



THE FUTURE OF WORK

IEDC FUTURE FORUM: BUFFALO, NY

JOHN KARRAS, JUNE 2018

THEORY INTO PRACTICE

We design strategies that will
support your community's
vision for the future.

OUR FRAMEWORK

Talent



Innovation

Place

THREE QUESTIONS ABOUT THE FUTURE OF WORK



1. *What will work look like?*

2. *Where will the work occur?*

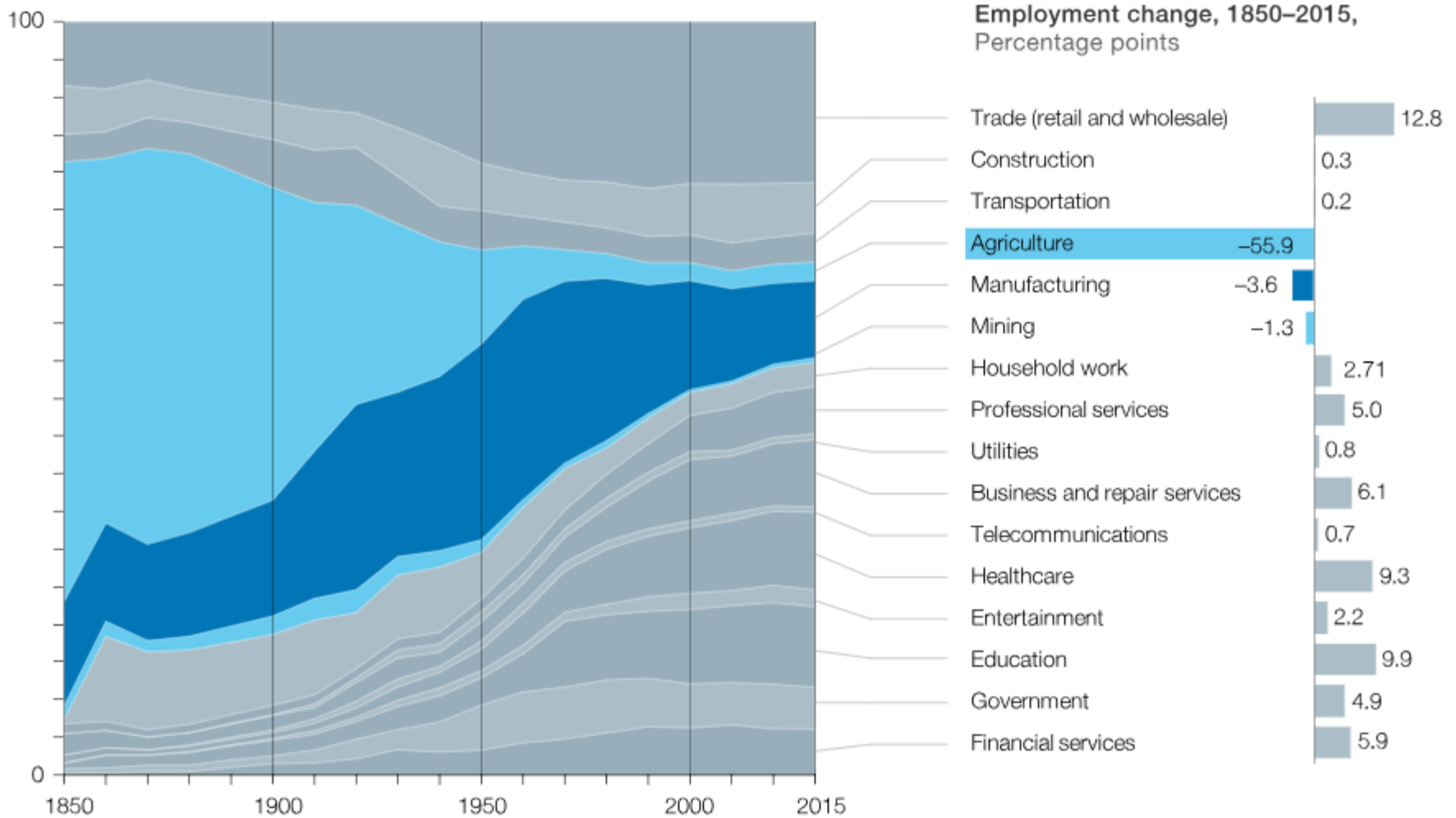
3. *What are EDOs doing to prepare for the future?*



1. WHAT WILL WORK LOOK LIKE (AND WHO WILL DO IT?)

HISTORICAL SHIFTS DUE TO TECHNOLOGY

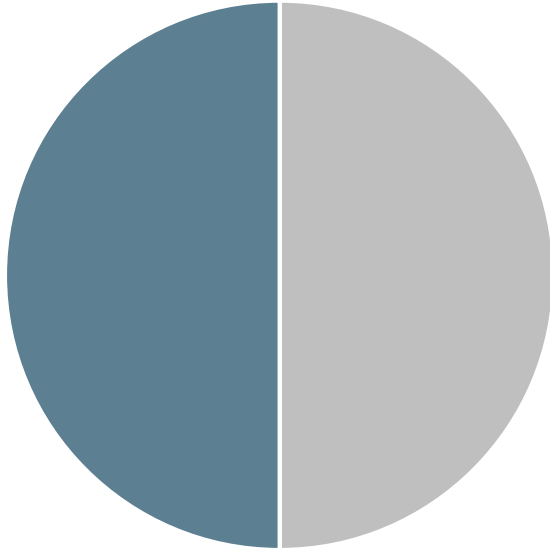
Share of total employment by sector in the US, 1850-2015 (% of jobs)



Source: IPUMS USA 2017; US Bureau of Labor Statistics; McKinsey Global Institute Analysis.

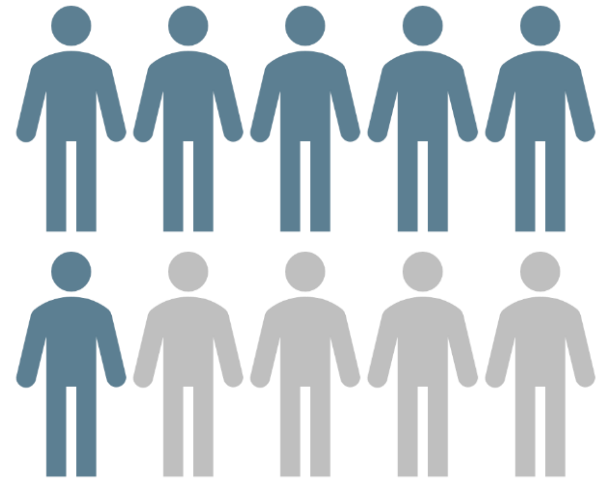
THE IMPACT OF AUTOMATION

Automation will have a major impact globally



50%

of current work activities are technically automatable by adapting currently demonstrated technologies



