

ANNE AARON

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IBEN BROWNING



# AIDS

**The Economic Impact of AIDS**

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Anne Aaron  
Iben Browning

Sapiens Press  
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**To Our Grandchildren**

**Crystal**

**Jimmy  
Jeannie**

**You undoubtedly will be touched  
by the AIDS pandemic, but. . .**

**May You Survive.**

## FOREWORD

This timely book brings two sobering messages to the American people. The first is concerned with the possibility that the AIDS epidemic may very well become the "Black Plague" of the 21st century. The second is that the future economic costs of AIDS may be devastating to our society. The AIDS epidemic, in short, carries the potential for both health and economic disaster.

The authors destroy the commonly held myth that only homosexuals, prostitutes, and needle-using drug addicts are the main victims. They suggest that the AIDS epidemic is a time bomb ready to explode, since minorities living in inner-city ghettos and sexually-active teenagers are high risk candidates to become afflicted with the disease. The socio-economic implications of this finding are explosive, to say the least, since there is a potential for the AIDS epidemic to spread at a geometric rate at a time when no known medical cure exists.

Given these stark realities, the authors conclude that education to promote intelligent preventative measures is the cutting edge of the battle against AIDS. Time is of the essence.

The fundamental problem, however, lies in the attitudes of a society riddled with social stigmas, taboos, ignorance, inertia, scientific limits, lack of awareness and caring, and the fiscal mythologies of the Reagan legacy—all of which work against finding timely solutions to the problem and adequate care for the afflicted.

Having researched the stark realities of the health and economic implications of the AIDS epidemic, the authors conclude that this is a story with neither a beginning nor an ending. They conclude, further, that there lies a great distance between the *reality* of the problem and the *answers* which will prevent a human "meltdown" during the next several decades.

Insofar as public education is the main weapon for the prevention of AIDS in the near term, it is sensible to conclude that an ounce of prevention today is worth a pound of cure in a distant future.

The message of the book is clear, namely, that the critical moment has arrived when we all must become more deeply involved in a dialogue and the public policy programs currently addressing the AIDS epidemic.

Gerhard N. Rostvold, Ph.D.

## **PREFACE**

**AIDS was written for everyone who reads. Our particular emphases are on AIDS transmission and the impact AIDS will have on all of our economic lives. AIDS will hit employees and employers alike. AIDS will affect consumers and suppliers in ways never before seen. Laws will be changed. Government expenditures will shift due to the massive economic burdens created by AIDS.**

**And you never have to contract AIDS to have you life severely impacted by AIDS. Not only are we faced with supporting those dying from AIDS, but we are also going to face a significant decline in the real numbers of our most productive workers. Those dying of AIDS will be somewhere between 20-50 years old. The younger and older members of our population will be forced to support our nonworking youngest and oldest members.**

**To prevent AIDS from devastating all of us, some apparent issues must be addressed now. For instance, care fo an AIDS patient can cost up to \$175,000; but in San Francisco costs have been brought down to about \$30,000 per year. In most future cases, society will have to share in the cost burden. Whether the state through welfare assumes the cost or someone's medical insurance covers treatment, you and I ultimately share the cost. In fact, because so many insurance companies also serve as investment companies for retirement plans, AIDS costs may affect you in ways that you have never considered.**

**Your family members, friends, fellow workers, employees, and even enemies need to know and protect themselves, too, as you will soon learn. But it may surprise you to learn that it is not just contact with the AIDS virus from which you need to protect yourself and others. The AIDS virus will so profoundly affect everyone's social and economic lives that we had better start some protective measures in those areas now.**

We further need to say something about the "style" of this book. Each author wrote separate Parts. Aaron wrote "Part I: Economic Survival and AIDS." Browning wrote "Part II: The Science of AIDS." Each author supports what the other wrote.

However, when you read AIDS, you will discover that our syntax and styles of writing are different. You may further notice that one of us tends to be more socially liberal and the other more socially conservative. (Both of us are fiscally conservative.) We have made no attempt to force our opinions to agree.

Our separate analyses of available AIDS data led us to agree on the contents of this book. We believe that liberals and conservatives alike will also agree, though none of us will be pleased by the consequences of AIDS.

