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Welcome to “Twilight Zone 2022”

Across America unnerving and disruptive economic and social shifts are causing confusion and anxiety. We are living in a new “Twilight Zone.” Many surprises lie ahead in 2022.

- The shrinkage of the \$8.76 trillion Federal Reserve portfolio will raise interest rates as inflation soars. As cheap money ends, expect a major stock market correction.
- Real GDP growth is slowing. It only rose 1.9 percent between 2019 and 2021. By the end of 2022 expect GDP to only be \$21.5 trillion. This is dwarfed by \$30 trillion in total U.S. government debt. As interest rates rise, paying all that debt will squeeze the federal budget. There is no free lunch.
- Retirements will soar. During 2022 the largest cohort of baby boomers will turn 65.
- Population growth is at record lows – only 0.1 per cent in 2021. This plus stepped -up retirements will lead to growing job vacancies in 2022.
- Long-term unemployment will continue to be high for prime-age workers (ages 25 to 54). The causes include COVID-19 risks, inability to find affordable childcare, education and skill deficits, and lack of access to job training.
- Business training investment will be forced upward as job vacancies escalate. Some companies have already announced major initiatives. Intel is committing \$100 million to training and development of workers for two chip factories to be built outside Columbus, Ohio. To combat persistent pilot shortages that have forced route reductions, United Airlines has launched its own training program for pilots, the Aviate Academy in Goodyear, California.
- In 2021 according to Federal Reserve estimates, U.S. business lost over \$700 billion due to skilled job vacancies. This number will rise in 2022.

If the United States is to emerge from the 2022 Twilight Zone over this decade, addressing skilled labor deficiencies is an urgent priority. Multisector initiatives can more effectively coordinate education and training programs. Students need more information on career options and the educational preparation needed for

them. Workers need retraining to acquire the specific skills needed for jobs in today's high-tech offices and factories.

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