

COVID-19 and Market Update

Effect change before it's forced on you

October 18, 2021 | Mario Giannini, CEO

KEY TAKEAWAYS

- ▶ You always hate to say that we've turned the corner because whenever we thought we had turned a corner, we found that we were actually in a maze and pretty far from the exit, but I am going to say that we have turned the corner this time. [Page 3](#)
- ▶ Turning the corner on COVID-19 doesn't mean it's gone. It does mean that outbreaks will likely be less severe and that we will learn to live and adapt with COVID-19 as part of our lives. It means that we will focus on reducing hospitalizations and deaths through combinations of vaccines, drugs and normal human behavior. [Page 4](#)
- ▶ I remain in the camp that, a year from now, we will not be talking about supply chain problems, and we will not be spending all of our time worrying about inflation. How firm is my conviction on that? I was in the 75% probability zone in my last update. Now I'm around 70% probability that inflation will not be an issue in a year. [Page 7](#)
- ▶ Median performance for the 2016 through 2020 vintages is at a point where it's competing with top-quartile returns seen earlier in the decade. Ponder that one for a moment. Median today is higher than the best 10 years ago and 10 years ago was a good time to invest. [Page 8](#)
- ▶ My colleague Nayef Perry reports that there is a growing sentiment in the credit markets that with various volatility factors on the horizon (not to mention some choppy economic data recently), the fall could bring a dip to loan prices or create some unique opportunities on the private side not necessarily available today. We have heard this before and maybe this time it will be different. The markets don't seem to feel that way today. [Page 9](#)

COVID-19

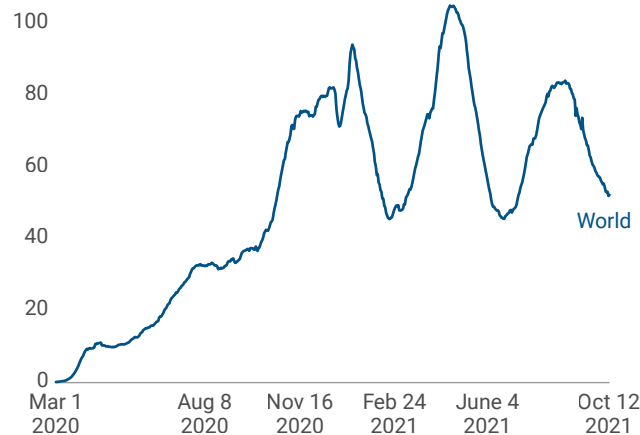
The chart that has been with these updates for over a year and a half has served its useful mission and has thus been retired. I know you'll miss the grades each country received, as I will miss the comments I received that took me to task for certain grades (I did notice that no one ever thought my grade was too high for any country...). The world is now on a course to vaccination and some form of re-opening and the grades are no longer particularly relevant. The pace of re-opening varies, depending on each country's tolerance for COVID-19 outbreaks. Australia, China and New Zealand, for example, remain generally intolerant of any outbreaks

(although they are opening far more than we might have thought just a few weeks ago), and places like the U.S. and Brazil remain fairly indifferent to outbreaks. It will be interesting to see how places, such as Australia, that have decided to open more react when cases begin to rise to levels that are higher than they have ever seen. That will inevitably happen and will say a great deal about how we choose to live with COVID-19.

What does this mean? I hate to break the news here, but the news is actually good. It's good almost everywhere. We'll get to the bad news in a little bit because that's what sells and, if I'm going to get more eyeballs on these updates, then I better start slinging the bad news. But, first, let's look at global COVID cases.

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Source: Johns Hopkins University CSSE COVID-19 Data