There is no doubt that healthy-mindedness is inadequate as a philosophical doctrine, because the evil facts which it positively refuses to account for are a genuine portion of reality; and they may after all be the best key to life's significance, and possibly the only openers of our eyes to the deepest levels of truth. (William James, 1958.)\*

We have chosen to present "the evil facts." We ask our readers to exercise their own judgements.

Anne Aaron  
Iben Browning

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\*William James, The Varieties of Religious Experience. (New York: Mentor, 1948), pp. 137-138.



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**PART I:  
ECONOMIC SURVIVAL  
AND AIDS**

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## WORK

Even if you are economically sophisticated, we ask you to read this initial section of our economic discussion. We thoroughly examined our economic assumptions regarding the effects AIDS will have on our economy. Then we simplified those assumptions to the very basics.

We begin Part II with what we regard as the most fundamental aspects of any and all economies. Although at first our discussion may not seem directly related to AIDS, we will refer to our underlying economic assumptions throughout Part II: Economic Survival and AIDS.

### ALL GOODS AND SERVICES REQUIRE WORK

Most families in Western countries have not yet been perceptibly touched by the economic effects of AIDS. Some of us know a friend who had a family member or friend who had AIDS and died of AIDS. Some of us know someone with ARC. (The authors believe that the difference between AIDS and ARC is merely definitional. If a person has ARC, his disease will progress to the point of being defined as AIDS.) Anyone who reads or watches TV has read about, heard about, and/or seen people with AIDS.

But at this point, it all seems so remote, so impersonal. Nonetheless, AIDS costs are already affecting everyone's life and life style.

All goods and services are limited - because supply is limited - because work is limited. Every dollar directly or indirectly spent on AIDS affects supply. Every work hour used to support AIDS costs simply means that the work hour cannot be spent producing some other type of supply.

Money (particularly money without a concrete standard such as the old gold standard) is nothing more than a convenient way to transfer or exchange work. When we buy a suit, that may not be very obvious. After all, a suit hanging silently on a rack does not look too much like work. The money or credit card we use to purchase the suit does not look too much like work either. But our work, or someone's work, earned the money to buy the suit. Work produced the suit, distributed the suit, and sold the suit to the retailer who will now work and sell the suit to us.

A suit is a good example of forgotten work. If someone(s) did not gather the wool or cotton or polymerize complex esters, those would remain in nature. People then have to process those materials, make yarn, weave the yarn, dye the yarn somewhere along the way, invent a pattern, cut the yarn-now-fabric, sew the fabric—using buttons and



zippers that also require long work processes to develop—press the suit, sell the suit to a wholesaler who then sells it to a retailer who then sells the suit to you. And even in this description, we have failed to mention a lot about the work required to make and get a suit to a consumer.

Because we buy finished products and services, the work involved is often forgotten. It can be a 2 x 4, car part, or suit; each is a finished product. Some finished products such as a 2 x 4 may end up in another finished product, but that does not change the fact that work is requisite to produce any finished product. The information that we buy and the food service we receive in a restaurant are also finished work products.

We do not want to belabor the point. We hold that all goods and services require work. Money is only a convenient transfer mode for exchanging work. But we need to be mindful of that, for every dollar spent on AIDS anything will reduce the available dollars elsewhere.

## **ALL GOODS AND SERVICES ARE LIMITED ALL GOODS AND SERVICES REQUIRE WORK**

### **Hidden Economic Impacts of AIDS**

While a suit for sale in a store can remind us of forgotten work, all sorts of impacts on other work products may be hidden until we dig out information. AIDS is and will continue to have a tremendous influence on many types of work products.

For instance, you are probably seeing the last fashion wave promoting short skirts. As sexual mores change, those changes are reflected in fashion trends. Sexual standards are becoming more constrained, and that will show up in persons' clothing choices.

When thigh-high skirts drop to mid-calf, about 1/3 more fabric, 1/10 more thread, and 1/10 more labor are required. Due to the effect of AIDS on sexual standards, such fashion changes will occur. Business, in turn, will be affected. Increased material and labor costs will impact the economy. Those changes will affect every economic sector - family, business, and national productivity.

We have no way of knowing how much something like AIDS-caused fashion changes will influence other sectors of our economy. The effects will be both direct and indirect, however. For example, as people cover their skin more with clothing, will they perspire more? Will discretion lead to perspiration? If so, deodorant sales will increase. AIDS is impacting and will continue to impact our economy in many gen-