



# CALIFORNIA COMMISSION ON THE FUTURE OF WORK

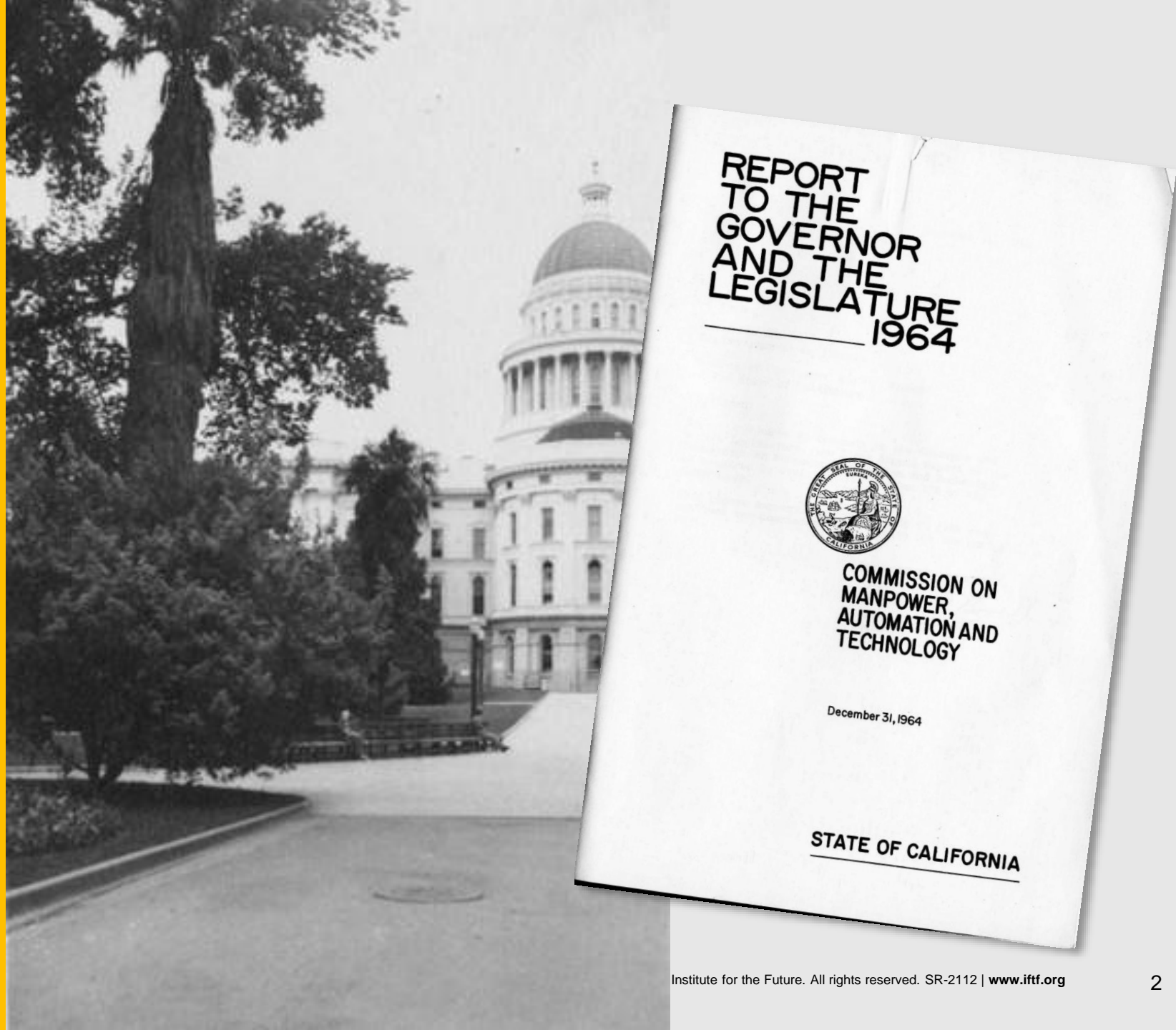
Anmol Chaddha | Equitable Futures Lab

Future Workforce Now: State Policy Forum for Action

October 17, 2019

CALIFORNIA COMMISSION  
ON THE FUTURE OF WORK

How this  
Commission  
will be different



REPORT  
TO THE  
GOVERNOR  
AND THE  
LEGISLATURE  
1964



COMMISSION ON  
MANPOWER,  
AUTOMATION AND  
TECHNOLOGY

December 31, 1964

STATE OF CALIFORNIA

# FUTURE OF WORK



## I. Core topics

- automation & technology
- skills & job quality
- fissuring of work

## II. Expansive vision of economic equity

# automation & technology



# automation & technology

# FACTS

**Predicted Jobs Automation Will Create and Destroy**

When	Where	Jobs Destroyed	Jobs Created	Predictor
2016	worldwide		900,000 to 1,500,000	<a href="#"><u>Metra Martech</u></a>
2018	US jobs	13,852,530*	3,078,340*	<a href="#"><u>Forrester</u></a>
2020	worldwide		1,000,000-2,000,000	<a href="#"><u>Metra Martech</u></a>