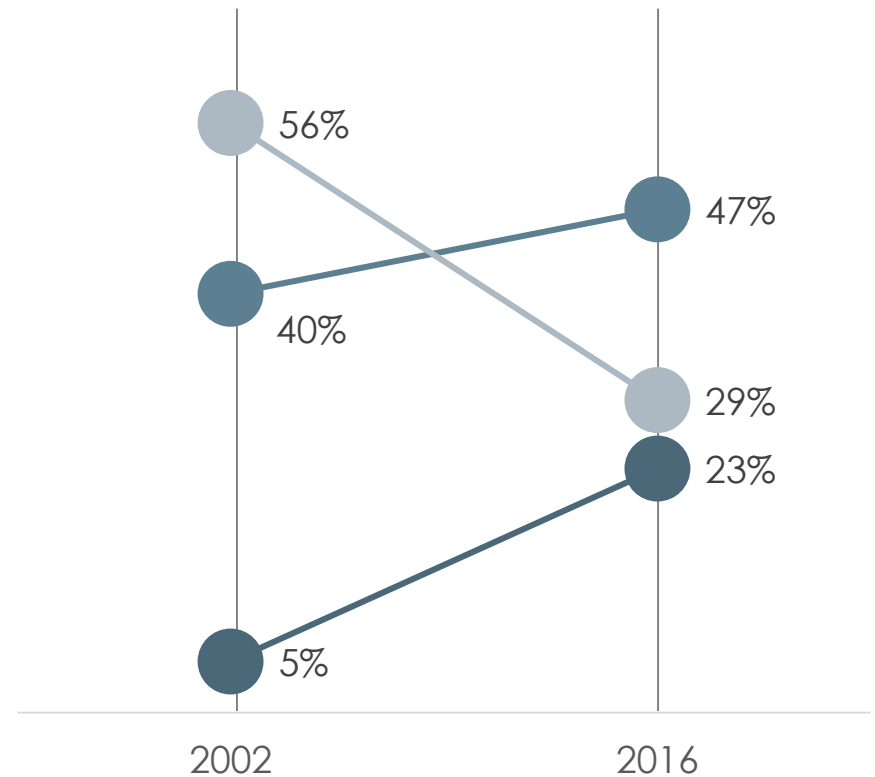
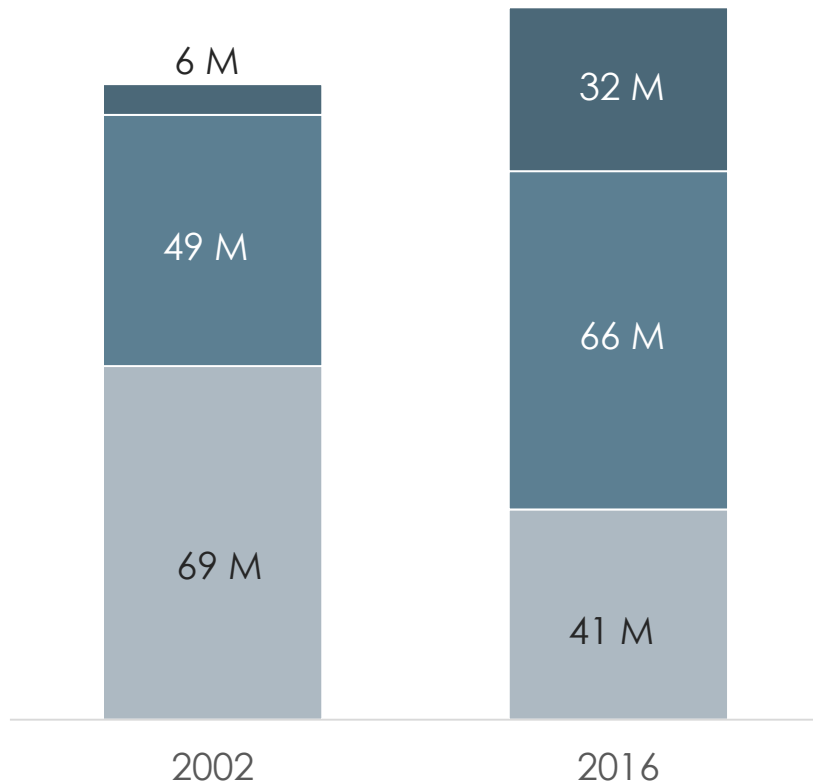
6 of 10

Current occupations have more than 30% of activities that are technically automatable

WORKFORCE IS RAPIDLY DIGITALIZING

Comparative Jobs by Digital Score, 2002 and 2016

- In low digital jobs
- In medium digital jobs
- In highly digital jobs



Source: Brookings Institution. "Digitalization and the American Workforce."

Note: Low digital scores are 33 and below; medium are 33 to 60; and high are 60 to 100.

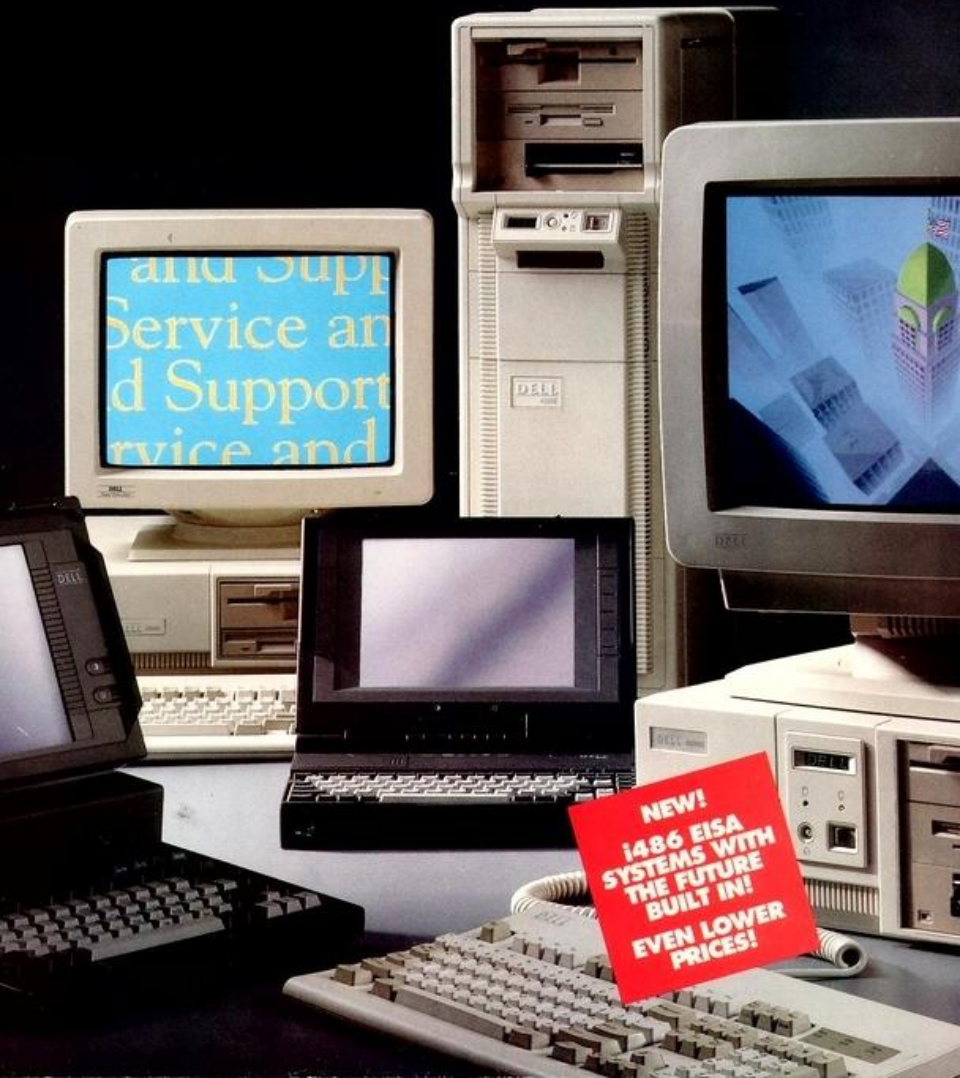
IT'S WAY MORE THAN CNC MACHINES

It's machines, robots, software programs, and technologies that haven't even been experienced yet.



