Valuing a Culture of “Healthy, Wealthy, and Wise”* (*Benjamin Franklin)
Fred Boelter, CIH, PE, BCEE, FAIHA
April 17, 2020

Let’s Get Right to the Question... Was Our COVID-19 Response Worthless or Priceless?

“No man can purchase his virtue too dear, for it is the only thing whose value must ever increase with the price it has cost us. Our integrity is never worth so much as when we have parted with our all to keep it.” - Ovid b.43 BC

“The race to monetize anything and everything emanating from and enabled by connectivity is on.” - Jonah Pransky 2017

“Maybe slavery has been with us for centuries because of the inclination to maintain economic systems geared more toward commodifying human existence than developing its spiritual, creative, or scientific potentials. Such commodification instantly erases any recognition of humanity as a priceless value unto itself and reduces individuals as well as entire races, or a specific gender, to a bargain-priced ‘other’.” – Aberjhani 2019

“Don’t let perfect be the enemy of good.” – Dr. Anthony S. Fauci, American immunologist

The COVID-19 pandemic is now. The urgency is now. The triage is now. Life and death decisions are now. Worth has a monetary component as well as emotional, psychological, physical, and spiritual components. All those components relate to values that most human, societal, and cultural values are impossible to monetize and not one of those components has an easy answer. Much since this past January has been parsed into S.T.E.M. and monetary analyses: protect people and essential services, don’t overwhelm capacity, practice economic damage control.

“Judgment of Worth” underpinnings are impossible to answer in real time. We simply were not ready and we still don’t have the data to accurately model outcomes, so we did what we had to do while the predictive models were updated and adjusted as data became available. That is how science provides reliable answers. We really could not have analyzed tradeoffs and made choices since decision-making in managing risk (DMMR) requires balancing tradeoffs. We did not have the right information and still do not have the right information, so planning anything other than a slow and cautious reopening is also fraught with uncertainty. We will have to adjust quickly as data unfolds.

What is value beyond monetization? If a component of living cannot be monetized, does it really have no value? Is it even fair to monetize something intangible such as a trusted friend or seeing a rainbow? Has our American society become so desensitized to what it means to be human that we cannot see a better future than returning to a consumption-based disposable-everything consumer-first economy? From Winthrop’s “City on a Hill” to Locke’s “Social Contract” to Jefferson’s “Life, Liberty, and the Pursuit of Happiness”, nothing in our immigrant roots, regardless of heritage, suggests that American idealism and purpose was envisioned as accumulating wealth at the expense, struggles, and suffering of others.

What policies and values carry a human appeal, nourish the soul, and fulfill the “Pursuit of Happiness”? Professor Paul Dolan, a behavioral economist, says Happiness is a balance between Pleasure and Purposefulness. To understand this balance is also to recognize if motivations are driven by doctrine or trait of character.

The COVID-19 pandemic reveals another pendulum swinging between panic and complacency. This swing feels very ancient; it happens during the time of every crisis or disaster. Do we really want to prevent the next disaster from happening to us? The virus’ effects ride on waves like a storm; first mild, then vicious, then intermediate. Pandemics are not just biological waves but also create social waves; first mild,
then vicious, then intermediate before humanity can “bounce back”, arguably healthier, but at huge cost of loss. There is a collective memory. There will be a story. There is a Cassandra warning. Mankind continues to struggle with being fully committed to prevent diseases and injuries because it could possibly be an unnecessary expenditure and thus focuses more on treatments and cures for what actually happens. Pandemics of the past century (1918 Spanish Flu, SARS, H1N1, Ebola, MERS, etc.) were not powerful enough to move us to get and stay ready for the current pandemic, but look at the lingering fear created by World War II that motivated all of mankind to create and sustain global institutions to avoid repeating that terrible and avoidable mistake. Disasters and crises bring out both the best and worst in humanity. Good things come out, but there are high prices. Why is prevention so consistently resisted as a price worth paying to avoid injury, illnesses, wars, and disasters?