2020	worldwide	1,800,000	2,300,000	<a href="#"><u>Gartner</u></a>
2020	sampling of 15 countries	7,100,000	2,000,000	<a href="#"><u>World Economic Forum (WEF)</u></a>
2021	worldwide		1,900,000-3,500,000	<a href="#"><u>The International Federation of Robotics</u></a>
2021	US jobs	9,108,900*		<a href="#"><u>Forrester</u></a>
2022	worldwide	1,000,000,000		<a href="#"><u>Thomas Frey</u></a>
2025	US jobs	24,186,240*	13,604,760*	<a href="#"><u>Forrester</u></a>
2025	US jobs	3,400,000		<a href="#"><u>ScienceAlert</u></a>
2027	US jobs	24,700,000	14,900,000	<a href="#"><u>Forrester</u></a>
2030	worldwide	2,000,000,000		<a href="#"><u>Thomas Frey</u></a>
2030	worldwide	400,000,000-800,000,000	555,000,000-890,000,000	<a href="#"><u>McKinsey</u></a>
2030	US jobs	58,164,320*		<a href="#"><u>PWC</u></a>

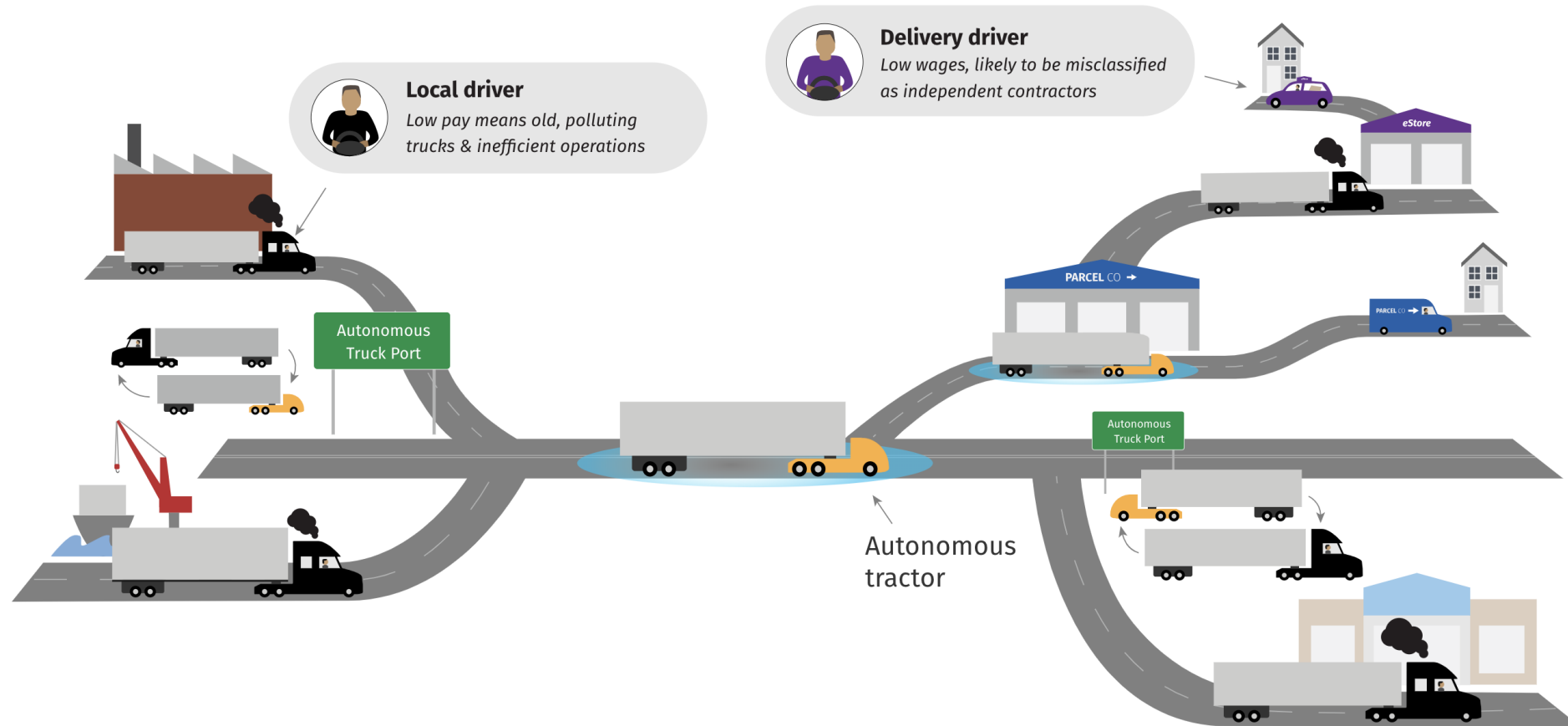
**Every study we could find on what automation will do to jobs, in one chart**

There are about as many opinions as there are experts.

