

Trendlines Beat Headlines

Trending Report

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BUSINESS • ECONOMY

It Could Be Harder to Find a Job and Get a Pay Raise if the Fed Gets Its Way



A 'help wanted' sign seeking workers is on a window at Gino's Pizzeria Restaurant in Port Washington, N.Y. Howard Schnapp—Newsday RM via Getty Images

BY **NIK POPLI** 

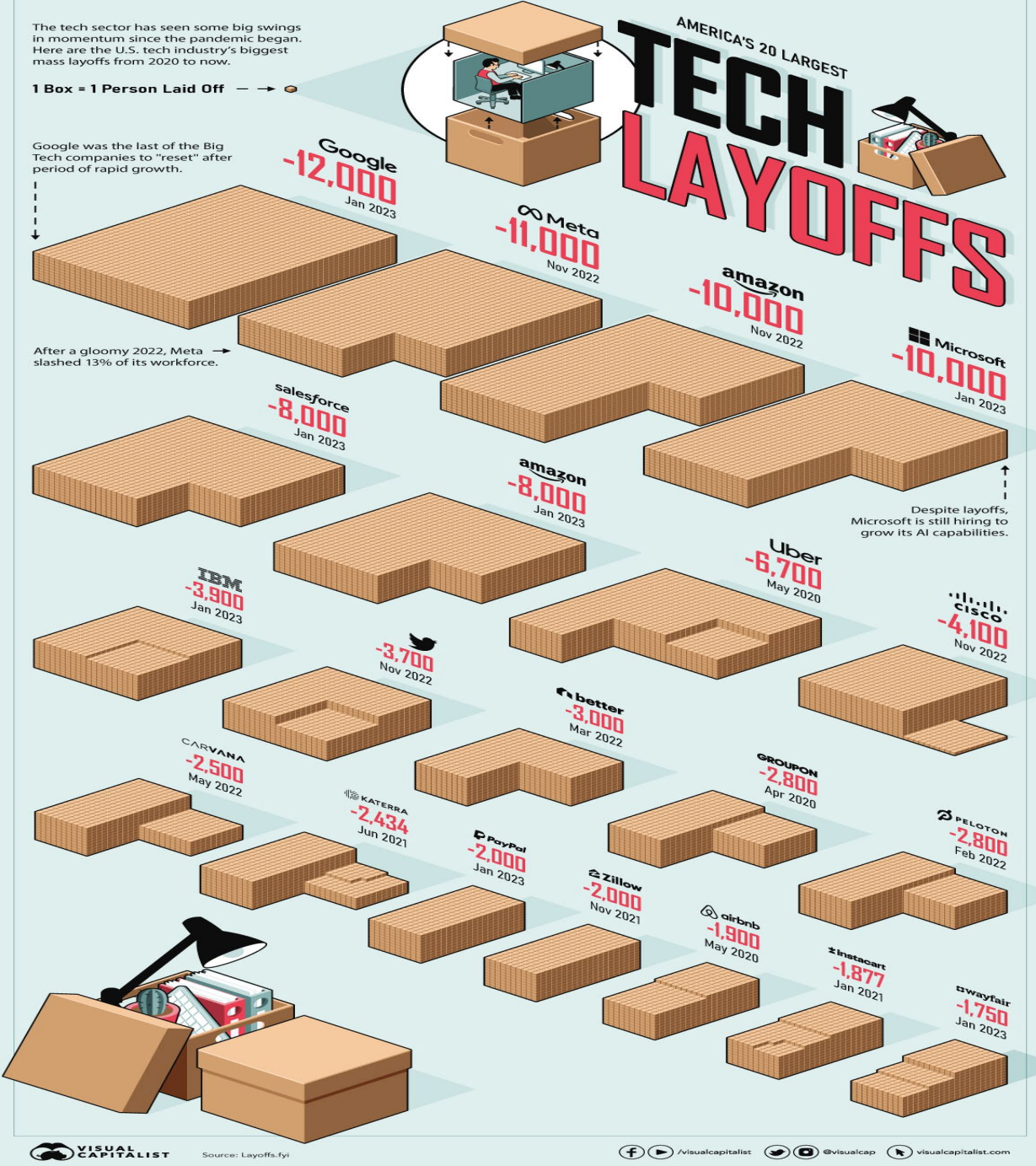
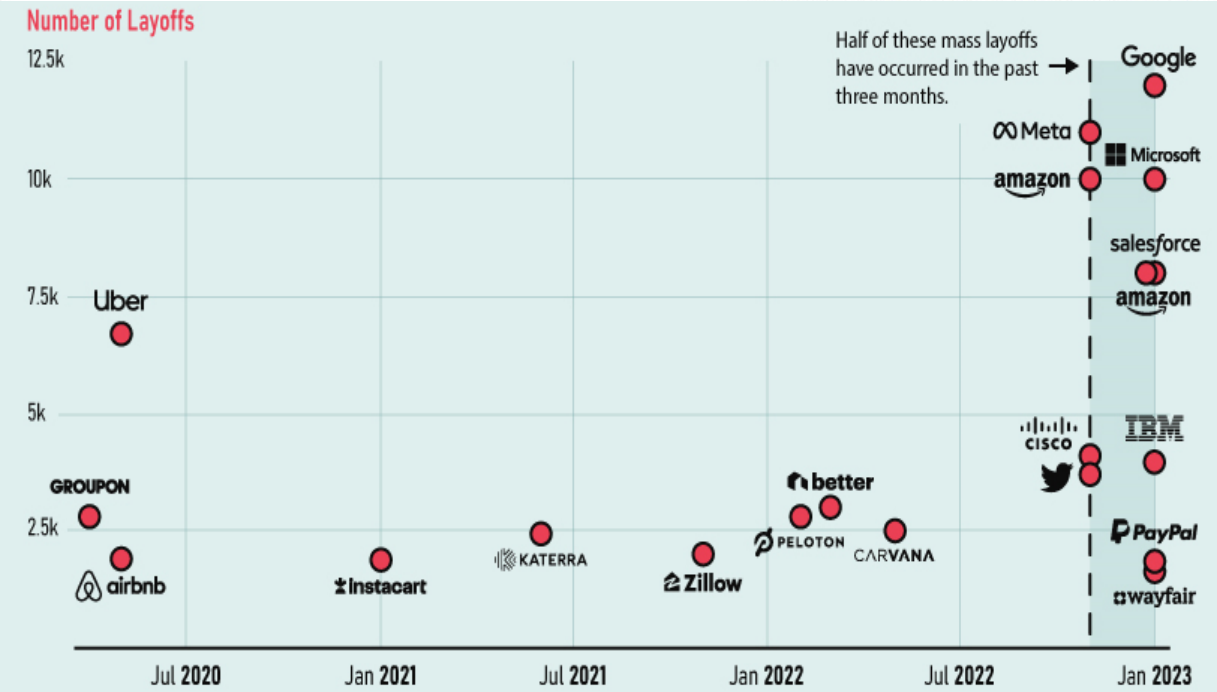
