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Musings

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Our capital markets and boards need to do a better job holding executives accountable for wasted money in M&A. Pearson education paid \$650 mm for Compass and recently gave it away. Melissa Mayer led a \$1.1 billion acquisition of Tumblr when she was at Yahoo which eventually became worthless. The best might be Barstool. Dave Portnoy sold Barstool to Penn Entertainment Inc. for \$550 million in 2020 and last week he bought it back for \$0 (Depending on what happens down the road, he may have to pay some but he put up no money right now!) The write-offs get ignored by Wall Street as a one-time charge but it was wasted shareholder money and CEOs should be held accountable. From a buyer perspective, some of best deals are corporate carve-outs / divestitures where the big conglomerate just wants to get rid of a business and you can get something on the cheap.

The remote work debate seems to be intensifying again. Companies (even Zoom) are pushing for more employees to return to the office. Academic studies starting to appear on the question of productivity. *"A July working paper published by the National Bureau of Economic Research that studied data-entry workers in India found that workers randomly assigned to work from home were 18% less productive than those in the office. A recent analysis of multiple studies by the Stanford economist Nick Bloom, a leading remote-work expert, found that fully remote workers were 10% to 20% less productive than their in-office counterparts. These findings come as US labor productivity has slowed in recent quarters."* [are-remote-jobs-more-productive-work-life-balance-return-office](#) (thanks John Hughes). Personally, I think the question is moot as workers like their remote / hybrid working lifestyle and the shortage of labor in our economy gives them the opportunity to work how they want.

More government ineptitude. Chicago sold the rights to manage and own its parking meters fifteen years ago for \$1.16 billion. The buyers have already recouped their investment plus made \$650mm and have 60 years left on their lease. Last year, they collected \$140mm. At that rate, they will collect another \$8.4 billion with no growth over the rest of the lease. Crazy.

The most powerful person you have never heard of is Chiquita Brooks-LaSure. She runs CMS which is the Center for Medicare and Medicaid Services which is the government department within HHS which oversees the Medicare (old) and Medicaid (poor) government funded health insurance programs. Through the two programs, CMS sets the rate that will be paid for various services for a majority of the market. Unfortunately, government rates sometimes don't even cover a providers cost so the provider has to make it up through high rates on the privately insured side. A recent study shows that private rates were more than 2x Medicare rates (even with Medicare advantage plans negotiated by insurers). Physicians are currently seeing their fees cut my Medicare. *"Physicians are facing a 2% cut in Medicare payment in 2023, and 2024 will bring at least a 1.25% cut."* (Google) What a mess.

Good quote from Republican Presidential candidate Vivek Ramaswamy: *"The #1 aspiration for American kids today is to be a YouTuber/Vlogger. The #1 aspiration for kids in China is to be an astronaut. This isn't*

our kids' fault. It's ours. And we don't have long to fix it."

Another good quote from Margaret Thatcher that the trouble with socialism is that "you eventually run out of other people's money."

Random fact — TSA likes bomb-sniffing dogs to have floppy ears as opposed the pointy-ears. Apparently pointy-eared dogs like German Shepherds can appear "ominous" and the TSA wants to project a calm and friendly environment to travelers as they go through security.

We have not cut the cord in our house yet. Mostly due to habit as like to watch broadcast news and sports (which I guess are easily achieved through an OTT service). Cable TV is dying as consumers now have legitimate, fairly-priced options as opposed to the abusive, overpriced cable bundle. People refer to "Linear TV" -- the traditional form of TV -- which is programmed and watched as scheduled through satellite or cable. The term "linear" in this phrase simply refers to the method by which television programs and content are consumed -- a predetermined/scheduled lineup of shows. App-based TV like Netflix is called OTT or "over the top" and entails streaming via the internet and the user controls what they consume.

Lots of news coverage of the astounding force that is Taylor Swift and her tour. I am no Swiftie but I do appreciate the positivity of the whole thing. No scandals. No partisanship. Friendship bracelets and people having fun. We need more positive psychology in our world.

Had the wonderful college drop-off ritual. Nothing like the excitement of your child starting a new wonderful adventure. Hotty Toddy Caroline.

Jml