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# A DISCUSSION ABOUT OPIOIDS, THE LABOR FORCE AND BANKRUPTCY RESEARCH

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Last week's "Behind the Markets" podcast featured a rather different set of topics than we normally cover. The first half of the program featured Jeff Korzenik, chief investment strategist at Fifth Third Bank, who has researched two major issues that affect the very low levels in our labor force participation rate at this stage of our economic cycle: the opioid epidemic and how that removes people from the labor force. The second portion of the show focused on how we need more concerted efforts to bring back the formerly incarcerated into the labor force, in a conversation with Kate Waldock, an assistant professor from Georgetown University.

Federal Reserve economists often say that an improving economy brings workers back into the labor force, but Korzenik believes this cycle "is different" and we have more unique challenges ahead.

Korzenik cited a study that shows 1.4 million prime aged males are out of the labor force because of opioid addiction and that 11.5 million Americans are abusing opioids. Further, Korzenik believes that perhaps the biggest opportunity for our economy is to bring back and retrain ex-offenders to solve one of the challenges faced by small and midsize businesses: hiring problems due to the lack of available workers. Much of the conversation with Korzenik focused on these two lines of work and how he's helping companies develop a plan that addresses these issues.

## **Kate Waldock's Bankruptcy Research: From Lehman Trading Desk to PhD**

The second segment of the show featured an assistant professor from Georgetown who specializes in finance and bankruptcy research. Waldock is also the host of her own podcast, "Capitalisn't," which examines what is working in capitalism today and what isn't—a joint production with Luigi Zingales.

Waldock had an interesting start to her career in finance on the Lehman Brothers proprietary fixed income trading desk in the middle of 2008—right into the heart of the financial crisis. This experience and the epic bankruptcy that followed perhaps had some motivation for her pursuing a doctorate track in bankruptcy research.

Waldock has focused on [unsecured](#) creditor research, fraudulent transfer activity that surrounds bankruptcies, and the tie into small business formation and serial entrepreneurs who stopped being serial.

Some of the topics discussed with Waldock include her take on the Toys "R" Us bankruptcy—what caused it and how it might affect future retail bankruptcies—and the battle between Blackstone and Goldman Sachs over the Hovnanian bankruptcy proceedings.

This was a great show—listen to the full conversation below.

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