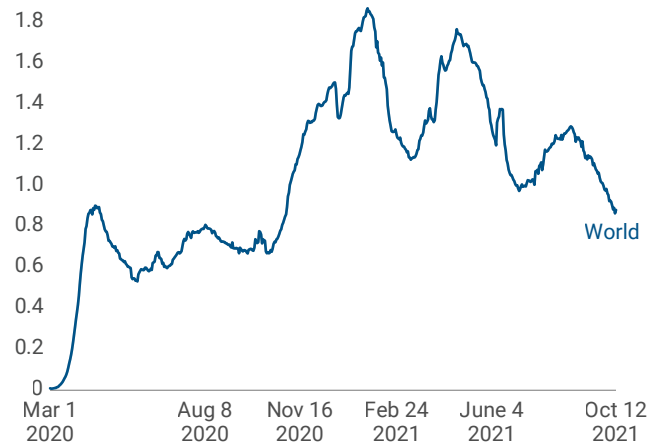
That looks encouraging, even in the face of a generally unvaccinated world and the Delta variant that was supposed to create a COVID-19 doomsday to rival the Zombie Apocalypse. In the interest of giving equal time to those awaiting the Apocalypse, I will note that there is certainly a cyclicity to COVID-19 cases that some have noted. They seem to rise and fall in two-month cycles that no one seems able to explain. If that is indeed a pattern, then

we will soon see an uptick in cases and the claim that I will soon make (spoiler alert) that we have turned the corner will be deemed suspect. (Those among you that fancy technical analysis of market patterns will notice the classic "head and shoulders top" formation that, if cases break below the right shoulder, signals a real bear market in COVID-19 cases – a very good thing.)

But cases alone do not tell the story of continuing good news. This is the chart of global deaths from COVID-19.

Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.

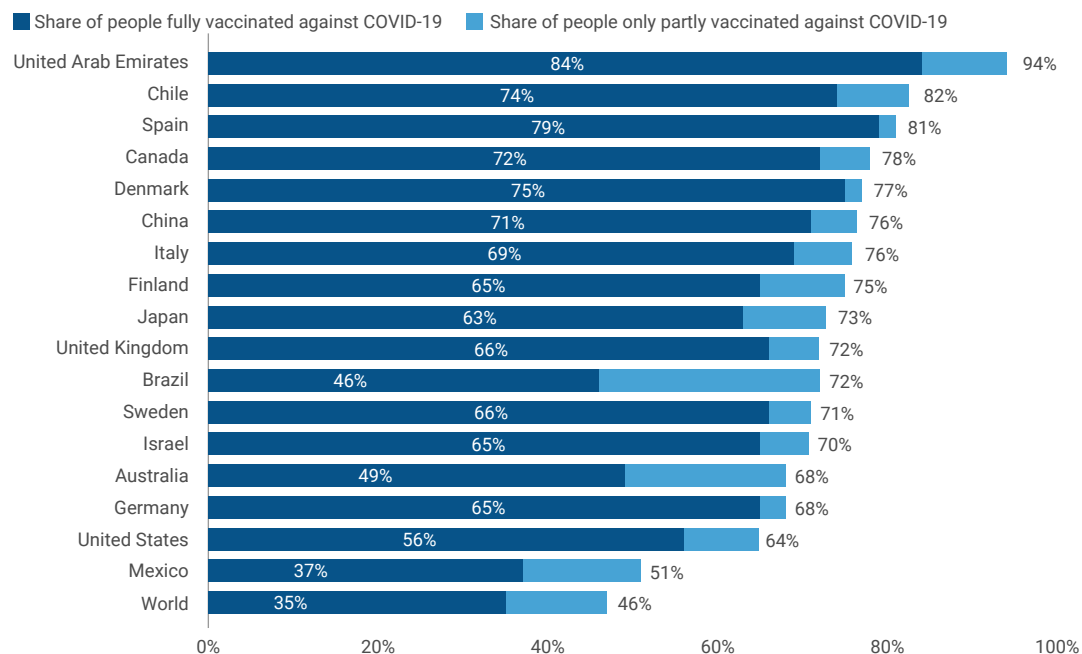


Source: Johns Hopkins University CSSE COVID-19 Data

Deaths are also declining. What is particularly encouraging is that deaths have had lower highs and lower lows with each successive cycle of cases, which is a more important statistic than the case levels. It is hard to argue that much of this is due to something other than the vaccination rate, which is rising, even in countries that were slow to vaccinate. (See chart on next page)

Share of people vaccinated against COVID-19, Oct 8, 2021

Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize compatibility between countries.