What Tools are Available to Value Needed Decisions such as Social Distancing and Easing Restrictions?

“Haste in every business brings failures.” – Herodotus b.483 BC, The Father of History

“Wer nie einen Fehler gemacht hat, hat nie etwas Neues ausprobiert.* (*Anyone who has never made a mistake has never tried anything new.)” - Albert Einstein, Theoretical Physicist

“I like it when people are thinking I’m overreacting because that means we’re doing it just right.” – Dr. Anthony S. Fauci, American immunologist

“People have the tendency to value greater that which they currently have and potentially could lose, than they value that which they currently do not have and potentially could gain.” – Professor Daniel Kahneman, Psychologist and recipient of the 2002 Nobel Memorial Prize in Economics Sciences.

Valuation tools and the decisions that result from their use are fraught with moral and ethical considerations. There is no one perfect universally accepted valuation tool that works for every question needing to be analyzed. Dread, emotions, and willingness-to-pay all influence valuations. COVID-19 demands tending to the realities now of a health care crisis while simultaneously planning for the easing of restrictions in the face of uncertainties and opinions.

There are a number of valuation tools that have been developed to monetize programs, initiatives, and investments. Some tools may even apply to decision-making regarding charities and philanthropies whose motives are not profit making or wealth creation but rather fulfilling financial and skills gaps in a social structure and addressing human needs not undertaken by government.

Valuation tools include: Return on Investment (ROI), Net Present Value (NPV), Value of Statistical Life (VSL), Disability-Adjusted Life Year (DALY), Quality-Adjusted Life Year (QALY), Human Capital Approach (HCA), Willingness-to-Pay (WTP), Ability-to-Pay (ATP), Hedonic Wage Approach (HWA), Micro-Mortality (Micromort), Riskiness of Daily Activities (Microlife), and Break-Even Analysis (BEA).
Preventative in form, the dramatic steps of social distancing, stay-at-home orders, hand washing, and masks coupled with health care dedication and postponement of elective treatments have clearly been shown to have saved lives related to COVID-19. We need to evaluate the success of not having experienced the worst predicted COVID-19 outcomes, had those preventative measures not be taken, against the impacts on lives because the health care system wasn’t available for other treatments. Such is the example of the tradeoff data that was not available, but typically is desired when making choices. Now, factor in some people saying that letting more people die would have been the “lesser of two evils” compared with the economy cratering. Such a perspective turns the Hippocratic Oath on its head by arguing for the betterment of society, rather than the individual. In other words, wealth building is more important than health building. It is true that every life is precious and that every life will end. During Elizabethan times a long life was less common, but today average life expectancy is longer because of efforts to reduce disease, improve nutrition and health care, improve health and safety, and improve environmental quality. Today more people live out life’s duration, so longevity is the rule, not the exception. What, then, might be the American social contract for people to have extended lives?

What should be clear by now is that no simple key stroke exists to record a calendar entry marking resumption of our quotidian tasks. Rather, easing restrictions and recovery is probably going to be more akin to a protracted anticlimactic roller coaster ride. Once again, there is missing differential data and the comfort and safety of humans is integral to the calculus. This period of recovery, however, affords an opportunity to reinvigorate in Americans a national sense of purpose.

Valuing a Culture of Health.

“The advancement and diffusion of knowledge is the only guardian of true liberty. Absence is but a prologue to a farce or a tragedy or perhaps both” - James Madison, The Federalist Papers

“It is a false choice between jobs or safety just as it is a false choice between economic prosperity or environmental protection.” - Senator Paul Douglas

“If we get health right, everything else will follow. Engagement is the key to the effective communication, understanding and management of hazards and risk.” - Dr. Alistair Fraser

“If you want the present to be different from the past, study the past.” - Baruch de Spinoza

Whether we know it or not, we are required to look inward and ask, “Why does COVID-19 feel like making a Hobson’s Choice?”

