INSTITUTE FOR THE FUTURE

# CALIFORNIA COMMISSION ON THE FUTURE OF WORK

Anmol Chaddha | Equitable Futures Lab

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Sacramento, CA

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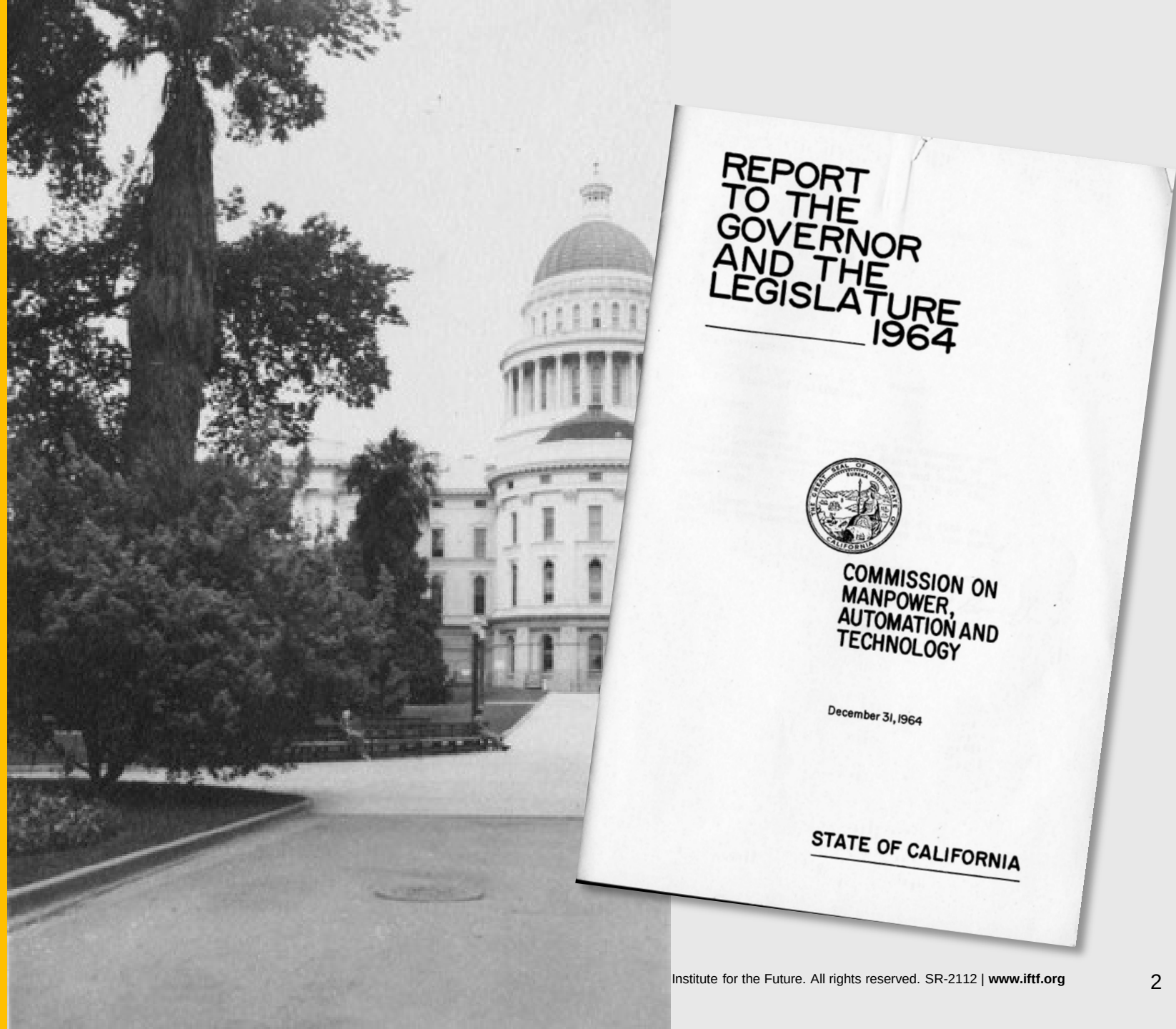
## CALIFORNIA COMMISSION ON THE FUTURE OF WORK

