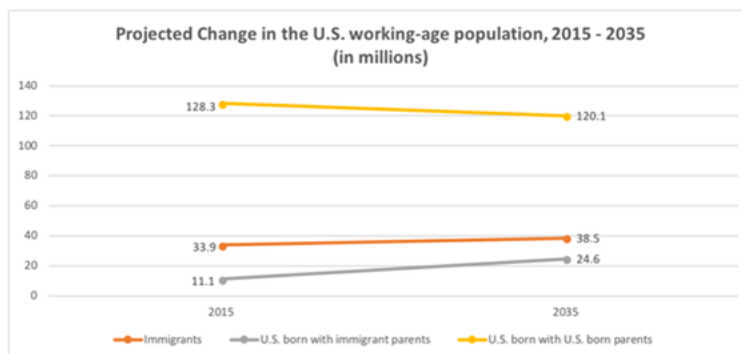


J. Michael Locke Musings

#110: Musing January 22, 2021

Congratulations to President Joe Biden and Vice President Kamala Harris. The President's inaugural address is located here [inaugural-address-by-president](#). Our 20 year old son better pickup his game. Amazing performance by 22 year old Amanda Gorman whose poem is here [amanda-gorman-inaugural-poem](#) but watch a video if you can because the delivery was half the magic.

An underappreciated factor in immigration policy is its impact on economic growth. GDP growth requires either growth in your labor pool or growth in labor productivity (ideally both). Productivity is not easily expanded so most economists look to grow the number of working adults. Unfortunately, for a variety of reasons, our society is moving to one of smaller families with birth rates declining. The result is a decline in US born workers which would threaten GDP growth if not for the increment that comes from immigration. See the following from the Pew Research Center:



For those who spend time reviewing financials, watch the danger of allocations. Under management accounting principles, costs usually get allocated to a certain business unit or product even if that is not where they are controlled. In this allocation, you can lose transparency on what the overall cost of the department/activity because it is split up and allocated. Make sure to look at allocated costs totaled up and look at business units without allocations. I am a fan of keeping expense reporting aligned with expense ownership and control so you can look at a financial report and have an IDR (individual directly responsible) for the management of every expense item on the report.

Part of success is simple persistence. Leaders can never give up. They must push on and continue advocating and pushing on strategies, improving execution, eliminating waste and getting a deal done. It may seem repetitive but keep going at it until the other sides joins you.

I intend to be persistent in my criticism and advocacy against big tech and social media. It is a threat to the health of our society. Algorithms are controlling people by deciding what you see in your feeds. The algorithm is designed to elicit biological responses --- the rapid receipt of "likes" accompanied by chimes gets the recipients brain to release dopamine. See [dopamine-smartphones-battle-time](#) It thus becomes

addictive. Good article in WSJ on how to fight back: [social-media-algorithms-rule-how-we-see-the-world-good-luck-trying-to-stop-them](#). The author shares three ideas: 1) “No algorithms. No ads.” I guess there is a Facebook competitor called MeWe which operates this way; 2) “Deprioritize the destructive” which is the content moderation move; and 3) “Give back control” where you choose what you see rather than the algorithm. By amplifying the incendiary, the algorithms have “pushed us further into our own hyperpolarized filter bubbles” and thus are guilty of “algorithmic promotion of extremism.”