**MIT  
Technology  
Review**

# automation & technology

# FACTS



## **Beyond automation, technology can change work in many ways**

- Amount of work (i.e. creating and eliminating jobs)
- Content of work (including the skills involved)
- Conditions of work
- Wages/earnings
- How work is controlled and who controls it
- Distribution of work (e.g. by race, gender, geography)

# skills & job quality

UPSKILLING WORKERS, UPGRADING JOBS





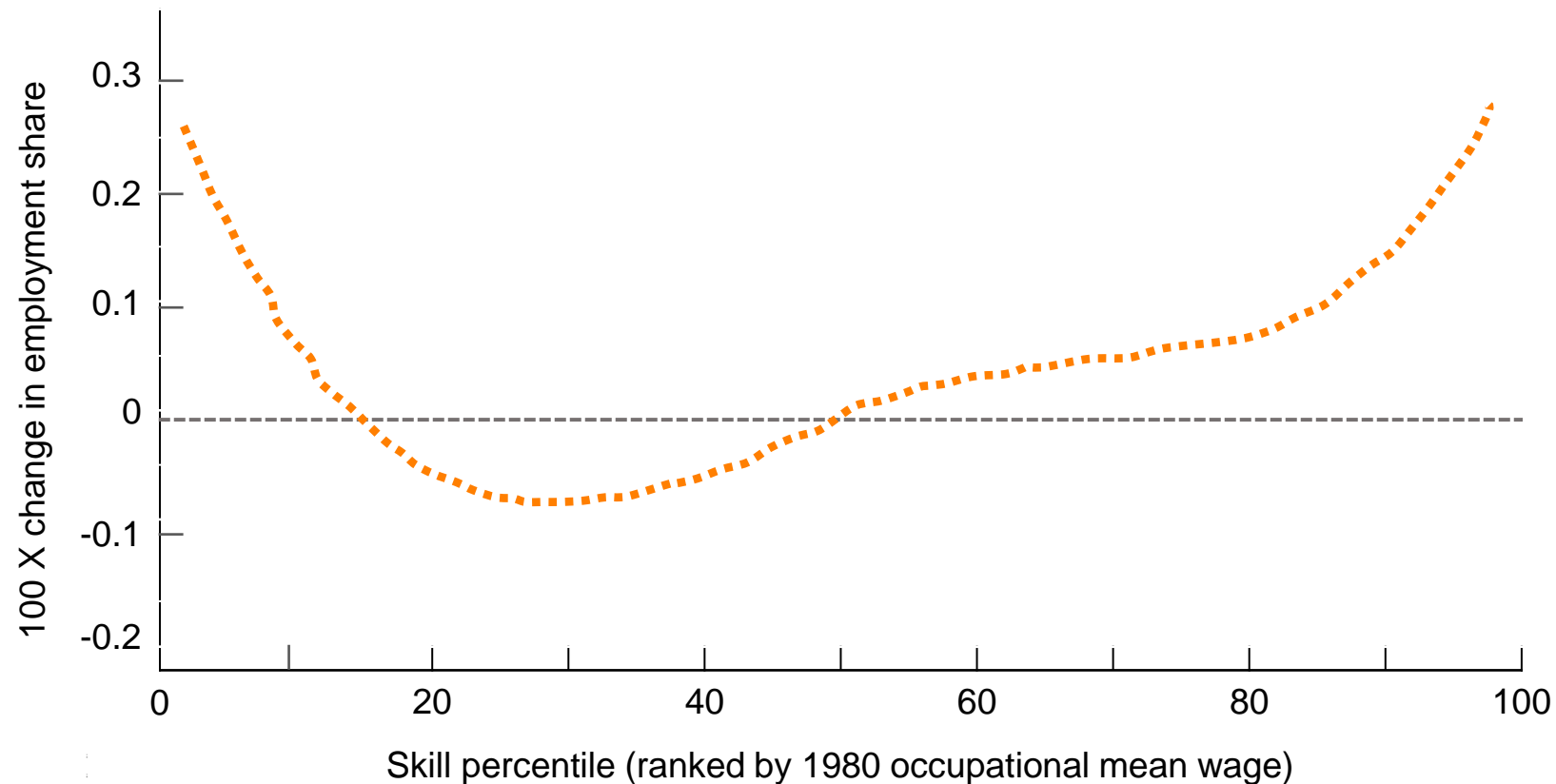
# skills & job quality ISSUES

- Does increased worker productivity lead to higher wages?
- To what extent does the workforce have a serious lack of skilled workers?
- Is a skills/training strategy sufficient for addressing the problems of low-wage work?

