



IEDC ECONOMIC FUTURE FORUM

Planning for Prosperity

Leveraging Tomorrow's Brightest Industries

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The **Future** Ain't What It Used To Be

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Key Points



Source: Buffalo Niagara Partnership

Growing Economic Development Challenges.

- § 72% of wage earners make below average wage. 46% below \$15/hr.
- § Small business created 73% of jobs this decade, but are faltering.
- § Standard workforce is succumbing to the gig/contingent workforce.
- § 7.1 million U.S. open jobs remain unfilled largely due to lack of skills.
- § 10s of millions of new jobs in emerging digital and energy economies.
- § Mass-production of startup businesses and skilled workers needed.



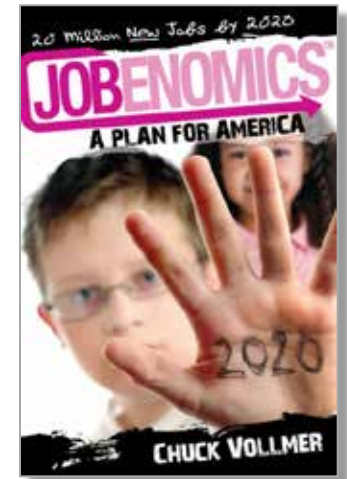
Source: Jobenomics

Bipartisan National Grassroots Movement

- § Started in 2010. Estimated following now at 30 million people via TV, radio, lectures, town halls, blog and social media.
- § Website receives 30,000 monthly page views with most viewers spending a half hour or more online.

Books and Research

- § First book established goal of 20 million new jobs.
- § Ten free e-books on economic, community, small business and workforce development.
- § Special reports on global and national issues.



City and State Initiatives and Programs

- § Over two dozen initiatives led by local community leaders.
- § Two highly-scalable national turnkey programs.

Primary focus: economic, community, small business and workforce development **at the base of America's socio-economic pyramid.**

Free E-Books in Jobenomics Library



Extensive research on the economy, policy-making, labor force situation, emerging technologies, and urban renewal initiatives.

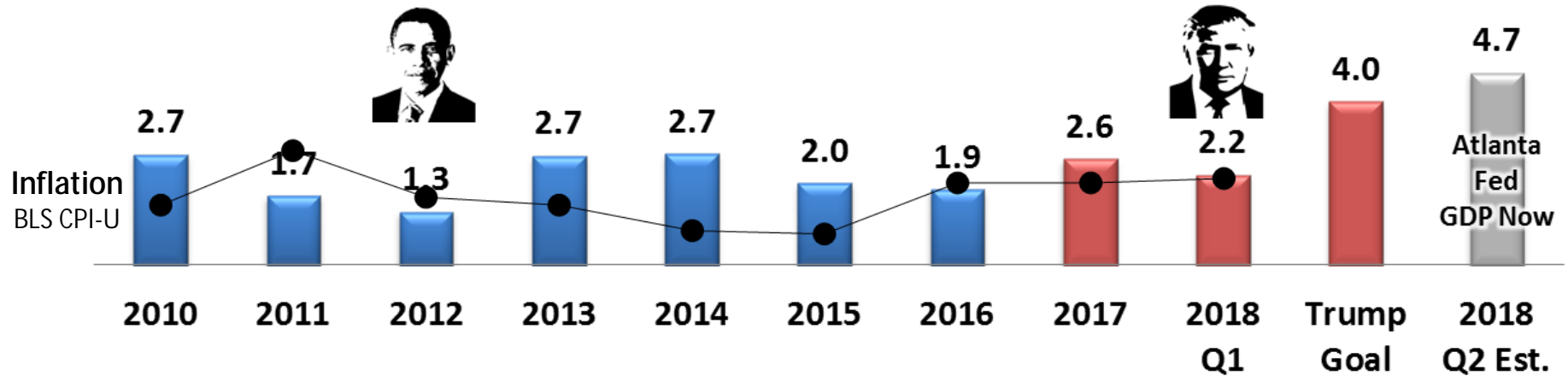
Economic Development Emphasis

Development Category	Traditional Economic Development Emphasis	Jobenomics Economic Development Emphasis
Economy	Established Industry Supersectors in The Traditional Economy	7.1 Million Open Jobs and New Opportunities in Emerging Digital And Energy Economies
Community	High-Skilled, Well-Resourced State, Regional and Metropolitan Areas	Lower-Skilled, Marginalized Inner-City Neighborhoods and Rural Areas
Business	Large-Scale Business and Real Estate Opportunities	Mass-Produce Highly-Scalable Micro-Businesses
Workforce	Standard Workforce Agreements. Degree-Based Education	Alternative Workforce Agreements. Certified Skills-Based Training

Jobenomics bottoms-up approach is synergistic with top-down economic development models.