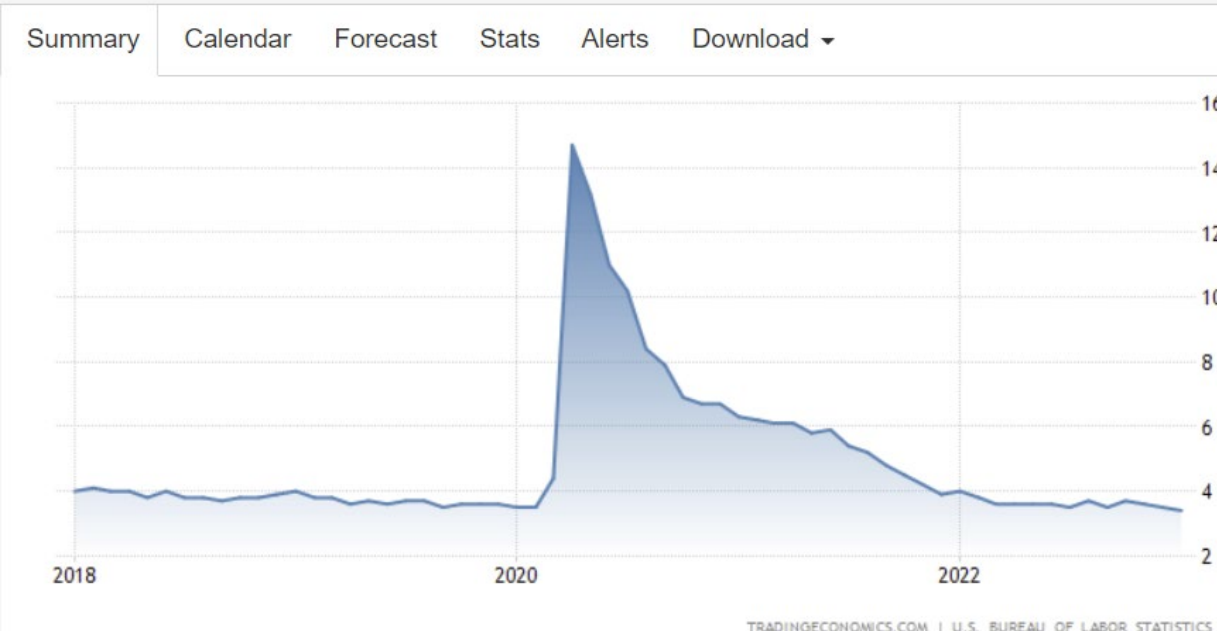
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By law, the U.S. Federal Reserve is supposed to be a champion of working families, instructed by Congress to aim for maximum employment and low inflation. But make no mistake, the central bank is not your friend—and a growing number of economists are questioning whether its age-old approach to combating high inflation makes sense.

