The Economic Impact of Epidemics

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Epidemics have an overwhelming impact on a population both directly and indirectly. The influenza virus infects hundreds of thousands of Americans annually, but affects millions. Several institutions project that the epidemic causes billions of dollars in economic loss yearly. This cost encompasses hospitalizations, insurance premiums, outpatient visits and the largest contribution, death. The figure does not include the disruption to society and commerce during the peak of the epidemic. Several models have been used to estimate the total cost of the influenza epidemic. Most of the models agree that death causes the greatest economic decline. The HIV/AIDS pandemic uses a different model for projecting the economic impact as the disease effects are more persistent and long term. HIV/AIDS has the ability to cause devastation to families, communities, governments, and continents. The consequences of the disease can be felt globally with the concentration of the crisis in Africa. The cost for countries unable to contain the virus will be substantial and persist for decades. Therefore, the problem is unlike famine and other reversible disasters as the economic distress becomes a vicious cycle. The nations with the greatest prevalence of the disease have the lowest standards of living and slowest economies. These governments often lack the resources necessary to combat the costs of the epidemic. Analysis and evidence suggests an increase in policy and education, with a major focus on communities, will provide a starting point for economic growth. No country is immune to epidemics and their impact on the economy therefore prevention and policy go a long way.

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