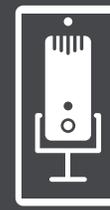


Episode: 47

Anirban Basu



THE
**MOBILE
WORKFORCE**
PODCAST

Mike Merrill:

Hello, and welcome to the Mobile Workforce Podcast, sponsored by About Time Technologies and WorkMax.

I'm your host, Mike Merrill, and today we are joined by my friend, Anirban Basu, who's an economist at Sage Policy Group, also an economic consultant and analytics firm that helps businesses develop the analytics and messaging needed to get new ideas off the ground.

So today we're going to talk about the economy. We're going to talk about how construction has been impacted by the movements in the economy over the last year, and what Anirban predicts will happen in the very near future. We also will discuss how contractors can understand the impact of the economy that it has on their business, and also how to prepare for whatever comes next.

Hello, Anirban, welcome, and thank you for joining us today.

Anirban Basu:

Privilege to be with you today, absolutely.

Mike Merrill:

Awesome. Well, before I get into the conversation, I met Anirban last year in Beaver Creek, Colorado at a CFMA conference where he was a keynote, and so I just felt like I had to have you on the podcast as soon as we could and I'm excited to have you today.

Anirban Basu:

Yeah. I'm delighted to be back. Good to have met you then and good to see you today.

Mike Merrill:

Thank you.

So, let's just talk about, really quick, if you could give us just a 30 second explanation of what the industry of construction needs to have a handle on as it relates to the economy.

Anirban Basu:

Well, several things, but I think for and foremost: labor force.

So what I see out there is a lot of contractors are telling me that their backlog is strong, that there's a lot of deal flow, plentiful opportunities to bid on new projects, but their constraint is can't find the workers to support that growth, to deliver the services that they want to deliver. And of course, one of the other things that we've seen has been a general increase in the cost of delivering construction services, not just the workforce, but of course, as widely report in the media, many materials prices, whether natural gas, or lumber, or other prices have been volatile during this period, sometimes rising, sometimes falling, but still much higher than those prices were pre-pandemic.

Mike Merrill:

Yeah, that's a great overview.

So if we talk about the last year or two, we've actually seen economies shut down, supply chains breakdown, government stimulus initiatives, to name a few things. How do you think the government stimulus has helped the construction industry today?

Anirban Basu:

I think pretty massively.

Between the stimulus packages passed in March of last year, March 27th, signed by Donald Trump, the first stimulus package, the CARES Act, that was a \$2.2 to \$2.3 trillion package. And another package less than a month later, including more monies for paycheck

protection, then another package, the Consolidated Appropriations Act signed by Donald Trump on December 27th, and then another package signed by Joe Biden on March 11th.

You put it all together around six trillion dollars in stimulus. And so that's kept the economy together. There's lots of liquidity in the economy right now, lots of cash flowing through the economy. That translates into better real estate outcomes that we would've had, but for those injections of cash. And when you have better real estate outcomes, you have more construction as well.

By the way, governments, in many cases are flush with cash too, because of the Biden stimulus package, which sent \$350 billion to state and local governments. Some of that money has yet to be sent, but the point is, more money available for infrastructure and other forms of public spending as well.

Mike Merrill:

Yeah, there's a lot of money moving around in this economy, to your point.

So how do you think that technology has helped these construction companies, at least initially, as it relates to this stimulus money?

Anirban Basu:

Well, I think it'll help them more going forward, because it's difficult to change business models.

It's difficult to change the way one delivers construction services in a very short period of time, but given all of the deal flow that's out there, given need to try to curtail some of these construction cost increases, given the shortage of skilled workers in the construction industry, increasingly firms have to turn to technology to get the job done.

It could be robotics, could be drones, other forms of technology, material science, but the point is, ultimately it's going to be technology that will help construction deal with some of these supply chain issues. And so I think the strongest construction firms right now are trying to install and train people on new technologies right now and the faster they do that, the

better, especially if that technology helps to supplant some of the people they would like to hire, but simply don't exist in the economy.

Mike Merrill:

Yeah, that's a great point.

And I think one of the other things that we're seeing is technology is filling these gaps that have been created by this, just these disruptions. How do you think those will help shape the future and make it better?