The Fed's method of raising interest rates to slow down an overstimulated economy doesn't always produce results that are good for workers, economists say. It's a model that is "breaking down," says **Robert Reich**, former U.S. Secretary of Labor in the Clinton Administration. In an interview with TIME, Reich says the central bank's approach fails to acknowledge many other inflationary forces, such as the ongoing war in Ukraine, and the ability of many global corporations to set prices and increase the likelihood of price-fixing or market manipulation. "A large piece of the inflation puzzle is not coming from wages," he says. "The Fed's old model had been wage-price inflation, but today wages lag prices."

Take the most recent jobs report. After months of steady declines in job growth, the U.S. labor movement got some unexpected good news on Friday when the government announced that more than a half million workers were hired in January, pushing the unemployment rate to a level not seen since 1969.

United States Unemployment Rate



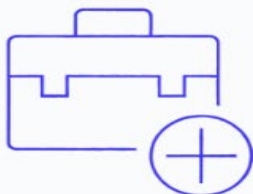
How Many Small Businesses Are There in the US?



There are
32.5 MILLION
small businesses in
the US.
(SBA, 2021)

How Many Jobs Are Created by Small Businesses?

Small companies create
1.5 MILLION
jobs annually and
account for 64 percent
of new jobs created in
the US.
(Fundera, 2019)



Small and Medium-Sized Businesses Are Major Drivers of Global Economic Growth



Over
90%
of the business population
represents small and
medium-sized businesses.
(Salesforce, 2019)

What Is the Most Common Reason for Opening Your Own Business?

29%

of respondents said
that the biggest
motivation for opening
their own businesses is
being their own boss.

(Guidant Financial, 2021)



Scope of Small Business (<500 employees)

What Is the Biggest Challenge for Small Business?



52%

of the respondents
stated that the most
important problem
for small businesses
was labor quality.

(CNBC, 2019)

Top Digital Marketing Channel Among Small Business Owners

64%

of surveyed small
businesses use
social media in their
marketing strategy.

(The Manifest, 2019)



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Small Businesses Hit Hard by the COVID-19 Crisis



COVID-19 has
rendered
31%
of small businesses in
the US currently
non-operational.

(Facebook, 2020)

New Generations Are More Likely to Create a Side Business

Millennials and
Gen Zers are

188%

more likely to have the
aim of creating a side
business, compared to
baby boomers.

(Salesforce, 2019)



What Percentage of Small Businesses Fail?



More than
20%
of small enterprises fail in
the very first year, and
nearly half of them fail
within the first five years.

(Bureau of Labor Statistics, 2021)

What Is the Primary Reason That New Businesses Fail?

42%

of small businesses
fail because of lack of
market demand.

(CB Insights, 2019)



