

There Is Evidence that Illinois’ Re-opening Plan Has Worked — For Now

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“*We’re listening to the scientists and doctors, because the number one thing is, we don’t want to open the economy and then close it again.*”
—Illinois Restaurant Association President Sam Toia on May 20, 2020.

There is strong evidence that [Restore Illinois](#), the state’s phased economic re-opening plan, has worked— for now. Illinois’ response to the novel coronavirus disease (COVID-19) was “[quick, coordinated, and sustained](#),” with Governor J.B. Pritzker [choosing to follow the science](#) rather than rush to re-open too quickly. In fact, Illinois was the [second state to issue a stay-at-home order](#) on March 21, 2020 and was one of the last states to re-open, with the stay-at-home order [effectively expiring on May 29, 2020](#) as the state entered [Phase 3](#). Illinois was also one of the first states to issue a mask or face covering requirement for residents in indoor facilities and in high-density open-air environments where social distancing is difficult.

Meanwhile, states like Arizona, Florida, and Texas issued stay-at-home orders about two weeks later than Illinois and began re-opening their economies between two and four weeks earlier than Illinois. Illinois’ cautious yet firm approach [prompted many commentators to express frustration that the state was re-opening too slowly](#) even though [research by two University of Chicago economists](#) found that virus itself— and people voluntarily choosing to stay home to avoid infection— was responsible for 88% of the drop in consumer activity while government restrictions only accounted for the other 12%.

FIGURE 1: LEGAL LIMITATIONS TO PROTECT PUBLIC HEALTH DURING COVID-19, SELECTED STATES

Legal Limitations to Protect Public Health	Stay-at-Home Order in Effect	Stay-at-Home Order Expired	Mask or Face Covering Order
Illinois	March 21	May 29	May 1
Arizona	March 31	May 15	None
Florida	April 3	May 4	None
Texas	April 2	April 30	July 3

Source(s): [The New York Times, 2020a](#); [The New York Times, 2020b](#)

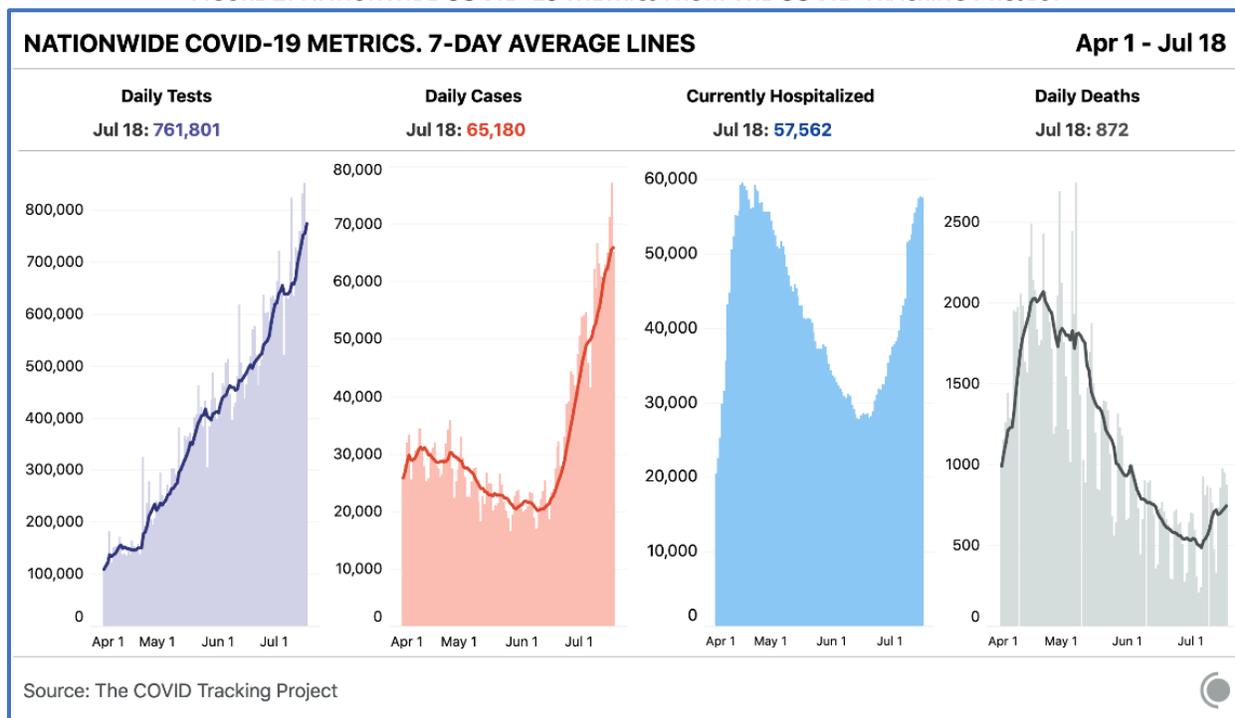
*Phase 3 is considered to be the date of re-opening since employees of “non-essential” businesses could return to work