# How this Commission will be different



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# FUTURE OF WORK

I. Core topics

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

II. Expansive vision of economic equity



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# 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 | Metra Martech |
| 2018 | US jobs | 13,852,530* | 3,078,340* | Forrester |
| 2020 | worldwide | | 1,000,000-2,000,000 | Metra Martech |
| 2020 | worldwide | 1,800,000 | 2,300,000 | Gartner |
| 2020 | sampling of 15 countries | 7,100,000 | 2,000,000 | World Economic Forum (WEF) |
| 2021 | worldwide | | 1,900,000-3,500,000 | The International Federation of Robotics |
| 2021 | US jobs | 9,108,900* | | Forrester |
| 2022 | worldwide | 1,000,000,000 | | Thomas Frey |
| 2025 | US jobs | 24,186,240* | 13,604,760* | Forrester |
| 2025 | US jobs | 3,400,000 | | ScienceAlert |
| 2027 | US jobs | 24,700,000 | 14,900,000 | Forrester |
| 2030 | worldwide | 2,000,000,000 | | Thomas Frey |
| 2030 | worldwide | 400,000,000-800,000,000 | 555,000,000-890,000,000 | McKinsey |
| 2030 | US jobs | 58,164,320* | | PWC |

## 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

Source: MIT Technology Review (2018)



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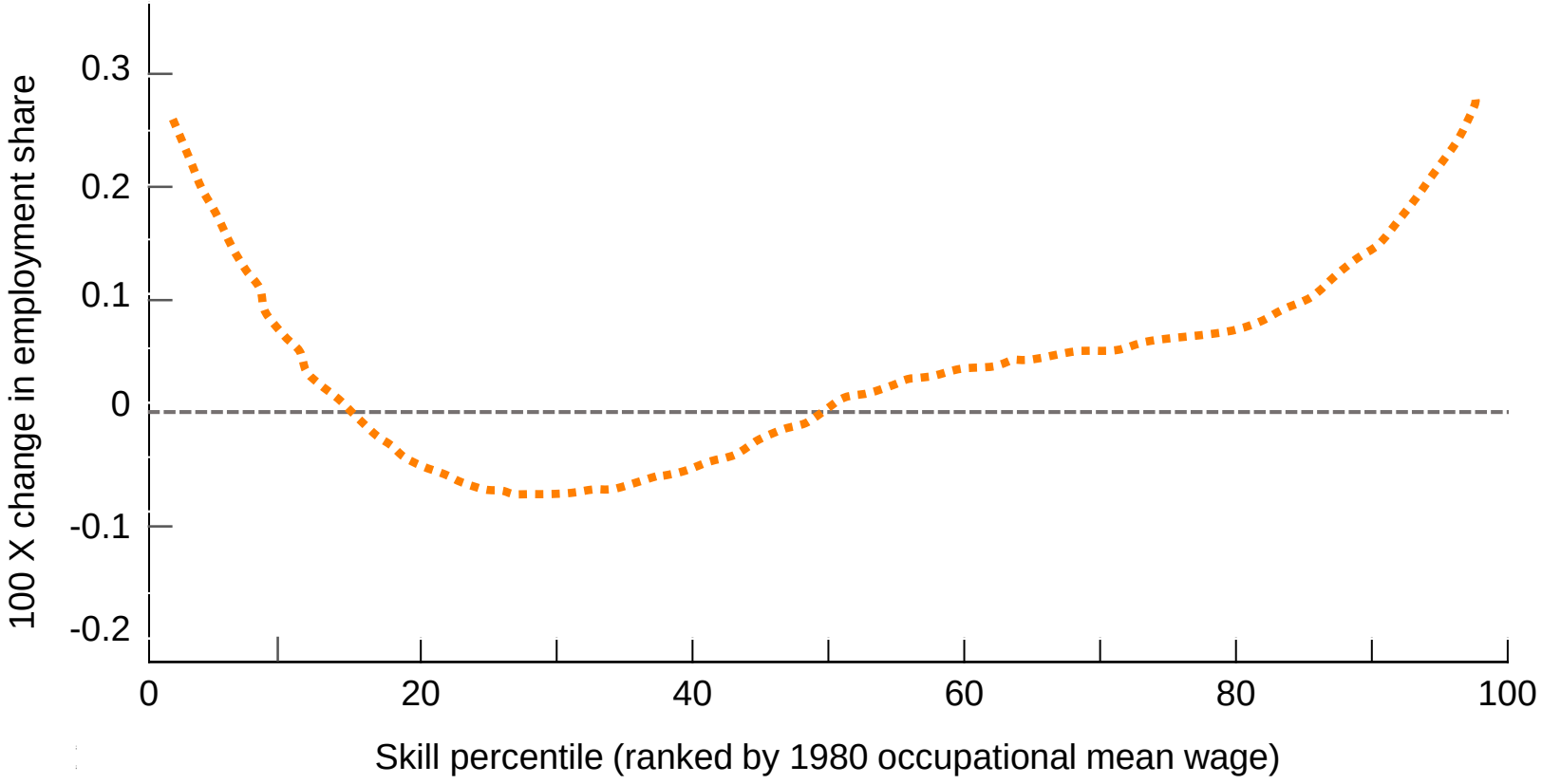
# FACTS

