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Newsletter Archives

Brown's Rants

Week Ending March 12th, 2022

Inflation Getting Worse Before it Gets Better; Interest Rate Hikes Could Be in Play by End of the Week

The latest inflation numbers came out this past week and—no surprise—the consumer price index (CPI) ticked up yet again. On a year-over-year basis, the CPI for February 2022 was up 7.9%—the highest level recorded since January 1982. Unfortunately, it's going to get worse before it gets better. Gas prices had already been on a steep upward climb before Russia invaded Ukraine. According to the U.S. Energy Information Administration (EIA), the national average price for gasoline had bottomed out at \$1.94 per gallon in April 2020 during the initial lockdown phase of the pandemic. That metric had climbed 76% through January 2022, when it measured \$3.41 per gallon. Throughout February, this metric spiked 5.8% to \$3.61 per gallon. [In the two weeks since it has shot up to a record \\$4.43 per gallon.](#) The reality is that this number is almost certainly likely to cross the \$5.00 per gallon mark before stabilizing. This will, directly and indirectly, drive even greater increases in overall inflation as higher transportation costs for goods will certainly be passed on to consumers. It's not outside the realm of possibility that inflation tops the 10.0% mark within the next few months.

This is not the same scenario that the U.S. was in when inflation levels were this high forty years ago; in January 1982 we weren't just dealing with double-digit inflation but double-digit unemployment (stagflation). We are now at 3.8% unemployment (most economists view 5.0% and below as full employment) and, as of January, we had 11.3 million available jobs.

We still have 2.1 million fewer employed people than we did in February 2020 (the last pre-pandemic impact month). At that time the labor force participation rate stood at 63.4% of the population. It cratered to just 60.8% in April 2020 during shutdowns and has been inching up since. However, as of February, it stood at 62.3%. That difference (-1.1%) equates to more than 3.5 million people that left the workforce and haven't come back.

Much of this was certainly due to [a surge of workers taking early retirement](#) while some of this was likely due to robust business formation levels. Americans formed 3.5 million new businesses in 2019; that number shot up to 4.4 million in 2020 and 5.4 million in 2021. Harder still to calculate are the number of workers that may have fallen off the labor rolls because they have pursued gig economy

work as their primary jobs.

Regardless, for now, we have a labor shortage. Those pressures are likely to lessen ahead, but not for the reasons we would hope.

For delivery service businesses, the combination of a still robust job market and spiking fuel prices are certain to create major worker retention challenges ahead. This could benefit traditional employers struggling to find labor. But what is more likely is that companies are likely to react to current economic circumstances and rising costs by pulling back on hiring. Recession is certainly not a given here, but the risks have increased substantially (especially for Europe, less so for the United States) thanks to Mr. Putin's war. The hope now is that the Federal Reserve can engineer a soft landing; raising interest rates enough to cool—but not crash—the economy in a highly uncertain time.

All that said... the Federal Reserve meets this week. To say that interest rate hikes this week are highly likely may be an understatement. What could be in store are interest rate hikes that are more aggressive than most analysts initially expected.

See you next week,

Garrick

Top 10

Stories of the Week

[Global Brands Protest the War in Ukraine](#)

Robin Report 3/11

[Ukraine War and Inflation Could Mean Worse Trouble Ahead for Global Supply Chains](#)

The Conversation 3/11

[The Pandemic Rattled Off-Price Retail in Q4](#)

Retail Dive 3/10

[The Last Days of Luxury Retail in Moscow](#)

Town & Country 3/10

[Why Daylight Savings Time is Unhealthy](#)

The Conversation 3/10

[Las Vegas Immersive/Experiential Retail, Dining and Entertainment Concept Area 51 Headed to Orlando](#)

Orlando Business Journal 3/10

[Specter of Inflation Driving Real Estate Out of Pandemic Funk](#)

Pitchbook 3/09

[Amazon Fiddles While Losing on the Ground](#)

The Robin Report 3/09

[Separate is Not Equal: Why Retailers Spinning eCommerce Divisions Off is a Bad Idea](#)

The Robin Report 3/08

[Kohl's Wants to Transform From Department Store to Focused Lifestyle Concept](#)

Retail Dive 3/08

Economic Headlines

Stories of the Week

[Grocery Prices Jump 8.6% as Inflation Soars Even Higher](#)

Grocery Dive 3/11

[Inflation Rose 7.9% in January](#)

CNBC 3/10

[Global Economy Suffering Collateral Damage From Ukraine Invasion](#)

Costar 3/10

[4.3 Million People Quit Their Jobs in January](#)

Washington Post 3/09

[Job Openings Hold Above 11 Million; Nearly 5 Million More Than Total Unemployment Level](#)