SUMMER 1991

DELL



IT'S NEW BUSINESS MODELS TOO

Dell Computer, YouTube, Spotify, Uber

LOOMING RETIREMENTS

Age Distribution of Employed Workers, as of December 2017

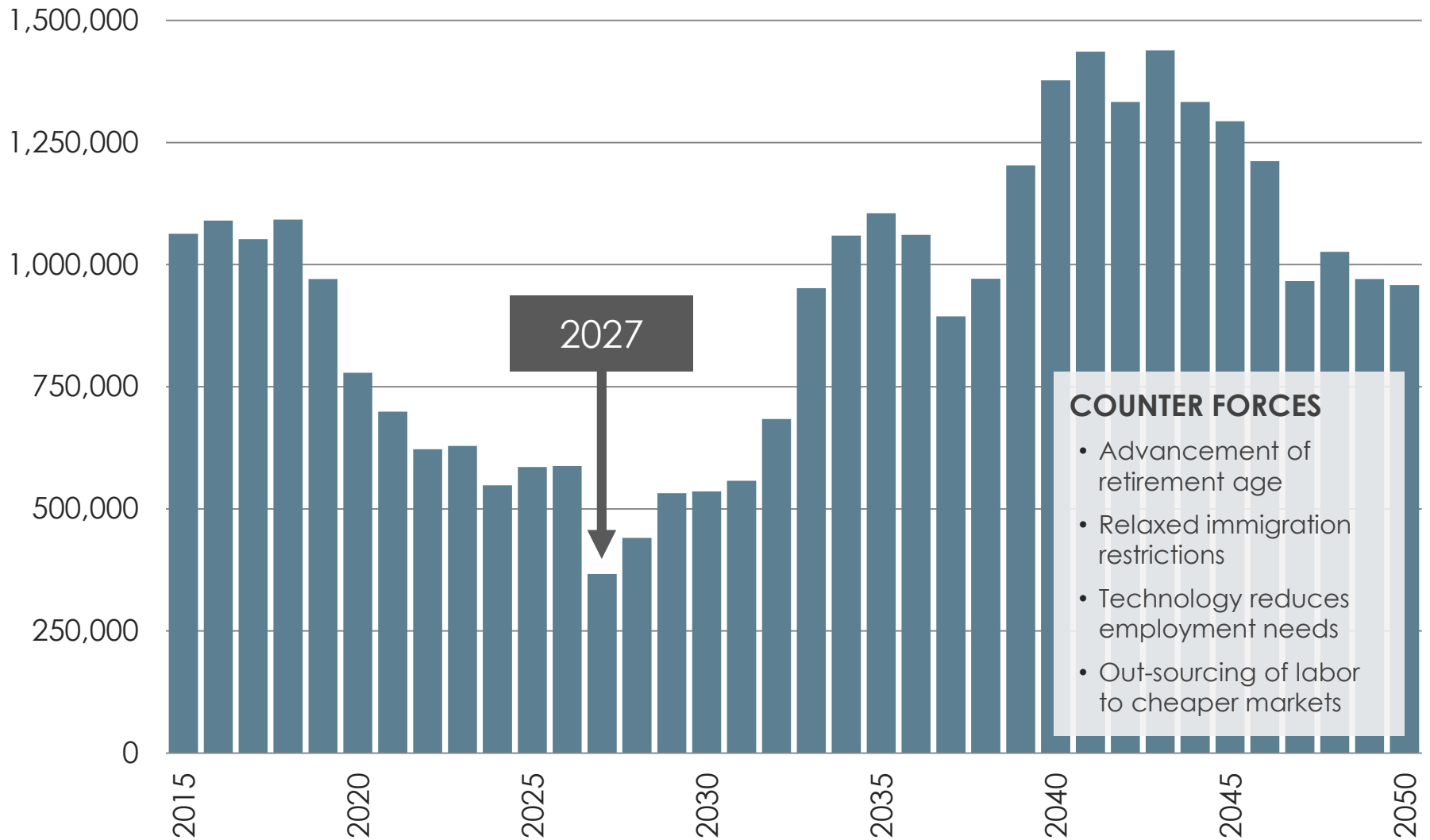
35 million
employed workers
are or will be eligible
to retire in the next
10 years