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




Source: Autor and Dorn (2013)`

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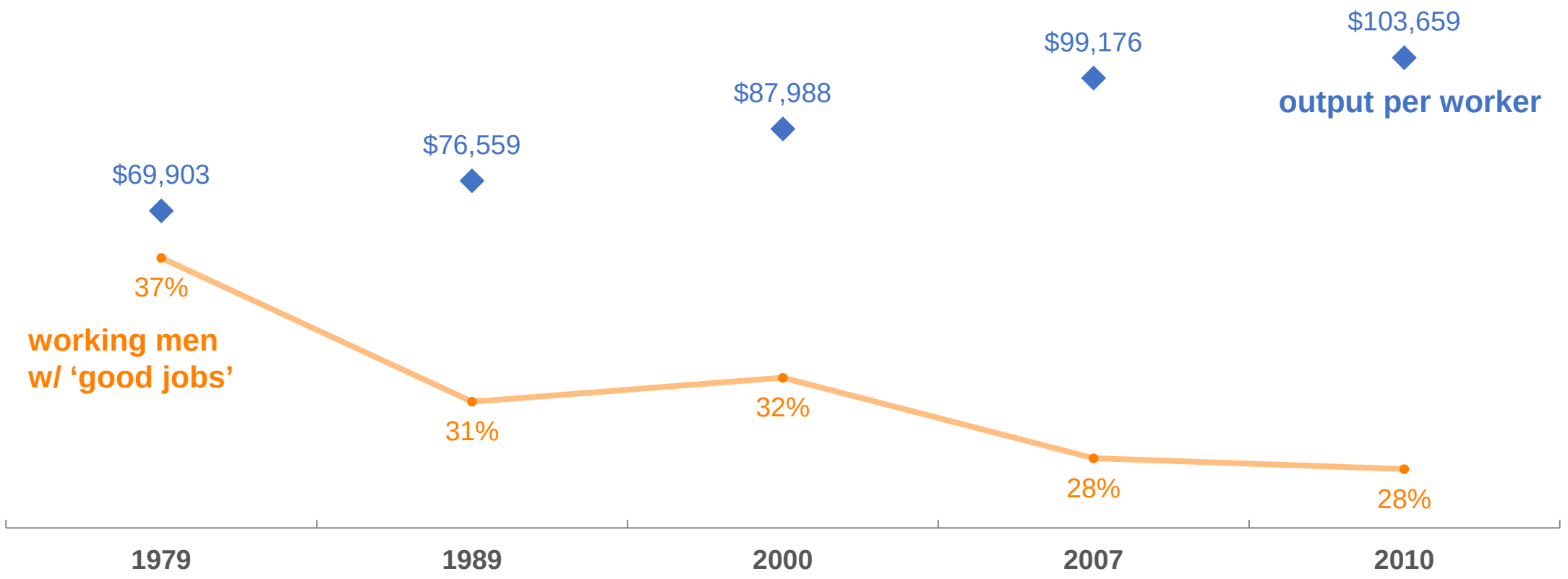
# FACTS




Source: Economic Policy Institute

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# 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% |

