

## TOP LINE

Accurate predictions are difficult to make in the best and most stable of circumstances. Predictions assume that variables hold to a relative pattern, even as room for deviation is factored into projections and models. While uncertainty and volatility are nothing new, the events of the past few months have introduced unpredictability into the full spectrum of American life. An upcoming U.S. Presidential election, an oil price war, a once-in-a-century global pandemic, staggering economic disruption and record unemployment, and significant protests and social unrest have each disrupted the status quo. In this manner, political, economic, social, geopolitical, and health sectors have all faced upheaval in a brief window of time, leading to consequences not foreseen or fully understood.

The COVID-19 pandemic is unlike anything we've seen in our lifetimes. The economic shutdown was engineered in response to the pandemic making it also unlike anything we've seen in our lifetimes. Given the uniqueness of such an economic decision, predictions of how the economy would behave upon the reopening of businesses faced high degrees of uncertainty. Economists could only guess how different economic variables would respond to the easing of lockdowns; these variables included supply, demand, and human behavior. Expectations were low going into May as the number of COVID-19 cases in the U.S. and worldwide continued to grow in an unpredictable and patchwork fashion. The U.S. economy was predicted to lose approximately 8 million more jobs in May; however, it gained 2.5 million new jobs, injecting hope that the artificially engineered shutdown did not irreparably damage U.S. economic activity.

Nevertheless, many job gains were for part time positions and it is unclear if the new jobs truly represent an economic rebound or are an indicator of continued volatility. Regardless of whether job growth continues, the major miss in jobs predictions for May demonstrates the unprecedented nature of the current environment. It reveals gaps in the tools, data, and understanding experts use for modeling and projections. There is no road map for economic recovery in the current environment and continued economic volatility remains probable. In plotting a way forward, business leaders should view projections with a critical eye. Practical considerations must be made for potential of disrupted supply chains or delayed openings due to the pandemic or economic, social, or political unrest. Strategic planning should not be neglected even as businesses face an unclear future.

*Question to Consider:*

*How can business leaders institute strategic plans for their businesses amidst turbulent and unpredictable political, economic, social, geopolitical, and health environments?*

## COVID-19: THE HIGHLIGHTS

The United States' and (portions of) Western Europe's experiment in social distancing was abruptly [halted](#) by large scale protests advocating racial equality. The degree to which protest attendees wore masks or other face coverings varied, and the [consequences](#) of the mass gatherings in terms of public health will not be fully known for weeks. Should protests result in spikes in COVID-19 cases, the gradual reopening of businesses will likely suffer a setback, further hindering economic recovery and unemployment rates. Conversely, an insignificant change in COVID-19 cases in the wake of protests will undermine health officials' arguments for continued business closures in the name of public health. To this end, social distancing [fatigue](#) is becoming apparent across the globe as job losses and business failures toll of COVID-19 continues to rise even as the virus itself has yet to impact some communities.

## BEYOND THE NOISE

**Job growth:** The US jobs report for May showed that the U.S. economy, which had been expected to lose another 8 million jobs in May, instead [added](#) 2.5 million jobs, pushing the unemployment rate down to 13.3 percent. However, it is possible the U.S. unemployment rate is much higher than reported. The U.S. Bureau of Labor Statistics made a misclassification [error](#) which may have lowered the reported U.S. unemployment rate by up to three percent for May. Even so, the May jobs report defied expectations, highlighting the [difficulty](#) in making accurate economic forecasts during crises.

- Secure expectations: Gather information from a diversity of resources when considering economic and market forecasts and projections. Consider that forecasters are subject to the same emotions and sentiments that effect business, health, and policy decisions during crises.

**Oil and airlines:** Following an oil price war which coincided with the COVID-19 pandemic, oil prices have stabilized and American [shale](#) producers have renewed production even as the market continues to recover. The pandemic did not leave oil companies unscathed however, and BP PLC announced plans to [cut](#) fourteen percent of its global work force. Additionally, while [Boeing](#) stocks rebounded amidst a gradual reopening of businesses, [airports](#) and [airlines](#) alike continue to prepare for ongoing travel limitations and a prolonged economic recovery.

- Secure preparation: Plan for an ongoing economic recovery with inconsistent growth across sectors. Establish strategies for multiple trajectories of economic recovery and business regrowth.

## TRUSTED RESOURCES: for numbers & guidance

[Johns Hopkins University](#) – Coronavirus Resource Center

[World Health Organization](#) – COVID-19 Pandemic

[Center for Disease Control](#) – Coronavirus (COVID-19)

*Please contact Secure Source International at [info@securesource.com](mailto:info@securesource.com) to schedule a leadership roundtable with our intelligence and security experts to dive into these topics and discuss security and safety related best-practices..*