

J. Michael Locke Musings

#182: Musing June 26, 2022

Small business owners are not bullish on our economy. From the NFIB (National Federation of Independent Businesses): *"The NFIB Optimism Index fell 0.1 points in May to 93.1, marking the fifth consecutive month below the 48-year average of 98. Owners expecting better business conditions over the next six months decreased four points to a net negative 54%, the lowest level recorded in the 48-year-old survey. Expectations for better business conditions have deteriorated every month since January"*.

Consumers are not more bullish with consumer sentiment falling to a record low. [consumer-sentiment-at-record-low-is-another-ominous-sign-for-economy](#).

Economic Outlook

University of Michigan Index of Consumer Sentiment



Note: 100=Level of sentiment in 1966

Source: University of Michigan

I am starting to think the recession is already here. Mortgage applications plummeting. Existing home sales are down. Consumers (including our house) have pulled back on expenses with the market plunge. I think we will see a negative GDP growth number next time it is reported which is two in a row.

Some have argued that we have moved to an “asset economy” where those with money buy all of the assets and then lend them to others. This has been supercharged by low interest rates. Interesting Atlantic article: *“Over time, wealth inequality became more pernicious to society than income inequality. The problem is not just that a chief executive at a big company makes 33 times what a surgeon makes, and a surgeon makes nine times what an elementary-school teacher makes, and an elementary-school teacher makes twice what a person working the checkout at a dollar store makes—though that is a problem. It is that the chief executive also owns all of the apartments the cashiers live in, and their suppressed wages and hefty student-loan payments mean they can barely afford to make rent. “The key element shaping inequality is no longer the employment relationship, but rather whether one is able to buy assets that appreciate at a faster rate than both inflation and wages,” Adkins, Cooper, and Konings argue in their excellent treatise, The Asset Economy. “The millennial generation is the first to experience this reality in its full force.”* [asset-economy-high-interest-rates-inflation](#).

Innovation needs to be part of personal and organizational DNA. You should always be thinking how something could be done better. The PGA tour now wishes it was thinking that way as the LIV tour guarantees golfers compensation like other major league sports and golfers leave the PGA. The Savannah Bananas are sold out playing minor league baseball in a fun way starting with a running clock that guarantees a two hour game rather than the insufferable pitcher changes and 3+ hours in regular pro ball. [savannah-bananas-cure-baseballs](#).

Interesting article on the lost growth and advancement from remote work (thanks Jeff Dobosh). *“If you want a job, stay remote all the time and be efficient in a very limited way,” said Handler yesterday. “If you want a career, engage with the rest of us in the office and use WFH only when smart...”* [remote-work-banking](#).

The Uvalde tragedy is providing a painful lesson in leadership and clarity around ownership. Dedicated, well-intentioned officers sat in the hallway for an hour while the door was not even locked because they believed those were the orders from their leader. It is unclear who was in charge and no one seems to be displaying ownership for the decisions made. Organizations only work effectively if there is one individual directly responsible and there is clarity to the group on who that is.

The overturning of Roe v Wade shows the challenges facing today’s corporate leaders. As I wrote last week, I do not think CEOs should be wading into social issues but many feel otherwise. I am pro-choice but I can’t agree with the people like the CEO of Dick’s Sporting Goods who posted this:

A MESSAGE FROM ED STACK & LAUREN HOBART

Dear teammates,

You are the heart of our business, and we are committed to protecting your health and well-being.

Today, the Supreme Court announced a decision to overturn Roe v. Wade, removing the federal right to an abortion and leaving the decision up to each state.

While we do not know what decision each state will make in response to this ruling, we at DICK'S Sporting Goods are prepared to ensure that all teammates have consistent and safe access to the benefits we provide, regardless of the state in which you live.

In response to today's ruling, we are announcing that if the state you live in restricts access to abortion, DICK'S Sporting Goods will provide up to \$4,000 in travel expense reimbursement to travel to the nearest location where that care is legally available. This benefit will be provided to any teammate, spouse or dependent enrolled in our medical plan, along with one support person.

We recognize people feel passionately about this topic -- and that there are teammates and athletes who will not agree with this decision. However, we also recognize that decisions involving health and families are deeply personal and made with thoughtful consideration. We are making this decision so our teammates can access the same health care options, regardless of where they live, and choose what is best for them.

e-NEWS is your resource for company news and information.
 If you have feedback or questions, please reply to TeammateCommunications@dcsq.com.

Simple recommendation for Iphone users – name your phone. Settings / General / About / Name. No more “which Iphone on Bluetooth am I?” or “mlocke iPhone” dialed into Teams call.

It is not getting much coverage but we have a real shortage of blood for our healthcare providers. We need everyone who can to go out and donate blood. [blood-donors-needed-now-as-omicron-intensifies](#).