# skills & job quality

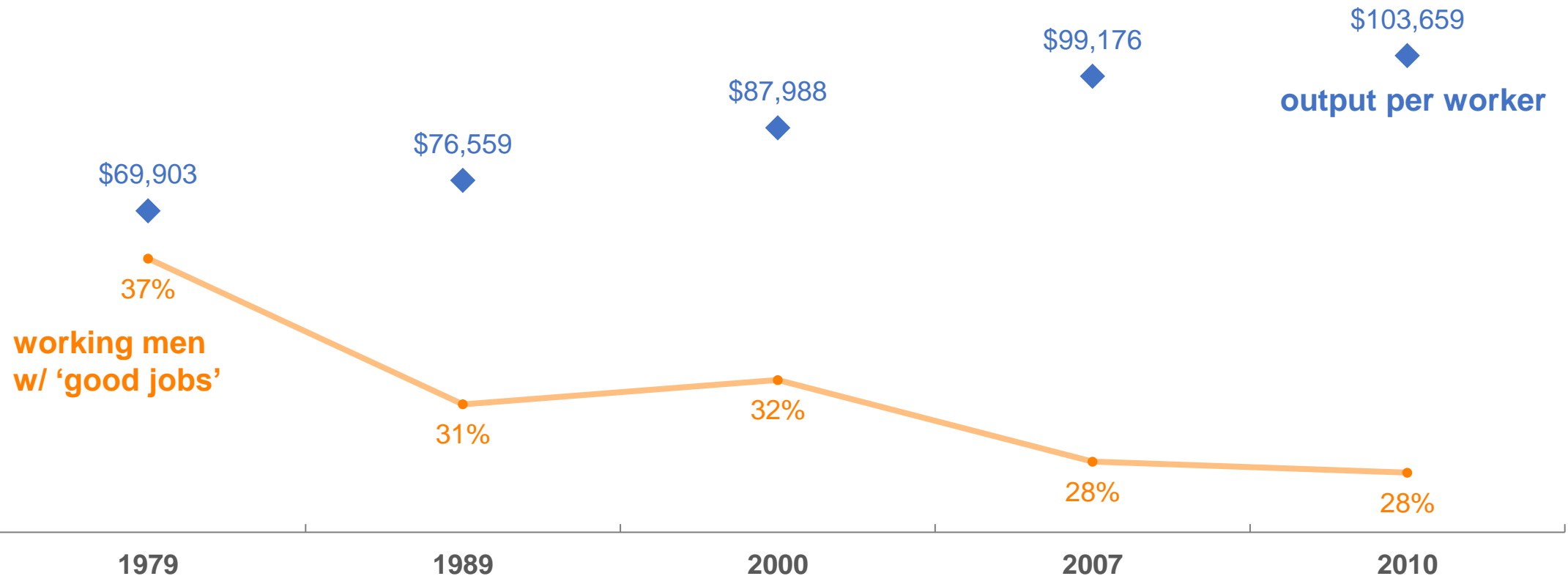
# FACTS

## Job growth limited to low-skill & high-skill jobs (1980–2005)



# skills & job quality

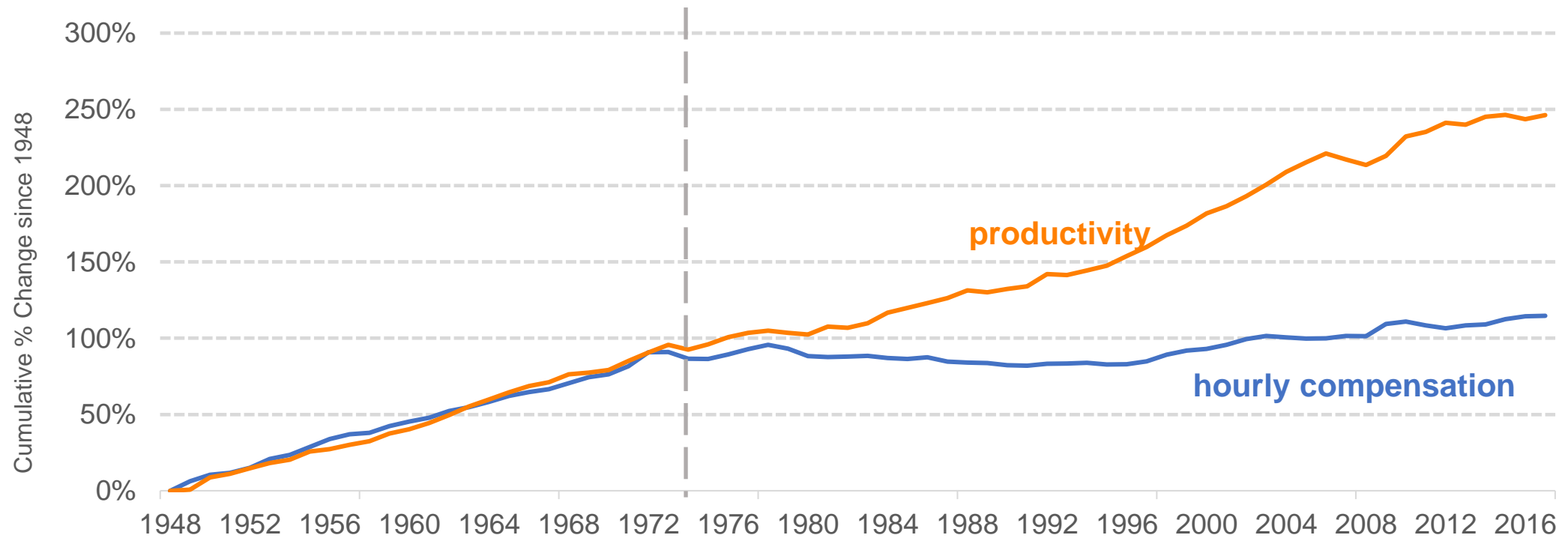
# FACTS



# skills & job quality

# FACTS

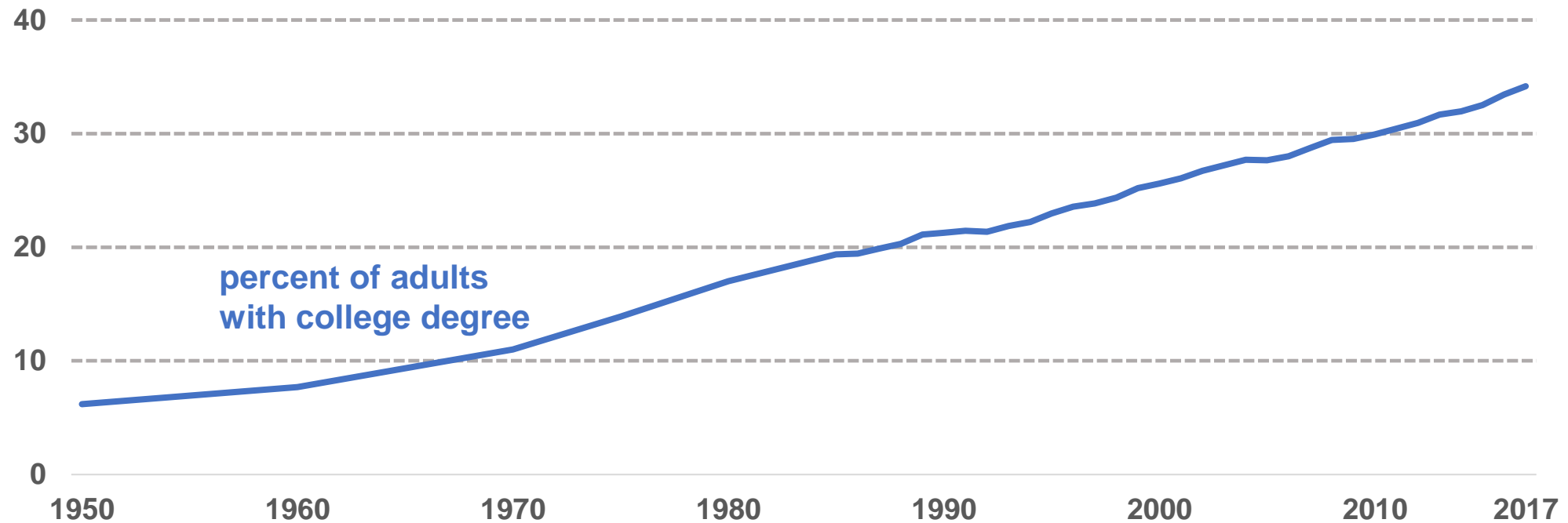
