I am trying to find a Master’s thesis this summer to complete my education as I am doing it part -time, online and remote. On occasion, I keep track of any discussion on forecasting with my alma mater, a separate university, so I was fortunate enough to see Professor Jerry Nickelsburg again to talk about labor market forecasting and the **Great Resignation**. Nickelsburg is an econometrician, my specialization in my Bachelor’s degree at UCLA, plus a seasoned veteran of recruiting Caroline Nahas, and a talent head of recruiting to provide practitioner's perspectives. I like to keep the science in social science, and below is a summary of my notes last night, coupled with my input.

Diagram, text

Description automatically generated

**Major Causes of the Great Resignation**

(1) The current Pandemic has caused people to reevaluate their values and future career plans.

* As a result, reductionists thinking of ignoring complexity and only focusing on one thing, like money, has diminished recently and is expected to decline in the years ahead. Overall, this is a macroeconomic generalization repeating in many states in the US, but not 100% everywhere.
* People are looking for fulfillment, which statistically are categorical variables expressed in words, not numbers. In turn, this is difficult to analyze, especially statistically, let alone get data for it.
* People will accept lower wages, such as in a different state, because everything else like **real estate** and grocery bills is cheaper, plus less stress and more family time.

(2) Millions of boomers who wanted to retire in 2008 could not, but after a decade with **equity in their homes**, they begin retiring, a lot of the early retirement in 2020 and 2021, especially women.

(3) High-demand workers can be mobile because they are difficult to replace, especially locally.

* In other words, a current employee quits and takes a job with remote capability that is very much in demand.
* There is an overlap with (1) here.

**The Significant Problems with the Great Resignation**

(1) **Data Science**: Labor market forecasting is more difficult now because there is a lot of uncertainty in the economy, which is reflected in the data.

(2) **Economics**: Labor supply is decreasing and will continue to decline nationally across many sectors because of deteriorating demographics. Labor demand is increasing and expected to increase because of Capital Accumulation.

* (a) Clarification: Deteriorating demographics is below average birth rates to match labor demand coupled with above-average death rates and low migration rates of local citizens within the US.
* (b) Clarification: Capital Accumulation is the increase in assets from investments or profits
* The industry sectors that struggle the most are Technology, Construction Management, and Logistics because of tight labor markets, especially in California.

(3) **Psychology**: Power Dynamics between employees and bosses have changed because candidates have more options, unlike before. Interviewees can ask more questions, especially about culture, because they will not accept the job if they do not like an answer.

Lastly, forecasting is cool and in demand but *occasionally* impossible with your given dataset.