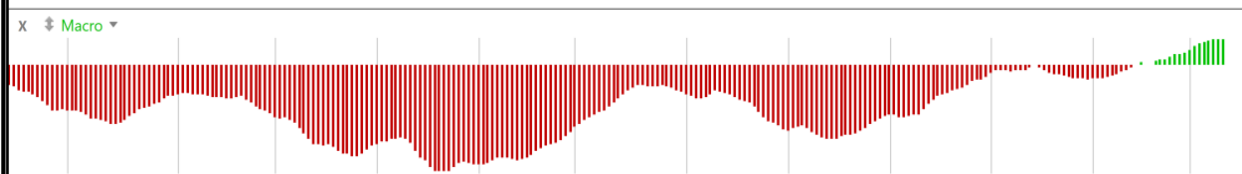
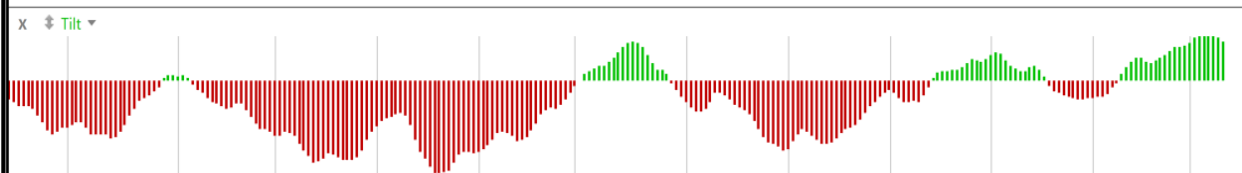
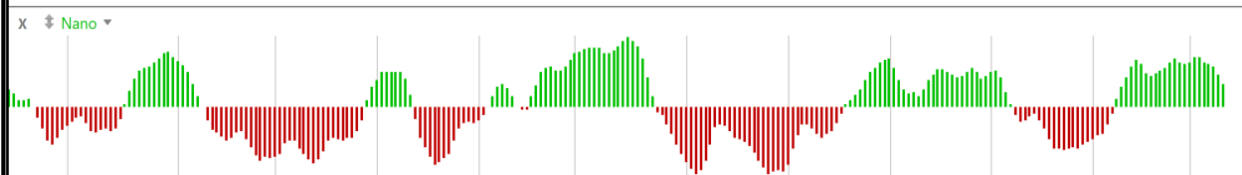
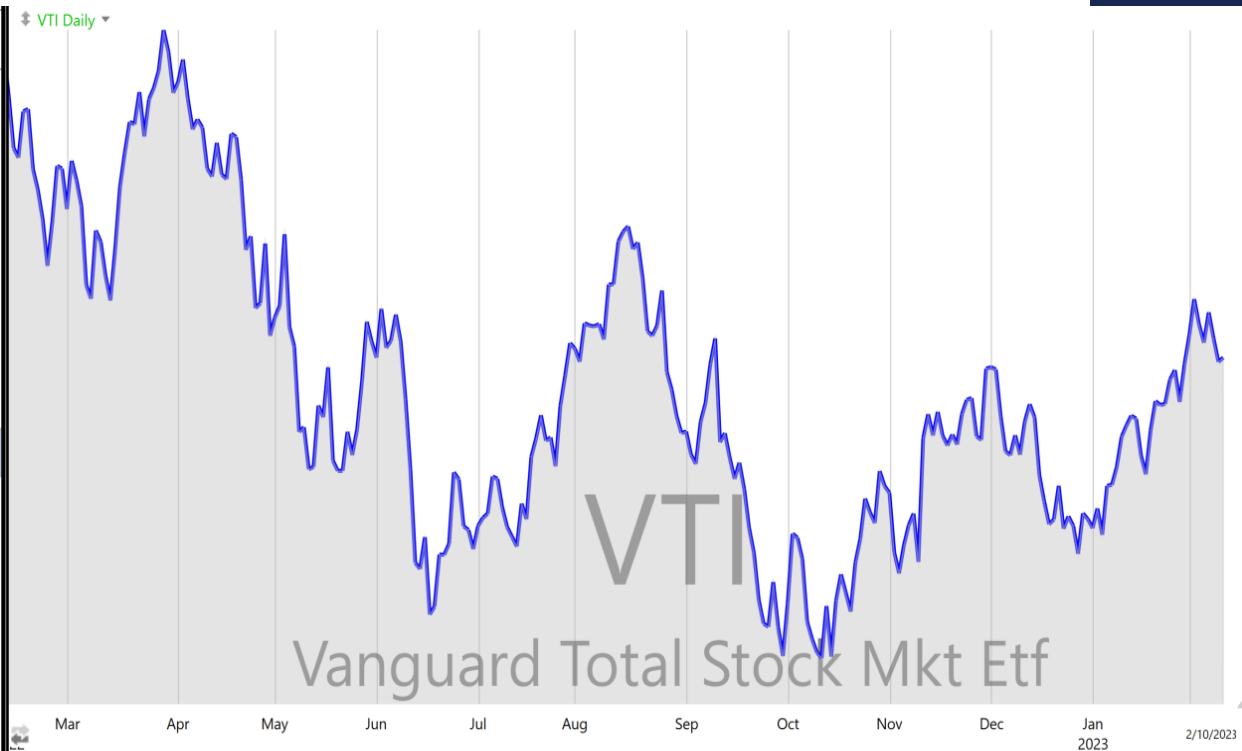
Green = Tilting Bullish

US Capitalization 1-Year Trend

Red = Tilting Bearish



Sym	Company	Macro	Mezzo	Tilt	Micro	Nano
IJJ	iShares S&P MidCap 400 Value ETF	●	●	8.2	●	●
IJS	iShares S&P SmallCap 600 Value ETF	●	●	8.1	●	●
IJH	iShares S&P MidCap 400 Index Fund ETF	●	●	7.2	●	●
IJR	iShares S&P SmallCap 600 Index Fund ETF	●	●	6.7	●	●
IVE	iShares S&P 500/Barra Value Index Fund ETF	●	●	6.7	●	●
QQQ	Invesco QQQTrust Ser 1	●	●	6.4	●	●
IJK	iShares S&P MidCap 400 Growth ETF	●	●	6.0	●	●
VTI	Vanguard Total Stock Mkt Etf	●	●	5.4	●	●
IJT	iShares S&P SmallCap 600 Growth ETF	●	●	5.2	●	●
IVV	iShares S&P 500 Index Fund ETF	●	●	5.2	●	●
OEF	iShares S&P 100 Index Fund ETF	●	●	5.2	●	●
IVW	iShares S&P 500 Growth ETF	●	●	3.5	●	●