Anirban Basu:

Well, make it better for some and worse for others.

So technology is often expensive, and training workforce on new technologies is often expensive, and challenging, tricky. And so generally speaking, when you've got this level of change in a short period of time, it benefits larger employers, larger contractors. They have the financial wherewithal to purchase new technologies, the financial wherewithal to train their workers. So small contractors may not have that.

So one of the things you might expect to see during this period is more consolidation in the industry, as well, as smaller firms are scooped up by larger firms, as they try to create more economies of scale, including with respect to the purchase of technology.

Mike Merrill:

Yeah. We definitely keep seeing a large consolidation in the marketplace, even in construction.

Anirban Basu:

Yeah. There's no question. You see that in manufacturing, you see that in all kinds of aspects of economic life. There's a book that was written in the 1960s, "Small is Beautiful". Well, I'll tell you right now in the economy of today, big is beautiful, and that's what a lot of people are realizing.

Mike Merrill:

That's a great takeaway. "Big is beautiful" I like that.

One of the things I noticed, you had posted on LinkedIn, you were talking about the Jobs Report, which I know is a really great topic that you like to talk a lot about. You're clearly an expert on it, but you said that it was a bigger bust than the Packers taking Tony Mandarich second overall in '89 NFL Draft. So pretty funny. What are you hoping to see?

Anirban Basu:

Yeah, Tony Mandarich, of course, the great offensive lineman and turned out to be a total bust for the Green Bay Packers, not a complete bust, but mostly a bust given the hype. And so that's what happened during the August Jobs Report.

So coming into that release by the Bureau of Labor Statistics, economists were collectively forecasting that the nation would add nearly three quarters of a million jobs or had added nearly three quarters of a million jobs. In August, the number turned out to be 235,000, and that's a hole of 500,000 jobs roughly, and so deeply disappointing.

And again, a lot of this has to do not with the hiring side of the economy. Ostensibly, there are 10.9 million available unfilled jobs in America. There are 100 job openings right now in America for every 83 unemployed people. So the demand for workers is high. The problem is trying to induce members of the workforce to fill available jobs. That's where the challenge has been. It's been part of the supply chain issue globally, but also in the United States of America. And so that was the focus of that piece was trying to figure out why the labor market is just not functioning the way it ought to be.

Mike Merrill:

Yeah. That's a huge gap.

I don't think that state can be really understated. I think one of the other things too, that we're seeing, and I know we didn't talk a lot about this, but what kind of a gap are you seeing in the labor market for new recruits coming into construction?

Anirban Basu:

Yeah.

So prior to the pandemic, we had had a bit of a growth in, for instance, apprenticeship program participation. We're seeing more and more young people enter the skilled construction trades. That was good. It didn't mean that we didn't have shortages. And doesn't mean that we wouldn't have had challenges, even without the pandemic, because we have a lot of retirement in the construction industry every year as well.

The average construction worker actually is quite old, and many of the best construction workers are Baby Boomers, and they are now retiring in large numbers. But, with the pandemic, we saw a lot of apprenticeship programs halted in place. Again, you're talking about training people on equipment, and often that requires people be in-person, be with the equipment, be with instructors or on so forth.

And that's exactly the kind of activity that was shut down in March and April of, for instance, of 2020. So a lot of interruption in terms of human capital formation, human capital entering the construction trades. I'm starting to see now these apprenticeship programs come back to life. Some of these apprenticeship programs themselves have installed new technologies to provide, for instance, online training. But again, some of the best training is in person on heavy equipment, dealing with forklifts or whatever equipment we're talking about. And you just don't get that remotely as much as you can in person.

So construction is facing big human capital challenges going forward and even more so as Baby Boomers continue to retire in large numbers.

Mike Merrill:

Yeah and I think most people would agree with that. There's really no...

We can get around without the in-person stuff in some regards, but it's just not the same. There's no substitute for in-person. I think you would agree with that.

Anirban Basu:

Yeah. And one of the issues that people don't talk probably enough about is immigration.