CNBC 3/09

[ICSC Economic Sensitivity Consumer Results](#)

ICSC 3/09

[Gen Z Renters Begin Pouring Into Major Metros](#)

Chain Store Age 3/08

[Trade Deficit Nears \\$90B, a Record](#)

Real Economy Blog 3/08

[Restaurant Revitalization Fund Dropped From Omnibus Spending Bill; Hope for Relief Dwindles](#)

Nation's Restaurant News 3/08

Property Trends

Stories of the Week

[Five Redevelopments, Malls Going Mixed-Use and Open Air](#)

ICSC 3/11

[Retail Demand in Oklahoma City Rebounding](#)

Costar 3/11

[What's the Future of Baltimore's Harborplace Amid Retail Exodus?](#)

WBAL TV 3/11

[SF's Two Largest Malls at Very Different Stages of Recovery](#)

San Francisco Business Times 3/10

[New Owners Turn Cincinnati's First Big Mall \(Tri-County Shopping Center\) into 76-Acre Mixed-Use Project](#)

Chain Store Age 3/10

[NYC Economic Revival Plan Includes Tourism, Clean Streets, Pot Sales](#)

NBC New York 3/10

[First Comes Mixed-Use, Then Comes Joint Ventures](#)

ICSC 3/09

[Twin Cities Retail Sector Has Lowest Vacancy in Midwest](#)

Finance-Commerce.com 3/09

[As Malls Reinvent Themselves, Department Stores Will Have to Rethink and Redesign](#)

Retail Touchpoints 3/09

[Allen Matkins/UCLA Anderson Forecast California CRE Predicts Retail Optimism](#)

Apparel News 3/08

[Why Stores Should be Designed like Lego Sets](#)

Retail Brew 3/08

[Port of San Diego to Review \\$3B Plan to Revitalize Seaport Village](#)

10News San Diego 3/08

[Empty Sears at Mesquite Mall Could Get Major Makeover](#)

Dallas Morning News 3/07

[Retail Leasing Picking up in Chicago with Some Neighborhoods Jumping Ahead](#)

The Real Deal 3/07

Retail Headlines

Stories of the Week

[Target to Replace Saks Fifth Avenue in Waikiki](#)

Yahoo! News 3/12

[Express, Ready for Comeback, Opening More Stores](#)

Retail Dive 3/11

[Breitling Inks Deal for NYC Meatpacking District Store](#)

New York Business Journal 3/11

[Karma and Luck Eyes Retail Expansion Outside Vegas](#)

Las Vegas Review Journal 3/11

[Parachute to Open Two Colorado Stores](#)

What Now Denver 3/11

[Amazon Go Arriving at DFW](#)

Dallas Morning News 3/11

[Wawa Expanding into NC](#)

Charlotte Observer 3/11

[New Era Opens at Milwaukee's Fiserv Forum](#)

Milwaukee Journal Sentinel 3/11

[Experiential Concept Unacademy to Open Four Stores](#)

Gadgets Now 3/11

[Ollie's Bargain Markets Opening New Unit in Jackson Township OH](#)

The Independent 3/11

[Drive Shack Bringing Puttery Concept to Kansas City's Country Club Plaza](#)

Valdosta Daily Times 3/11

[Kmart: And Then There Were Three...](#)

Chain Store Age 3/11

[ULTA Opening 50 Stores; Test Small Format Locations](#)

Costar 3/10

[Nine Retailers That Are Expanding](#)

ICSC 3/10

[Ross Stores Plan to Open 100 Units This Year](#)

Retail Touchpoints 3/10

[Gucci Opening in the Shops at La Canterra in San Antonio](#)

MYSA 3/10

[Target Plans New Small Format Stores in Orange County CA](#)

Costar 3/10

[Genesco Talks Store Openings and Casualization of Apparel](#)

Sourcing Journal 3/10

[CBD Company Signs \\$400M Deal to Open 100 CBD Lounges in Industry Test](#)

Costar 3/10

[Parachute's First Minnesota Store \(Edina, MN\) Will be its Largest](#)

Bring Me The News 3/10

[Macy's Off-Mall Strategy Will be Material to Volume](#)

WWD 3/09

[Nine Retailers Expanding](#)

ICSC 3/09

[Uniqlo Planning Second Northern Virginia Store](#)

Washington Business Journal 3/09

[Petco Ramping Up Location Growth for Veterinary Services](#)

Costar 3/08

[Ferrari Opening Store in ATL's Lenox Square](#)

What Now Atlanta 3/08

[TopGolf to Open its 75th Venue in California's Inland Empire](#)

Chain Store Age 3/08

[French Soccer Giant Paris Saint-Germain Opens NYC Store](#)

Chain Store Age 3/08

[Ross to Open 75 Namesake Stores and 25 DDs Discounts in 2022](#)