Source: American Community Survey 2017



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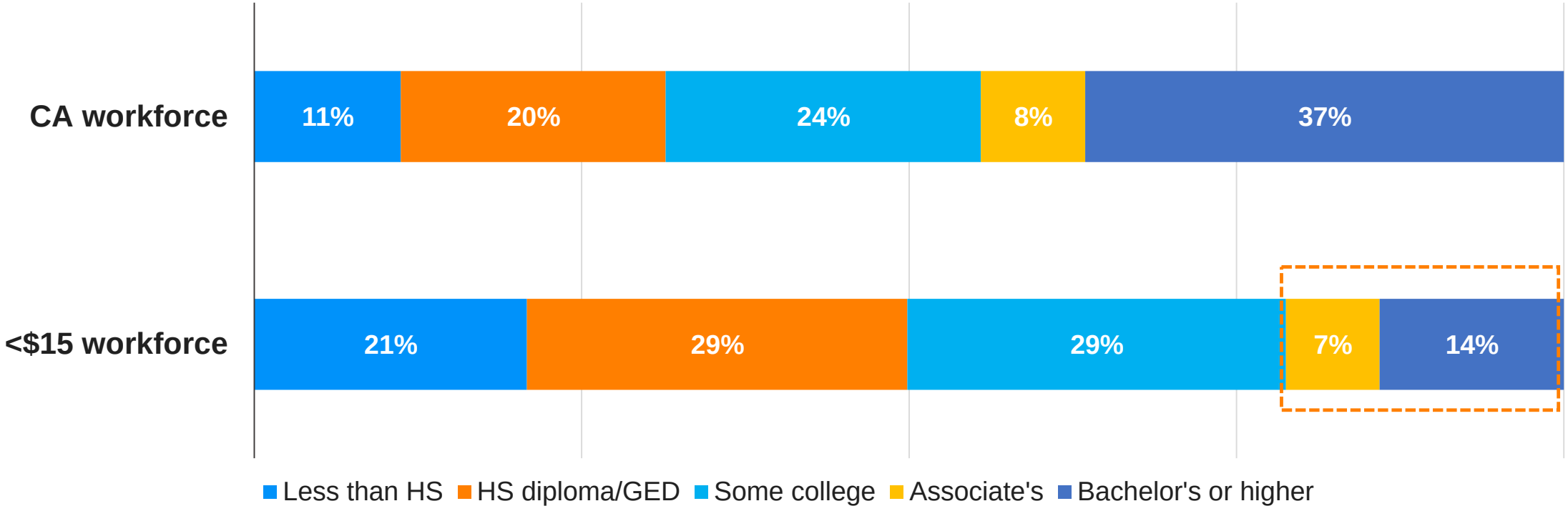
# FACTS

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




Source: American Community Survey 2017



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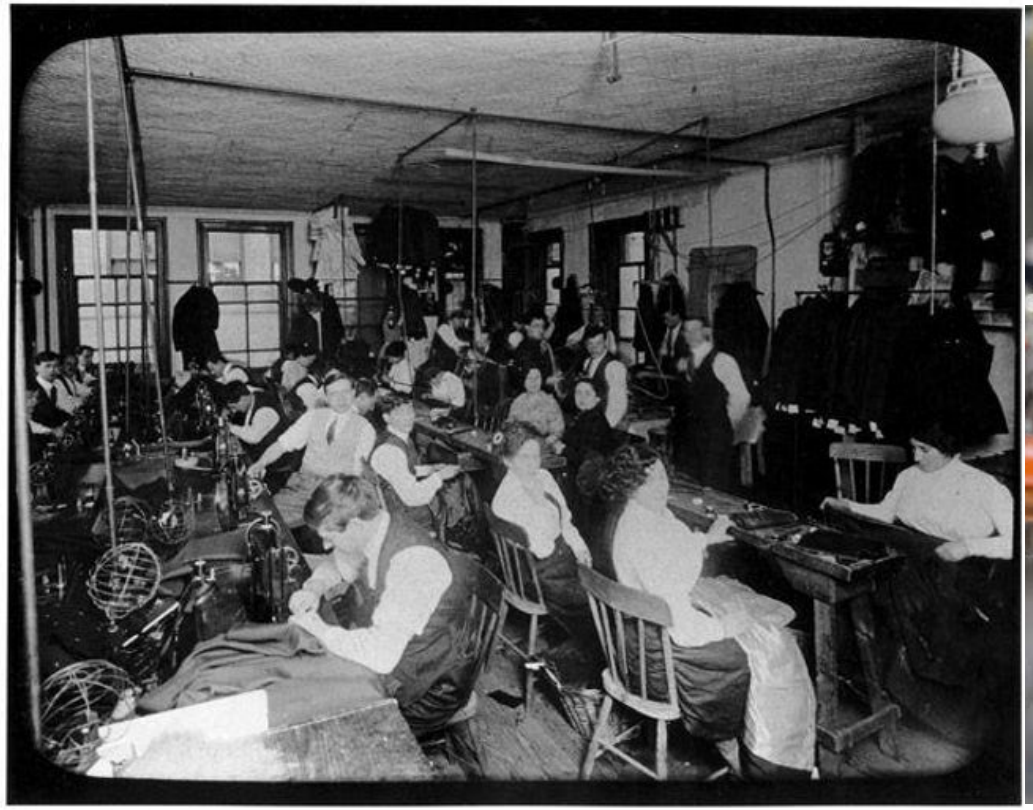
# FACTS