So we have a confused immigration policy in America. We just don't know how to feel about it, I guess, at least collectively. And so I'm not talking about illegal immigration, by the way, I'm talking about legal immigration, but there are a lot of fine carpenters out there, a lot of fine electricians, and plumbers, and pipe fitters out there, not to mention glaziers, and welders and machinist mechanics. And yet immigration has slowed population growth in this country and it's one of the reasons that we don't seem to be able to grow very fast as a country anymore without a stimulus package in place.

But you take away the stimulus. America becomes a pretty slow growth country.

Mike Merrill:

Interesting take.

Tell me this, I know obviously at Sage Policy Group, your entire business model is about predicting and projecting what the future looks like.

So what are you seeing the impact of these projects, and also policies, that are coming online trending to today, moving forward?

Anirban Basu:

Yeah, so it's easy to focus on the negative. So, people are talking about well, the high cost of steel, or iron, or higher shipping cost, lack of workers, so on and so forth, confused immigration policy, foreign policy failures, whatever it happens to be. We can talk about all of these things, but at the end of the day, there's a lot of deal making in America right now. So interest rates are low, cost of capital is low, investors have a lot of money to invest, private equity firms have a lot of money to deploy. And so that us into deal making and often real estate is the place that that capital heads to look for return. When interest rates are so low you're looking for return, real estate often offers significant return. And when you have a lot of investment into real estate, you often also trigger a lot of construction.

And so that's where we are right now. That's why backlog is pretty high for many contractors. That's why many contractors are pretty confident right now. Yeah, they're dealing with higher materials costs. Yeah, they

can't find enough workers, but there's demand for their services and that makes them happy. They're bidding opportunities and that makes them happy. Then the challenge becomes, once you get the project, delivering to those contractual obligations, now that's challenging.

Nonetheless, a lot of firms are saying our margins are recently strong, we're passing along a lot of our cost increases to the final consumer of construction services, so not a terrible market. And again, a lot of that has to do with Federal Reserve policy, the bond buying program, meaning quantitative easing, low interest rates, and therefore the need to try to find ways to generate a return on capital. And again, real estate is one of those ways.

Mike Merrill:

Yeah, you can't build any new construction project without land to put it on. So obviously that's the bottom line, and you only go up from there.

So I think that's intuitive and insightful that you're drawing that distinction.

Anirban Basu:

Real estate, of course, it can involve investment in land, but what I'm also seeing is a lot of modernization of existing structures.

So obviously the office market hit hard by remote working, the retail real estate market hit hard by online shopping, and all those retail bankruptcies we suffered last year: J. Crew, JC Penney, Pier 1 Imports, True Religion, Francesca's, Lord and Taylor, so and so forth. And so some of these commercial real estate segments are quite weak. And some of these buildings therefore have to be adaptively reused. That attracts capital to modify these structures, modernize these structures, perhaps create a new use for these structures. And that creates a lot of construction volume. So that's what I'm talking about when I say investment real estate. Yes it's sometimes it's raw land, but sometimes it's standing buildings that need to be modernized or to have their purpose shifted.

Mike Merrill:

Yeah. And with that shift, have you seen more companies going into that repurposing and reconstruction, versus what it used to be?

Anirban Basu:

Oh, no question. Necessity is the mother invention. So if the deals are not in the new construction arena, so for instance, we've seen a real decline in hotel construction, or new hotel construction, during the pandemic. Well, of course business travel has been affected because we can do things via Zoom now, for instance. So that affects the hotel sector and we've talked about office and retail space already, and so it's not about new construction often.

We have plenty of office space in this country, given how many people want to work remotely going forward. We have enough retail space given how many retailers have gone bankrupt over the past 18 months or so, but what has to happen, therefore, is people own this real estate, they have to try to reposition that real estate for the modern economy, for today's economy and that often results in construction investment.

And so, yes, I think a lot of firms are taking advantage of that, whether they're glaziers, or roofers, or HVAC professionals. But modernizing these structures, very important.

Mike Merrill:

So what are some construction trends in technology that you're excited for that you're seeing coming down the pike right now?

Anirban Basu:

Yeah, it's hard not to be excited about buildings that are more energy efficient, for instance, and that's a big deal.

People have different views on climate change and so on and so forth. I don't want to get into the politics of that, but we have had a lot of violent weather recently and there appears to be some probability that humans responsible for some of this climate change or global warming. And so to the extent that we can have more efficient buildings, I think that endures to the benefit of

all of us, and at a minimum, what you do is you actually end up using less electricity, which means lower electricity prices.