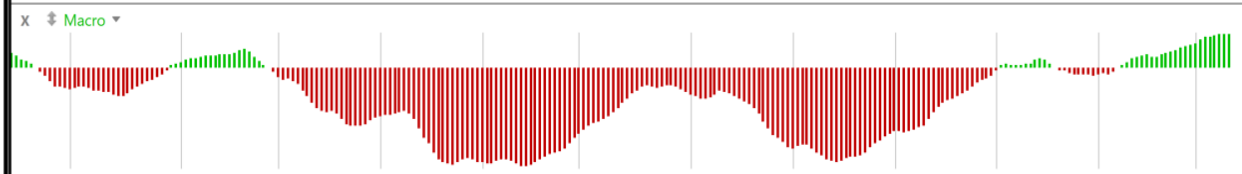
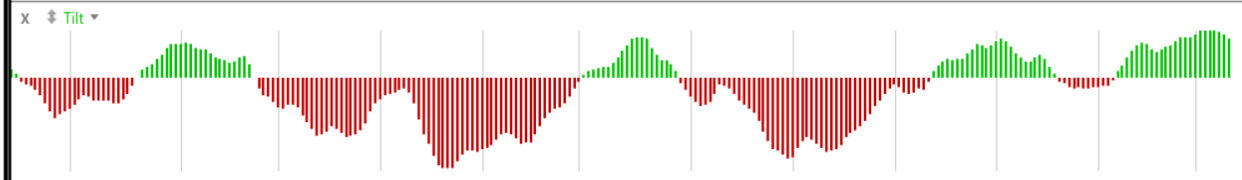
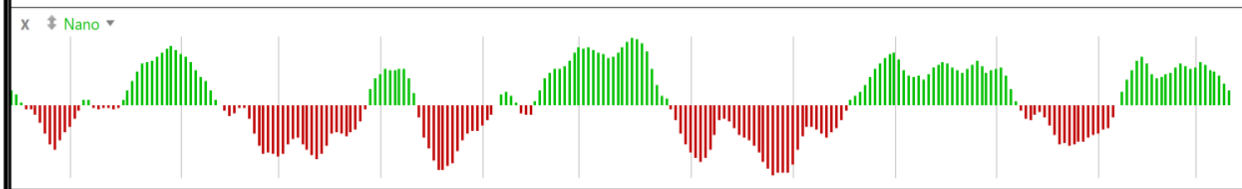
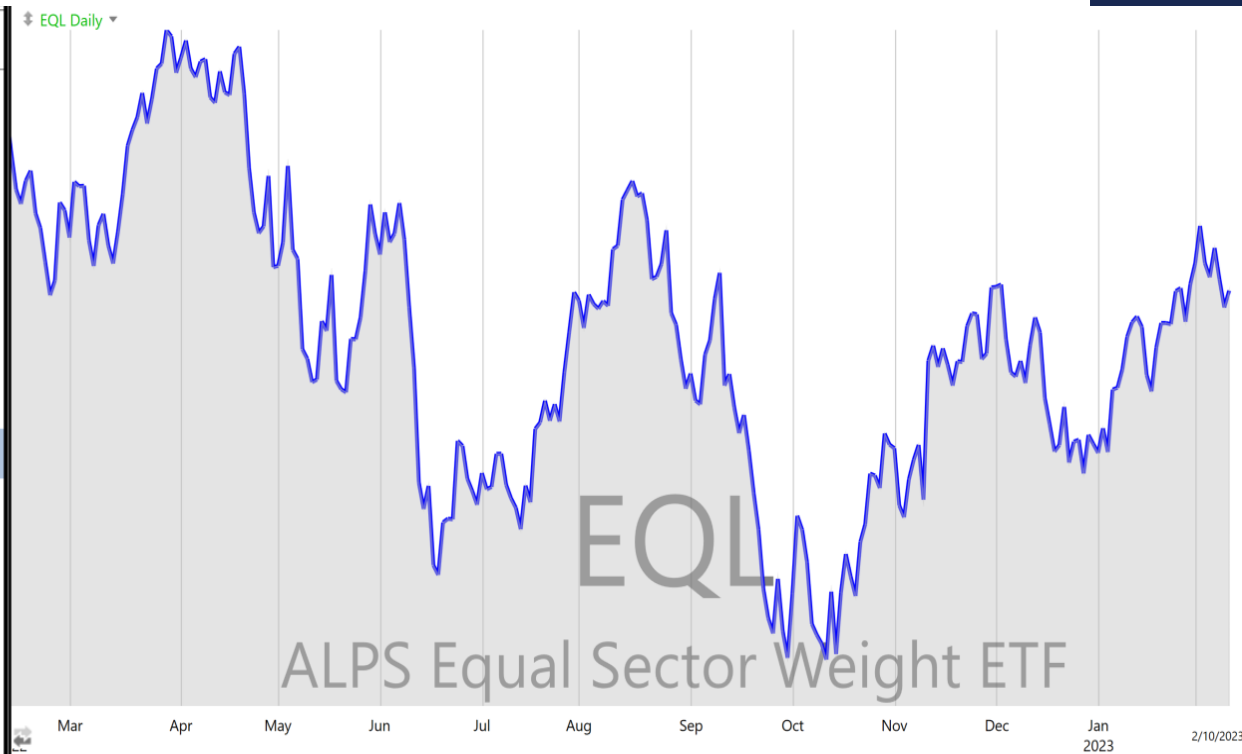
Green = Tilting Bullish