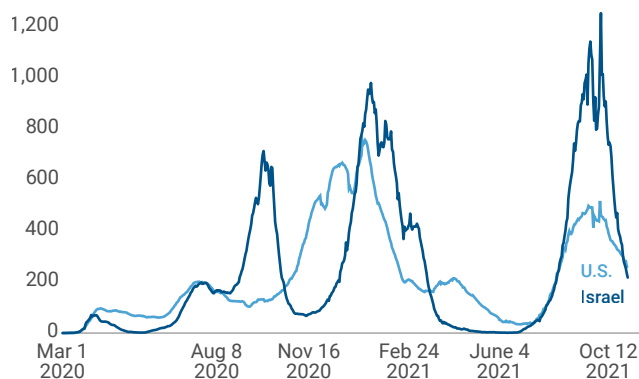


Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers. CC BY

The world is almost half vaccinated with one dose. We're getting there, we really are. The discouraging numbers in that chart are related to the two countries that had early, universal access to vaccinations – the U.S. and Israel – that are now falling behind other countries in their vaccination rates, driven by large numbers of people who refuse to be vaccinated. But, even there, look at the rates of infection.

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Source: Johns Hopkins University CSSE COVID-19 Data

They're going down. You always hate to say that we've turned the corner because whenever we thought we had turned a corner, we found that we were actually in a maze and pretty far from the exit, but I am going to say that we have turned the corner this time.

This is particularly true now that vaccines are going to be approved for children and, as a result, the largest remaining group of non-vaccinated will soon be eligible to receive vaccines. Well, I guess a larger remaining group would be U.S. Republicans. A recent survey showed that, of the unvaccinated in the U.S., 59% were Republicans. Remarkable that political affiliation now determines medical care. But, we have to admit they keep coming up with sound reasons to remain unvaccinated. For example, recently, a Republican representative from New Hampshire sent colleagues a 79-page document sharing information he had learned regarding COVID-19, showing that vaccines are a plot "to gain 100% control over the minds of all of humanity." My favorite part was this important piece of data you may not have seen in other places. It cites evidence that both the Moderna

and Johnson & Johnson vaccines were examined under a microscope, revealing “a living organism with tentacles. This creature moves around, lifts itself up, and even seems to be self-aware.”

A vaccine with self-awareness. That is one magical medicine.

[Yes, I know many of you have criticized me for unfairly picking on Republicans in these updates. Fair. I admit I am not particularly familiar with cult behavior, but I hunted for a reasonable quote from a Republican politician I could use and actually found one. It comes from Governor Jim Justice of the State of West Virginia, who recently said this about the reluctance of people in his state to take the vaccine:

“For god’s sake’s a-livin’, how difficult is this to understand? Why in the world do we have to come up with these crazy ideas -- and they’re crazy ideas -- that the vaccine’s got something in it and it’s tracing people wherever they go. And the very same people who are saying that are carrying their cell phones around. I mean come on. Come on.”

He has my vote.]

On a related refusal-to-get-vaccinated note, I know there is talk in the U.S. that capitalism is out-of-style, but I beg to differ. I offer this example of capitalism alive and well, particularly in times of government intrusion and curtailment of fundamental freedoms to choose. For those who are being forced to take a vaccine in the absence of medical or religious exemptions, come one, come all and BUY that [religious exemption](#).

Whom you might call a liar and cheater, I call a freedom fighter.

Turning the corner on COVID-19 doesn’t mean it’s gone. It does mean that outbreaks will likely be less severe and that we will learn to live and adapt with COVID-19 as part of our lives. It means that we will focus on reducing hospitalizations and deaths through combinations of vaccines, drugs and normal human behavior. It means we are almost at the point where the pandemic is in the rear-view mirror.

Antiviral Drugs

More good news. In the early stages of the pandemic, the hope was that antiviral drugs that would help treat COVID-19 would be developed quickly. Remdesivir was one of those drugs, although it needed to be administered intravenously, which made it difficult to use broadly. Media interest in antiviral therapies waned once vaccines were developed. However, antivirals remain important to reduce morbidity and death from COVID-19 once you have been diagnosed. This is particularly true if, as is likely, COVID-19 remains a disease that circulates among people. Think of drugs like Tamiflu, used to reduce flu symptoms once you have the flu. Merck and Ridgeback Biotherapeutics reported that a pill they have developed cut the risk of hospitalization or death from COVID-19 in half. They are applying to the U.S. FDA for emergency use authorization. Merck issued a news release about the drug molnupiravir, saying “7.3% of patients who received molnupiravir were either hospitalized or died through Day 29 following randomization (28/385), compared with 14.1% of placebo treated patients (53,377). Through Day 29, no deaths were reported in patients who received molnupiravir, as compared to 8 deaths in patients who received placebo.”

