



The screenshot shows a video player interface. On the left, there is a navigation menu with a logo for 'THE HQ COMPANIES, INC.' and links for HQ, CORPORATE, GROWTH, and NEWS. The main content area displays the title 'Panel Recap: Post-Jackson Hole' with a date of 'Aug 25, 2025 | Hosted by econVue'. Below the title are five circular headshots of the panelists. At the bottom, it says 'Moderated by Lyric Hughes Hale, Editor-in-Chief' and the 'econVue' logo.

### ***The Labor Markets Impact: A Policy Pivot After Federal Reserve’s Jackson Hole 2025 Economic Symposium?***

#### **Kathleen Graham’s Panelist Remarks During [econVue’s 8/25/25 Panel](#) Presentation**

Jackson Hole 2025’s theme—*LABOR MARKETS IN TRANSITION: Demographics, Productivity and Macroeconomic Policy*—was so on target because, from my perspective, what we’re experiencing here now is all about people factors that are impacting the labor market.

The dilemma facing decision makers was summarized succinctly in one of Fed Chair Powell’s opening comments:  
*“Monetary policy can work to stabilize cyclical fluctuations but can do little to alter structural changes.”*

The current US situation—monetary policy AND major structural changes—is making 2025 a year of much uncertainty, which is a much different animal for people than when they are dealing with potential or existing risks. With risk, actions can be taken and the results of taking those actions becomes apparent, leading to further refinements as necessary.

However, look at the topics that were the subjects covered at the Fed’s Jackson Hole 2025 Economic Symposium:

- geopolitical relationships
- gender role traditions and choices
- immigration and the delinking of location with work possibilities
- the evolution of AI into a third alternative production substitution resource choice *from* people and/or machines in the asset supply and demand framework *to* people, machines, and/or AI
- role, quantity, and nature of government regulations
- the when, how, and why of the impact of debt on choices.

**These topics all involve factors that impact people significantly AND are all topics that are in flux currently, i.e., major impacts on people’s lives where what the outcome/direction will be is currently unknown.** The question then becomes: **how will people respond to such uncertainty in the near term?**

One common human deep-seated response is to freeze, like a deer in the headlights. You can see the freeze reaction in **US employers** cutting jobs: US-based employers have announced more job eliminations in 2025 through July than has been seen since the global pandemic in 2020; layoffs have been mounting throughout 2024, hiring plans by US companies are to add fewer employees in the rest of 2025, AND the US economy created fewer jobs in May, June, and July than expected, according to Challenger, Gray & Christmas; Korn Ferry, the Conference Board, and ZipRecruiter in articles published by *Fortune*, *LinkedIn News*, and *Fast Company*. Factors cited for such reductions are: inflation, supply chain reactions to changing government policies, and increasing use of AI technology.

**US employees** freezing can also be seen in numerous new labor market phenomena, including revenge quitting to inflict maximum disruption and “job-hugging” actions of those employees unhappy yet staying, such as the “coffee badgers,” not answering their phones, over-socializing, even intentionally burning popcorn in the microwave, etc. In other words, that’s employees freezing when:

- If a worker is facing an uncertain labor market, the top performers will only leave if they’re miserable, get a huge sum of money (which isn’t being offered nowadays), or are even more uncertain about their company’s viability/values/etc.
- If a worker needs to continue to work in an uncertain job market, they are making sure to “get even” for having to stay in a situation they would rather not be in.

In conclusion, to accurately interpret labor market forecasts, such as jobs numbers and AI’s impact, it’s important to:

- Compare what was said by Jackson Hole experts, including Fed Chair Powell, to other diverse sources of information.
- Look for “canaries in the mine shaft,” those activity signals that reinforce or dilute the messages of future portents.

Reviewing these diverse sources of data shows a pattern of slowing labor markets and an economy demonstrating the emergence of high debt distress. Consumer delinquencies are double what they were in 2022; the number of corporate bankruptcies in all size companies has increased to levels not seen since 2010; and the short-distance trucking companies who transport the vast majority of US goods in all categories are now at the highest distressed index ratings since the Great Financial Crisis.

Given what the mine shaft canaries are singing, I’m concurring with:

- Fellow panelist Michael Lewis that, yes, even though the jobs numbers for August could be “really firm,” it’s only a 35% chance that there will be no rate cut in September.
- Jackson Hole 2025’s theme was so “on the mark” for a conference title this year because: yes, these are definitely “labor markets in transition” due to changing structural and cyclical fluctuations in demographics, productivity, and macroeconomic policy inputs.