

## J. Michael Locke

### Musings

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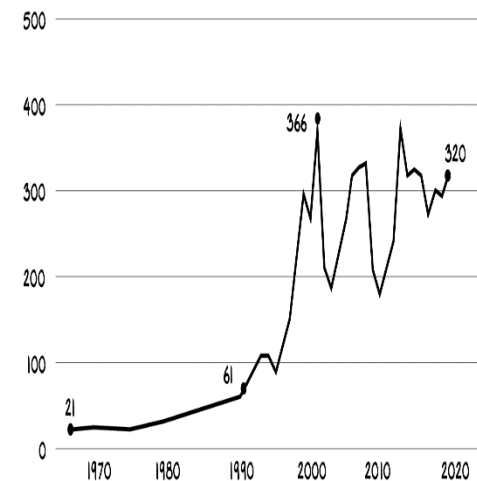
#### #129: Musing June 5, 2021

We have not pulled the trigger yet but everyone is “cutting the cord” and turning to internet-based media on their TV rather than cable. In this world, YouTube overtook Netflix as the #1 “Over the Top” media service based on watch time according to Comscore. The average length of a YouTube video is 11.7 minutes. As more of our children are raised consuming information in these “bite size chunks,” I bet other providers will change their length from the standard 1 hour. How about a 30 minute church service or college course?

There was a simple lesson we were taught back in business school, don’t assume you are the typical consumer. This was readily apparent to me as I watched the pre-game for the European soccer version of the Super Bowl – the Champion’s Cup – last weekend. The entertainment was done by a DJ named Marshmello who hides his appearance more than Kiss with a big marshmallow over his head (like the unknown comic on The Gong Show.) [Marshmello](#). I could barely understand what was going on while our son hummed away in his Man City jersey (sorry). Good reminder of this marketing lesson – he was the targeted consumer not me.

Famed investor Mohamed-El-Erian (former leader of the Harvard endowment and PIMCO) calls the pandemic “the great unequalizer.” [covid-pandemic-the-great-unequalizer](#). The pandemic has magnified an already bad trend of disparity and excessive CEO compensation packages. The WSJ reported that the CEO of Paycom’s pay package was valued at more than \$200mm and the median pay reached a record \$13.4mm. Here is an interesting chart from Scott Galloway’s newsletter:

CEO-TO-WORKER COMPENSATION RATIO



SOURCE: ECONOMIC POLICY INSTITUTE

I predict you will start to see this reverse as workers gain more bargaining leverage. There are over 8mm unfilled jobs. Unemployment is under 6%. Our labor participation rate is too low at 61%. We need more people working. China just eliminated its' one kid rule — you get three now. They need more people to grow just like the US. Economic firms are warning about the ensuing “Sansdemic” where the combination of retiring baby boomers, declining birth rate and reduced labor participation by women result in us simply not having enough workers (Pandemic implies all people while Sansdemic means without people). [demographic-drought](#)

This shortage of labor also plays into the “return to work” post-Covid conversation. Interesting opinion piece here on Apple news predicting increases in resignations as people have reprioritized their lives during the pandemic. [a wave of resignations?](#)

I recently attended the funeral of one my parents' good friends growing up (My first mentor – Sullivan & Cromwell partner Bob Craft taught me to make the effort to go to weddings and funerals because your attendance is really appreciated.) The deceased was a big fan of the Rotary Club and they recited the “four questions of the Rotary” which guide decision-making which I find interesting. We need more organizations like this. From the Rotary website:

*The Four-Way Test is a nonpartisan and nonsectarian ethical guide for Rotarians to use for their personal and professional relationships. The test has been translated into more than 100 languages, and Rotarians recite it at club meetings:*  
*Of the things we think, say or do*

1. *Is it the TRUTH?*
2. *Is it FAIR to all concerned?*
3. *Will it build GOODWILL and BETTER FRIENDSHIPS?*
4. *Will it be BENEFICIAL to all concerned?*

RIP Captain Stubing (Gavin MacLeod). Isaac making drinks for everyone.

jml