U.S. Economic Situation

§ **Positive** Indicators Today: Stock market growth, post-Great Recession low unemployment rate, and high consumer confidence.



§ **New Legislation:** Tax cuts, regulatory reform, and trade actions have not had enough time to materialize, but should be positive.

§ **Negative** Indicators Today: Deepening political and cultural divide, sustainable GDP growth, 96 million sidelined Americans not-in-labor-force, growing gig/contingent workforce, faltering startup and scaleup businesses, low wages/income, and burgeoning debts and deficits.

Unless **negative** indicators are mitigated, the U.S. economic situation will eventually erode, perhaps significantly.

Business Situation

Big business is the anchor tenant, small business is the engine and startups are the seed corn for the U.S. economy.

- § **Big Business** (500+ employees) employ 23% of all Americans and created 27% of all new jobs this decade. Despite recent pro-business legislation, big business will not produce a significant amount of new or high-paying jobs according to the BLS. Manufacturing will lose jobs.
- § **Small & Micro Business** (1-499 employees) employ 73% of all Americans and created 77% of all new jobs this decade. Micro firms (1-19 employees) employ 1.6 times more people than Large Corporations (1000+) employees. However, these business engines are faltering.
- § **Startup Business** (1-4 employees) are the key to the future but are dwindling in terms of new starts and employment.

“It's not just net job creation that startups dominate. On average, one-year-old firms create nearly 1,000,000 jobs, while ten-year-old firms generate 300,000. The notion that firms bulk up as they age is, in the aggregate, not supported by data.” Kauffman Foundation

Faltering Job Creation

Scaleups Are Scaling Down

New Jobs Created by Company Size

Source: ADP Historical Data

Large Business (500+)

Small Business (<500)

Great Recession to Today Dec 07 to Jun 18	Post-Great Recession to Today Jul 09 to Jun 18	Trump Administration Jan 17 to Jun 18
2,196,447	4,656,965	990,223
8,106,402	13,136,645	2,256,563

Small Business Advantage

3.7x

2.8x

2.3x

Startups Are Dwindling

“United States is now creating startup businesses at historically low rates, **down from 16.5% of all firms to 8.0%** in 2014.” Latest U.S. Census Bureau, Business Dynamics Statistics report data.

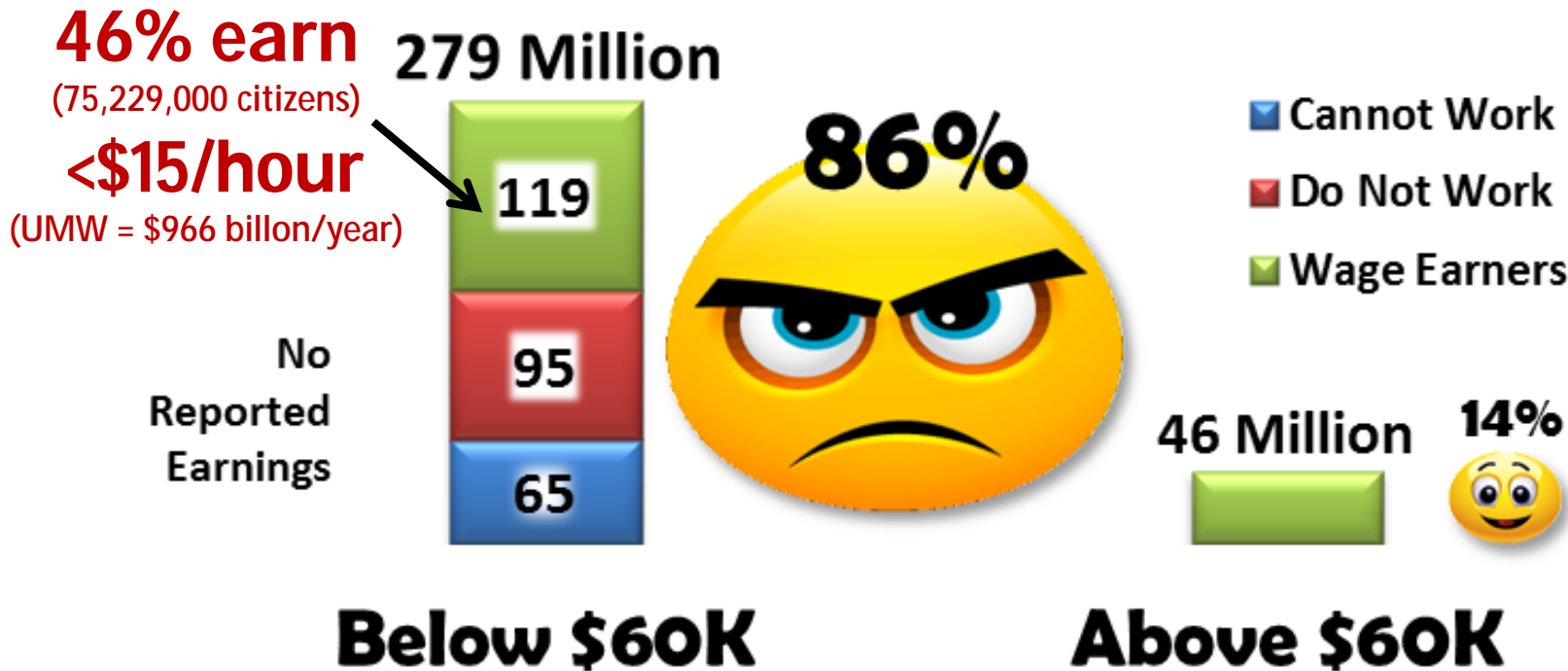
“If the U.S. were creating new firms at the same rate as in the 1980s that would be the equivalent of more than **200,000 companies and 1.8 million jobs a year.**” Wall Street Journal analysis of BLS data.

