Putting a Panic Into Perspective

To make sense of our unprecedented situation, Philanthropy interviewed a range of experts—doctors, governors, economists, funders, entrepreneurs—to get their perspectives on the covid-19 panic. What follows is a sampling of edited responses from eight impressive observers, interwoven together so you can compare viewpoints. (You may read a full interview with each person at PhilMag.org/news-archive.) Here are our commentators (depicted above from left to right):

- Leo Linbeck is a prominent Houston businessman and philanthropist who also teaches at Stanford Business School.
- Mike Leavitt is a former governor of Utah and former U.S. Secretary of Health and Human Services (where he wrote the federal pandemic response plan).
- Steve Moore leads the M. J. Murdock Charitable Trust in Washington state.
- Sheryl Sandberg is Facebook’s chief operating officer.
- Carl Schramm is a public-health economist who headed the Ewing Marion Kauffman Foundation for a decade.
- Bernie Marcus is cofounder of Home Depot and has given away more than $2 billion so far.
- Tony Atala is one of the world’s leading researchers in regenerative medicine.
- Eric Fingerhut is CEO of the Jewish Federations of North America.

Philanthropy: How long will we feel the effects of covid-19? How do we “reopen”?

Leavitt: Pandemics don’t happen often—every 30, 40, 50 years—but when they do, life becomes different.

This pandemic is going to have long-term consequences. Even if we do create a vaccine, it will take another year or more to get it to billions of people across the world. We’re likely to be dealing with this virus for a matter of years, not months. We’re going to have to adjust the way we live.

Atala: The good news is that most states reached peak infection rates by early May. After that the curve heads downward. Of course when people return to work and normal life there will be some increase of cases, as is typical of epidemics. But the general trend is encouraging.

Reopening things will totally depend on each state, because the numbers are very, very different. Seattle, New York City, parts of Michigan, New Orleans are hot spots. But in places like Iowa or Wisconsin it hasn’t been bad. So it has to be a regional decision on when different kinds of places open up. Then if you avoid unnecessary travel and continue social distancing and careful hygiene you’re going to be okay.

Linbeck: We have to rely on people’s individual agency to make those judgments, knowing they’re going to get some things wrong and some things right. We can’t centralize all decisions, because the next step is tyranny. We have to push these determinations away from central authority, to governors, and particularly to local communities.

Philanthropy: What do you see happening in the economy?

Marcus: Small businesses are getting killed. By my calculation, around 15 percent of small businesses will never open again. Cash flow is king, and without sales many small firms have no staying power.

I’m very concerned about the U.S. economy in general. I’m not sure how quickly people will go back on public transportation and into elevators and do all the things that have to happen for the
economy to turn up. We're going to be in deep trouble for a while.

The government had to offer the CARES Act, because the government is the one that shut the businesses down. But the government cannot keep writing checks. The debt is going to be enormous. Private enterprise—landlords, mortgage companies, bankers, employers of all sorts—need to find ways out of this mess.

Linbeck: For Houston, the impact of covid on economic activity has created a big secondary problem. When you shut down massive parts of the global economy, demand for energy just plummets. So the most important industry in our city is on life support. There are a lot of people with jobs tied to that, jobs that are not coming back anytime soon. So it's a little bit like being in the eye of a hurricane.

Schramm: I taught at the Johns Hopkins School of Public Health for 16 years, and I'm influenced by the scholarship of Henry Sigerist. He was a Hopkins professor in the World War II era who came to the view that if you want to improve the health of a population, the best thing you can do is increase personal income. You don't build hospitals. You don't train more doctors. You don't build public-health schools. You find ways to help people earn disposable personal income. He's still absolutely right. Perhaps if Dr. Fauci had internalized Sigerist, he would be more absolutely right. Perhaps if Dr. Fauci had internalized Sigerist, he would be more humble in his staccato declarations about the economy.

We're going to have GDP declines and unemployment at Depression rates. Capital investment is collapsing. Over time, the more subtle issue will be the decay of job skills. These developments will hurt America—including our health—in many, many ways. Economic crises lead to increased heart disease, alcoholism, drug abuse, and suicide.

Leavitt: There's never been a widespread pandemic like this that didn't have profound impact on economics, on politics, on sociology. A pandemic drives big change; that's just a fact of history. And you can already see it happening economically. It's also going to have a big impact both on American politics at home and geopolitics abroad.

Philanthropy: What other sectors in our society should we keep an eye on?

Atala: By postponing medical care we've created a backlog of cases. We'll still have to attend to those patients; their diseases didn't go away. Indeed their conditions will get worse as a result of canceled appointments.

And by disrupting normal medical services we've also decreased payments and reimbursements. Which means financial disruption for hospitals and doctors. So our health-care systems are being drained financially.

Linbeck: Education is going to be really interesting to watch. Let's say I'm a high-school senior accepted to a small liberal arts college in a bucolic setting, and I was anticipating participating in dorm life and going to classes and having office hours with cool professors with beards. But now I'm basically living at home dialing in on a Zoom call. Explain to me why I'm paying you $35,000 or more for this?

That whole economic model was stretched to begin with. Colleges have high fixed costs. If they lose 20 percent of their expected enrollment, they're under water. The elite schools will be fine. But for students, if campuses don't open this fall it's really an awful experience.

Philanthropy: What can donors do?

Sandberg: I started fundraising immediately for my local food bank. In the first 48 hours we raised more money than we ever have. I called donors and said, “This is an emergency,” and every single person said, “Yes, I'm going to write a bigger check than I've ever written before and I'm so glad that we're doing this.” I also started a personal Facebook fundraiser which was quickly more than double what I've ever raised on Facebook before.

This is not just a health crisis, but also a humanitarian, basic-needs crisis. Think about a child used to getting 10 of 21 meals at school. That goes away when school is closed.