## Wages decoupled from productivity



# skills & job quality

# FACTS

## Most skilled workforce ever



# skills & job quality

# FACTS

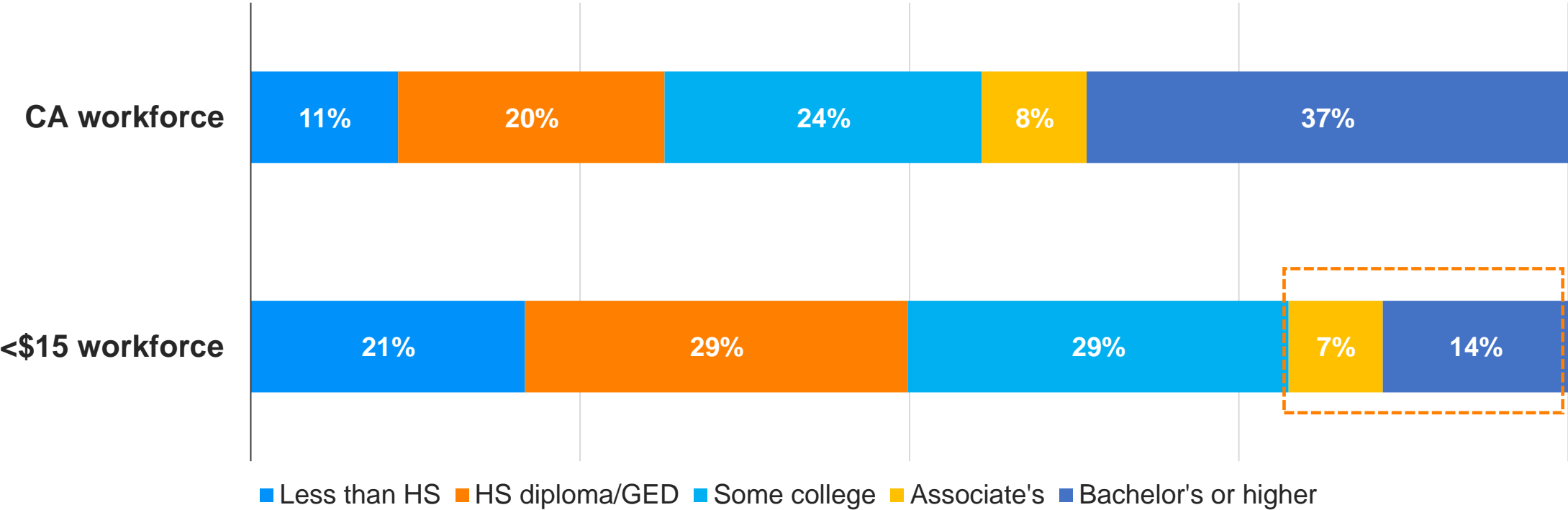
## Who makes less than \$15 in California?