Hospitalizations and Positive Cases

Illinois’ coronavirus outbreak [peaked in mid-May](#). The highest number of new cases in a single day reached 4,045 on May 12 and the highest number of COVID-19-related deaths was 198 on May 13. A little more than two weeks later, Illinois entered Phase 3, which is consistent with the [Centers for Disease Control and Prevention \(CDC\) guidelines](#) of a “downward trajectory of documented cases within a 14-day period.” By contrast, within the past three weeks, Arizona (4,797), Florida (15,300), and Texas (15,038) have all

suffered higher single-day records of new cases than Illinois’ peak in mid-May, contributing to the nationwide rise in COVID-19 cases, hospitalizations, and deaths.

FIGURE 2: NATIONWIDE COVID-19 METRICS FROM THE COVID TRACKING PROJECT



Source(s): The COVID Tracking Project, 2020a – July 18 Daily Update

As public health experts have consistently said, the rise in new cases is not solely due to an increase in the number of tests. Back in mid-April, the percentage of tests that resulted in a positive case of COVID-19 was 22% nationwide. As states enacted stay-at-home orders and restricted certain face-to-face business activities, the nationwide positive test rate declined to 7% in mid-May and 4% in mid-June. However, over the past month, the positive test rate has more than doubled to about 9%.

Illinois residents sacrificed greatly to flatten the COVID-19 curve. Illinois’ positive test rate fell from 21% in mid-April to 9% in mid-May and again to 3% in mid-June, where it has remained relatively constant through this month. By contrast, Arizona, Florida, and Texas– which re-opened two to four weeks before Illinois– have seen their positive test rates rise steeply since mid-May. As of mid-July, Arizona’s positive test rate was 23%, Florida’s was 20%, and Texas’ was 17%.

FIGURE 3: SHARE OF TESTS RETURNING A CONFIRMED CASE OF COVID-19, SELECTED STATES

Positive Test Rate	April 15	May 15	June 15	July 14
Illinois	21%	9%	3%	3%
Arizona	13%	6%	14%	23%
Florida	11%	8%	8%	20%
Texas	16%	6%	7%	17%
United States	22%	7%	4%	9%

Source(s): The COVID Tracking Project, 2020b – Data by State

It is not just cases for which Illinois has flattened the curve while southern states have seen increases. The number of [hospitalizations per one million people](#) has decreased from 341 in mid-May to 113 in mid-June, which is now below the national average of 171 hospitalizations per one million people. By contrast, Arizona (503), Florida (399), and Texas (376) are now suffering from more hospitalizations per one million people than Illinois experienced at its peak.