Wage Earner Situation

Mean Earnings For Full-Time Jobs in 2016 = \$60K

U.S. Population in 2016 = 324 Million People

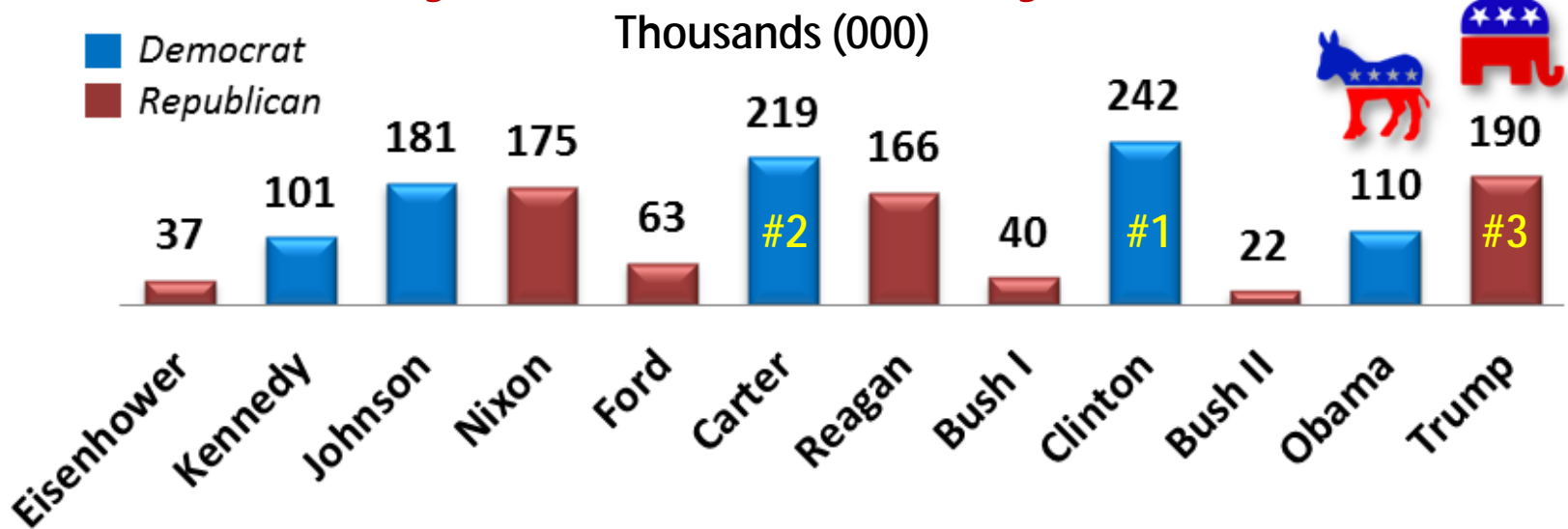
Source: Census Bureau, Current Population Survey, 2017 Annual Social and Economic Supplement



While wages increased in recent years, they have not increased enough to mitigate the eroding middle class.