## Manufacturing jobs *became* good jobs



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# 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

Sources: David Weil. *The Fissured Workplace*. (2014), Katz and Kruger (2016)



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# expansive vision of economic equity



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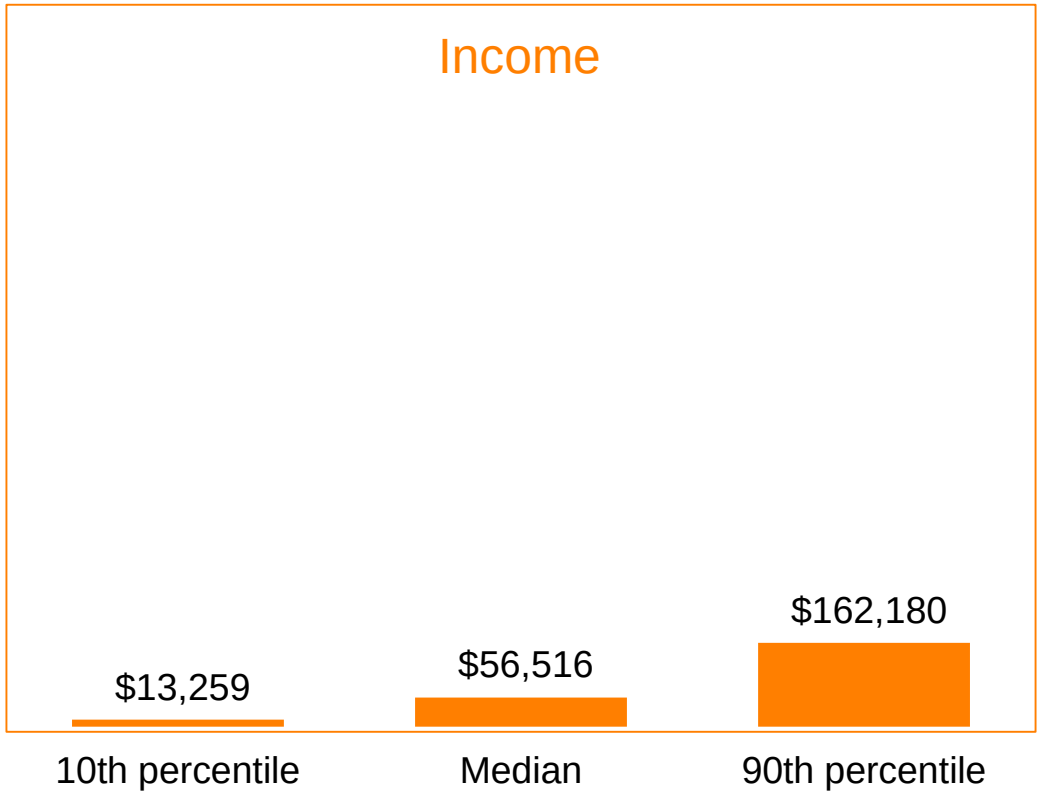
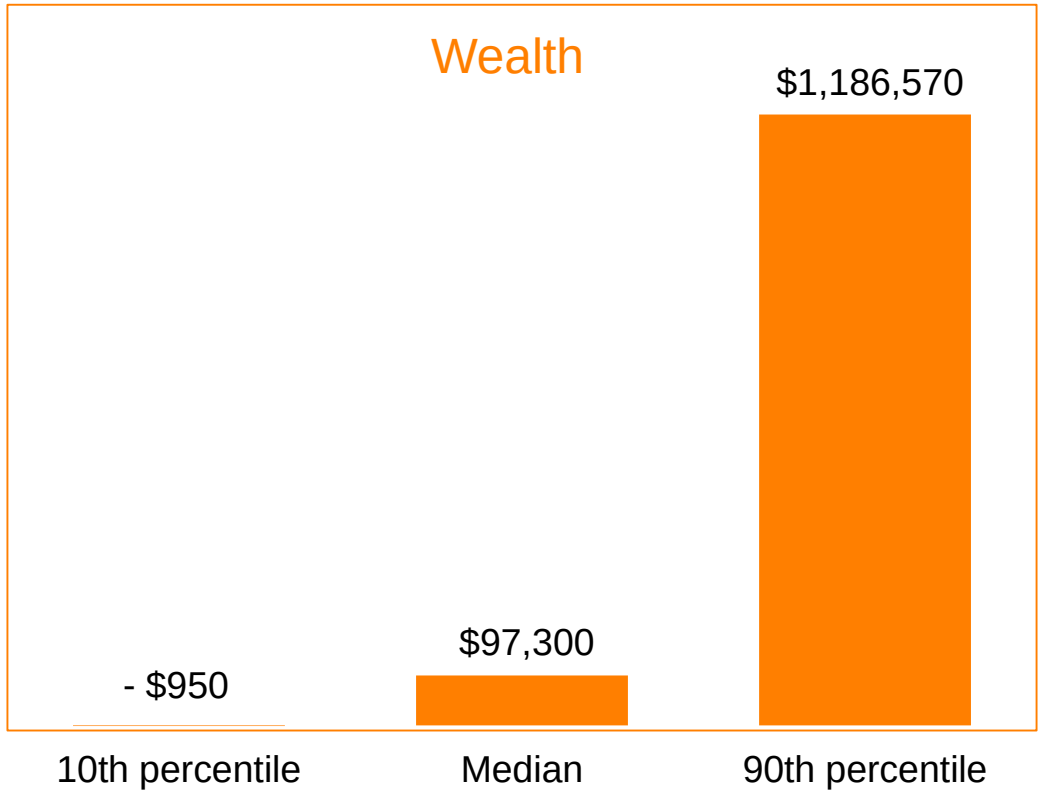
# Income inequality dwarfed by wealth inequality




