

The Future after COVID-19

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Starting Point

“Every economic shock produces profound and permanent change. A new “common sense” emerges.”

“The pandemic is telescoping the future. Trends that would have played out in five years are playing out in weeks”

“Deglobalization was already slowing global economic growth, and its acceleration will slow growth further—possibly moderated by rising productivity in the virtual economy”

Looking Into the Future



“It’s difficult enough trying to understand what’s happened in the past, let alone predict the future.”

- Warren Buffett



“People overestimate what can happen in 1 year and underestimate what can happen in 10.”

- Jeff Bezos

A Time For Everything

There is a time for everything and a season for every activity under heaven

- A time to be born and a time to die
- A time to kill and a time to heal
- A time to tear down and a time to build up
- A time to cry and a time to laugh
- A time to grieve and a time to dance
- A time to embrace and a time to turn away
- A time to tear and a time to mend
- A time to love and a time to hate
- A time for war and a time for peace

I know that there is nothing better for people than to be happy and to do good as long as they live.

Ecclesiastes 3:1-12

What Does the Future Hold



Optimistic Perspective

- Higher education more accessible and cheaper!
- If you work remotely, no more commute and work from anywhere
- As personal and professional lives merge, more relaxed dress codes
- Increased convenience online and everything will come to you – movies, sports, concerts, gym classes, your doctor, groceries, food from your favorite restaurant
- Increased focus on personal health and fitness and decrease in deaths from other communicable diseases like the flu as we all become more aware
- More intentional time spent with family, revival of the family dinner, increased mindfulness and gratefulness
- Rediscovery of the staycation, the local campground, nature and all of the great opportunities for relaxing that are close by
- Revival of the US manufacturing sector and increase in blue collar jobs as supply chains for critical goods are brought back onshore

Pessimistic Perspective

- Huge disruption coming in commercial real estate – how to work through oversupply
- Disruption is coming to other major industries as well – movie theaters, airlines, hotels, restaurants, grocers, healthcare
- Increased unemployment, and it won't just be short term spike – we will have to reskill and retrain a large portion of the workforce as industries permanently change
- Increased competition for jobs - you will now compete against the rest of the country (or world!)
- Increased isolation, loneliness, reduced physical contact, fewer opportunities to socialize
- Higher rates of domestic violence, child abuse, alcohol abuse, anxiety, depression, suicide and divorce
- Decrease in privacy – temperature monitoring, health passports, tracking of movements
- We pay more for less as prices rise due to supply chains becoming more diversified and being brought back to the US
- De-globalization will create power vacuums around the world – do we see a rise in autocrats and dictators and a less safe world as US and Western influence wanes

Ten Themes to Watch

- **Work From Home:** You Say You Want a Revolution
- **Entertainment:** Now Streaming
- **Education:** Rise of Remote Learning
- **Travel:** Are You Sure?
- **Societal Changes:** Let's Get (Less) Physical
- **Healthcare:** Call the Doctor!
- **Privacy:** It's a Right.....Right?
- **Supply Chains:** Made in the USA
- **Retail & Services:** "E-Everything"
- **Family and Community:** Back to the Basics

Work From Home: You Say You Want a Revolution



Work From Home: You Say You Want a Revolution



Work From Home: You Say You Want a Revolution

We are all currently part of one of the largest workplace experiments in history. In the span of a few months hundreds of millions of workers went from commuting into the office to working from home.

Predictions

- De-urbanization as we see an exodus from cities and back to the suburbs - home prices in city centers will fall and prices in suburbs will rise
- Companies will embrace the trend due to the substantial cost savings
- Commercial real estate is in trouble and will be significantly disrupted by the de-urbanization trend
- Increased investment in homes with people buying larger homes with (much) nicer home offices

Surprising Changes

- Rise of the digital nomad – when WFH, why does it matter if you're 1 mile or 1,000 miles away
- Car insurance rates fall – fewer drivers on the road means fewer accidents
- Who needs infrastructure – cities cancel investments in highways and public transit
- Less formal dress and appearance – as personal and professional life merge, dress codes are relaxed

Challenges

- Isolation and loneliness – humans need connection with others and workplace connection will need to be replicated or replaced
- Increased competition for jobs - you will now compete against the rest of the country (or world!)
- Broadband becomes a public utility (cheap and reliable) + we need a lot more of it
- How do you maintain a cohesive company culture with a large remote workforce

Entertainment: Now Streaming



Entertainment: Now Streaming



Disney+ 
@disneyplus



[#PixarOnward](#) 🧚 is coming to the US tonight on digital download and will be streaming on [#DisneyPlus](#) on April 3rd.



