

# When will U.S. daily life return to normal?

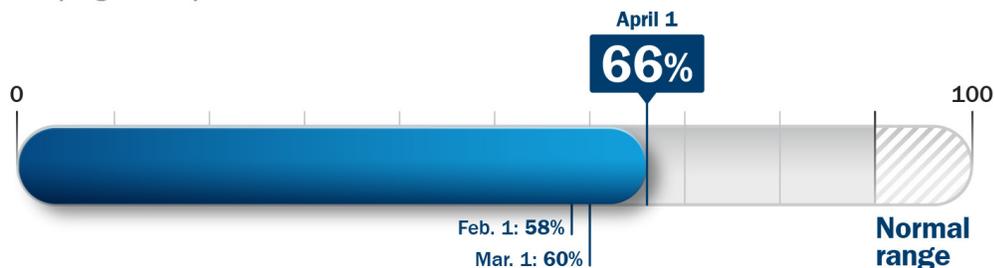
April 1, 2021

*The Columbia Threadneedle Return to Normal Index measures progress toward a post-pandemic world.*



## RETURN TO NORMAL INDEX

The Return to Normal Index tracks activity compared with prepandemic levels as we progress to post-COVID normal life.



As of 04/01/21. Source: Columbia Threadneedle Investments

As the U.S. continues its COVID-19 vaccination program, the Return to Normal Index measures human activity data relative to prepandemic levels. The index is constructed by our data scientists and fundamental analysts and tracks activities in the U.S. including travel, returning to work and school, brick-and-mortar shopping and eating out. By design, the index is focused on measuring components of daily life rather than economic indicators like GDP growth. The percentage level will move closer to 100 as daily life normalizes, and our analysts will update it on a regular basis.

### WHAT'S CHANGED:

Since our March update, the Return to Normal Index has climbed to 66% — all of the index components that we track are improving. Drivers of the increase include a broader pool of people receiving vaccines and looser restrictions on many activities. The monthly jump has made it clear that widespread vaccination can fuel behavioral and economic recovery. By May, two more vaccines will probably be approved in the U.S., enabling supply to meet demand by the end of the second quarter.

We're at an important inflection point for the return to normal, but we continue to watch data indicating that infection rates have plateaued (or started to increase) in some locations. We're also watching the data on variants that have significantly spread throughout the U.S. If we see a large spike in cases, the momentum carrying the U.S. to our normal range could slow. Among the index components (explained below), return to in-person schooling saw the greatest monthly gain as more counties moved away from remote learning and back to in-person or hybrid models.

**Activity numbers won't all return to where they were before COVID.** The index could hit "normal" at a point lower than the 100 level due to continued changes in behavior like working from home and reduced business travel. The definition of the future normal is evolving, and the index's normal threshold will reflect our data science and fundamental research insights.

### WHAT WE'RE WATCHING:

We're analyzing the time people spend engaging in a broad set of activities outside their homes. The index components have implications for economic growth, but the primary objective is to monitor how close or far we are to returning to normal life.



**Return to  
school**



**Return to  
travel**



**Return to  
entertainment**



**Return to  
workplace**



**Return to  
brick-and-mortar  
shopping**

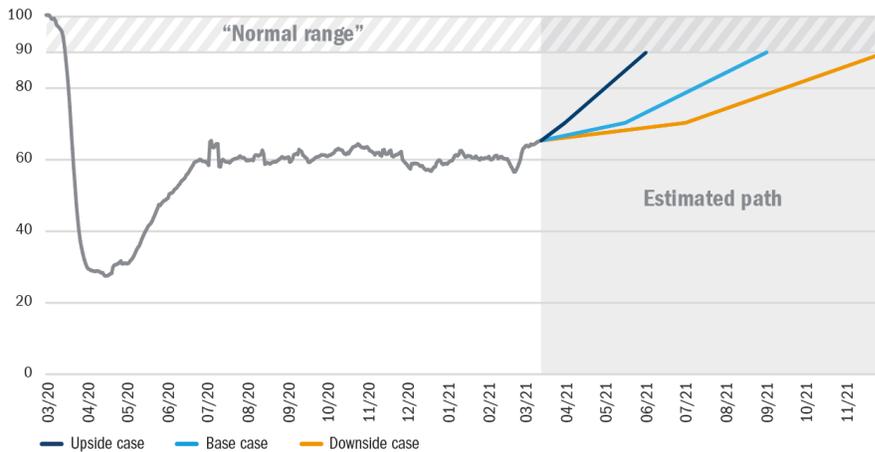
Our index suggests that we're still 34% below pre-COVID activity levels. The levels of component activity vary: the return to brick-and-mortar stores is 24% below its pre-COVID levels and a normal work routine is 25% below pre-COVID. The subcomponent with the lowest level is travel/entertainment: 52% below pre-COVID levels.

### WHAT COULD DRIVE CHANGE:

Faster vaccine distribution and uptake could accelerate the path to normal (i.e., the upside case). Developments that could impede a return to normal (i.e., the downside case) include the emergence of variants that are resistant to current vaccines or slower uptake of the vaccine in certain places (because of people's unwillingness to get vaccinated or shortfalls in supply).

## ▶ Columbia Threadneedle Return to Normal Index over time

Level as of April 1: 66%



As of 04/01/21. Source: Columbia Threadneedle Investments

“This index provides a framework as we analyze companies,” says Paul DiGiacomo, Head of Equity Research. “It’s a roadmap for what normal activity might look like after COVID and how long it will take to get there. The information allows us to test a company’s own assumptions and make adjustments in our views as needed.”

For investors, the Columbia Threadneedle Return to Normal Index can act the same way: it’s an additional input to consider as they research their individual asset allocation and portfolio decisions.

**Bottom line:** Understanding where we are on the path to normal life will be a critical question in 2021. This data input can help inform investors’ asset allocation decisions and set expectations on market activity.

[Download chart](#)



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