Linbeck: You need to focus very closely on the community right around you. Stop flying around the world and listening to distant cultural seers. The people you need to serve are right in front of you, and they know better than any expert what is working and what's not. I think philanthropy is going to naturally move back to a more local focus. And that will be a good thing.

The economic destruction will be all around us. There's going to be a lot of neediness in every community, especially big cities. Think how you can help people who have lost their jobs, how to keep them in their homes. Philanthropists are realizing, “This is why we're here. This is our moment.” We ought to be pushing 25 percent of our assets out the door.

Fingerhut: Our number-one priority at the moment is helping organizations sustain themselves. Many charities had their revenues drop substantially during the lockdown. Some have extra expenses because more people are in need. Some are at risk of bankruptcy and not being able to reopen when the all-clear comes. To lose in one moment charitable infrastructure that took decades to build would be a tragedy.

Some of our federations have dipped deeply into reserve funds and endowments. The federation in New York City has, at last count, taken $45 million out of its endowment. Their logic is impeccable: “This is what endowments are for.” For a rainy day, for an emergency.

Moore: Our grantmaking right now is taking place in three layers. One is direct covid response. The second is grants to strengthen nonprofit groups. And the third is help for leaders—for example, we hosted a webinar called “Fundraising in the Midst of a Pandemic” and hundreds of charitable leaders signed up even though we only gave them a week's notice.

Marcus: I'm supporting clinical trials for new ways to treat the virus. One with
Jefferson University in Philadelphia is testing intravenous doses of Vitamin C. Many doctors and hospitals are already using this treatment, but it’s not protocol. It’s the cheapest thing out there, so if it works that’ll be wonderful. We’re also funding tests at Emory University to determine whether or not people retain coronavirus in their blood.

Schramm: We need a revolution in the public-health establishment. Let’s start with practical data. If you go to the WHO, or the CDC, and try to get statistics comparing covid to SARS, Ebola, Lyme disease, anything, there’s no uniform template. Economists work hard to create uniform data sets so we can make sense of the world. We need to understand health threats in equivalent, long-term ways: incidence levels, death rates, virulence, and so forth.

The CDC needs to be challenged by a competitive organization initiated by private philanthropy, modeled on high-tech analytic entities like Palantir. A more effective and efficient alternative to WHO is also needed. And philanthropy should disrupt the bloated and politically correct public-health academy. Does the nation really need 20,000 new graduate degrees in public health annually, telling us that school bullying is our big problem, or that Flint’s water crisis was caused by social injustice rather than incompetent bureaucrats?

A cold-start public-health school, funded by generous and skeptical donors, could create a useful new hybrid of economics and epidemiology and catalyze a renaissance in public-health practice. Focus on maximizing health and economic improvement together. Because a society growing faster economically will provide longer and better life, as Sigerist taught us. Economics ought to have much more influence over public-health issues.

Philanthropy: How are you talking with your grantees?

Marcus: We are reaching out to everybody and saying, “Guys, we’re not stopping any of our grants, but you have to look at your operations and figure out a way to get through this. Life has changed for everybody and it has to change for you. It’s a good time to assess whether you’ve become too bureaucratic, whether you’re still efficient, whether you’re as effective as you could be. And if you’re not, this is a good time to make those changes.”

Moore: We realized that leaders of nonprofits need help figuring out their response. These organizations are only as strong as the wisdom and understanding in their executive teams and boards. So we contacted the best organizational coaches in the region and got some to help. We offered local charities up to a certain number of hours of Zoom consultation.

About 500 of our local nonprofits have participated so far. There are weekly themes. Call participants share with one another. Some working cohorts have emerged—groups of leaders working together on particular topics like camping, or Gospel missions, or youth-serving charities.

These coaches are business experts, organizational experts, they know how to execute immediate pivots. And because the coaches are independent, the charitable leaders can be honest with them, talk about problems without feeling exposed. One of the themes has been “don’t waste a good crisis”—this is a moment to address problems you haven’t had time or space to deal with before. We have to help charities face up to needed reforms.

Philanthropy: Has anything good come out of this virus disaster?

Linbeck: A good thing that could happen would be some movement back toward multigenerational families. I think that would be a fantastic thing for society. Perhaps more grandparents living in proximity, rather than in old folks’ homes.

Marcus: One potential good result is reviving manufacturing here in the U.S. For the things we really depend on, especially in an emergency, we need domestic makers. My foundation is going to work behind the scenes to help that happen.

The other very clear good result is the FDA opening up to new treatments, new equipment, and changing the way they approve drugs. Streamlining those processes has been desperately needed for the last 20 years, but they’ve resisted. This forced them to do it.

There are lots of places where deregulation is still needed. Take telemedicine. I’ve supported telemedicine at Jefferson University for a number of years. It’s crazy that Medicare will not pay for telemedicine. Instead of having patients come to an office and spend hours, and maybe get infected, they can see a doctor on the phone. That’s the kind of efficiency we need to grab hold of.

Leavitt: In some sectors, getting us out of a rut could give us new options. For instance, there have been efforts for at least 15 years to change regulations to allow telemedicine to occur more comfortably. There’s been great resistance from the traditional health-care lobby. In two weeks, those taboos were swept away with emergency regulations, and I don’t think we’ll go back.


That’s one of the really important things that’s come out of this crisis—we don’t need more uniformity and conformity. We need collaboration, but we also need diversification. There’s been a lot of pressure at foundations to conform, to say, “Everybody do it this way.” Pledges go around, and people feel obligated to join the parade.

The alternative is funders giving in unique ways that fit their interests. Bill and Melinda Gates have stepped up to back medical research and testing that fall right in their sweet spot, and they’re doubling down against this virus. That’s what we’re trying to do, invest in our sweet spots.