



2023+ CORPORATE FORECAST: low labor productivity, higher costs, higher risks—and it's NOT going away.

3 KEY FACTORS:

- 20 million (20% of 1-in-5 U.S. population who caught Covid) have developed Long Covid—5 million unable to work.^{1,2,3}
 - Unknown long-term duration/severity/future consequences of those impacted by Long Covid.
 - Unknown impact on productivity of those working with Long Covid or employees filling in for those with Long Covid.
 - Unknown impact on productivity of caregivers who are covering/caring for those family members with Long Covid.

= Higher, hidden, corporate risk from inaccurate/sub-par performance of unidentifiable, impacted employees.

- U.S. job opening rates the highest ever, labor force participation⁴ AND U.S. labor force size both shrinking with:
 - 3 million fewer Americans choosing not to work today than in February 2020:⁵ Baby Boomers, women with children, and men without college degrees are the largest groups opting out of the workforce.⁶
 - Immigration of all types are at lowest levels since 2014-16.⁷
 - 2023: +10 million (6% rate) U.S. jobs open, only 6 million (3.6%) unemployed⁸—contrast to the only 2 recent booms⁹ with ~3% unemployed rate: December 2019 boom: 4.2% U.S. job opening rate with 3.6% unemployed rate and December 2000 boom: 3.7% U.S. jobs open rate with 3.9% unemployed rate. **EVEN IN 3% unemployment rate BOOMS NEVER HAS U.S. JOB OPENINGS RATE BEEN A 6-7% RATE...& it's been at +6% since April 2021.**^{10,11,12}

= There is a disconnect between what the workforce after the pandemic wants and what companies are offering.^{13,14}

- U.S. low upcoming population growth, low labor productivity, & wrong type of innovation to grow corporate profits.
 - U.S. birth rates in 2021–2022 remain at record lows¹⁵⁻¹⁸ with 44% of nonparents ages 18-49 saying that it's unlikely that they'll have any children AND 74% of parents saying it's unlikely that they'll have more children.¹⁹
 - U.S. labor productivity is at lowest levels (see above graph) with minimal likelihood of improvement.²⁰⁻²⁵
 - Exploitative innovation—approaches improving existing value of already built: Apple iPhone 14, AI, digital transformation²⁶—is prevalent. **Explorative innovation**—approaches that ignore already built to offer novel solutions: Atanasoff-Berry computer, electricity, personal computer, first generation Apple iPod—is **MIA (missing in action)**.^{27,28}
 - ✓ Explorative innovation creates more persistent corporate growth; exploitative drives up labor demand.²⁹

= Most of the usually present corporate growth stimuli (population, productivity, true innovation) are MIA.

SOLUTIONS (and they're all costly, although they all lower even more costly risks):

- ▶ **Strategic Human Resource Management** (article, p. 2)—backups, multiple career growth plans, motivational enrichments.
- ▶ Minimizing **Burnout**—confidential help resources, fun times, flexible schedules, humor, & address causes before blow ups.
- ▶ Restructuring work, its location/hours to appeal to Baby Boomers/moms, inhouse childcare centers, tuition reimbursement.
- ▶ Investments in environments that support explorative innovation: outsource to professional innovators, Skunk works, R&D.
- ▶ Cut other costs wherever possible, establish rotating SME groups to assess/give input on major decisions' risk/opportunity.
- ▶ Match business size/scope to workforce who is available, interested, and a fit for company's culture/structure.

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