23%
55 & over

FEWER ENTRANTS TO THE LABOR MARKET

Projected Net Annual Change in the US Working-Age Population

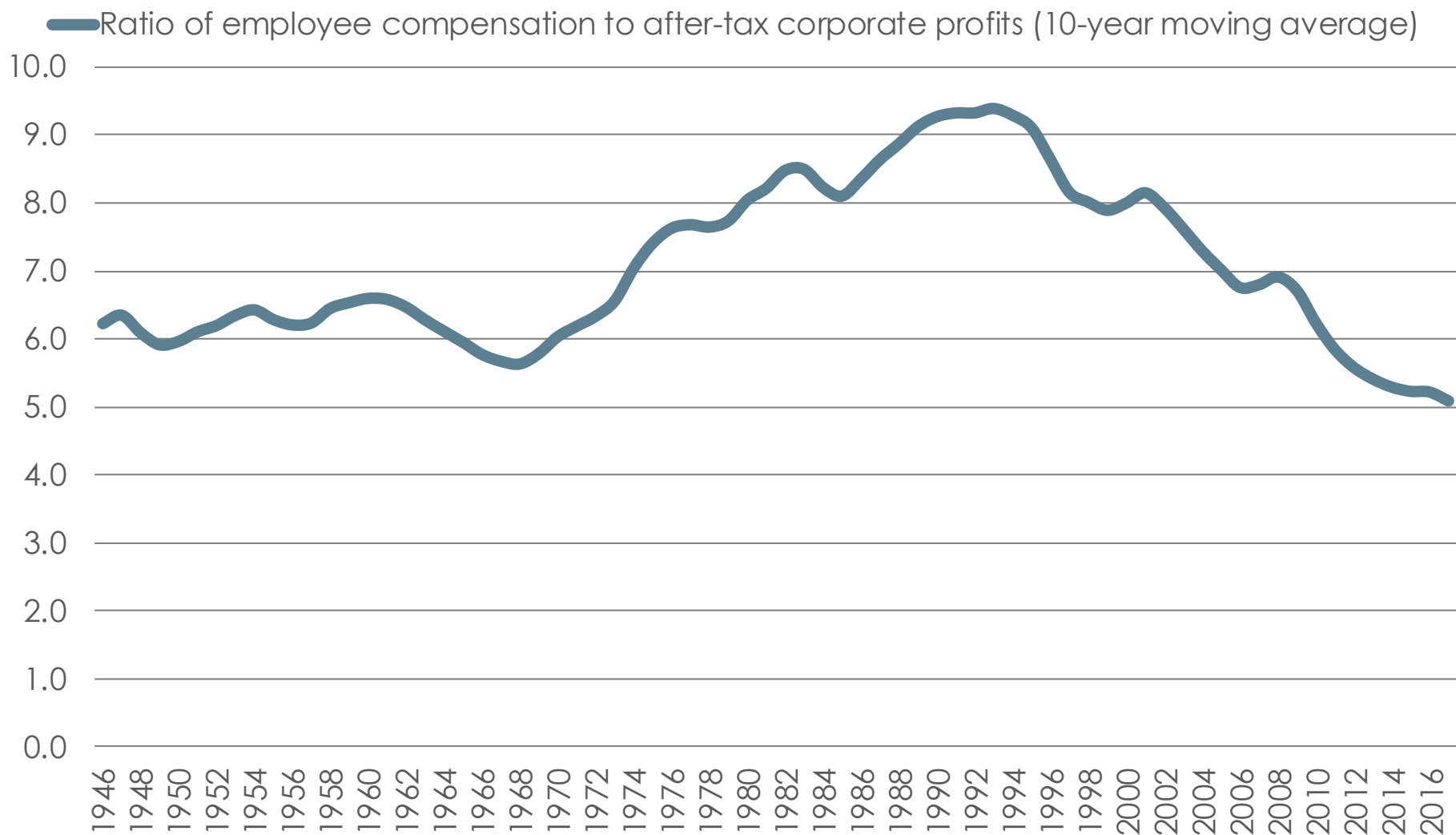


Sources: TIP Strategies, U.S. Census Bureau (NP2014_D1)

"Working-age" defined as 18-66 (average planned retirement age based on April 2014 Gallup poll).

A HEALTHY ECONOMY WITH FEWER WORKERS

The Post-WWII Corporate Balance of Capital and Labor



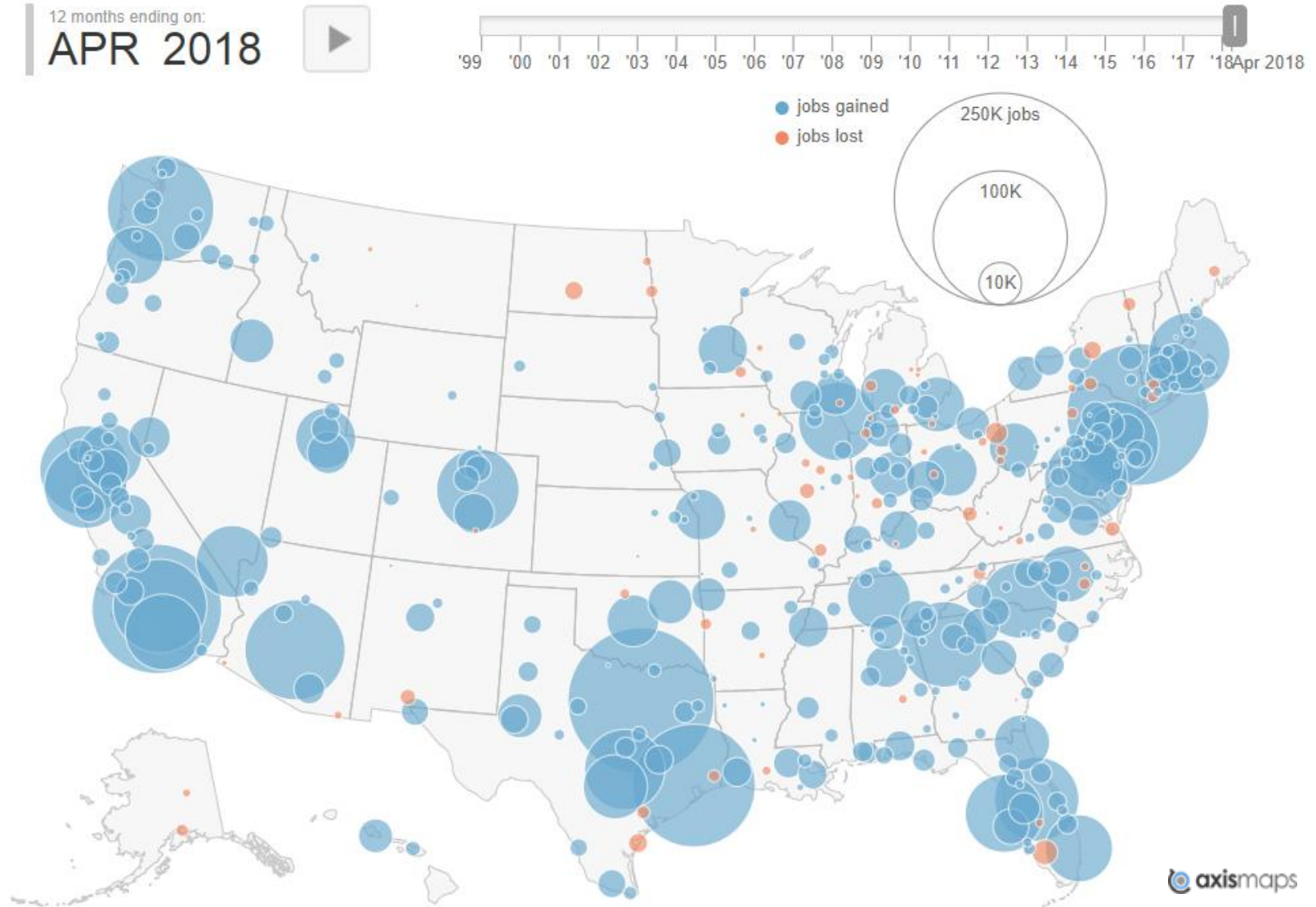
Source: U.S. Bureau of Economic Analysis, GDP Table 1.14



2. WHERE WILL THE WORK OCCUR?

THE GEOGRAPHY OF JOBS

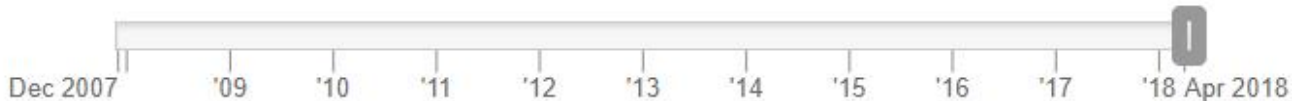
Net Job Gains/Losses by Metropolitan Statistical Area



THE GEOGRAPHY OF RECOVERY

Cumulative Change in Employment Since the Beginning of the Great Recession

APR 2018



Change in employment since start of recession



US share of 2007 employment:

