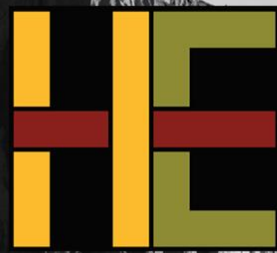


ON THE OTHER HAND

THE NEWSLETTER OF HARVEY ECONOMICS



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Something Good to Come Out of a Terrible, Horrible, No Good, Very Bad Year

Last night, a sense of positivity and optimism nearly overwhelmed me, and I wanted to share this with friends and colleagues. Not since January has the path forward been more clear. Of course, we would rather speak to you about economics, but we cannot ignore 2020 realities, and this latest, hopeful moment deserves reflection from everyone.

The recent results of the mRNA vaccine trials for COVID-19 indicate that science will indeed triumph over this virus. But science is an inanimate word; what actually happened was a dispersed group of researchers from the U.S., Germany, U.K., and other countries including China, deployed almost immediately after the outbreak with an unwavering focus on conquering this new disease. Governments and private interests supported these efforts financially. They succeeded in record time.

This feat deserves extraordinary celebration and gratitude by humans everywhere, but also a deep recognition of what we are capable of as a species. First, we identified a threat. Next, we established a mission. Last, through the marketplace, the most capable people joined the pursuit, and we then provided them the resources to accomplish their collective goal. Of course, this model is not new.

Within HE's world and probably yours, we encounter many issues small and large. We almost intuitively apply this same model to the myriad small issues (for us, selecting an economic assumption), and we move forward. Often, we struggle with the big, seemingly insurmountable problems – opposing sides, lack of clarity, inadequate resource commitment, too much time or effort to fix them.



The "Bathtub Ring" of Lake Powell, Utah, 9/25/2020.

In the Western U.S., the looming shortage of Colorado River Flows is a big problem exemplar, posing an important, direct threat to seven states.

Due to climate change and a host of other reasons, flows have diminished while demand for those waters have grown. Harvey Economics is acquainted with this conundrum through its recent study of the economic impacts this shortage might bring and the likelihood of such an occurrence. While our study focused on the financial impacts on ranchers and the nearby economy, HE understands that the full solution to this larger impending water shortage will require an array of top professionals in diversified fields, all aiming toward a consensus mission. Until that mission is established, local, regional, state, and Federal interests will line up on various sides. The COVID-19 vaccine model shows how to attack the Colorado River Compact challenge, and other forthcoming sizable roadblocks in your world as well.

Since March, we have been on a terrible voyage, but now we can see land in the distance. Before we get there, we should consider how we made it, what we have learned, and reflect on the other big issues that remain unresolved in our professional lives and beyond. We can all do hard things. We know what to do.

With gratitude to all those who helped us through this pandemic and showed us the way out, and to you, our clients and friends who make it all worthwhile,

Ed, Susan, Jess, Kegan, Cae and Jackie

