

J. Michael Locke

Musings

#134: Musing July 9, 2021

This is the first week using an email automation tool. If you are reading this, we were successful. The length of the recipient list was causing my other email accounts to be identified as spam spreaders. Thanks to Jennifer Walsh for her work.

I just returned from some time in Northern Minnesota and the shortage of labor for restaurants is stunning. Fast food lobbies closed. 40 minutes to get a Culver's burger. Signs from owners pleading for patience. Good video from WSJ: [employers-competing-for-workers-turn-to-signing-bonuses-and-freebies](#) We can't survive on a 61% labor participation rate, declining fertility rate and a dysfunctional immigration system. We need more workers.

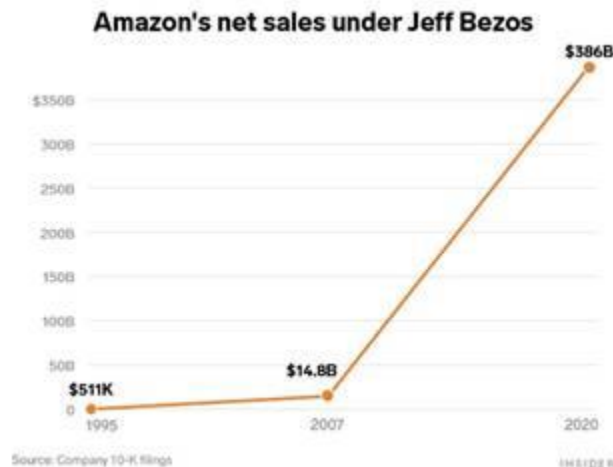
The "return to work" debate is more clearly falling along industry lines with technology being the most "remote friendly" (to the chagrin of San Francisco restaurants who remain empty) while finance is the most "in office" oriented.

Quote from Scott Galloway when evangelizing the value of straight up hard work: *"If someone tells you to follow your passion, they are already rich."*

Every market should have good price transparency. The customer needs to understand what they are paying to judge value and support real competition. A couple markets with opaque pricing are healthcare and higher education. Most folks can only quote their co-pay amount and not the actual cost of a doctor visit or procedure. The government has implemented new regulations requiring hospitals to disclose their pricing and it is flagging enormous variations in cost based on your particular insurance. Soon you will be able to more effectively negotiate.

Higher education's true price is hidden behind: 1) the "per credit model" (is that a quarter credit or a semester credit? How many credits for the degree?); 2) institutional scholarships (discounts from "retail" quoted tuition) and 3) all of the additional fees/charges. Why isn't it like a car --- X\$ for the bachelor degree – all inclusive? That is the product you are buying. Hate to reference the failed experiment of Saturn but I think you will see more of that in higher education.

Last week I wrote about the S curve for technology adoption and how an inflection point gets hit where adoption accelerates. How about this graph on Amazon sales ([amazon-facts-stats-how-bezos-grew-sales](#)):



Count me out on investing in Chinese companies. They are at the unilateral control of the government. First Ant Group, now Didi. Doesn't matter how large a consumer market if the government can just decide they don't like what you are doing and tell you to stop.

I might have to eat my words as the meme stock crowd might end up winning on GameStop. The underlying business fundamentals are terrible and in no way support the valuation but now the company has raised so much money it is basically like a SPAC which can buy its way into other businesses. Wallstreetbets is today's new equity underwriter.

Lumber prices down 50%. Part of the art form in management right now is not overreacting to transitory issues as the economy reopens.

Cybersecurity issue are now just a way of life. At work, make sure you have good data backup, minimize personal info on company servers and have a process already in place in case you are hacked. At home, put double authentication on financial websites and apps. Purchase credit monitoring or even better, freeze your credit if not too disruptive.

Do people really care about the Olympics? Put me in the camp that doesn't and won't be watching. Like many things in our society, the purity and national cohesion provided by things like Bruce Jenner winning the decathlon (yes kids, he was famous before the Kardashians) has been lost.

It's a sad day in Chicago when you feel compelled to download the "Citizen" app so you can track police activity to feel safe when your kid goes downtown. "Flash mobs" creating havoc in the middle of tourist areas. Not good.

On the lighter side. Are the scalloped edges of Ritz crackers designed to cut cheese? TikTok users want to know. [ritz-crackers-scalloped-edge-tiktok](#). Join the movement to match the number of hot dogs in a package and the number of buns – "10 Wieners. 10 Buns. It's time." <https://www.change.org/p/hot-dog-lovers-heinz-hot-dog-pact>. Important issues!

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