

Five Trends That Could Define our Post-Coronavirus Lives

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As the world continues to grapple with the impact of COVID-19, one thing is certain: We are experiencing one of the rare events in history that is likely to completely reshape geopolitics, societies and markets. We don't see COVID-19 as just a temporary crisis but as a permanent disruptor.

The rapid spread of COVID-19 created health, economic, environmental and social challenges around the world. The consequences will be far-reaching, potentially ranging from further tectonic shifts to localization for the U.S. supply chains to new views on the roles of technology and government and our approaches to health care and consumerism.

A new [report](#)¹ from BofA Global Research, "The World after COVID," studied 3,000 companies across 25 different market sectors and identified five megatrends. These trends outline changes that are likely to have a lasting impact on business and society.

Geopolitics and Globalization

A shift from globalization to localization was underway before the coronavirus struck, but analysts now anticipate a much faster-than-expected shift in manufacturing away from China. Trade tensions between China and the U.S. have continued to grow, with China's global share of manufacturing rising from 3% in 1990 to 25% in 2020. Also, as consumers have become savvier, there is a greater focus on sustainability and social and environmental issues that could drive the trend away from globalization.

Tech Wars

Amidst increasing competition for tech supremacy between China and the U.S., analysts predict both countries ramping up tech investments. Post-COVID-19, we should see higher investments in data tracing to better prepare for future health crises. COVID-19 has also significantly increased the use of technology to support remote working environments, with 50% of sector analysts expecting technology investments to grow. Other anticipated investments include new communication infrastructures such as 5G, data generation, cloud computing power and bandwidth, as well as an increased focus on advanced technologies like autonomous vehicles, quantum computing and vertical farming²

Big Government

COVID-19 has driven governments worldwide to adopt an expanded social mandate to protect their citizens. Increased government surveillance, aimed at stemming future outbreaks, will likely raise debates over the greater social good versus individual privacy. Governments may also influence companies to shift away some focus from shareholder returns toward other priorities and stakeholders, including improved benefits for workers and efforts to solve climate change.

A Greater Focus on Health

¹ [BofA Global Research, May 2020.](#)

² [Solving the Climate Crisis, 2020.](#)

COVID-19 has drawn attention to the importance of healthcare and the critical role it plays in national security and economic growth. Two-thirds of analysts surveyed believe that employee healthcare is likely to grow as an important Environmental, Social and Governance (ESG) factor for company coverage while fueling debates about universal healthcare in the U.S. The pandemic has also drawn focus to other health issues, including drug pricing, antibiotic resistance and future pandemic prevention. Health care systems that prioritize preventative care and utilize advanced technology, such as big data, AI, telehealth and wearables, could be more efficient and critical to maintaining a healthier world population post-COVID-19.

The New Consumer

Gen Z has grown up online and is well-equipped to thrive in a digital world. In contrast, older generations have been slower to embrace new technologies, such as streaming, social media and online shopping, but have been forced to adapt in a world of quarantine and social distancing. Many of these new habits are likely to stick, in our view, which has implications for business strategies going forward. However, Gen Z is also the most vulnerable to reduced long-term earning potential due to the coronavirus.

We have little doubt that COVID-19 will have a significant and lasting impact on our world, dramatically accelerating political, economic and psychological transformations. Every crisis in history has left a legacy of innovation. In the 14th century, the Black Death killed nearly one-third of Europe's population, resulting in a labor shortage that in turn led to higher wages and the dismantling of feudalism. After the oil shock of the 1970s, the world became more conscious of energy conservation and efficiency. As we have learned from past crises, from pandemics to world wars, humans are resilient, and disruption can drive innovation and positive change.

To learn more about these five post-coronavirus trends and the industries that could benefit, read the BofA Global Research primer, [“The World after COVID.”](#)

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