So even if you don't believe in climate change, there's a benefit there, that's one. Second, material science. We constantly looking for new materials to improve the performance of buildings, their ability to withstand natural disasters, whether earthquakes, or hurricanes, or whatever it happens to be.

So very excited about that. Obviously looking at the quality of construction. So looking at drone technology, it helps people manage their projects, understand the quality of construction taking place, where there may be errors, and to try to catch those early in the process, so the project can move forward without those errors being infiltrated into the project.

All those kinds of things are very, very exciting. But again, you need a skilled workforce to deal with these new technologies. And I think that's one of the places where America has fallen somewhat short.

Mike Merrill:

Yeah and I think one of the topics that we've spoken about on this podcast quite a few times is the opportunity for more women to join the construction workforce and new roles that are being created by these technologies.

What are you seeing with that? Is there anything you can share with the audience?

Anirban Basu:

Well, the industry is actually working really hard to try to broaden access to occupational categories, to jobs, whether that's for women or for minorities, or for others who have been historically underrepresented in the construction trades. That's a very important part of this. Today women are more educated than men. So it seems to me that if we could find more are people, generally, I don't like to get into all this identity stuff, but it is true that women have historically been underrepresented in construction, including construction management.

Since the lion's share of college degrees are now

going to women, it makes sense to start looking increasingly towards women as a source of intellectual capital to drive construction, to improve the quality of construction service delivery, to drive innovation in construction.

And so, yes, I think the broadening of participation is very important to the industry on all kinds of grounds, including grounds of social justice so on and so forth, but particularly for industry outcomes, because the industry does not have enough access to human capital right now and obviously broadening access endures to benefit of everyone.

Mike Merrill:

Yeah, I think that's great.

What are some technologies that you think are underutilized right now that more companies could be taking advantage of that maybe aren't?

Anirban Basu:

Yeah. I think prefabrication, for instance, is one of those techniques that's underutilized. Modular construction is also underutilized.

People tell me all the time about all the barriers to modular construction, modularization, so on and so forth, but one of the things that workers like is they like working indoors, often in comfortable controlled settings. If you have a manufacturing-oriented construction service delivery model, as opposed to an outdoor construction service delivery model, that helps minimize some of the vagaries of weather, for instance, some of that variability, but also might help recruit more workers who don't want to work outdoors necessarily.

And again, some of this is cultural. I don't think Baby Boomers, by and large, had any difficulty working outdoors. They took shop class in high school and they were excited about working with their hands and minds at the same time, and seeing tangible proof of their efforts. Younger generations are different. They aspire more toward flex time, they aspire more toward comfort work-life balance, all these kinds of things.

And so there's some different production models that

are out there and modularization is one of them. And I think that's one of the models that the industry can choose to under-utilize.

Mike Merrill:

Yeah, that's great.

Well I think one of the other things, along with that is the skilled labor shortage. We've got a lot of people retiring and the Baby Boomers are now phasing out of the workforce.

So how are we going to fill those positions if we can't recruit more people?

Anirban Basu:

Yeah. The youngest of the Baby Boomers turned 57 this year. Assuming you start the generation as being born first in 1946 through 1964. So 1964, those folks are turning 57 this year, if I'm doing my math correctly.

So yeah, so we've already seen a lot of Baby Boomer retirement. We saw a lot during the pandemic, we'll see more going forward. And so we're depending on younger generations, but these younger generations often didn't have shop class. They're taught to test. They were taught that what matters is passing tests, getting to four year college, passing more tests there, and then finding your way into the workforce. And so a lot of those young folks didn't even realize that construction offered plentiful middle-income opportunities are better.

And one of the things about construction is it offers a lot of opportunities for entrepreneurship. One can start their own paint contractor, or electrical contractor, or mechanical contractor, or whatever it happens to be. You see a lot of entrepreneurship in construction, you see a lot of small business operators. And young often aspire for entrepreneur opportunities, but they don't even recognize construction as a pathway to that or prosperity generally.

So yeah, there's a lot of work the construction industry has to do to reach into the hearts and minds of young people. And, for the most part, the industry has not done a great job doing that. And that's one of the reasons it faces the issues that it faces today.

