



The novel **COVID-19** Coronavirus breeds uncertainty in the short and long-term forecast for business and personal finance. It's also launching a great deal of hysteria. If you're concerned about your stock portfolio, real estate investments, and even your own health, there are reasonable choices you can make today to protect yourself and your family.

To that end, I wanted to pen a note to all our partners, team members, and other stakeholders explaining the steps that we are taking in the short term as long-term prognostications won't be helpful and will likely be inaccurate.

It's important to understand the illness and the various quarantine measures currently underway to prepare for what's to come. As it relates to your mental health, if you're easily susceptible to stress, limiting social media time and only getting your news from reputable sources is ideal. At the very least, fact check anything that causes great alarm or offers insights.

There are conspiracy theories, use of the story to spin political positions, and click-bait articles all vying for attention they shouldn't be given. Local government websites are offering updates about your individual area and the [World Health Organization \(WHO\)](#) will have rolling updates that track and follow the progression of the virus.

What is the New Coronavirus?

By now, you've certainly heard of the New Coronavirus, formally called **COVID-19**. **COVID-19** is a strain of the Coronavirus that was previously unknown in the human population prior to December 2019. It is highly transmissible. Initial reports suggest that the transmission of the virus is relatively easy and the mortality rate is dramatically higher than the traditional flu.

The **WHO** categorized **COVID-19** as a pandemic on March 11, 2020. In simple terms, the term "**pandemic**" means is that a new virus has simultaneous transmissions in various parts of the world. It does not make the virus more dire, it only speaks to the number of cases and the widespread geography of those impacted.

How dangerous is it?

The mortality rate for the new Coronavirus is higher than the regular flu. Some estimates right now put the mortality rate at 3.3% and, like the traditional flu, the elderly and those with compromised immune systems are more susceptible.

While Coronavirus can cause upper respiratory problems that can become serious in some cases, it's important to remember that this isn't the plague. Many of those infected with **COVID-19** will have mild to moderate symptoms and can be treated at home, like any cold or illness.

You can protect from contracting **COVID-19** the same way you guard against any illness during cold and flu season. This virus does have a higher mortality rate than the average flu and there is currently not a vaccine which makes it more concerning. It is most dangerous to those with compromised immune systems and the elderly but it can be serious in previously healthy patients, as well.

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The real danger is that it spreads so easily. While most of those who contract the illness will be fine, they risk spreading it to others who are more at risk. There is also a relatively long incubation period for this illness, putting those affected out of work (preferably quarantined) for several weeks.

What are the dangers surrounding COVID-19?

The biggest dangers right now are the possible strain on our healthcare industry and general panic. Currently, we have a shut down and cancellation of concerts, conventions, parades, and sporting events. All of the major sports organizations have halted or pushed back seasons. Schools and Universities are closing and moving to online learning activities, our school is no different.

These actions do not reflect the severity of the illness or the number of cases. These are actions to protect the healthcare system and its supply chain. Because this virus spreads easily, there's a danger that a large portion of the population will contract it at the same time. To prevent this, organizations, districts, and governments have made sweeping moves to minimize events and activities with large crowds where illness is more likely to spread.

As long as we can minimize the number of patients at the same time, hospitals and clinics can keep functioning without worrying over being overrun and unable to care for all the patients. Remember, too, healthcare workers are likely to come down with the virus during an outbreak which will further strain the healthcare industry.

These are common sense decisions to mitigate the spread. For most of us, the illness in it's current form is not imminently life threatening, but the impact can be very hard on society and the economy. Closures and cancellations have spurred some people to believe erroneous stories. There have been wide spread runs on stores for essential food items, toilet paper, and water. This can be extremely detrimental for citizens who can't shop regularly, such as the elderly.

What effect has the New Coronavirus had on the economy so far?

The Coronavirus has had a resounding impact on the stock market, and we have to expect repercussions to be felt for some time. At the time of this writing, the stock market continues to be volatile. What we know is that the cancellation of events, drop in spending in local businesses, and self-imposed quarantines are currently decreasing revenue across multiple industries. This trend will likely follow for several weeks and may be prolonged for a month or longer. Because there's uncertainty as to how long we'll be dealing with the virus or when business will return to normal function, there are some unanswered questions here.

For every conference and event that has been canceled, hourly workers and trades people saw a drop in income. For every restaurant with limited patrons or who closed their doors early, workers lost wages. If the US follows the path of Italy, we'll see businesses closing their doors for a prolonged period, which can significantly impact the economy.

Current suggestions are that there will be a rebound to the economy and the extent of the damage will depend on the length and severity of the decrease in normal social activity.

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What measures has ADHI Schools taken?

For our part, we have cancelled all classroom courses for at least the next week. This as not a decision that was taken lightly but it is one that shows respect for the potential severity of the circumstances.

If you follow us on Instagram @adhivideos we will continue to have live lectures in the evenings from 630p-900p Monday - Thursday starting at Chapters 1-2 and continuing at that time each and every night on an ongoing basis.

We have made our school Instagram private to ensure that only classroom level students can access these lectures on a going-forward basis.

What effect will it have on the real estate market?

Like every other market across the country, the real estate market could experience a downturn. However, the main issue with predicting changes in the real estate market is that it is a relatively illiquid and slow moving. Houses tend to stay on the market for at least a few weeks and have long escrow periods. Understanding the full effect of the Coronavirus on our industry won't be understood quickly or easily due to the nature of the asset in question.

Many watchers of the market had forecasted a busy real estate market in the Spring, but it's likely to be slower than projected. Real estate is often affected by uncertainty in the stock market and buyers are historically nervous to make major purchases during an uncertain time. While mortgage rates are at historic lows, this might not be enough to keep prices elevated.

Another aspect to consider for real estate agents and those in the market is the issue of quarantine. Many open houses and showings are not garnering the crowds they normally would because the public is limiting exposure to other people. Some sellers are reticent to have people in their homes, as well. Some agents are offering creative solutions to this issue by showing houses through online video and web portal.

Finally, it's important to remember just how resilient the American economy has proven to be over the last 100 years. We have faced gas rations, sugar rations, mortgage rates over 16% and we always seem to come out the other side.

I expect this wave of uncertainty to pass also.

Love
Kartik