FIGURE 4: HOSPITALIZATIONS PER ONE MILLION PEOPLE, SELECTED STATES

Hospitalizations Per 1 Million People	April 15	May 15	June 15	July 14
Illinois	334	341	153	113
Arizona	81	116	209	503
Florida	?	?	?	399
Texas	55	62	83	376
<i>United States</i>	<i>181</i>	<i>131</i>	<i>85</i>	<i>171</i>

Source(s): [The COVID Tracking Project, 2020b – Data by State](#)

Community Mobility

By flattening the curve, Illinois’ mobility trends have started to recover back to pre-COVID-19 levels. [Google’s Community Mobility Reports](#) compare visits and length of stay at different places compared to the median value in January 2020. According to this data, visits to retail and recreation locations– which include restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters– fell 41% in Illinois in mid-April, below the 36% drop nationally. Mobility in Illinois (-34%) remained below the national average and Arizona, Florida, and Texas in mid-May as Illinois was in Phase 2 while the three southern states were re-opening. However, as of this month after Illinois entered Phase 4 of its re-opening plan, Illinois residents were only making 8% fewer visits to retail and recreation establishments while the three southern states all went backwards, making between 16% and 23% fewer trips compared to the baseline.

FIGURE 5: MOBILITY TO RETAIL AND RECREATION LOCATIONS, SELECTED STATES

Retail & Recreation Mobility	April 15	May 15	June 15	July 14
Illinois	-41%	-34%	-15%	-8%
Arizona	-31%	-26%	-17%	-22%
Florida	-42%	-33%	-19%	-23%
Texas	-29%	-24%	-12%	-16%
<i>United States</i>	<i>-36%</i>	<i>-29%</i>	<i>-14%</i>	<i>-12%</i>

Source(s): [Google, 2020 – Community Mobility Reports](#)

Small Business Activity

As a result, small business activity has picked up slightly in Illinois while declining in Arizona, Florida, and Texas. [According to Homebase](#), a scheduling and time-tracking tool used by over 100,000 local businesses, Illinois had fewer small businesses open than Arizona, Florida, Texas, and the national average during its stay-at-home order and early phases of the Restore Illinois plan. However, by reducing COVID-19 cases,

hospitalizations, and deaths, Illinois now has 20% fewer small business locations open (compared with March 2020), which is a smaller drop than the U.S. average (-21%), Arizona (-25%), Florida (-24%), and Texas (-23%).

FIGURE 6: SMALL BUSINESS LOCATIONS OPEN, SELECTED STATES

Small Business Locations Open	April 15	May 15	June 15	July 14
Illinois	-48%	-38%	-27%	-20%
Arizona	-37%	-24%	-19%	-25%
Florida	-47%	-29%	-20%	-24%
Texas	-42%	-25%	-18%	-23%
<i>United States</i>	<i>-46%</i>	<i>-32%</i>	<i>-21%</i>	<i>-21%</i>

Source(s): [Homebase, 2020 – Real-time Coronavirus Data](#)

Similarly, the number of hours worked by employees at these small businesses is also higher in Illinois than in the three hard-hit southern states. [Once again according to Homebase](#), hours worked by employees have recovered significantly in Illinois, from a 49% drop in mid-May to a 23% decrease in mid-July (compared with March 2020). By contrast, Arizona, Florida, and Texas have all essentially returned to mid-May levels, with employee hours down between 27% and 30% as of July 14, 2020.

FIGURE 7: HOURS WORKED BY EMPLOYEES AT SMALL BUSINESSES, SELECTED STATES

Hours Worked by Employees	April 15	May 15	June 15	July 14
Illinois	-62%	-49%	-31%	-23%
Arizona	-49%	-32%	-24%	-30%
Florida	-58%	-40%	-24%	-30%
Texas	-50%	-32%	-19%	-27%
<i>United States</i>	<i>-56%</i>	<i>-40%</i>	<i>-22%</i>	<i>-23%</i>

Source(s): [Homebase, 2020 – Real-time Coronavirus Data](#)

Consumer Spending Habits

While economists closely watch gross domestic product (GDP) and the unemployment rate to evaluate the economic recovery, these are “lagging indicators” for which data takes months to be released. That’s why economists also consider faster-moving indicators— such as consumer spending and initial unemployment claims— to be “very useful” in predicting the economic recovery, [according to a FiveThirtyEight and University of Chicago survey of 31 economists](#).