Entertainment: Now Streaming



Entertainment: Now Streaming



Entertainment: Now Streaming



Entertainment: Now Streaming



Entertainment: Now Streaming

Entertainment industry will undergo a historic shock over the next 1-2 years. Responders were split on whether the industry will bounce back to normal or be permanently changed.

Movie Theaters

- Studios begin skipping the theater and sending films direct to streaming
- New business model emerges with premium prices to stream at release which decline over time
- Profitability for studios increases as “middle-man” is cut out
- And who wants to crowd into dark and dirty room with 100 people you don’t know anyway?
- One type of theater will thrive....drive-ins

Sports

- Professional and college sports will return, but will the fans?
- Half empty stadiums change the environment – less enjoyable for fans & players
- Colleges, professional leagues and broadcasters suffer as advertising revenue declines
- Increased interest in e-sports & gaming (you can be a fan and a competitor!)

Concerts

- Long term discomfort with large crowds will lead to the decline of live concerts
- One of the last revenue generators for artists will disappear or decline substantially
- Huge industry restructuring as superstar mega-tours decline or disappear
- Rise of the (less-profitable), but more accessible live-streamed online concert
- Levels the playing field for smaller independent artists

Education: Rise of Remote Learning



Education: Rise of Remote Learning



Education: Rise of Remote Learning

Millions of students have suddenly been sent home from their dorms and classrooms and are completing this semester (and maybe next?) online.

With the cost of higher education having outpaced inflation for decades and leaving students with tens of thousands in debt, higher education is ripe for disruption and consolidation

Predictions

- Stigma related to online degrees and classes will disappear
- Prices for classes and degrees will drop dramatically (50-75%+) as need for physical infrastructure declines
- Top universities lean into the changing environment, driving for-profit universities out of business and putting substantial pressure on second-tier universities and small liberal arts colleges that can't compete
- Higher education becomes much more accessible as it begins to meet students where they work and live and is available at a cost they can afford

Surprising Changes

- Decreased time to earn a degree – four years feels arbitrary when everything is online
- Increased evening and part-time programs as classes become more accessible
- Students enroll in multiple programs or even multiple schools when classes are no longer tied to physical campuses
- Shift away from standardized tests (SAT, GMAT, MCAT, LSAT) or they go online

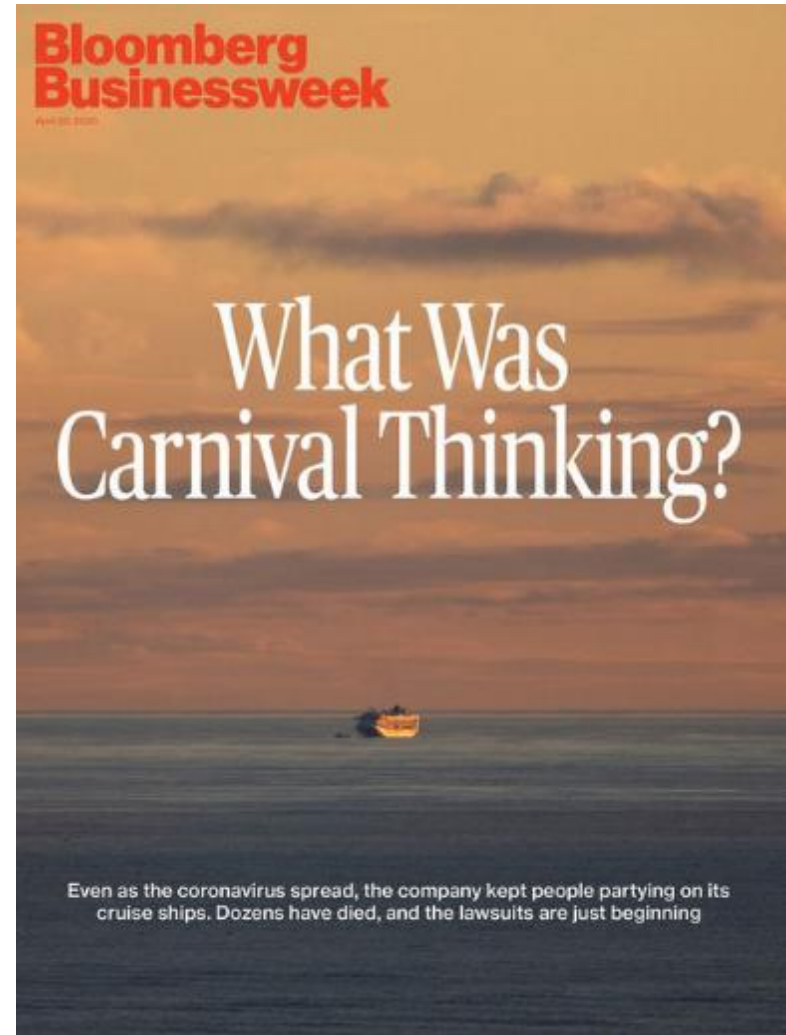
Challenges

- Campuses are unique environments for collaboration, idea generation, relationship building and for developing and forming personal identities. Can you replicate this environment on Zoom?