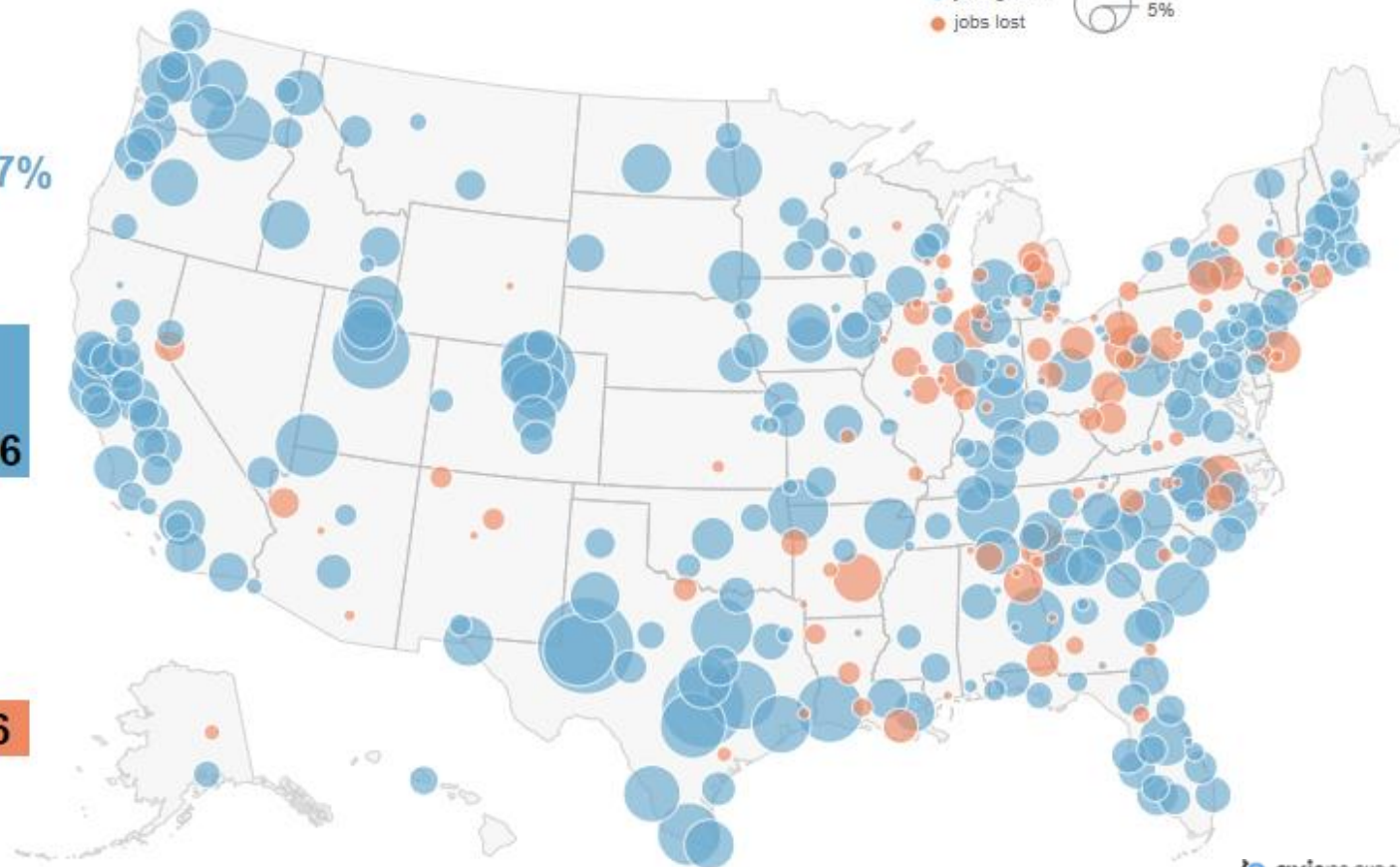
107%

Metro areas at or above 2007 employment:

266

Metro areas below 2007 employment:

96



axismaps



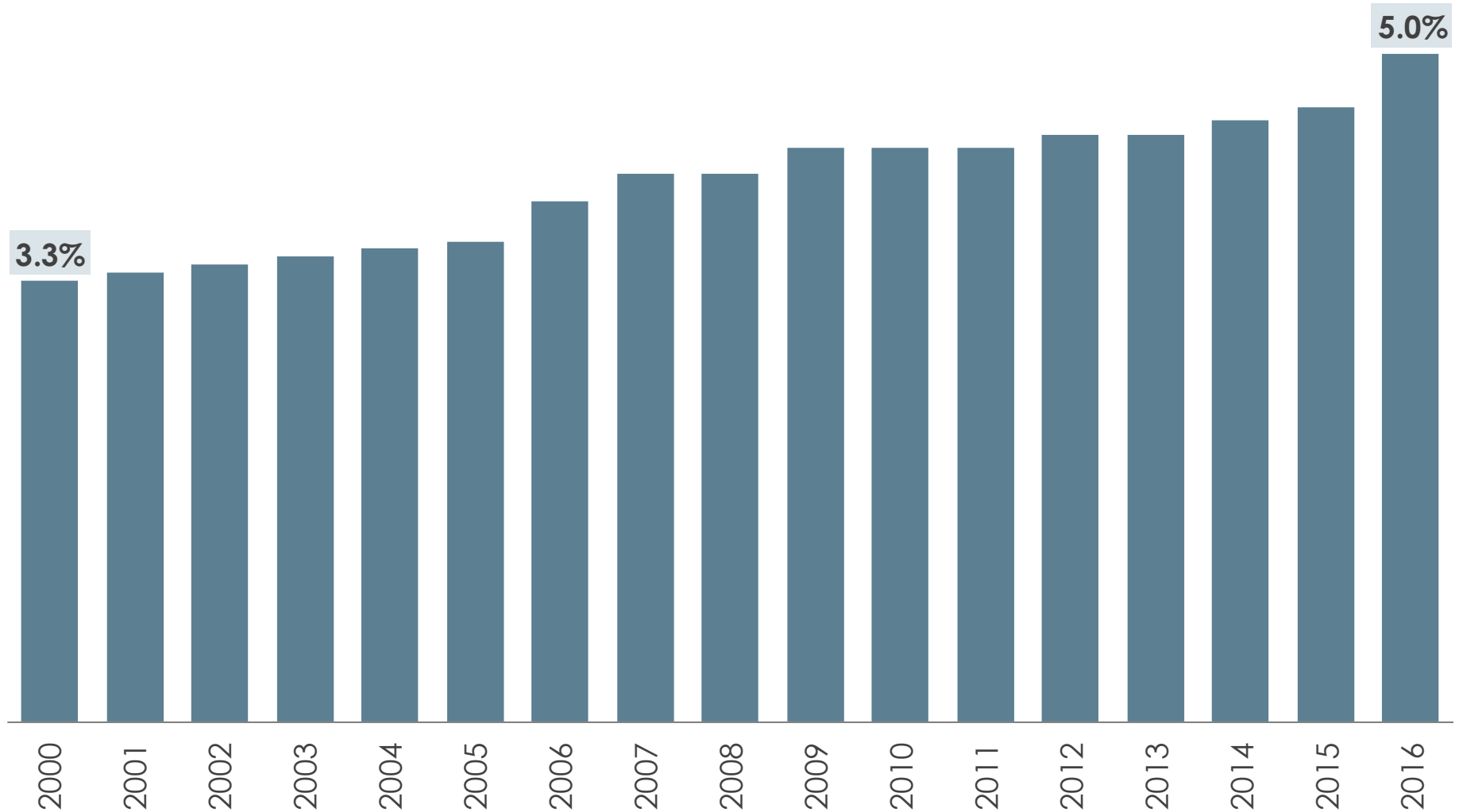
REMOTE WORKERS ARE INCREASING

“Going to work” ain’t what it used to be.

The office, the job, and the work are less tied to a location.