Source: Current Population Survey 2016; Survey of Consumer Finances 2016



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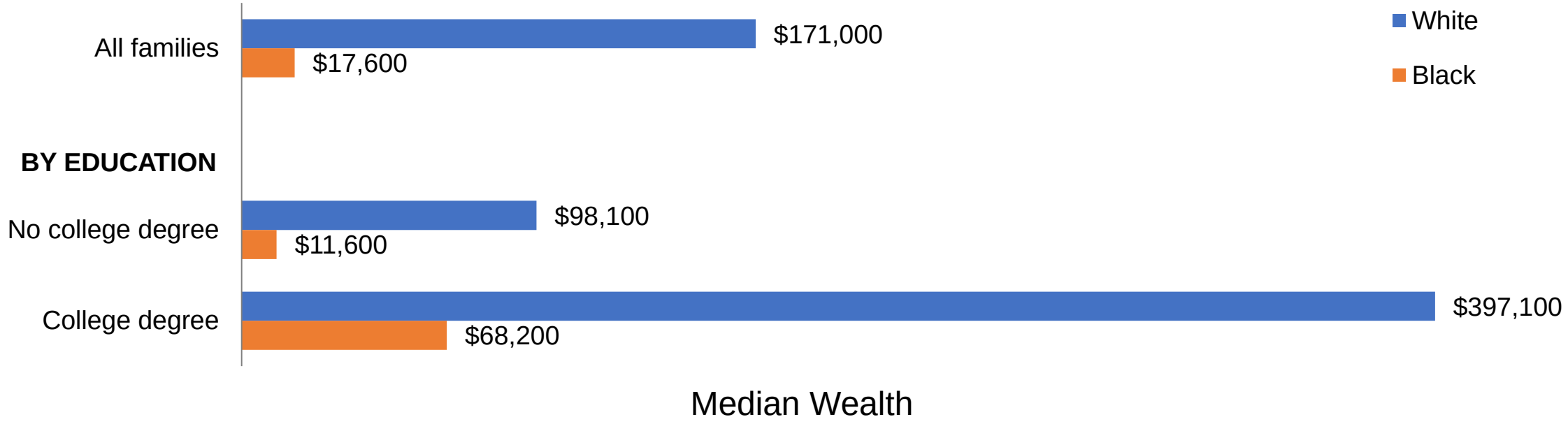
# Racial wealth inequality is enormous—and not solved by education




Source: Survey of Consumer Finances 2016



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**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.

60 MINUTE

**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



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