	CALIFORNIA	Los Angeles metro	San Jose metro	SF-Oakland metro	San Diego metro	Fresno metro
ALL WORKERS	35%	37%	21%	21%	32%	45%
Male	32%	35%	18%	19%	30%	41%
Female	38%	40%	24%	23%	35%	48%
White	23%	21%	13%	13%	22%	27%
Black	35%	34%	30%	30%	40%	41%
Latino	50%	52%	37%	36%	47%	56%

# skills & job quality

# FACTS

1/5 of low-wage workers in CA have a college degree



# skills & job quality

# FACTS

## Public costs of low-wage jobs—

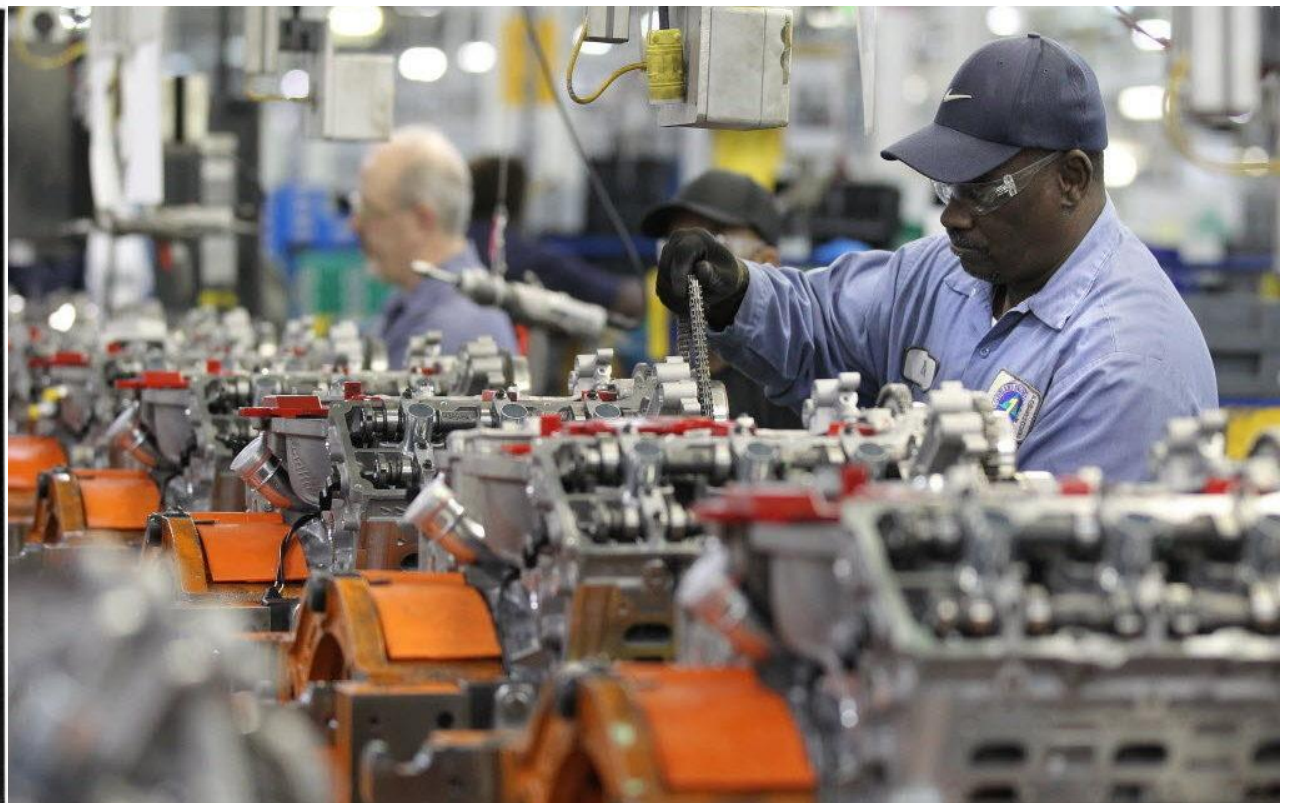
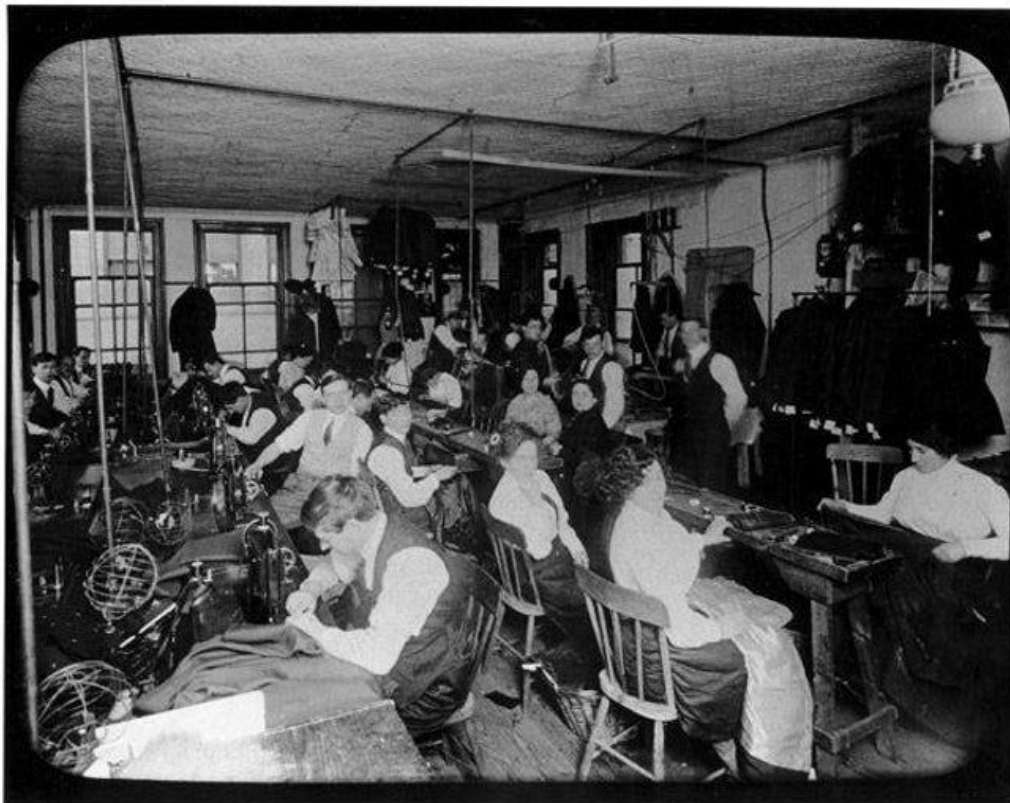
Annual cost for medicaid/CHIP & TANF (2009–2011)