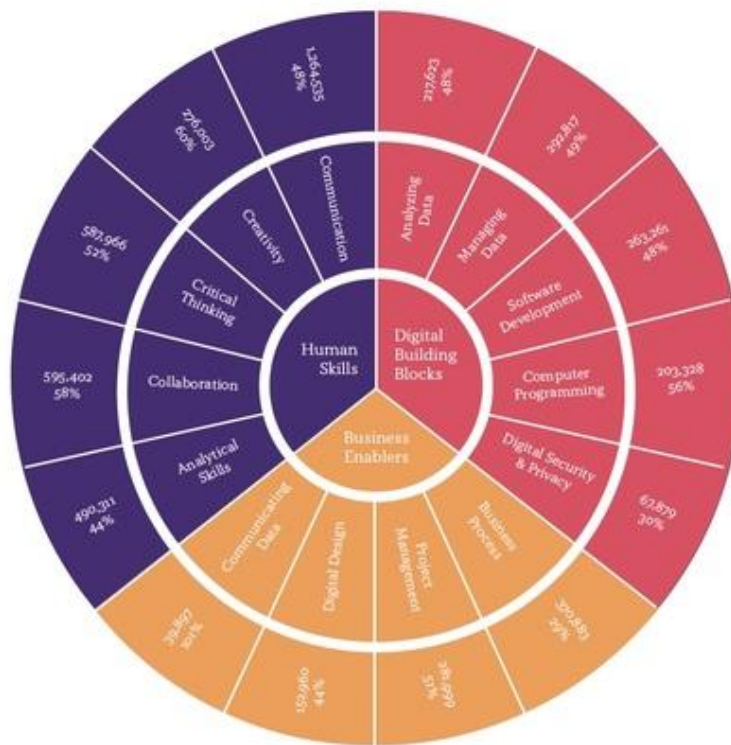
Our economy is fundamentally shifting and our institutions of higher education are too beholden to vested interests and not changing fast enough. A labor analytics firm called Burning Glass and an education analyst named Jeff Selingo have done some interesting work (thanks Adam Weinberg). Here is an excerpt from Selingo:

What is clear is that for learners of all ages breaking into the post-college job market is increasingly about the skills they possess, and less about where they go to school or their specific degree.

- *Burning Glass has identified 14 foundational skills (see graphic below) critical to unlocking millions of jobs, even in this economy.*
- *These skills across a range of domains - digital, human, and business - are the building blocks of successful careers, not only facilitating the first step but also gaining importance over the span of a working life.*
- *While each skill is valuable on its own, students who develop multiple competencies across skill groups earn significantly more and experience increased job mobility and advancement.*

14 Foundational Skills Key for All Graduates

These 14 skills are in high demand both for digitally intensive jobs and the wider economy. The outer ring shows the total open entry-level postings (March 2019–Feb. 2020) and the growth in number of postings (2017–2019).



Source: Burning Glass Technologies

The New Normal Economy

Being ready for the post-pandemic economy means colleges and universities need to step in aggressively to plan for the academic programs that will be the lifeblood of their institution and drive enrollment for the long term.

Four distinct economies are likely to emerge from the crisis that will provide opportunities for institutions to step in to meet learners:

1. **The Readiness Economy.** To get ready for the next crisis, whether it's a public health emergency or an environmental one, will require investments in health care, biotech, cybersecurity, green technology, and infrastructure. This, in turn, will spur demand for graduates with the skills to address these vulnerabilities. Biotech hiring, for example, was already up 36% last spring and summer.
2. **The Remote Economy.** Remote work may be the most influential legacy of the pandemic. The result will be a growing reliance on the data, software, and infrastructure that powers working from anywhere.

3. **The Logistics Economy.** *Global supply chains that were interrupted by the virus are already being reimagined. These changes will require new types of logistical support, which is one reason why FedEx Ground and FedEx Logistics plans to 35,000 new employees in the next five years.*
4. **The Automated Economy.** *The pandemic is likely to only accelerate the adoption of artificial intelligence, especially in knowledge work—and that may drive demand for graduates in fields like autonomous systems and advanced manufacturing.*

Bottom line: *Colleges that offer the right mix of academic programs to serve the four emerging economies post-Covid will shore up their financial sustainability, while ensuring students' career opportunities. In many ways, institutions already have the mix of courses or programs in their catalog; they might just need to reorganize them to match growth areas.*

Read more: *Download the paper, Good Jobs in Bad Times, [here](#).*

Interesting facts – 90% of the US population lives within 10 miles of a Walmart. 52% of 18- to 29-year-olds are living with their parents surpassing the previous peak during the Great Depression era. If other houses are like ours, the 20 year olds need to go back to college. The vampire schedule with 3am arrivals and cooking doesn't work well for those who have to get up.

Leave your cell phone in the other room tonight. Enjoy your family dinner. #deletesocialmedia

jml