US Sector 1-Year Trend

Red = Tilting Bearish



Sym	Company	Macro	Mezzo	Tilt	Micro	Nano
VOX	Vanguard Telecomm Srvs Etf	●	●	8.3	●	●
VGT	Vanguard Information Tech Etf	●	●	7.5	●	●
VFH	Vanguard Financials Etf	●	●	7.4	●	●
VIS	Vanguard Industrials Etf	●	●	6.9	●	●
VCR	Vanguard Consumer Disc Etf	●	●	5.6	●	●
VAW	Vanguard Materials Etf	●	●	5.3	●	●
VNQ	Vanguard Reit Etf	●	●	4.6	●	●
EQL	ALPS Equal Sector Weight ETF	●	●	4.5	●	●
VDE	Vanguard Energy Etf	●	●	-0.1	●	●
VHT	Vanguard Health Care Etf	●	●	-0.3	●	●
VDC	Vanguard Consumer Staples Etf	●	●	-0.5	●	●
VPU	Vanguard Utilities Etf	●	●	-3.5	●	●

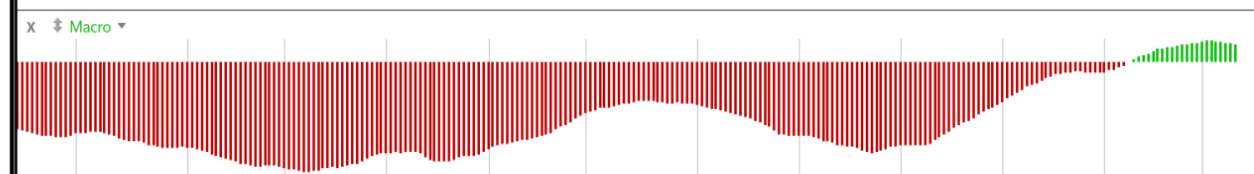
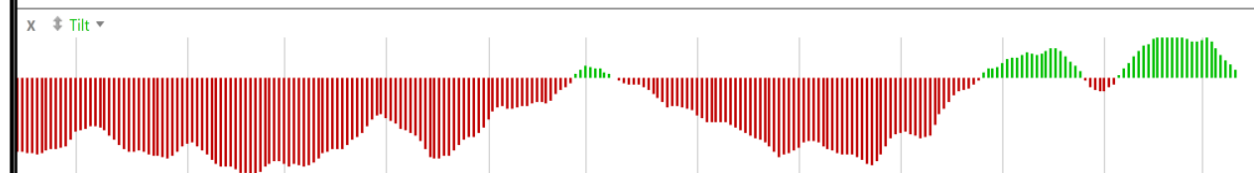
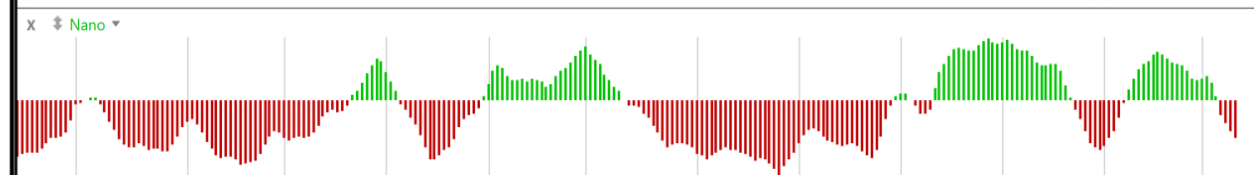
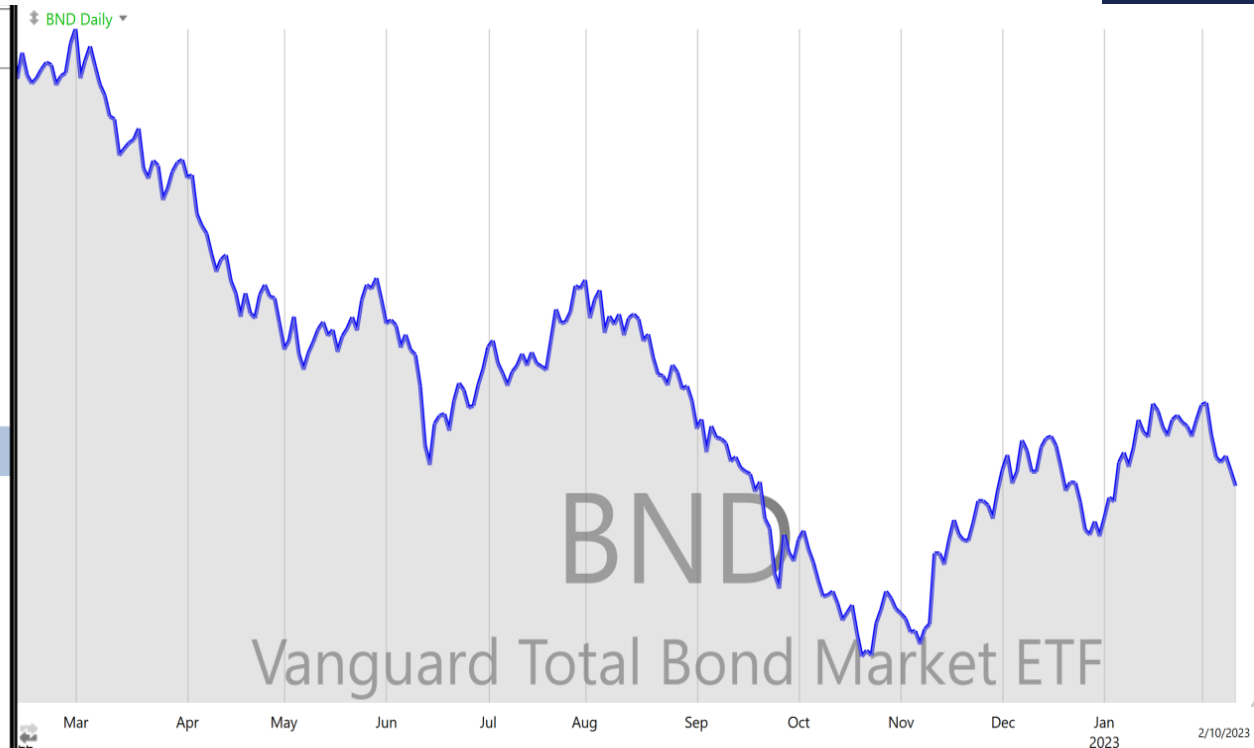