	Total state portion, 2013 (\$ mill)	Working-family state portion, 2013 (\$ mill)	Working-family state share
<b>CALIFORNIA</b>	<b>\$7.3B</b>	<b>\$3.7B</b>	<b>50%</b>
Texas	\$3.2B	\$2.1B	64%
Florida	\$2.0B	\$1.0B	51%
New York	\$6.7B	\$3.3B	49%
Pennsylvania	\$1.8B	\$1.0B	52%
<b>UNITED STATES</b>	<b>\$48.4B</b>	<b>\$25B</b>	<b>52%</b>



# skills & job quality FACTS

## Manufacturing jobs *became* good jobs



## What is a 'quality job'?

### Wages

### Access to benefits

- Health
- Retirement
- Sick leave
- Family and medical leave

### Conditions of work

- Predictable schedules
- Fair and safe environment
- Worker voice

### Income stability

# fissuring of work



# fissuring of work

# FACTS

**Gig workers are small share of workforce; ‘fissuring of work’ is the fundamental shift**

## Bureau of Labor Statistics

- 4% of employment are ‘contingent workers’ (i.e. do not expect their job to last)
- 10% are in ‘alternative employment arrangements’ (independent contractors, on-call workers, temp agency workers, provided by contract firms)

## Federal Reserve Board

- 30% of workers engaged in *some* gig work (ride sharing, house cleaning, child care, selling goods online, renting out property)
- Only 5% of workers did gig work as primary source of income

# fissuring of work

# FACTS

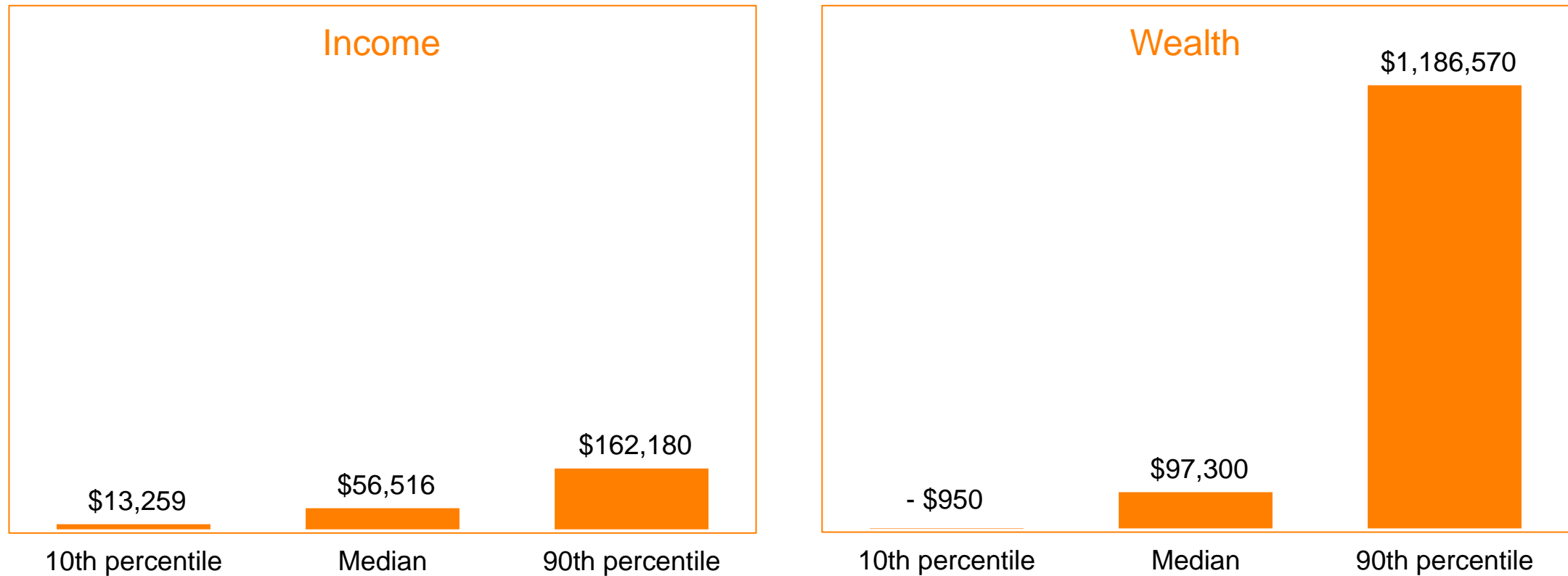
- Gig work is a continuation of a long-running “fissuring of work”
  - Gig workers may be relatively small share of workforce
  - Outsourcing, temp work, independent contracting
  - These arrangements are at the core of changes in work and key to the deterioration of job quality
- The employment forms in ‘gig work’ are migrating into mainstream work: e.g. irregular scheduling, workforce monitoring, data collection, etc