Travel: Are You Sure?



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Travel: Are You Sure?



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Travel: Are You Sure?

Business and personal travel has dramatically declined and has a long road to recovery (if it ever recovers to prior levels at all!)

Business Travel

- Less business travel and more virtual meetings (very disruptive for airlines and hotels)
- Consumers will require more personal space when traveling, shifting cost model and prices higher
- Sanitation improves dramatically at airports, hotels
- With less demand, airlines fly fewer routes, making it harder and less convenient to fly, driving a self-reinforcing cycle
- Industry conference industry permanently disrupted

Personal Travel

- More local / regional vacations replace vacations to glamorous international locale
- Willingness to pay premium to stay at less crowded hotels
- Staple family destination vacations like going to Disneyworld will decline
- Who will ever get on a cruise again?
- Countries and locales dependent on tourism dollars will fall into economic depressions / chaos

Surprising Changes

- Temperature screening to board planes, stay at a hotel
- Wearing a masks will be a requirement to travel
- “Health passport” is created and required for any domestic or international travel
- Decreased travel leads to higher levels of nationalism as exposure to other cultures declines

Societal Changes: Let's Get (Less) Physical



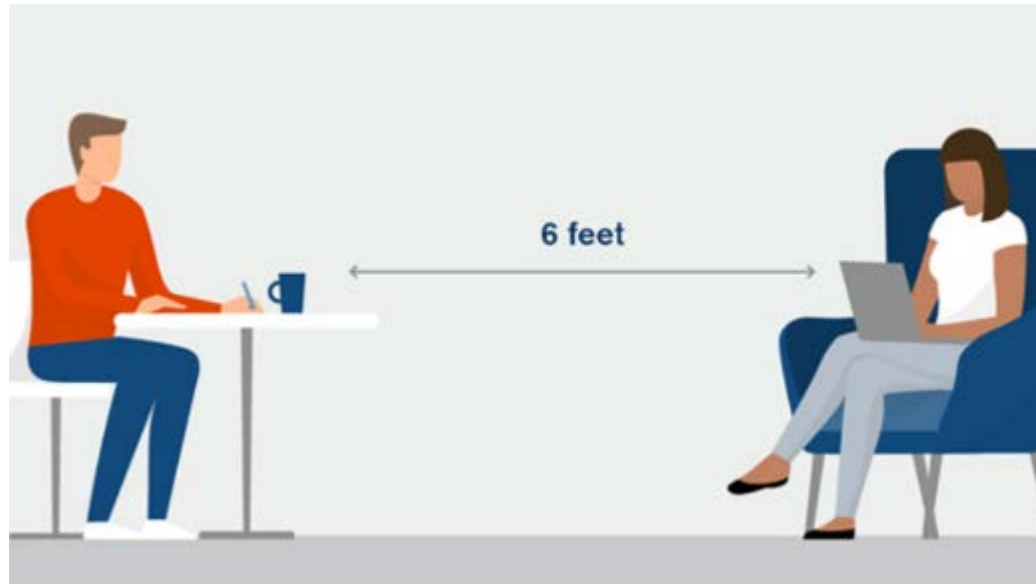
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Societal Changes: Let's Get (Less) Physical

The SARS outbreak in 2003 created permanent cultural changes in East Asia around hand-washing, physical contact and wearing masks. Will the coronavirus have the same impact?

Predictions

- Hand sanitizer at the entrance of every restaurant, store, stadium
- Will become common place to see people wearing masks in public
- Hugging anyone other than close family will become less common
- No more handshakes
- Improved personal hygiene, including increased handwashing
- Feeling of collective responsibility that everyone must do their part to prevent spread of disease
- Plastic shields between cashiers, retail works and customers
- Shift away from cubicles / open floor plans back to offices
- Revamping of public transit systems (New York subway, London Tube) to allow more space between individuals
- Decreased usage of Uber / Lyft – who wants to pile into a car with a stranger now?