THE PERCENT OF REMOTE WORKERS IS GROWING

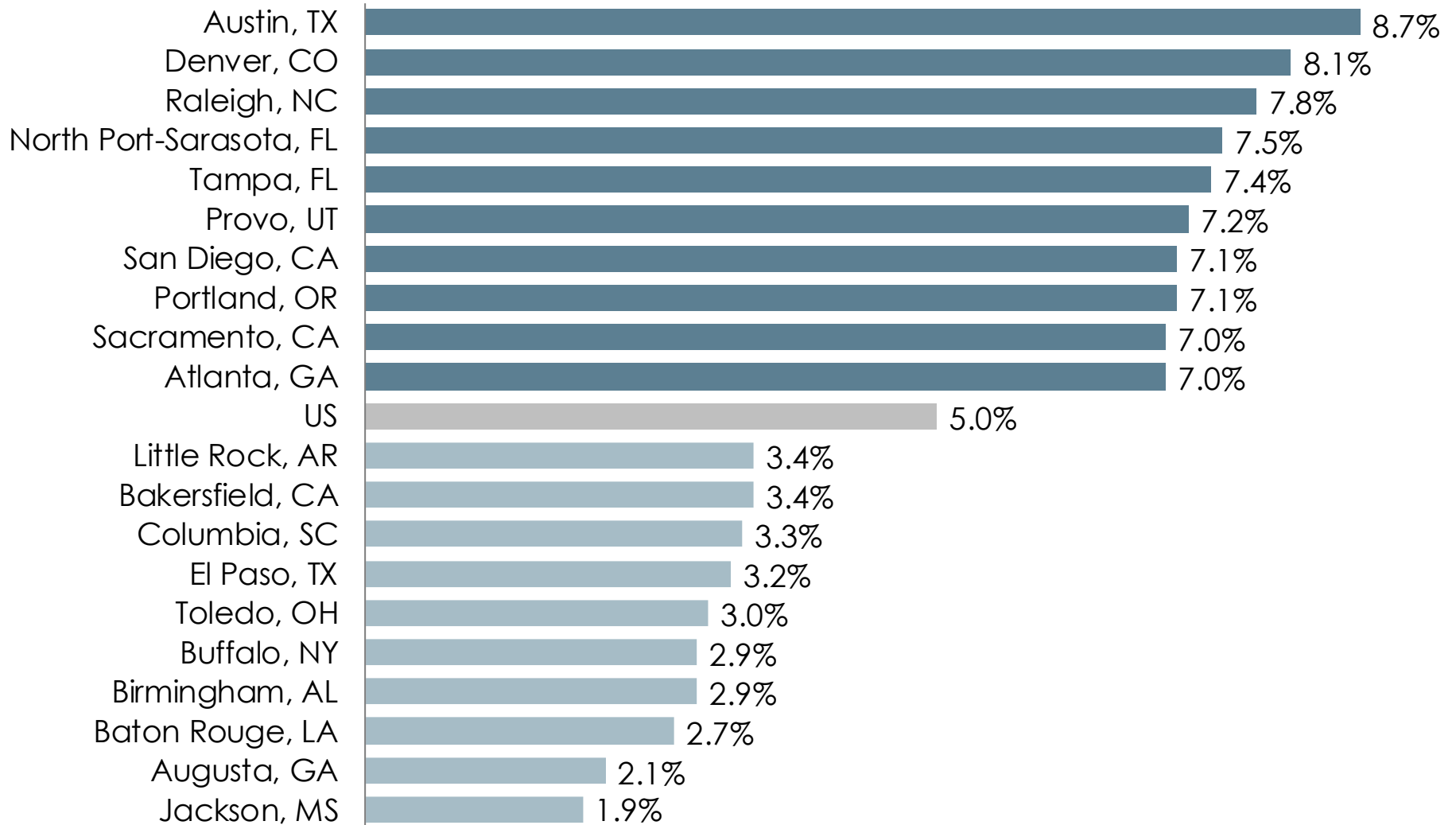
Percent of employed people working remotely in the US, 2000-2016



Source: US Census Bureau, American Community Survey

WORKERS ARE VOTING WITH THEIR FEET

Top 10 and bottom 10 MSAs (of 100 largest) by share of remote workers





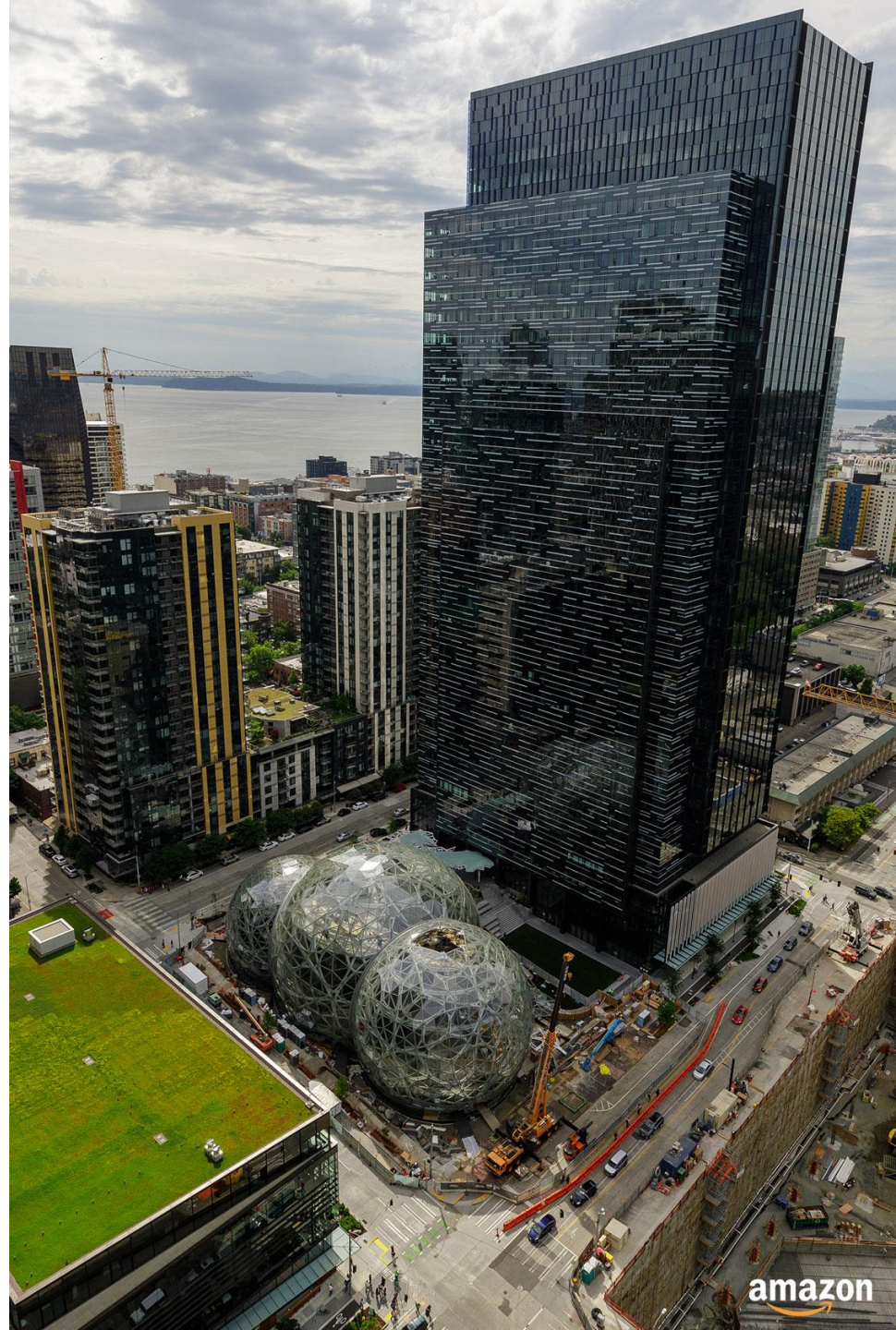
UNCONVENTIONAL WORK SPACES ARE ON THE RISE

Coworking spaces like WeWork are changing the culture of work for millions of workers and entrepreneurs.