# expansive vision of economic equity



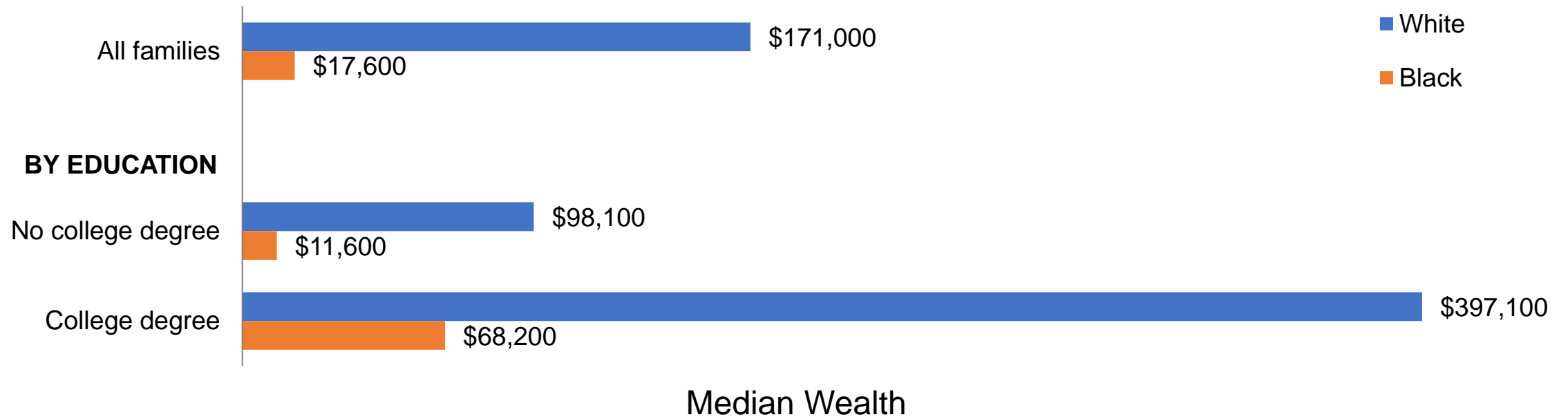
- $\text{Wealth} = \text{Assets} - \text{Debt}$
- Income is a flow of money; wealth is accumulated
- Wealth is the key financial resource that generates economic security and creates opportunities
- Wealth is transferred intergenerationally

## Income inequality dwarfed by wealth inequality





## Racial wealth inequality is enormous—and not solved by education





## Ideas: Better Schools Won't Fix America

Like many rich Americans, I used to think educational investment could heal the country's ills—but I was wrong. Fighting inequality must come first.

NICK HANAUER JULY 2019 ISSUE

*The Atlantic*



Barack Obama @BarackObama · Jun 18

This is worth a read: a thought-provoking reminder that education reform isn't a cure-all. As a supporter of education reform, I agree that fixing educational inequality requires doing more to address the broader, systemic sources of economic inequality.



## RAY DALIO SAYS WEALTH INEQUALITY IS A NATIONAL EMERGENCY

*The founder of the most successful hedge fund in the world says capitalism needs to be reformed and that the American dream is lost*

## Increasing education: What it will and will not do for earnings and earnings inequality

Brad Hershbein, Melissa S. Kearney, and Lawrence H. Summers

Increasing educational attainment *will not* significantly change overall earnings inequality. The reason is that a large share of earnings inequality is at the top of the earnings distribution, and changing college shares will not shrink those differences.

BROOKINGS