 32,988	Suicide 48,344

Data Source: National Vital Statistics System, National Center for Health Statistics, CDC.
Produced by: National Center for Injury Prevention and Control, CDC using WISQARS™.



increases with age, with older adults the highest risk.’ Recent concerns of possible adverse long-term consequences are by necessity speculative, since we obviously do not have long-term data yet.”

Not asked in the survey was respondents’ sense of competing risks—e.g., how do the risks of illness or deaths from COVID-19 compare to other risks.

For those under 45 years of age, the leading cause of death in 2018 was unintentional injury, followed by suicide. For those between 45 and 64 years old, it was malignant neoplasms (cancers). For people 65 years old and older, the leading cause was heart disease.

The CDC reported in July that those diagnosed with the virus had an average of 2.6 serious comorbidities—including heart disease, cancer, respiratory diseases and diabetes—plus COVID-19.

For those between 10 and 34 years old, suicide (mental health) and homicide (crime) would seem to be rational areas of concern.

SOURCES OF DISTORTION. In *Thinking, Fast and Slow*, psychologist Daniel Kahneman explained, among other things, availability bias and the effect of “vivid pictures”—i.e., images that elicit strong emotional responses. Vivid news coverage of Italian hospitals crowded with dying COVID-19 patients awaiting care carries more weight than statistics and risk ratios as people consider their personal (and society’s) health risk. Likewise, images the USNS Comfort docked in New York City to handle the “tens of thousands of anticipated cases” and closed schools.

While not quantifying for readers the effects of news source and partisanship, the Franklin-Templeton study identified fear and anger as reliable drivers of engagement for both news outlets and political leaders. “[S]cary tales of young victims of the pandemic, intimating that we are all at risk of dying, quickly go viral; so do stories that blame everything on your political adversaries. Both social and traditional media have been churning out both



types of narratives in order to generate more clicks and increase their audience.”

The Franklin-Templeton team reported that misperceptions about the influence of age on death and health risks tended to be greater for self-identified Democrats and those that relied on social media for news.

The content of news can create misperceptions when facts are concealed or manipulated. A recent report from Nashville (TN) documented that the mayor’s office and public health officials worked jointly to sustain the misperception that bars and restaurants represented a dangerous transmission source; hence continued restrictions and closures were justified.

PAYING FOR SAFETY. Study respondents that over-estimated deaths among the young were also “more cautious about making purchases, more reluctant to travel, and favor keeping businesses and schools shut.”

Self-identified Democrats were about as willing to eat indoors at a restaurant operating at 25% of capacity as self-identified Republicans at full capacity. Democrats were more willing to comply with public health guidelines on masks—regardless of local infection rates—than Republicans.

The survey included a series of questions about people’s willingness to personally pay for enhanced safety (Figure 4). “Assume you are purchasing a plane ticket for personal travel for \$500. Would you be willing to pay the following extra amounts to ensure an empty seat next to you?”

- Half of respondents claimed they were willing to pay up to \$100 (a 20% premium on the original ticket price) for the empty seat.
- Those that travel more frequently were more willing to pay higher premia.

The Franklin-Templeton team inferred that the willingness to pay a relatively large safety premium could foreshadow an inflationary tendency, as suppliers seek to enhance perceptions of safety in exchange for higher prices.

RESPONDENTS WERE ASKED: ASSUME YOU ARE PURCHASING A PLANE TICKET FOR PERSONAL TRAVEL FOR \$500. WOULD YOU BE WILLING TO PAY THE FOLLOWING EXTRA AMOUNTS TO ENSURE AN EMPTY SEAT NEXT TO YOU?



Figure 4 - Paying a Risk Premium

We live in a world where truth is subjective. Narratives are created around tortured data to engage people; influence opinions and decisions; and affect public policy. It probably always has been that way. Surveys, polls and statistics allow us to measure influence, and get better at directing it. Political leaders and news sources have their own reasons to increase and exploit engagement. That is the reason we began our Public Interests initiative: *What are the real numbers? What do they mean?* Let people come to their own conclusions and informed decisions.

We appreciate the feedback we have gotten from people that think our work is helpful. Thank you. We hope readers will help us continue the effort (<https://gofundme.com/f/just-the-numbers>).

Note: This work was completed without commercial sponsorship of any kind from any source. We established a GoFundMe site (<https://gofundme.com/f/just-the-numbers>) to help underwrite our effort to develop independent, politics-free analyses.

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