

## Macro Roundup Article

**Headline:** [New Year, New Congress, New Economic Risks](#)

**Article Link:** <https://www.project-syndicate.org/commentary/us-economy-2023-outlook-inflation-labor-market-by-michael-boskin-2022-12>

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Publication	Project Syndicate
Publication Date	December 19, 2022

**Tweet:** Michael Boskin notes that tight labor markets may cause firms to respond to declining demand with fewer layoffs than in a typical recessionary cycle. @AEIecon @ProjSyn

**Summary:** The single biggest factor in the 2023 outlook is how firms will respond to a likely reduction in demand. Will businesses announce substantial layoffs, as usual? Or will the difficulties in finding and retaining qualified workers lead them to sacrifice short-run profits to keep people on the payroll? (Many have already been laid off in the tech sector, but that is because those companies binge-hired in 2020 and 2021.)

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Op-Ed/Blog Post, Sell-by Date, Theory

**Permalink:** <https://www.edwardconard.com/macro-roundup/michael-boskin-notes-that-tight-labor-markets-may-cause-firms-to-respond-to-declining-demand-with-fewer-layoffs-than-in-a-typical-recessionary-cycle-aeiecon-projsyn?view=detail>