Surprising Changes

- Public spaces re-designed to have fewer buttons – more motion sensors, scanners, etc.
- Acceleration of automation / delivery drones / driverless cars to reduce physical contact
- Increased use of contactless payment systems (plastic credit cards were so 2019...)
- Cash will be completely replaced
- Decline in buffets, cafeterias as consumers steer away from food served communally
- Permanent decline in deaths from influenza as above measures decrease transmission

Healthcare: Call the Doctor!



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Two main trends emerged from the responses related to healthcare – how healthcare is delivered and the possibility of increased federal government involvement in the healthcare sector

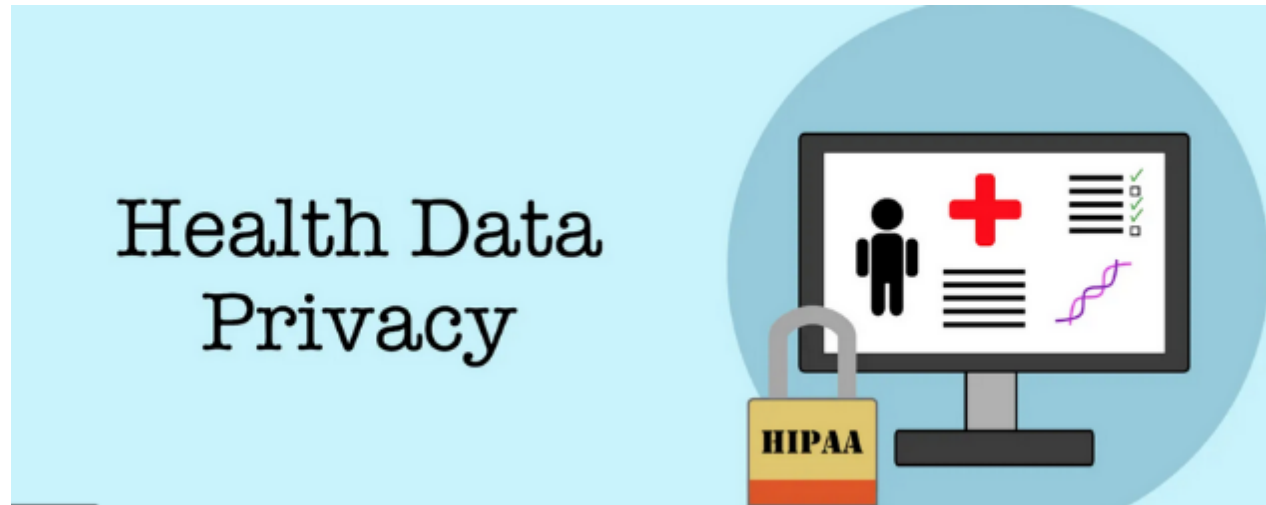
Healthcare Delivery

- Why sit in a Doctor's office or urgent care where everyone is sick?
- Huge increase in tele-medicine – easier and cheaper to access care
- Increased demand for at home doctor visits and concierge services...if you can afford it

Healthcare System

- Pandemic has exposed inefficiencies in our fragmented healthcare system (issues with testing, procurement of critical supplies)
- Increased demand for coordinated national healthcare system
- Could see massive reforms similar to what banks went through after GFC
- Healthcare system could even become a strategic asset / national security issue
- Push to de-link health insurance from employers as unemployment spikes to historic levels
- Push for companies to implement more generous sick leave policies
- Streamlining of FDA and CDC to enable faster disease testing and vaccine creation
- Push for national licensing boards so that doctors & nurses can move easily between states
- Will remain a polarizing political issue with significant disagreement on approach between parties

Privacy: It's a Right....Right?



It's NOT a suggestion...it's the law!

Privacy: It's a Right.....Right?



Privacy: It's a Right.....Right?

In an effort to prevent a future pandemic, governments around the world will invest in infrastructure to monitor citizens and individuals will be willing to give up privacy in exchange for safety

Predictions

- Location tracking through cell phones to enable fast and reliable contact tracing (already gaining traction in Asia)
- Mandatory healthcare screening for routine activities – attending a public event, travel, going to work
- Thermal cameras to quickly and easily monitor temperatures of all individuals moving through public spaces
- Increase tracking of domestic travel, potentially through expanded use of facial recognition cameras and license plate cameras
- Health “passports” that are required to be carried at all times and presented on demand

Supply Chains: Made in the USA



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Supply Chains: Made in the USA

The current crises has exposed the United State's dependence on global supply chains for critical supplies (e.g. personal protective equipment, ventilators, medicine)

Predictions

- Less reliance on China as the world's manufacturing center
- Developed nations will onshore production of critical supplies as supply chains become a matter of national security
- Initial focus will be on healthcare, pharmaceutical and technology industries
- Trade-off is that costs will rise for consumers
- Politically popular move as it is seen as improving national security + bringing back jobs to the US manufacturing sector
- Companies and governments will build up inventories of critical supplies rather than relying on "just in time" production or delivery