Mike Merrill:

So are there things that you see companies doing, or that you wish companies would do more, in terms of recruitment and almost even marketing the opportunities that are available?

Anirban Basu:

Yeah, no question.

The industry has to act as one, because it faces a common problem, this lack of human capital, this lack of skilled craftspeople. And so to more forcefully make the industry's presence known to folks in high school, two year colleges, even at four year colleges. I think it's very important, here's the issue: if you're an individual contractor, what are you trying to do today? You're trying to get the construction done. You're trying to satisfy your contractual obligations. You're trying to deal with things like rising materials, prices, recruiting, hiring, firing, safety regulations, all those things. How do you have time, then, to go to a high school for career day, or to a two year college, so on and so forth, to deliver some form of seminar. When do you have the time to create the content for that seminar?

So that's why we are in this situation now. Nonetheless, if the industry does not act as one on this issue, it's going to continue to face these human capital shortfalls, and that's what translate into higher budgets, meaning that broken budgets for construction, lengthier delivery schedules, and ultimately a less productive US economy.

Mike Merrill:

Yeah. When you talk about this supply chain and the challenges that they're having. I know with my personal home, even to try and get something repaired or, there's a chip shortage, or there's always something that affects something else. And it feels like construction, just like a lot of other industries, seems to be impacted heavily by these things.

When do you think the economy will get this ironed out?

Anirban Basu:

Yeah, I would say at some point in 2022, we'll start talking less about global supply chain disruptions. We'll talk less about chip shortages, or stuff with lumber shortages, or whatever it happens to be. Shortage of steel, rising price of natural gas, all things we're experiencing right now, because it is said that the cure for high prices is high prices. What does that mean?

When prices are high, suppliers have an incentive to increase output in the short term, perhaps by adding shifts, and increase capacity in the longer term. And that means new saw mills, or new semiconductor, or manufacturing plants or whatever it happens to mean, but that takes time. But the high prices are an inducement to make those kinds of investments, and also high prices truncate demand, or quantity demanded, at any given moment.

So at some point, these high prices are going to induce a better set of equilibrium, or a better set of equilibria, with respect to supply and demand. But I think that's a 2022 story, and here's the thing. A lot of the economists earlier this year said by now, supply chain should be orderly. That global supply chain issues should have gone away. They were wrong. They're going to last with us well into 2022 and it's consumable beyond that.

But of course, a lot of that has to do with COVID 19 and the public health outcomes yet to be determined.

Mike Merrill:

Yeah, I think you're spot on in terms of the price being the cure for the price. I have never heard anybody else say that, but it makes a lot of sense to me when I hear you say that. It could self correct, because eventually it will find that equilibrium, like you mentioned.

Anirban Basu:

We economists believe in the market mechanism, so we believe the market ultimately works. It may take some time to equilibrate. May take some time to clear the marketplace, meaning supply equaling demand, but it happens.

We economists believe in the market and (or most of us do at least) but it takes time and right now we haven't had enough time.

Mike Merrill:

Well, and certainly one of the challenges, and, of course, again, keeping away from politics, but when we have so many things being manufactured overseas, or in China, or different places, we're depending on those supply chains to feed our supply chain. We've learned that we've quickly been hobbled because of those challenges.

Do you think we're doing enough to work through those and get around those so that we're future proofing this from reoccurring down the road?

Anirban Basu:

Well, it's difficult to know if we're doing enough, but we're doing something.

So one of the things we're seeing is that more manufacturers, US-based manufacturers, are re-shoring more of their supply chain back to North America, including the United States. So we're seeing more steel being produced in America. I think we'll see more other items being produced in America, going forward, in part to protect intellectual property, because it's obviously been a big issue in China. For instance, American companies having to give up intellectual property to have access to those markets. Also, the Chinese workforce has become much more expensive over time as that country has developed. Obviously we've had these myriad supply chain issues. We've had tit for tat tariff battles, so on and so forth.