Chain Store Age 3/08

[Dollar General Enters its 47th State](#)

Chain Store Age 3/08

[Saatva Opening Two SF Stores](#)

The Real Deal 3/08

Grocery Headlines

Stories of the Week

[Grocery Delivery Wars](#)

NPR Planet Money 3/12

[How Targets Grocery Strategy Found its Groove](#)

Minneapolis Star 3/12

[What Aldi's Rapid Expansion Means for Net Lease Investors](#)

Shopping Center Business 3/11

[Whole Foods Opens 65K SF San Francisco Store](#)

Shopping Center Business 3/11

[Associated Supermarkets Inks 30-Year Deal for 20K SF in Brooklyn's Williamsburg](#)

The Real Deal 3/11

[Safeway Anchored Center Under Development in PHX's West Valley](#)

Phoenix Business Journal 3/11

[99 Ranch Opening New Grocery Store in South San Jose Mall](#)

Silicon Valley Business Journal 3/10

[Permits Approved for new Publix at JAX's eTown Development](#)

Jacksonville Business Journal 3/10

[Southeastern Grocers Banners Winn Dixie, Harvey's, Fresco y Mas Continue Florida Expansion](#)

Chain Store Age 3/10

[Aldi Opening Fifth Charleston \(SC\) Area Store](#)

Post and Courier 3/10

[Construction Begins on New Whole Foods in St. Petersburg FL](#)

WTSP.com 3/09

[The First Whole Foods with Just Walk Out Technology \(DC\) is Beautiful, Just Don't Look Up](#)

Grocery Dive 3/08

[HEB Continues Major Push In Dallas Market](#)

Winsight Grocery Business 3/07

[Acme Markets Parent Albertson's May Sell Off Banners](#)

Philly Voice 3/07

Restaurant News

Stories of the Week

[Franchising Takes Wing for Starbird](#)

Restaurant Business 3/11

[Is Ghost Kitchen Brands a QSR in Disguise?](#)

Franchise Times 3/11

[UrbanSpace Food Hall Relaunches at Tysons Corner](#)

Washingtonian 3/11

[Fat Boy's Pizza Enters Mississippi](#)

Fast Casual 3/10

[Sheng Long Yu's Next Move: Opening an Asiatown \(Cleveland\) Food Hall Serving Street Foods](#)

Cleveland Scene 3/10

[Under New Owners, Friendly's is Cautiously Optimistic](#)

Franchise Times 3/10

[New Food Hall, Detroit Central Market, Opens Inside MGM Grand Detroit](#)

Click on Detroit 3/10

[The Growth Advantages of Running a Small Restaurant Chain](#)

QSR 3/10

[PizzaForno Expanding in SoCal](#)

Pizza Marketplace 3/10

[Gong cha Opening 60 Units in LA, CO and MI](#)

Fast Casual 3/10

[American Kolache Expanding to Alabama](#)

Nation's Restaurant News 3/10

[Fatburger, Buffalo's Express Signs 6-Unit Development Deal in Arkansas](#)

Franchising 3/10

[Lee's Famous Recipe Chicken Inks Largest Franchise Deal in its History](#)

QSR Web 3/09

[Plant Power Fast Food Opens in Hollywood](#)

Veg Out 3/09

[Fatburger, Buffalo's Express Arrives in Kentucky](#)

Fast Casual 3/09

[Bonchon Signs Deal to Grow in MD and DC](#)

QSR 3/09

[Potbelly Sets Sights on 2,000 Restaurants](#)

QSR 3/09

[Halal Guys Open 100th Store](#)

Fast Casual 3/09

[PF Chang's Opening Second Denver Restaurant](#)

What Now Denver 3/09

[PizzaForno Continues to Expand Across North America; Next Stop San Diego](#)

Cision 3/09

[McDonald's Temporarily Closes Hundreds of its Restaurants in Russia](#)

Chain Store Age 3/08

[Coffee Bean & Tea Leaf Expands to Portland](#)

Cision 3/08

[Mountain Mike's Eyes National Push](#)

Franchise Times 3/08

[Fast Casual Indian Concept Rasa Lands Funding](#)

Fast Casual 3/08

[Dave's Hot Chicken to Add Eight CT Units](#)

QSR 3/08

[Dave's Hot Chicken Lands in San Antonio; Plans 8 Units](#)

KTSA 3/08

[Jack in the Box Completes Del Taco Acquisition](#)

QSR Web 3/08

[Los Cucos Expands to Summerlin NV](#)

Restaurant News 3/08

[Whataburger Continues Expansion into Midwest and Southeast](#)

San Antonio Business Journal 3/07

[First Watch Expanding in Central FL](#)