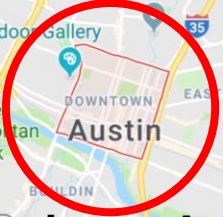
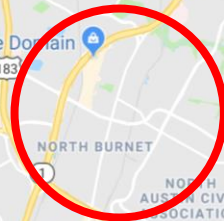
DUAL CAMPUSES

Amazon's HQ2 search is changing the game.

Companies like Indeed and HomeAway have dual campuses in Austin.



Austin's "Second Downtown"



Downtown Austin





3. WHAT ARE EDOs DOING TO PREPARE FOR THE FUTURE?

LAS VEGAS

innovate.vegas

- Downtown Innovation District
- Smart City projects & programs
- The Downtown Project





FORT WORTH

Medical Innovation District

- Largest healthcare job cluster in MSA
- Urban revitalization & hip/edgy vibe
- New TCU-UNTHSC School of Medicine

ASHEVILLE

*The business side of
climate data*

- National Centers for Environmental Information (NCEI)
- ClimateCon 2018
- The Collider





VERMONT

Aggressive talent attraction

- \$10 K to each remote worker who relocates
- Does it matter that the company doesn't relocate?
- What about existing workers?

ONE QUESTION FOR YOU



*How are you, as an EDO,
allocating your resources?*

- Funding
- Staff and their skills
- ED tools



QUESTIONS

THANK YOU



TIP strategies
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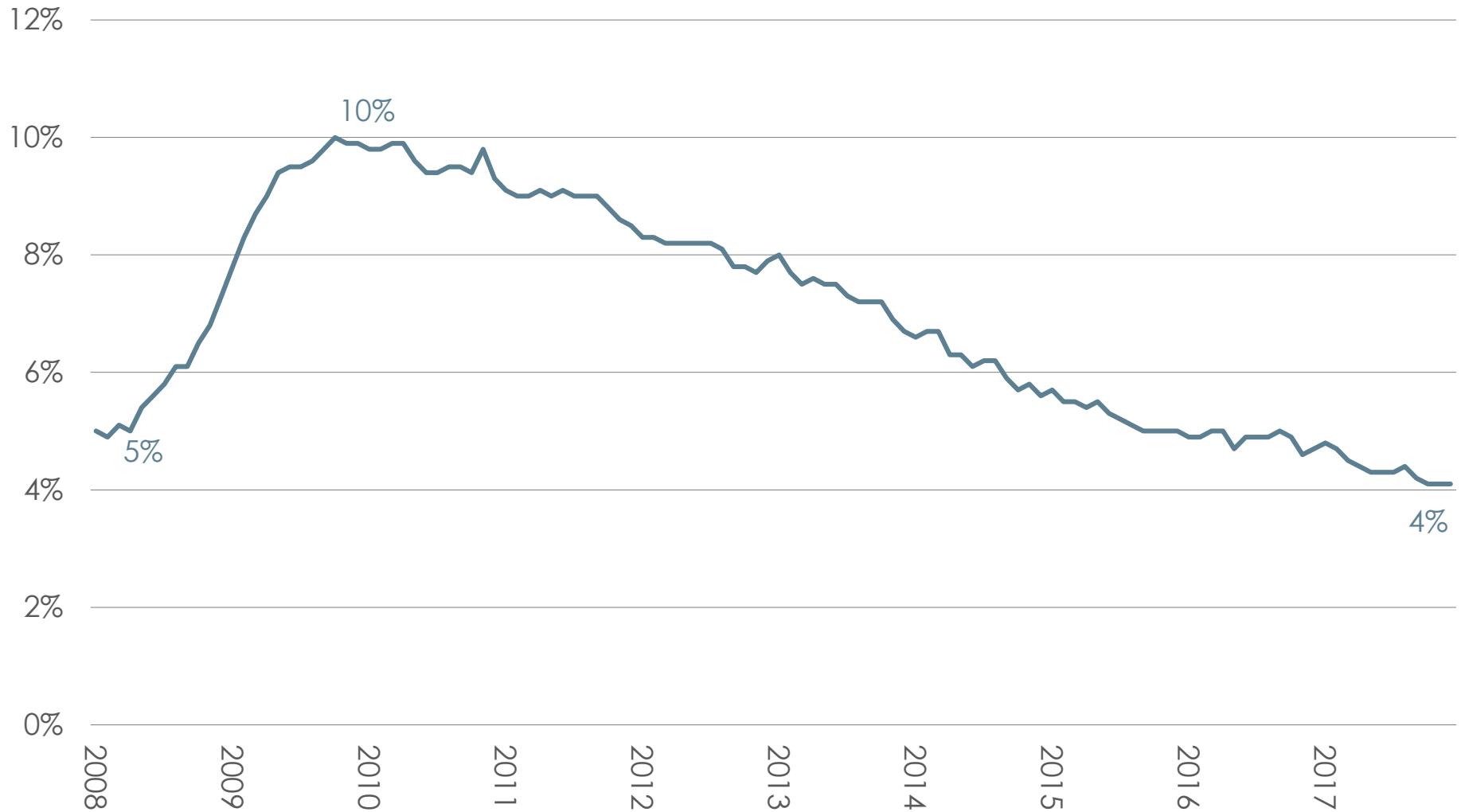
512.343.9113

www.tipstrategies.com

“**Full employment** is an economic situation in which all workers who are willing and able are employed and any unemployment that remains is structural, frictional, or voluntary.”