This is a big deal. A pill that reduces hospitalization and deaths is important in a world where breakthrough cases occur and many refuse vaccinations. I wonder, though, if those opposed to a vaccine would be opposed to an antiviral drug. Presumably, the technology used to implant microchips in vaccine doses could be used to implant them in a pill, so that could be problematic.

Boosters

Data from Israel, not yet peer-reviewed, indicates that a third Pfizer booster shot had an up to 84% reduced risk of infection three weeks after the shot compared to those who received the standard two-shot vaccination. You hear that and think, what’s not to like about requiring a third booster shot? Well, let’s think about that a moment.

- It is likely that people in this study were more careful than the standard two-shot individual, so let's factor that into the equation.
- More importantly, it makes sense that you are going to be more immune shortly after the booster. That's why they call it a booster and not a reducer. But, for how long? Are we really going to have boosters for everyone every few months because we will have more immunity when we haven't actually established what the proper level of immunity might be?
- The goal is to reduce the spread of COVID-19. Adding to the immunity of already immune individuals may make everyone feel better, but it doesn't address the real problem with spread: Those who aren't vaccinated. I can take boosters every day, but they aren't 100% and, if a large segment of the population, either in my country or globally, remains unvaccinated, we aren't going to make much progress.

Boosters sound good and make politicians and some number of people feel better, but they aren't what will allow us to get past periodic COVID-19 outbreaks. Only strong vaccination efforts will do that. I don't think it is coincidental that the two countries pushing boosters the hardest, the U.S. and Israel, are the two countries with the strongest anti-vaccination cohorts in their populations.

We have all heard and read the anti-vaxxer argument that the vaccines are unproven and potentially unsafe and not worth the risk when compared to contracting COVID-19. I will cite this next study fully aware that it will change no one's mind since the argument is generally an emotional belief cloaked in intellectual veneer. But, a study of over two million people in Israel found some interesting data concerning the safety of the vaccine and whether you are more at risk from COVID-19 or the vaccine.

Those opposed to vaccination invariably point to the incidence of myocarditis, a heart condition, that has been associated with the vaccine. It was elevated among vaccinated, with 2.7 more cases per 100,000 than otherwise found in the general population.

AHA!!!!

But wait, science giveth to you skeptics, and science taketh away. The incidence among those who got COVID-19? Umm, 11 per 100,000. Four times more. You read that correctly. The side effect you are so worried about getting if you get vaccinated? You are four times more likely to get it when you are infected. Let's be fair, there were two conditions that were slightly elevated among vaccinated people compared to unvaccinated: Shingles and enlarged lymph nodes. Those two more elevated conditions can be compared to a long list of dangers among unvaccinated compared to those vaccinated. That list includes acute kidney problems, arrhythmia, pulmonary embolism, deep vein thrombosis, myocardial infarction, pericarditis and intracranial hemorrhage. Yes, you really want to avoid the risk of vaccination and take your chances with that flu-like COVID-19.

Oh, and let's not forget that COVID-19 has killed over 710,000 people.

We can use U.S. data to look at the comparative death scale. As of last week, over 400 million doses were administered, and three deaths were linked to vaccines. (The J&J vaccine and blood clotting.) Let's compare that to, as of last week, about 45 million COVID-19 cases and over 710,000 deaths. Hmm, how would you define asymmetric risk?

Another interesting data point around why vaccination might be the better path comes from a UK study published in *Lancet*. It showed that vaccinated individuals who suffered a breakthrough infection are 50% less likely to suffer from long COVID than unvaccinated individuals who are infected. But wait, there's more. This study looked at nearly one million people who were fully vaccinated, of which 0.2% reported a breakthrough infection. Those who did get breakthrough infections were roughly twice as likely to be asymptomatic as were those who were infected and unvaccinated. The odds of being hospitalized were 73% lower in the breakthrough group than the infected, unvaccinated group.

Children

I have contended that the global response – and certainly the U.S. response – to COVID-19 would have been far different if children were impacted by the virus the way older people have been impacted. Fortunately, they haven't been. One of the great mysteries of COVID-19 remains the statistical fact that it has very little serious medical impact on children. You might not know that if you follow U.S. news and social media, which is blaring news that, because of the Delta variant, children are getting sicker and being hospitalized in far higher numbers than ever before. The inference is that the virus has mutated and is now more dangerous to children.

