

J. Michael Locke

Musings

#181: Musing June 17, 2022

Took last week off (in case anyone noticed). Going forward, the musings might become a little more sporadic as I enjoy the summer.

Terrible print of record 8.6% growth in CPI compared to last year released on Friday. This is a level of inflation not seen since early '80s. Kind of interesting to see the 8.6% growth broken into its buckets. This table from the Bureau of Labor Statistics.

	Unadjusted 12-mos. Ended May 2022
All items	8.6
Food	10.1
Food at home	11.9
Food away from home	7.4
Energy	34.6
Energy commodities	50.3
Gasoline (all types)	48.7
Fuel oil	106.7
Energy services	16.2
Electricity	12.0
Utility (piped) gas service	30.2
All items less food and energy	6.0
Commodities less food and energy commodities	8.5
New vehicles	12.6
Used cars and trucks	16.1
Apparel	5.0
Medical care commodities	2.4
Services less energy services	5.2
Shelter	5.5
Transportation services	7.9
Medical care services	4.0

The dire financials of social security will take a hit if this continues through fall which is likely. The annual COLA (cost of living adjustment) is calculated by comparing third-quarter data over the same three months for the previous year. Therefore, the increase for next year will depend on CPI-W data for July, August and September.

Fed big move of 75 basis points (.75%) shows they are going to prioritize “price stability” over “full employment” (this is their “dual mandate”). I predict the extremely tight labor market will quickly loosen as economic conditions deteriorate with higher rates. Layoffs at high flying tech firms will push people to seek more stable employers and lighten on their demands for remote work. Like most things, our society overreacts and now pendulum will swing back to the middle with a real focus on hybrid work models.

We will need to improve hybrid meetings which can be a challenge in this new world of work. Ironically, you see the remote individuals much more clearly than the group around the conference room table with one camera. Interesting article here on suggestions for improvement. For instance, have everyone individually dial in on laptop even if in conference room. [meetings-are-broken-tech-is-trying-to-fix-them](#). I encourage people to not blur out your zoom background. In a virtual world, showing your real background “personalizes” the video medium and usually leads to some questions (who is the picture of? Where are you?).

Another driver of some more “in office time” will be the development of our younger professionals. New employees need to learn from experienced ones and that is difficult remotely where all exchanges are basically organized/planned/structured.

Being a CEO in today’s world has the whole new layer of complexity on how to handle social issues. Personally, I think companies should be neutral and just focus on their business but employees are pushing leaders to engage in social policy discussions. Howard Schultz embraces it. Disney and Netflix trying to figure it out.

You have to like Elon Musk’s candor and focus on results not everyone getting a ribbon. Quotes from his twitter town hall: *“It’s like, if somebody is getting useful things done, then that’s great. But if they’re not getting useful things done, then I’m like, okay, why are they at the company?..... So with Tesla, I have simply asked for a list — that the manager has to confirm — that they’re an excellent contributor, and if they do, they’re allowed to work remotely.”*

Make sure the “retail” level employee has the right motivations. Frustrating when a consumer wants to spend money but the employee is trying to minimize work and has no incentive. Recent experience in Cambridge MA as bartender rudely pushes out group rather than serving 15 minutes before close and making a lot of money. Different experience in Decatur IL when the owner is there early to open the store. He gladly let me in 30 minutes before opening time to sell me some goods.

Organizations need to get out of the practice of using Facebook for community messaging. Many folks like myself have unplugged from this “evil empire” and I don’t think it should be the official place to get communication for an alumni association, parent group or a company.

As a side note, make sure to go to reunions. It can be a hassle but always worth it to reconnect with old friends. I don’t share the anxiety of how I will be perceived at reunions which I guess many do. *“The fear of rejection that typically accompanies large social gatherings can cause people to overestimate how much people are paying attention to their appearance and behavior, says Jessica Ayers, a social psychologist and incoming assistant professor at Boise State University. This phenomenon, known as the spotlight effect, is particularly prevalent in situations where we are reminded of our younger selves.”* [class-reunions-are-back-so-is-the-social-anxiety-that-comes-with-them](#)

Interesting fact -- *“Humans can typically focus and perform well in 90-minute bursts”* says a professor at University of Toronto who advocates for lunch breaks (WSJ).

Another example of government ineffectiveness and negative consequences — commercial pilots have to retire at 65 contributing to significant pilot shortage.

Good quote from Kara Swisher: *"Google has the database of all human intention."*

So George Washington's teeth were not made of wood. Some have written they were made from teeth pulled from slaves. Specifics are unclear but more than you ever wanted to know here: <https://www.mountvernon.org/george-washington/health/teeth/>

Happy Father's Day.

jml