Along, however, with the global shutdown and misfortunes we experience, unprecedented unintended occupational and environmental benefits also occur (not that they weren’t predictable) including cleaner workplaces, cleaner water, cleaner air, and less traffic. As Professor Daniel Kahneman said, people tend to value more highly that which they currently have, as opposed to that which they could potentially gain. It seems reasonable to ask since people now have these benefits, will they be willing to do what is necessary to keep them? Will they embrace prevention, cultivate a “Culture of Health”, resume international agreements such as the 1992 Rio Declaration and 2015 Paris Climate Change Accord, as well as promote “the advancement and diffusion of knowledge”, particularly of scientific knowledge and cooperation?

COVID-19 is revealing just how vulnerable the American workforce has become. The COVID-19 reality calls into question so many aspects of the “Social Contract” and fundamentals of our economic system built on the wealth created during the past 150 years of the Industrial Revolution and unprecedented natural resource consumption coupled with a consumer-is-king concept that serves as a mental model if not legal driver to outsourcing jobs, wage stagnation, and anxiousness about how an aging population will care for itself with dignity, respect and
Valuing a Culture of “Healthy, Wealthy, and Wise”* (*Benjamin Franklin)

Grace. A number of years ago, the National Institute for Occupational Safety and Health (NIOSH) developed a program called Total Worker Health® (TWH) that expands the concept of worker health beyond the traditional industrial fence line. The place of work has changed, the nature of work has changed, benefits offered have changed, and the number of contingent workers is a significant portion of the American workforce.

At a minimum, America is a society that involves both membership rights and obligations for its members. Even when this duality is hard, it is not the end of the world; even the end of COVID-19 is a new beginning.

Some individuals embrace risk solely for the excitement and exhilaration associated with risk-taking. Most humans accept risk as a part of living. As well, there is risk in doing nothing, since doing nothing can lead to negative health outcomes. Most choices are made because some benefit is perceived in making that choice, and thus the benefit can be viewed as an opportunity. A truly free choice, in which risk and opportunity are totally equal, rarely occurs, so tradeoffs are examined and weighed. Perhaps the choice involves a potential gain (benefit) or maybe the avoidance of a potential loss (cost).

To do something means not doing something else. When one choice is clearly better than another, for example exercising on a regular basis, people who never exercise are judged as making a poor choice. The means by which a choice is viewed as better, however, are often controversial, and always depend on a host of social, organizational, scientific and personal mental models as varied as human DNA expression. Everyone has a reason for wanting to be healthy and happy; however, the reasons tend to be personal and can vary person to person. By the same token, some people are risk tolerant and some people are risk averse. Building a culture of health may seem obvious, but cultural stewardship takes leadership, time, patience, and understanding.

Choices are never made in a vacuum. Occupational risk can be viewed by some workers as an opportunity to get a higher salary. They are willing to accept some risk of harm from, for example, chemicals, heights, electricity or mental stress, in order to obtain the opportunity of providing for themselves and their families. These workers may view occupational risk reduction as a threat to their higher income. Most workers view reducing occupational risk by eliminating the job or transferring the occupational risk overseas (or to robots) as extremely threatening. In these cases, occupational risk is viewed as an opportunity right up to the time something happens that is judged undesirable.

Through both science and art, we increase awareness, anticipate conditions, recognize hazards, evaluate exposures, control risks, and confirm efficacy (A.A.R.E.C.C.).

----------------------------------------

Fred W Boelter, CIH, PE, BCEE, FAIHA
Principal
office 208-258-7478
cell 312-560-9113
www.rhprisk.com

This essay is the fourth in a series by the author regarding the topic of risk and COVID-19. At RHP Risk Management, we help our clients characterize the uncertainties associated with environmental and occupational hazards and risks to contextualize meaning that can be understood by their decision-making audiences be they the public, employees, consumers, regulators, or shareholders. For other essays, RHP resources, and more concerning COVID-19, visit www.rhprisk.com/coronavirus/