The U.S. CDC recently released a study looking at the Delta variant and the impact on children. The part that got all the headlines was that, from June to mid-August, hospitalizations for people under 19 increased five times. OK, there's the proof: The Delta variant feasts on children! Well, no. Here's the most important line in the entire study: *"The proportions of hospitalized children and adolescents with severe disease were similar before and during the period of Delta predominance."* The CDC director said it clearly, "Although we are seeing more cases in children and more overall cases, these studies demonstrated that there was not increased disease severity in children."

Don't you hate it when data gets in the way of a sensational headline? There are more people under 18 hospitalized because there are more people under 18 getting the virus. It's the same story I discussed in my previous update showing why the Delta variant is not deadlier than prior variants. It's a function of more people getting infected faster. Here's another interesting data point from the study: Hospitalizations were 10 times higher in unvaccinated adolescents than in those who had been vaccinated.

Everyone breathe easier. The Delta variant is no worse for children than prior variants. Our good fortune on that aspect of the virus continues. Of course, if everyone who could get vaccinated actually got vaccinated, the number of children

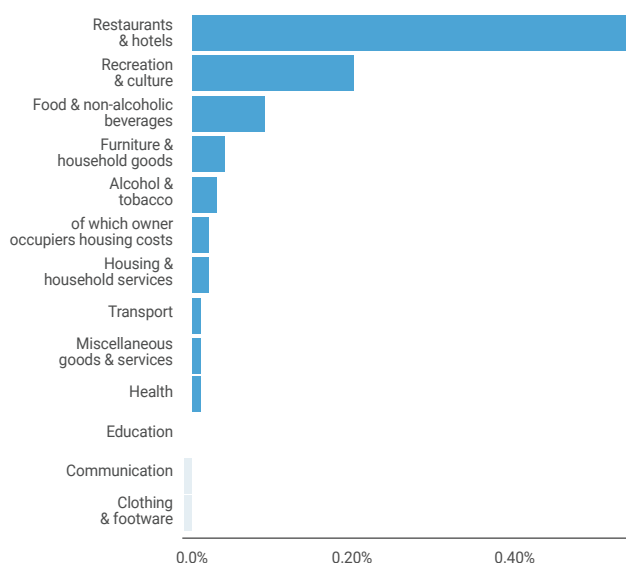
hospitalized would decrease dramatically. Those of you unvaccinated, think of it that way – get a shot, save a child. Or, put the other way, stay unvaccinated and go visit a children's COVID-19 hospital ward and tell yourself there's nothing you could have done to help any of them.

The Public Markets

Inflation remains the question of the day. I don't have an answer but have the following tidbits:

- The IMF lowered global growth forecasts, saying, "Pandemic outbreaks in critical links of global supply chains have resulted in longer-than-expected supply disruptions, feeding inflation in many countries." You expect lower growth to create lower inflation expectations but that's not what the IMF is worried about.
- The CEO of Fastenal, which makes a broad range of industrial products, had this to say about product and shipping cost inflation now: "It's brutally high. The chaos and...the impact, not just from a financial perspective, but from a toll that takes on our human capital, is immense."
- This is an interesting chart of what was driving inflation in the UK over the summer. The first two categories may not be inflationary pressures that last very long.

What is driving inflation, July-August 2021



Source: ONS by Tom Saunders

- The worry over stagflation, meaning lower growth and inflation, is blamed for stock markets' recent fall. Goldman, JP Morgan and UBS have all come out and said inflation is transitory and stagflation is not a worry. Goldman echoed the other two banks, saying, "Despite near-term uncertainty, we expect the equity market will continue to rally as investors gain confidence that the current pace of inflation is transitory."
- *The Economist* had an [interesting article](#) (paywall protected) that looks at pandemics over the centuries and finds that they lead to *lower*, not higher, inflation.

I remain in the camp that, a year from now, we will not be talking about supply chain problems, and we will not be spending all of our time worrying about inflation. How firm is my conviction on that? I was in the 75% probability zone in my last update. Now I'm around 70% probability that inflation will not be an issue in a year. Down slightly, but not much changed.