What Now Orlando 3/07

REITs, Landlord & Development

Stories of the Week

[Expect More Portfolio Deals as Investors Seek Opportunities of Scale](#)

ICSC 3/11

[Downtown LA's Washington Plaza Sells for \\$44.7M](#)

Shopping Center Business 3/10

[MarketSpace Capital, Park Harbor Capital Complete Purchase of Tri-County Mall Near Cincinnati, Plan \\$1B Redevelopment](#)

Shopping Center Business 3/08

[Fayetteville NC's Freedom Center Sells for \\$72.5M](#)

Shopping Center Business 3/08

[CTO Realty Buys Houston's Price Plaza Shopping Center for \\$39.1M](#)

Shopping Center Business 3/08

eCommerce / Omnichannel / Retail Tech

Stories of the Week

[Meet the Real Estate Mogul of the Metaverse](#)

Fortune 3/12

[US Click and Collect Sales Experience Strong Growth, But on Par With Overall Retail and eCommerce](#)

Insider Intelligence 3/11

[Virtual Shopping Boosts Conversions at Furniture Rental Retailer](#)

Chain Store Age 3/10

[Twitter Tests Shop Feature](#)

Retail Dive 3/10

[Retail Tech Provider Swiftly Raises \\$100M](#)

Grocery Dive 3/09

[The Checkout Free Economy](#)

TotalRetail 3/09

[As eCommerce Grows Walmart Plans More Fulfillment Centers](#)

Chain Store Age 3/08

[Russian Funded Ultrafast Delivery Service Buyk Halts Service](#)

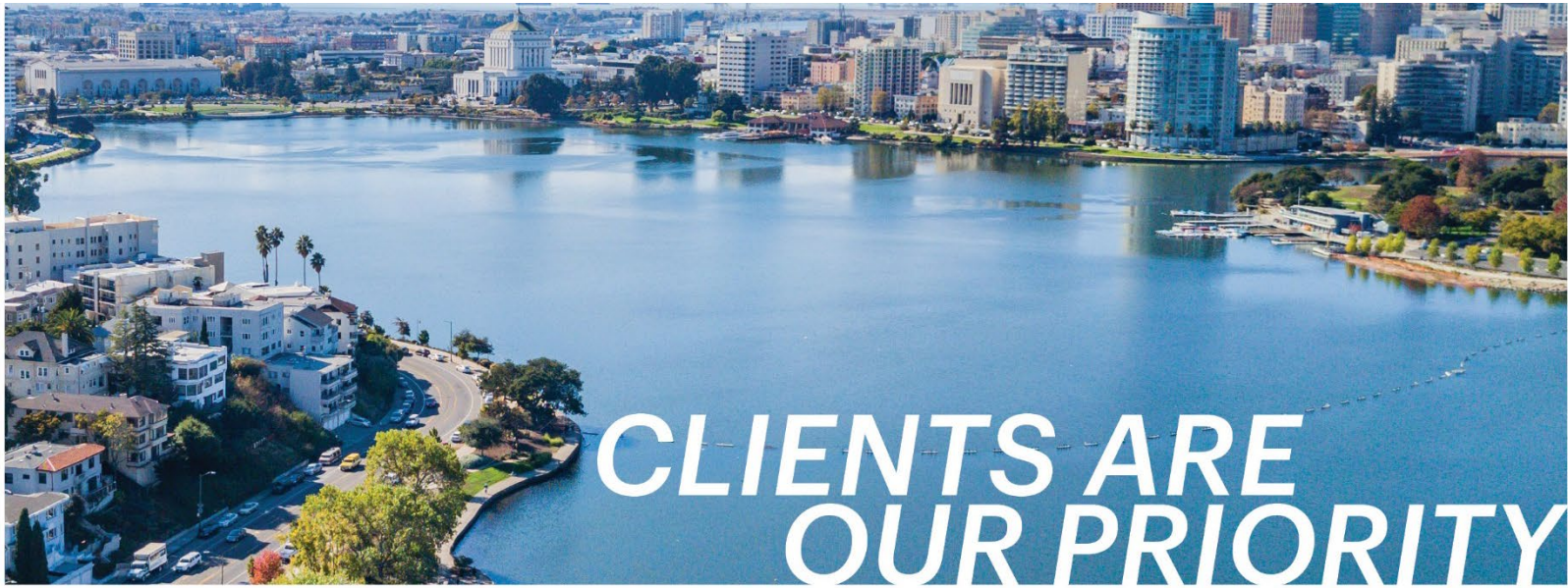
Retail Dive 3/08

[Gen Z is Already in the Metaverse](#)

YPulse 3/07

[Buffalo Wild Wings Reinvests in QSR Automation](#)

Nation's Restaurant News 3/07



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