So all that's going on. So a lot of American CEOs are being persuaded that the time is now to bring back parts of that supply chain. The problem is there's some barriers to doing that. So you need workforce, you might have capital back in China or Vietnam or Malaysia, and you don't want to give up on that capital cause you've invested in that money. You might need to put more capital into America, that costs money. So a lot of barriers to re-shoring, but we're seeing more of it, and ultimately I think that'll lead to better supply chain outcomes in North America.

Mike Merrill:

So do you see some strategies that say a plumbing contractor in Kansas City, Missouri, or Baltimore,

Maryland for whatever argument as far as someone's location is.

What can they do to really get away from these challenges, or at least hedge their bet a little bit in the future, should this kind of thing come down the pike again?

Anirban Basu:

Here's one thing. It might be a surprising answer. Market the heck out of the place.

So one of the things that I notice is that many of the most successful plumbing contractors, aggressively market their services. They create economies of scale and because they become more visible in their community, they're able to hire more plumbers and therefore, and also generate more reliable pace of work for those plumbers. And so that's, I think, one of the things that you do, you market heavily, you bet on your own business, you advertise on television and in other media.

You mentioned Baltimore. We have a plumbing outfit here called Len the Plumber. Very successful, always on TV, hiring lots of plumbers because they're visible to the plumbing community, but they're also visible to the household community that uses those services. And they have done a fabulous job growing that business, and I think marketing has a lot to do with it. I'm sure they also offer excellent plumbing services, and one might think that's enough, but in business, as many people know, it's not enough.

You have to market, you have to market effectively and you have to market quite aggressively to differentiate oneself from the pack.

Mike Merrill:

Yeah. I love that. We've got a local plumber here that's on the radio all the time and half of their, I would say from just my own perception, half of their commercials have to do with recruiting new employees, not even just their services.

Anirban Basu:

Yeah, that's the game. You've got to stand out from the pack. You've got to make yourself known in this world, and marketing still matters.

Now the nature of marketing has changed. So it's no longer about advertising jobs and newspapers. It's not even advertising services, newspapers necessarily it's it might be radio, it might be television, it might be online, it might be Facebook, it might be Instagram, but you got to be out there. And that's one of the things that often, if you're great at plumbing or you're great electrical work or mechanic work, but you don't know necessarily anything about advertising, it matters. And so that's a place where some very successful firms have managed to differentiate themselves.

Mike Merrill:

Well, and I think to your point, one of the things, when I think back over the years, that company originally was only advertising plumbing. And then over a year or two, they started advertising heating and air. And then I noticed the next year they started advertising for electrical work. And so they clearly found a model from a marketing perspective that allowed them to expand into these other trades and clearly be wildly successful.

Anirban Basu:

They're broadening their platform. They're using, of course, their balance sheet. They're using their name recognition. They're using their demonstrated work in the household or commercial space. They're doing all of those things and leveraging them to continue to grow that business again, "big is beautiful" and the faster you can get big, the better it happens to be often.

There are economies of scale, benefits from being big, and so it sounds like that contractor has managed to find the right formula.

Mike Merrill:

Yeah. I love that, "big is beautiful", that's a great takeaway.

So, if I was going to ask you, what's the main takeaway that you would share with the listeners today from our discussion?

Anirban Basu:

Yeah. This is a very unusual time. That this has been a time fraught with uncertainty, but construction has been one of the industries that's fared the best during this period. Part of the reason for that is that in much of the country it was deemed to be an essential industry. So it was never shut down the way that many other parts of the economy were shut down the tourism sector, for instance, but many others. And now the challenge is now that the economy coming back out and there are construction opportunities to find that workforce.

Here's what we've learned. Here's what one of the things we've learned globally. We've learned that it's pretty easy to destroy your capacity. So it's pretty easy to lay off workers. It's pretty easy to shut down a manufacturing plant and take a tax write off. It's very hard to rehire people and to reopen facilities. That's what we've found.

And that's the thing we're dealing with right now. A lot of capacity was destroyed early in the crisis because people said, "oh, it's going to be a deep recession, it's going to be 2008 again and we need to cut costs right now to survive." And then all of a sudden, the economy turns around as early as May of 2020, we start to add millions of jobs by that point but now you have to rehire those workers. Where are they? Hard to rehire. You have to reopen those facilities. How are you going to do that? That's expensive. And so, at the end of the day, that's the struggle we're part of right now, trying to get back up to speed, to meet all the demand that's out there.