Retail & Services: "E-Everything"



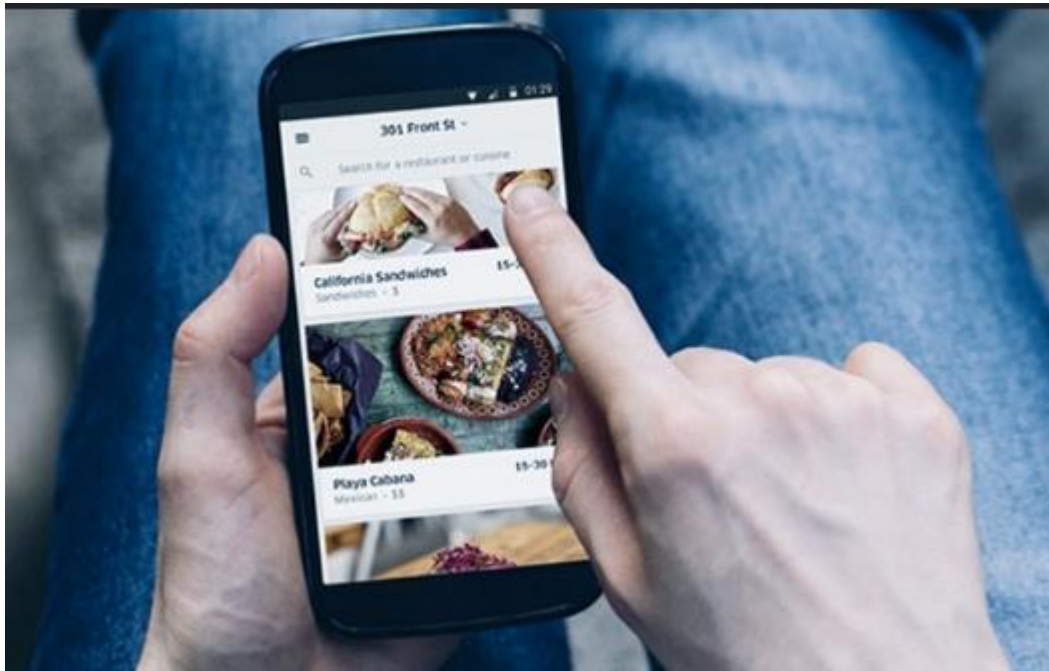
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Sheltering in place at home has accelerated online shopping activity and activities at homes, particularly in sectors where there remained low online penetration like restaurants, groceries and gyms

Predictions

- We will all buy more online as going out to crowded stores and malls becomes less appealing
- Sellers and service providers must come to us!
- Many people are being exposed to the simplicity of grocery delivery and curbside pick-up and will never go back to shopping for groceries in a store again
- Eating out will decline as consumers also realize the ease that they can have food from their favorite restaurant delivered to their door
- Accelerated adoption of personalized at home workout services enabled by technology (Peloton, Mirror) begin to replace gyms and group classes

Surprising Changes

- Retail and grocery square footage will shrink as they receive less foot traffic and more online orders
- Reconfiguration of existing retail space into warehouse space

Family and Community: Back to the Basics



Family and Community: Back to the Basics



Family and Community: Back to the Basics

“I hope that the virus puts life into perspective for people. More people are spending time with their spouses and kids, spending time outside, and possibly reconnecting with their faith. People are also realizing that the things they take for granted (sports, restaurants, gathering with friends) can be taken from them in an instant. I hope that values will shift to refocus on healthy living, family, and being thankful for the great things that we get to enjoy in life on a daily basis”

Predictions

- More intentional time spent with family
- A revival of family dinners
- Increase in mindfulness as we pay attention to what we have that we are grateful for
- Increased connection with a wider range of friends and family as we all become more at ease using video conferencing
- Increase in personal gardens and community gardens

Challenges

- Increased physical separation from others and isolation at home could lead to increased rates of domestic violence, child abuse, alcohol abuse, anxiety, depression, suicide, divorce and loneliness

Other Notable Ideas

- General increase in “prepper” mentality as people buy goods in larger quantities to protect against supply shortages
- De-globalization will create power vacuums around the world – who will step in to fill these? China could seek to expand influence and/or regional “strong-men” seek to consolidate power and influence as well.
- Decline in nursing homes as more families opt for at home care
- Influence of central banks grows substantially as we see the early stages of Modern Monetary Theory unfold
- Increased awareness of personal health and focus on personal fitness

Contributors

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