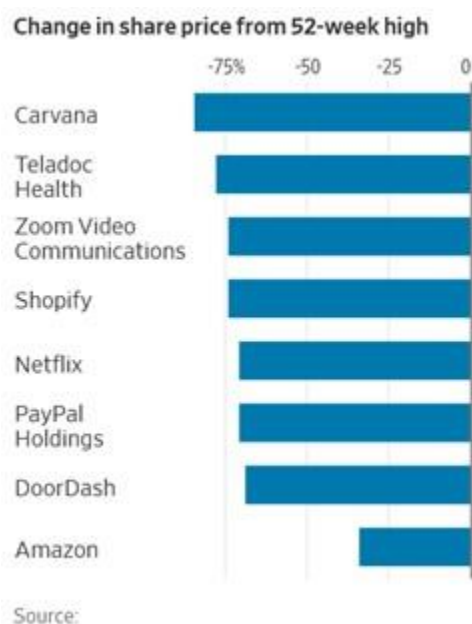


J. Michael Locke

Musings

#177: Musing May 7, 2022

So much for the value of diversification with your investments. Stocks and bonds both crushed lately as interest rates rise. Maybe the big decline in the equity market will drive some of those early retirees back into the workforce. The decline in stock prices for many of the high flyer digital pandemic names is simply stunning. As of closing Thursday here are some of the declines:



Those who had short positions are making a killing. For those not stock market focused, “shorting” is when you sell a stock you don’t own (you borrow it from custodian) and then buy it back later (and return it to custodian). So you are betting that a stock will go down in price so you sell high now and buy back low later. I hate the practice because it has nothing to do with allocating capital to the companies that will generate the best return which is what the capital markets are supposed to be about. Apparently, Bill Gates does some shorting. Musk ticked off because Gates had a \$500mm short position on Tesla.

How tight is the labor market? There are currently 11.5mm job openings and 6mm people seeking work. Almost 2 openings for every job seeker. About 1 out of 153 American workers is an Amazon employee (thanks Mark Rankovic).

Great line from Scott Galloway: *"TikTok is the modern opium den"* ...spend of couple of hours relaxing and getting your fix.

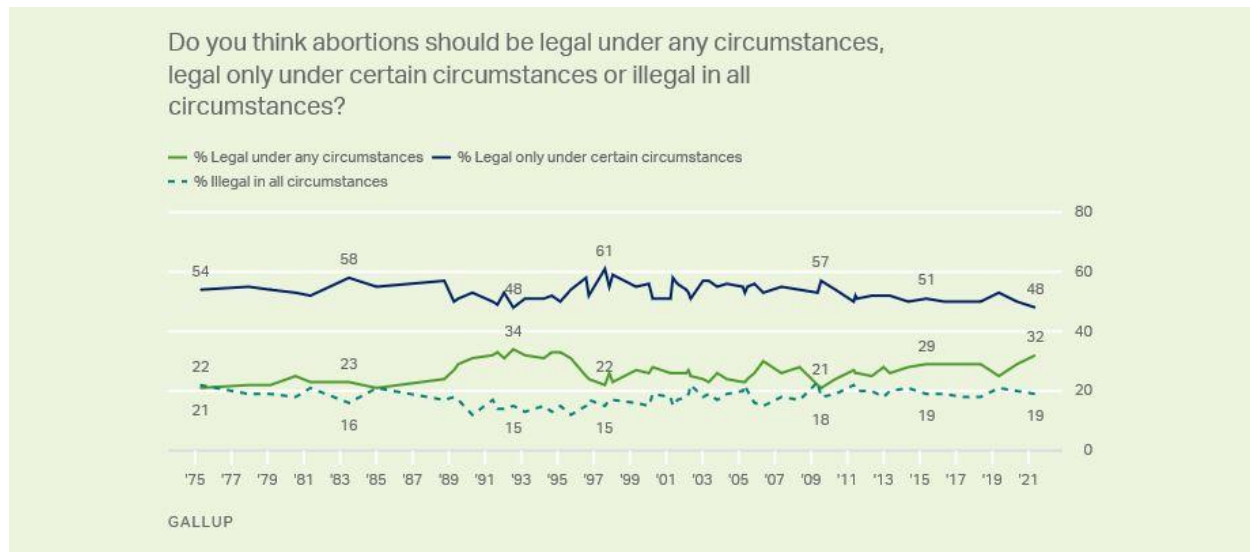
I just don't get the practice of taking pictures of your food and posting on Instagram (sorry Cate).

"If you're surprised by the feedback you get at a performance review, your boss has failed. Good managers don't wait for formal meetings to help you grow. They make it a daily priority. The sooner you get feedback, the sooner you can break bad habits and learn better ones." Adam Grant

Learned a new term: a "shent" which is a combination of shirt and tent created by Barefoot Contessa's Ina Garten to describe her large loose fitting shirts.