We were recently treated with an avalanche of noise around China's property developer, Evergrande, and its imminent default leading to China's "Lehman Moment," the phrase meant to evoke the collapse of the global economic system. Much easier to use two words than to explain what you are trying to say and then determine if it's accurate. But, we are getting close to Halloween, so perhaps it was done in the spirit of harmless ghost stories. Let's compare Evergrande to Lehman and determine if it can develop into the dreaded "Lehman Moment."

- ✓ Company leadership that confused tons of liquidity, easy lenders and a bull market for financial competence and skill?
- ✓ A moment when it became clear that the company had run out of liquidity and that the value of its assets could not repay the debt incurred?
- ✗ A government and financial system that lacks the liquidity and/or political will to salvage the company and/or its creditors? China has both, so that's different from the Lehman example.

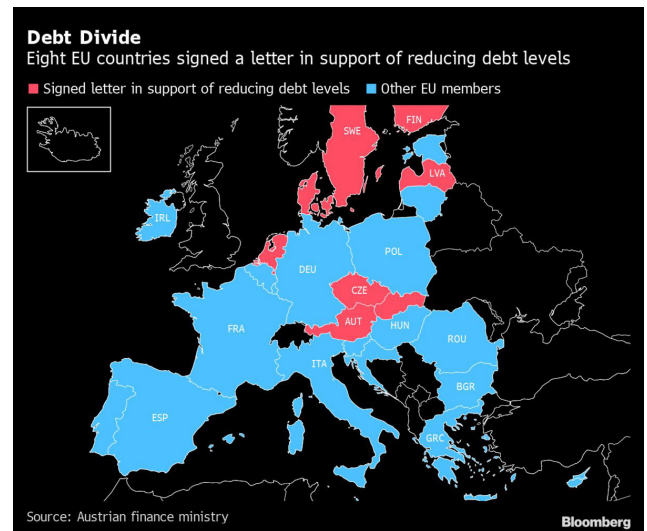
✗ A government and regulatory structure that can't affect policies to ring fence or contain the fallout from default? China has already begun the process of containing any damage, probably by protecting domestic creditors and customers and letting foreign creditors suffer losses. Not pleasant if you're one of those creditors, but not catastrophic to the Chinese economy or the global financial system.

There are reports of other developers missing payments and stories that, ok, Evergrande may not be the sole trigger, but the whole sector will collapse. Yes, mistakes may be made and the crisis may spread, and China's economy may slow a little as a result of developer issues, but China has the resources and the will to prevent the kind of contagion that would turn the phrase "Lehman Moment" into the phrase "Evergrande Moment."

"It's like déjà vu all over again."

- Yogi Berra

Remember the aftermath of the Global Financial Crisis? Austerity was the rule of the day. The pandemic response was the opposite: The EU suspended the pact that limits governments' ability to stimulate economies. What happens next?



The eight countries in red wrote a letter signaling their support to cut debt, a clear signal of a return to austerity measures. On the same day that letter

was sent, France said it was not raising taxes but, instead, would focus on “investment” to drive growth. Italy has signaled the same posture. (Using the word “investment” sounds so much better than using the word “spend,” just as saying “fiscal prudence” sounds better than “raise taxes.”) The UK has indicated it will raise taxes to pay for some healthcare spending. Germany recently had elections and there is unlikely to be any position taken by the EU until the German political situation is better resolved.

Keep an eye on the EU’s position as it will have a significant influence on EU growth.

The Private Markets

Headline from 2016: *“Titans of private equity shared some hard truths at the Milken Institute Global Conference: Returns now will be lower than investors had come to expect from the asset class; capital distributed back to limited partners will decrease...”*

You have to admit they weren’t the only ones, five years ago, who thought returns could only go down. Remember the dreaded “Capital Overhang?” Returns can’t go up, there’s too much money. I have said many times that the question I have been asked most often in the last 10 years is “should I invest in private equity now?” The unstated premise of that question is that now is not a good time to invest because returns will be coming down.

I’d like to thank my colleague John Stake for these interesting facts:

- Median performance for the 2016 through 2020 vintages is at a point where it’s competing with top-quartile returns seen earlier in the decade. Ponder that one for a moment. Median today is higher than the best 10 years ago and 10 years ago was a good time to invest.
- If you were to rank the top-quartile threshold for each vintage year in Hamilton Lane’s data set, how do you think the last five years would rank? John looked at the numbers and found that, for all PE, for vintages 1982 to 2020, the last five years would

be ranked 1,2,3,4, and then 8 for 2020 through 2016, respectively.