Green = Tilting Bullish

US Bond 1-Year Trend

Red = Tilting Bearish

Sym	Company	Macro	Mezzo	Tilt	Micro	Nano
VCLT	Vanguard Long-Term Corporate Bond ETF	●	●	2.5	●	●
VCIT	Vanguard Intermediate-Term Corporate Bond ETF	●	●	2.1	●	●
LQD	iShares Iboxx \$ Investop Corp Bd	●	●	1.8	●	●
HYG	iShares IBoxx \$ High Yield Corporate Bond ETF	●	●	1.6	●	●
VCSH	Vanguard Short-Term Corporate Bond ETF	●	●	1.3	●	●
TLT	iShares Barclays 20+ Year Treasury Bond Fund	●	●	1.2	●	●
TLH	iShares Barclays 10-20 Year Treasury Bond Fund	●	●	1.2	●	●
BND	Vanguard Total Bond Market ETF	●	●	0.8	●	●
GOVT	iShares Barclays U.S. Treasury Bond Fund	●	●	0.0	●	●
IEF	iShares Barclays 7-10 Year Treasury Bond Fund	●	●	-0.3	●	●
IEI	iShares Barclays 3-7 Year Treasury Bond Fund	●	●	-0.4	●	●
SHY	iShares Barclays 1-3 Year Treasury Bond Fund	●	●	-1.6	●	●



