

Will vaccine mandates boost the economy? Economists think so

*A survey explored US economists' views on President Biden's vaccine mandates. Will the mandates promote a faster and stronger economic recovery? **Romesh Vaitilingam** writes that the 42 economists who took part in the survey were unanimous in replying "yes", with many adding nuanced comments.*

Following the Biden administration's announcement of its intention to require that anyone at a firm with more than 100 employees or in the federal workforce be vaccinated or tested regularly, we invited our US panel to express their views on the likely economic impact of the vaccine mandate. We asked the experts whether they agree or disagree with the following statement, and, if so, how strongly and with what degree of confidence:

Statement: Mandating staff vaccinations and/or regular testing at big employers would promote a faster and stronger economic recovery.

Of our 43 US experts, 42 participated in this survey and they are unanimous in agreeing with the statement. Weighted by each expert's confidence in their response, 74% of the panel strongly agree, 26% agree, and 0% are uncertain or disagree.

The experts are able to include short comments in their responses, and many took the opportunity to add nuance to their agreement or strong agreement with the statement. For example, Steven Kaplan at Chicago comments: 'Agree. But given the evidence that having had Covid provides similar immunity, also should accept previous Covid infections'; while Daron Acemoglu at MIT notes: 'But vaccines and testing are not perfect substitutes. Vaccination is absolutely necessary for reaching something resembling "herd immunity".'

Others call for stronger action. Aaron Edlin at Berkeley says: 'Mandates should extend much further and include eligible students in school and anyone in a public setting with limited exceptions.' Robert Hall at Stanford states: 'Universal vaccination mandate even better.' And Judith Chevalier at Yale adds: 'A massive increase in rapid testing usage would further help.'

Several panellists referred directly to the links between public health and the economy. Eric Maskin at Harvard observes: 'COVID is now being transmitted primarily by unvaccinated people, and these cases cause substantial economic damage.' And his colleague James Stock says: 'The economy continues to be held back by COVID, more vaccination will reduce prevalence', adding a link to his co-authored study of the [economic benefits of COVID tests with a vaccine rollout](#).

Larry Samuelson at Yale explains: 'Economic recovery requires solving the public health problem. Vaccines are our most powerful tool in bringing the virus under control.' Jose Scheinkman at Columbia notes: 'Largest benefit is decrease in hospitalisation/death but increased vaccination in low uptake groups/areas should help economic performance.'

A couple of experts comment on how big the economic impact of the vaccine mandate might be. Abhijit Banerjee at MIT says: 'I think the direction is right but the magnitude is hard to tell.' David Autor at MIT: 'I agree that this will likely make a positive contribution to the recovery – but very likely a small positive contribution.'

Finally, two panellists outline the potential trade-offs in the mandate's economic effects. Robert Shimer at Chicago suggests that: 'Speeding the end of COVID promotes recovery, but this may drive some committed anti-vaxxers away from affected employers. Agree on balance.' Darrell Duffie at Stanford concludes: 'Growth downside: quits by refusers. Growth upsides: healthier workers (supply), reduced contagion and health costs. Upsides dominate.'



Notes:

- *The survey is conducted regularly on different topics by The Initiative on Global Markets, of the University of Chicago Booth School of Business. All comments made by the experts are in the full [survey results](#).*
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