The [Opportunity Insights COVID data dashboard](#), maintained by economists at Harvard University and Brown University, shows that total spending by all consumers had decreased by 6% in Illinois in mid-July compared to January 2020— based on credit card and debit card usage. While Illinois once had a larger drop in consumer spending than the U.S. average and the three hard-hit southern states in May, it is now faring better than the U.S. average (-7%), Arizona (-9%), and Texas (-8%). Only Florida (-5%) has had a slightly better recovery in consumer spending than Illinois as of July 8, 2020.

FIGURE 8: TOTAL CONSUMER SPENDING COMPARED TO JANUARY 2020, SELECTED STATES

Consumer Spending	April 15	May 15	June 15	July 8
Illinois	-31%	-21%	-10%	-6%
Arizona	-32%	-19%	-12%	-9%
Florida	-25%	-12%	-6%	-5%
Texas	-28%	-15%	-8%	-8%
United States	-31%	-17%	-9%	-7%

Source(s): [Opportunity Insights Economic Tracker, 2020](#)

Unemployment Insurance Claims

Finally, while the U.S. Department of Labor reports that Illinois' unemployment rate was [14.6% in June 2020](#), which was 3.5 percentage points above the national average of 11.1%, the data is a “lagging indicator” which only shows economic progress up to Phase 3 of the Restore Illinois re-opening plan. The move from Phase 3 into Phase 4 is likely to show a return to work for more Illinois workers as activities such as indoor dining were resumed.

A potentially better metric to gauge the effectiveness of the economic recovery is to look at continuing claims in the [weekly unemployment insurance reports released by the U.S. Department of Labor](#). For the week ended July 4, Illinois had about 663,000 people receiving unemployment insurance payments. This represents 10% of the overall labor force in the state. On this metric, Illinois is doing about as well as the national average (11%), Florida (9%), and Texas (10%). Only Arizona had a significantly smaller share of insured unemployed people (6%) than Illinois as of July 4, 2020.

FIGURE 9: INSURED UNEMPLOYED AS SHARE OF LABOR FORCE, AS OF JULY 4, 2020, SELECTED STATES

Unemployment Claims	Insured Unemployed for Week Ended July 4	Labor Force (June 2020)	Insured Unemployed as a Share of the Labor Force
Illinois	663,000	6,488,000	10%
Arizona	222,000	3,497,000	6%
Florida	890,000	9,767,000	9%
Texas	1,340,000	13,840,000	10%
United States	17,760,000	159,932,000	11%

Source(s): [U.S. Department of Labor, 2020](#); [U.S. Bureau of Labor Statistics, 2020](#)

Conclusion

Recent economic data suggests that Illinois' economic re-opening plan has worked — for now. Even as the state has re-opened much of its economy in Phase 4, the overall share of tests coming back positive has leveled off at about 3% and hospitalizations per one million people have declined. Meanwhile, Illinois' economic recovery has generally been better than both the national average and the three hard-hit southern states of Arizona, Florida, and Texas on retail and recreation mobility, businesses open, hours worked by employees, overall consumer spending, and initial unemployment claims.

All of that could change, however. While many states are still in the first wave of COVID-19 cases, hospitalizations, and deaths, Illinois has flattened the curve. But it is possible that Illinois could experience a second wave of COVID-19 infections and fatalities as the seasons change and the cold weather requires Illinois residents to return indoors, where [the virus is more easily transmitted](#) and [patients could be 19 times more likely to catch the coronavirus](#). Illinois residents must remain vigilant and continue to practice the three W's: [wear a mask, wash your hands, and watch your distance](#). If residents continue to do their part, the virus will be contained, the economy will remain open, and Illinois will emerge from the public health crisis stronger than other states.

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