And so that's what we've learned. And so if you destroy capacity as a firm, you better be careful because you never know when you're going to need it again.

Mike Merrill:

Great point. Well, I like to usually close out the podcast episodes by asking a couple personal questions, if you're all right with that.

Anirban Basu:

Go ahead.

Mike Merrill:

So, Anirban, what's something that you are grateful for in your professional life?

Anirban Basu:

Oh, our staff.

I've managed, over the course of 17 years, to create a business. Early in the business' history I had a very difficult time keeping staff. So whenever I had a good employee, they left for another employer, they used us as a stepping stone. At some point we became established enough that all of a sudden people started applying and looking and wanting to work for us. They wanted to leave other employers to come work for us. And so we have a fabulous staff now that we've cobbled together over the course of years.

I'm very thankful for that because they're the ones who do the heavy lifting every day. I often work one hour a day. It's an important hour. It's a speech, presentation, something like that but it's one hour. These folks work eight, nine hours without complaint, generate fabulous analysis, and then I go out there and provide people a sense of that analysis, and I take, often, the credit. I don't mean to, but it's often given to me. But the staff, our staff at Sage Policy Group is fabulous.

Mike Merrill:

Well, great job setting up a company in an environment that allows that to happen.

Anirban Basu:

Yeah. I'm very proud of that. I'm very proud of the fact that I have to make payroll every two weeks. So a lot of the economists they don't realize how important things that "accounts payable" and "accounts receivable are".

A lot of small business operators and other business operators realize that's life, accounts receivable, accounts payable, how much cash is in the bank and so on and so forth. When's payroll? When's healthcare going to be taken out of the bank account? All that kind of stuff, health insurance, but I live it. I get whopped with these healthcare costs, just like any other employer. I'm an economist, I'm supposed to talk about the economy, but I feel it as a person, as somebody

trying to operate a business and trying to make payroll every two weeks.

And so it's very real for me, and I think that's one of the reasons that we're probably better at forecasting the economy than many other economists.

Mike Merrill:

Yeah. I would agree with that. I'm sure it keeps you grounded.

Anirban Basu:

Yes. The fear of missing payroll, which we have not missed in 17 years, our 17 year existence, but that fear, of course, that fear early in the pandemic, when all of our speeches were canceled, because we do a lot of public speaking, it's one of our revenue sources. All those speeches are canceled. Where do we go from here?

So we had to do some re-imagination. We had to create some more mechanisms by which to reach the public during that period. And so that's part of the innovation, many construction firms have done the same thing. They've had to find other ways to get the job done, to get contractual work under their belts, and so on and so forth. And so that's part of business. And so a lot of economists who work for universities, they get sent a check every two weeks. In fact, what happens is they get direct deposit. They don't know what it is to make payroll and so on and so forth.

I'm not bragging about that. I'm just saying that I think it's made me a better economist having to go through process.

Mike Merrill:

I love that. So, in closing out, what's one skill that you have developed that you would say is Anirban's superpower?

Anirban Basu:

Yeah. I don't think this audience will believe me when I say it, but it's public speaking.

So I think I'll probably disprove that with this interview, but I'm a good communicator, by economist standards. I write well, I speak well, and I analyze data, of course, I know all about the numbers, but a lot of the economists who are fantastic analysts are not good communicators, and I've really worked hard to be a good communicator to try to tell the story that the data are telling in a way that's understandable to broad audiences.

And so I think that if there is a superpower, that would be the one.

Mike Merrill:

I love that, and I totally agree. That's why I told our producer immediately. We have to have Anirban on as soon as we possibly can. So...

Anirban Basu:

And thank you for the opportunity.

Mike Merrill:

Yeah. Thank you for joining us. I had a great time and again, look forward to catching up to you next month at the CFMA conference and into the future.

Anirban Basu:

I'll be there. I look forward to seeing you as well.

Mike Merrill:

Thank you.

And thank you to the listeners for joining us today on the Mobile Workforce Podcast, sponsored by About Time Technologies and WorkMax.

If you enjoyed the conversation that Anirban and I had today, please share this episode with your colleagues and friends. After all our goal here is not only to help you improve your business, but your life.