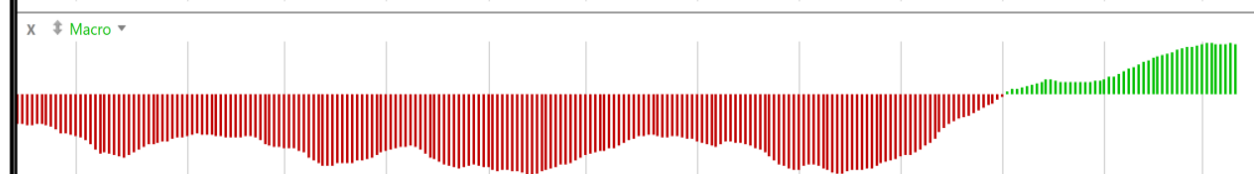
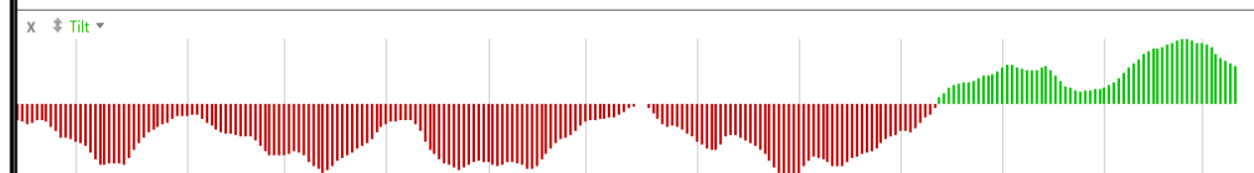
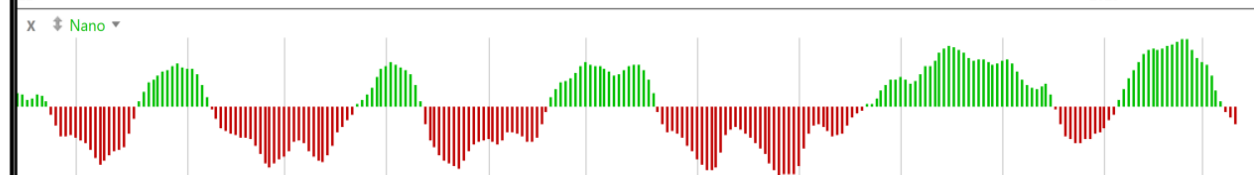
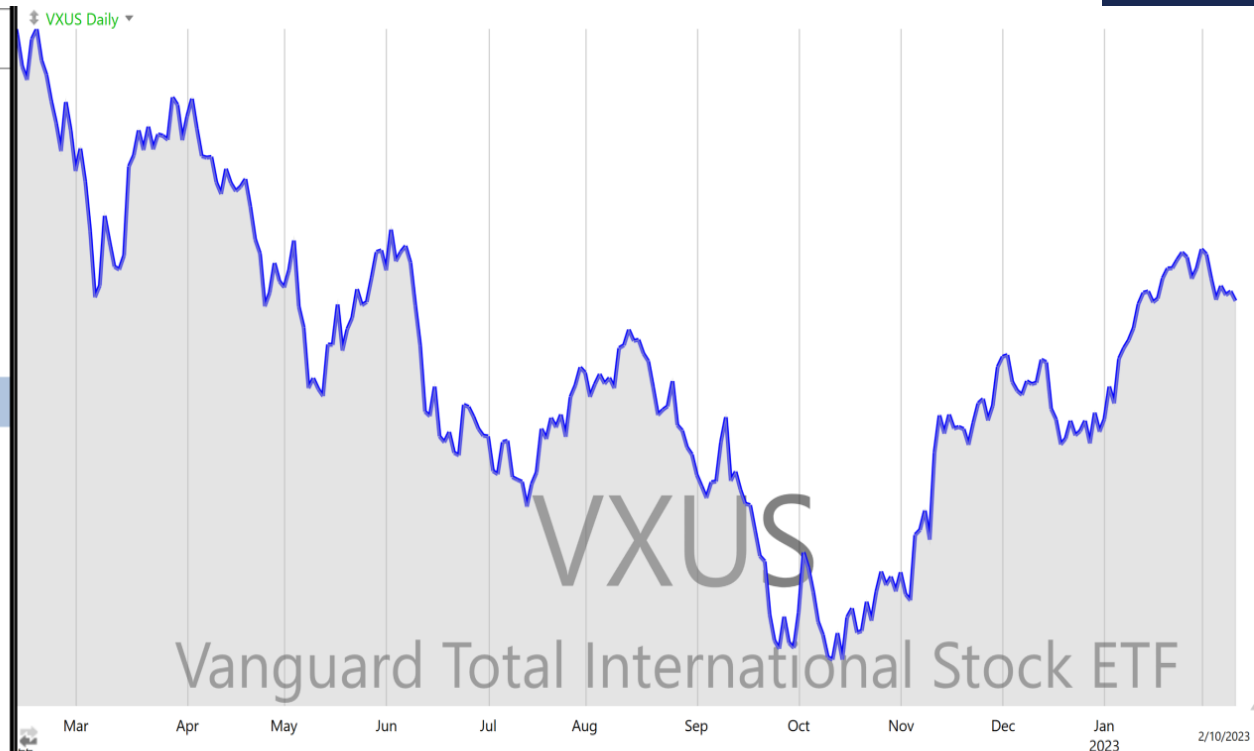
Green = Tilting Bullish

International Equity 1-Year Trend

Red = Tilting Bearish



Sym	Company	Macro	Mezzo	Tilt	Micro	Nano
EZU	iShares MSCI EMU Index Fund ETF	●	●	10.5	●	●
VGK	Vanguard European Etf	●	●	8.6	●	●
EFV	iShares MSCI EAFE Value Index Fund ETF	●	●	8.6	●	●
EFA	iShares MSCI EAFE Index Fund ETF	●	●	8.3	●	●
EFG	iShares MSCI EAFE Growth Index Fund ETF	●	●	7.9	●	●
VPL	Vanguard Pacific Etf	●	●	6.7	●	●
VXUS	Vanguard Total International Stock ETF	●	●	6.5	●	●
VSS	Vanguard FTSE All-World ex-US Small-Cap ETF	●	●	6.4	●	●
VYMI	Vanguard International High Dividend Yield ETF	●	●	6.3	●	●
VIGI	Vanguard International Dividend Appreciation ETF	●	●	5.8	●	●
VWO	Vanguard Emerging Markets ETF	●	●	3.6	●	●
ILF	iShares S&P Latin America 40 Index Fund ETF	●	●	-1.6	●	●





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