UNEMPLOYMENT HAS DECLINED STEADILY

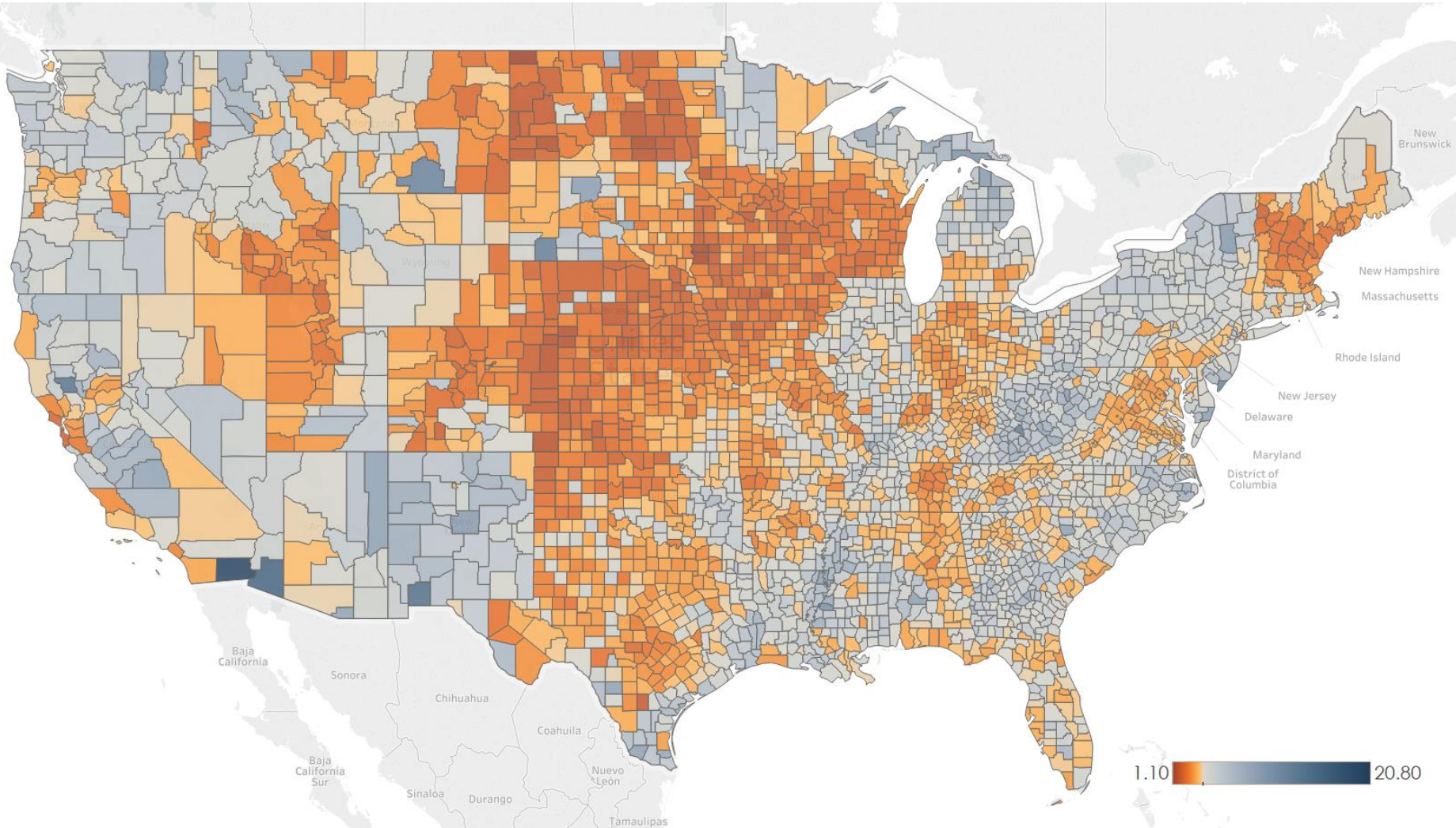
US Unemployment Rate, 2007 - 2017



Source: US Bureau of Labor Statistics

WIDE DISPARITY BY REGION

Unemployment by County, as of December 2017

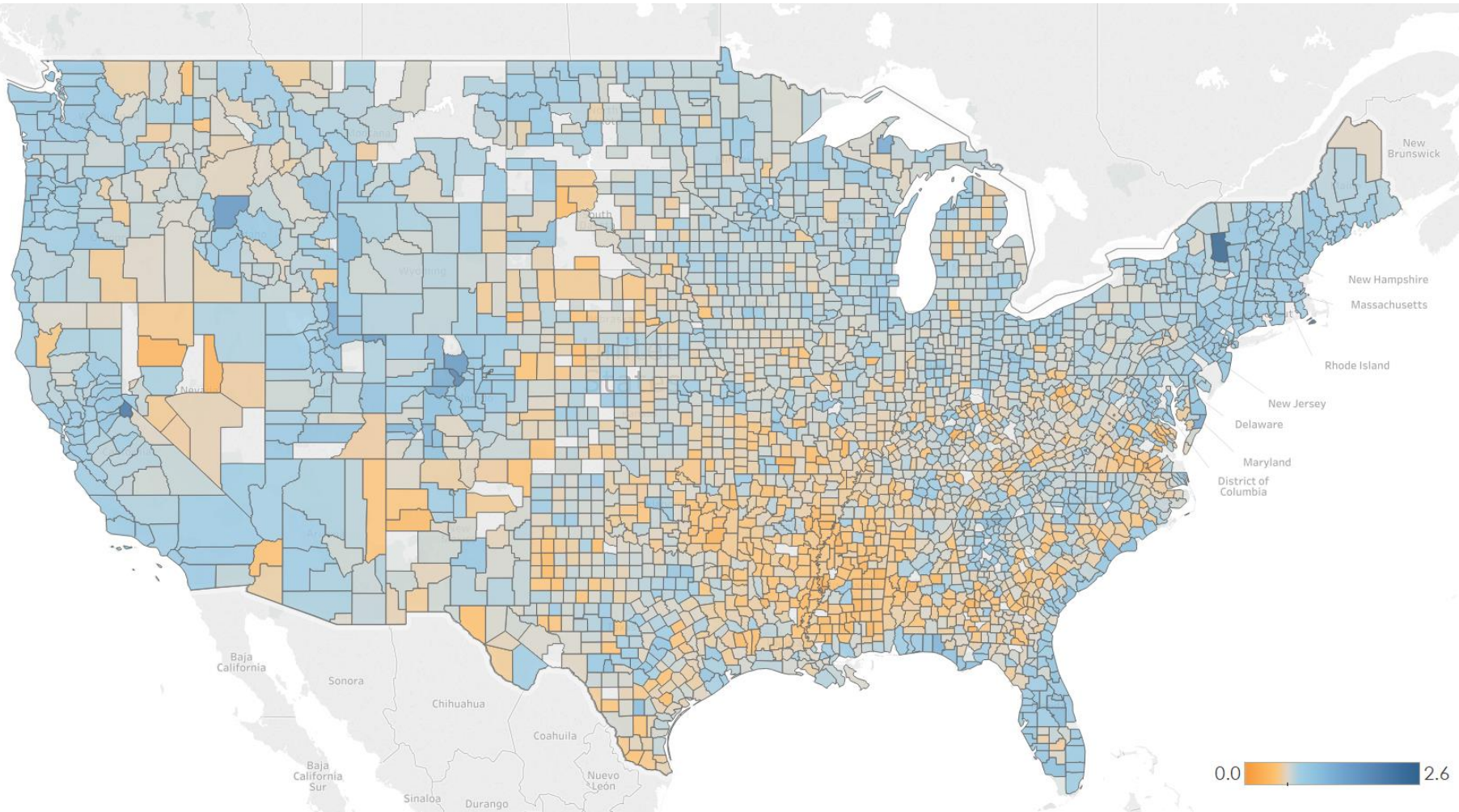


Source: US Bureau of Labor Statistics.

Note: red is less than 4.1; blue is more than 4.1.

WHERE ACCESS IS AVAILABLE

Ratio of Residential Fixed High-Speed Connections to Households, 2016



Source: FCC.