Impressive stuff, even if IRRs have a huge element of financial engineering. And, yes, when markets finally do turn down, you will hear many of the pundits tell you they told you so. They just won’t mention they told you so more than five years ago.

Before you think I am advising you throw caution to the wind and invest for the next five years assuming they’ll be like the last five years, I give you this wonderful tweet from Ian Sigalow of Greycroft Ventures (and thank you to my colleague Christian Kallen for alerting me to it) that captures the “disciplined” pricing behavior in the venture/growth market:

This is a real conversation I had last week:

Me. “Why is Company A worth 30x revenues?”

#2. “Because Company B trades at 32x revenues.”

Me. “Why is Company B worth 32x revenues?”

#2. “Because Company C trades at 40x revenues.”

Just turtles all the way down...

Ian @ Greycroft

And this quote from Christian:

“25x is the new 15x EBITDA multiple. Never heard about so many deals trading in the 20xplus EBITDA range before and we are talking old economy deals here.”

How are the credit markets doing?

For some reason, thinking about them made me think of Pi. Pi is both a constant (the ratio of the circumference on any circle to the diameter of that circle) and an irrational number, meaning its decimal form neither ends nor becomes repetitive.

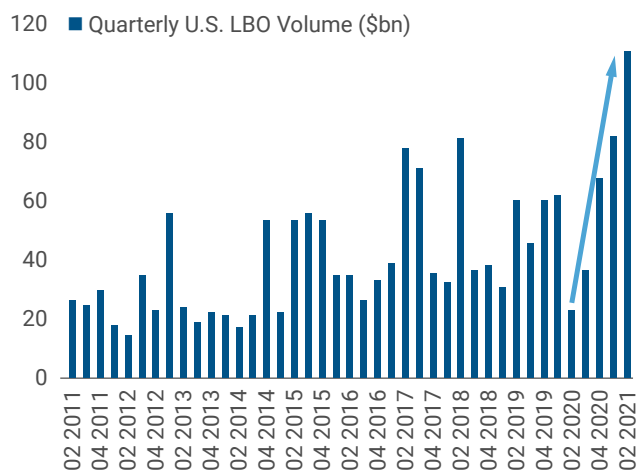
OK, Mario, what does that have to do with the credit market? Not really sure, except that its behavior seems constant (despite everyone saying it won’t be), irrational (because everyone tells me it is) and lower interest rates for longer seem like they will

never end but never repeat as the credit market stretches infinitely.

My colleague Nayef Perry reports that there is a growing sentiment in the credit markets that with various volatility factors on the horizon (not to mention some choppy economic data recently), the fall could bring a dip to loan prices or create some unique opportunities on the private side not necessarily available today. We have heard this before and maybe this time it will be different. The markets don't seem to feel that way today.

- CLO issuance: YTD volume is +124% vs. same period last year. August alone saw record CLO issuance (\$18B) during a traditionally quiet month. The runoff of COVID-era non-call periods is a driver. Feels like a race to the bottom for liquid loan yields... raise bundles of money to refi out higher priced debt (same security) and repeat, driving pricing tighter and tighter.
- Secondary loan prices: Leveraged loan prices showed some signs of softening again (~97.8 in mid August), paving the way for modest secondary buying activity and strengthening.
- U.S. LBO deal volumes highest since credit crises: Drivers include cheap debt and elevated levels of PE dry powder.

U.S. LBO deal volumes highest since credit crisis



In the last update, I expressed some skepticism regarding the durability of inflation in global economies. My colleague Brent Burnett provided

some interesting anecdotes that highlight how inflation could persist and, if it doesn't, for a very bad reason, an economic downturn.