The Supreme Court draft opinion release is a pretty stunning leak. I hate this part of Washington. As to the substance of the draft opinion, I wish we could have a more sophisticated discussion of the abortion issue. The Supreme Court is not deciding whether abortion should be illegal or not. That decision rests with publicly-elected officials at the state level. The SC is deciding whether there is a constitutional right to an abortion under an inferred right of privacy (there is not explicit privacy right enumerated in the Constitution). From the Washington Post: *"Drawing on the First, Fourth, Ninth, and 14th amendments, the court said the Constitution protects an individual's 'zones of privacy.' Citing cases in which it was ruled that contraception, marriage and child rearing were activities included in these zones, the court found that the zone was 'broad enough to encompass a woman's decision whether or not to terminate her pregnancy.'"* Apparently, 20-25 states have indicated they would ban (or close to it) abortions if they were constitutionally allowed to. I fear we are going to see a "segregation" of our population in the decades to come. With the arrival of remote work and the labor shortage, individuals can generally decide where they want to live and will pick states that align with their views. I think we will see a development of red states which have right to work laws, limit abortion, have lower taxes etc. and blue states which support unions, allow abortion and have higher taxes etc. We obviously have that somewhat already but my argument is that the "segmentation" will become stronger and more polarizing.

For all of the coverage of the abortion topic, opinions haven't changed much over the decades. See below from Gallup.



One interesting change is that 54% of abortions are completed by woman taking two pills (approved by FDA 20 years ago) rather than through a procedure (WSJ). With pills flying across state lines, it will be much harder for the conservative states to eliminate abortion.

Happy Mother's Day to everyone. Good WaPo article by Mitch Daniels below

Jml

Opinion: Hail to mothers, even those who can't let go of their college-age kids

Mitch Daniels
Contributing columnist
May 6, 2022

Can I get something on the record? I love moms. I really love moms. A caring mother provides the best chance, sometimes the only chance, a young person has of turning into a responsible, self-reliant, high-character adult. No mission is nobler.

However. Ahem. Even moms are subject to that fundamental caveat of life: "up to a point." Working daily with and on behalf of tens of thousands of other people's children, as I do as the president of Purdue University, one encounters mothers who, let's just say, carry things a little far.

Like the one who insisted, without ever providing any documentation, that her child was allergic to all nonorganic food. She ordered food multiple times a week, accompanied by specially selected spices, and had it delivered to our dining courts with a demand that the staff cook it separately for him, to her specs. (They did, for a year, until the demands, or maybe the "allergies," ceased.)

Or the mom who wrote and called eight times to complain about her daughter's accommodations. She was sure there was mold (the test she ordered came back negative) and that the water was tainted (she sent it out for tests — negative again). The oven handle was loose. (Has the college student tried using a screwdriver?)

My school often receives helpful advice about adding streetlights or other measures to enhance physical security — on a campus found every year to be one of the [safest](#) in the nation. After the university acceded to one mother's demands and moved her daughter to different housing, she continued to complain on behalf of other people's children who apparently hadn't realized the extent of their own jeopardy.

Of course, many of the grievances are justified, and we try to act on them promptly. But after years on the receiving end of such entreaties, I find that the term "helicopter parent" no longer seems adequate to capture the closeness of the hovering. "Mom mowers" might be more descriptive.

This is not to exonerate the fathers. Although paternal complaints make up a much smaller fraction of the campus mailbag, they can be just as difficult. One father was the source of 13 emails and three phone calls about how miserably lonely his son was, insisting he be moved to a different residence. When visited, the student reported having lots of friends, several extracurricular involvements and zero interest in being moved.

Such parent-student disconnects are not uncommon. One mother was persistent and belligerent because her son's bed was too short for his 6-foot-3-inch frame. When visited to see if the university could make a different accommodation for him, he picked up his cellphone, called home and bluntly asked Mom to butt out.

As extreme as such examples are, it is impossible not to empathize with parents who, rationally or not, worry about the physical safety or comfort of their child. More dubious are parents' attempts to shield their offspring from failure or the academic challenges that higher education, if it's doing its job, presents to its young clients.

Like the mother who insisted that we gather all her son's homework assignments daily and fax them to her so that they could work on them together every evening. Or the one who requested an "advance interview" for herself the day before her daughter's own interview regarding a possible academic award, so that she could "explain her daughter's qualifications" for the honor in question.

Or, a personal favorite, the mom who impersonated her son — yes, son — at his teaching assistant's virtual office hours, to present his homework solution and push for a 100 percent grade. Even with the Zoom camera off, the TA detected the subterfuge.

Years ago, when my wife and I took the eldest of our four daughters to start college, the arrival

day's welcome program ended abruptly midafternoon. Parents and kids had attended separate orientation sessions at lunchtime, and when we saw our daughter again it was for only five minutes, before the adults were politely excused. The message was clear: A new era has begun for your child, and that means for you, too.

In a country where so many social sadnesses are the consequence of irresponsible, neglectful parenting, one cannot fault those who love their children to the point of overprotection. But protection from challenge — and from the occasional failure that is often the best teacher — can be endangerment of a different kind.

So, bless all the moms, and dads, including those who go a little over the edge. We'll do our best to be responsive. But remember: When your kid graduated from high school, maybe it was time for you to graduate, too.

Happy Mother's Day to all.