- A large cabinet manufacturer that does a lot of work for production home builders reports that supply chain disruptions have made it difficult to fulfill orders for the home builders. Some of their larger customers are starting to delay or cancel orders. National home builders are starting to get concerned about a *supply chain recession*, where consumer demand starts to wane as a result of poor product selection, severe price inflation and long wait times. As we all look for inflation, perhaps we should be looking for a recession (and the deflationary impact of that event...).
- Vertically integrated agricultural operating companies report this is the most difficult operating environment in decades. Margins are not very high in those industries and the pressure on margins is severe, with both the labor rate and supply chain inflation. While headlines say that food prices are rising, it is a struggle to pass through all of the cost increases to the end-market retailers. Aside from labor costs, availability is also a huge problem. The labor market participation rate is the lowest it's been since the 70s, especially among adults ages 55-65. Although the unemployment rate has improved significantly over the last year, it's on a much lower participation group. Here is a telling quote: "There is simply no labor to meet our existing demands, let alone think about expansion." The lack of labor supply is the single biggest inhibitor to growth initiatives.
- Staying with the food industry, logistical bottleneck in U.S., West Coast ports are causing mass spoilage for fresh produce coming up from the Southern Hemisphere because of the wait times to dock in port and unload, even in climate-controlled environments. Companies are looking to ship product to alternative U.S. East Coast ports and truck it west rather than wait for West Coast ports to take it.

- Going back to labor availability, Brent mentioned a marble fabrication and installation business. While their input costs have increased, they have been able to pass close to 100% of the material and labor costs through to the consumer. The issue they face is also around labor availability. They have an order book that is larger than it's ever been, but they are constrained by the number of fabrication and install crews they can hire to fulfill orders. As a result, they've had to stop taking new orders and delay a facilities expansion until they can hire more crews.

Conclusion

“The measure of intelligence is the ability to change.”

– Albert Einstein

Well, this whole ‘getting out of the pandemic’ certainly isn’t happening the way we thought it would, is it? We thought it would be like a light switch. The vaccines, or some other cure, would happen, we’d all take it, and we’d go back to the way things were, perhaps with a couple of adjustments here and there. Maybe a little less time in the office, one or two more vacations to make up for lost time, but the last year and a half would be a memory, something you reminisce about years from now when someone walks by with a t-shirt that says, “I survived the pandemic.” Instead, things seem to be moving in fits and starts. One day, COVID is gone, the next day it’s back. Some places, we have to wear masks, other places, we don’t. Some people are totally comfortable as if there was no virus, others act as though the vaccines don’t work. Going about our daily life is not as easy as we remember it with all that going on and then you add in our favorite restaurant or Starbucks is closed or has limited service because there’s a staff shortage. There are shortages of everything from toilet paper (again!) to cars to who knows what. They tell us our holidays will feature a lack of toys for the kids and a lack of hotels for us and a lack of who knows what for what we don’t yet know and gas and food prices are going up. Some of us are ignoring it and saying, hey, back to life

the way it was and some of us are mired in it, saying, hey, we’re still in pandemic mode. Some of us are just bummed.

We are not going back to the way things were before the pandemic. Ever. Yes, shortages of things will ease. I don’t know when, but it will all ease as companies adjust globally and more normal patterns of production and consumption resume. But that won’t cause everything to go back to the way it was because we have all been altered, in ways we recognize and don’t recognize, by the past year and a half. It would be impossible to pretend otherwise. We have gone through the first real global pandemic in most of our lives. We have endured varying degrees of lockdown and isolation. We have altered every facet of our lives, large and small. From that, we expect that we’ll go back in time? The good news is that we won’t. We shouldn’t. There is a lot we have learned about ourselves and about each other and there is a lot we can and should change. Whether that change results in good or bad things for us individually and collectively is very much up to each of us. Of course, it’s a little discouraging when you hear stories of people screaming at flight attendants or grocery workers or hospital care. Those are people struggling to adjust and not realizing it.

Here’s my advice for this update: Don’t be that person screaming, whether verbally or internally. Sit down and make a list of things that changed in your life for the better over the last 18 months. Don’t go crazy with that list—maybe three things. Maybe it’s more time with someone. Maybe it’s less travel. It can be a lot of things. Then figure out how you are going to make those changes part of your life. (Again, don’t go overboard here. Be realistic. The fact that you slept from 1 to 4pm every day may have been something you really enjoyed, but could be hard to make part of an office pattern. But, who knows, maybe there is a way to figure that out also.) Look at that list every day and see if you’re still making those changes. Add something when those three things are now a daily part of your life.

That’s how you effect change rather than have it forced on you. It will also probably keep you from screaming at someone.