Labor Force Situation

Monthly Job Creation Rate By President



Labor Force Gains and Losses

As of 1 June 2018

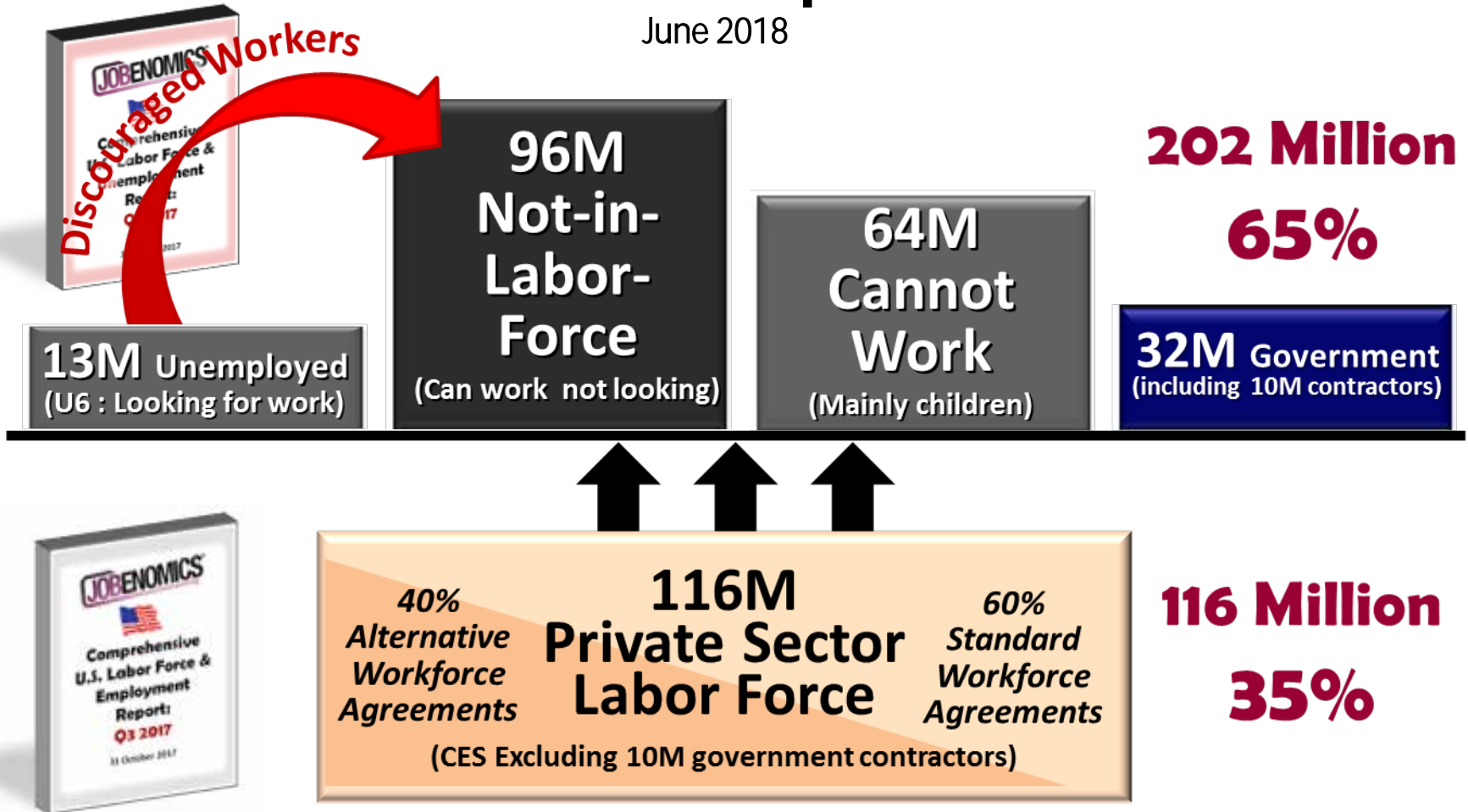
	New Jobs	Not-in-Labor Force	Unemployed (U3)	Net Gains-Losses
Since 2000	17,873,000	27,260,000	412,000	(9,799,000)
Bush II Era	2,115,000	9,892,000	5,652,000	(13,429,000)
Obama Era	10,595,000	14,626,000	(3,784,000)	(247,000)
Trump Era	3,225,000	909,000	(1,437,000)	3,753,000

While improving, the labor is force is not as strong as before.

U.S. Labor Force Overview

328 Million Population

June 2018



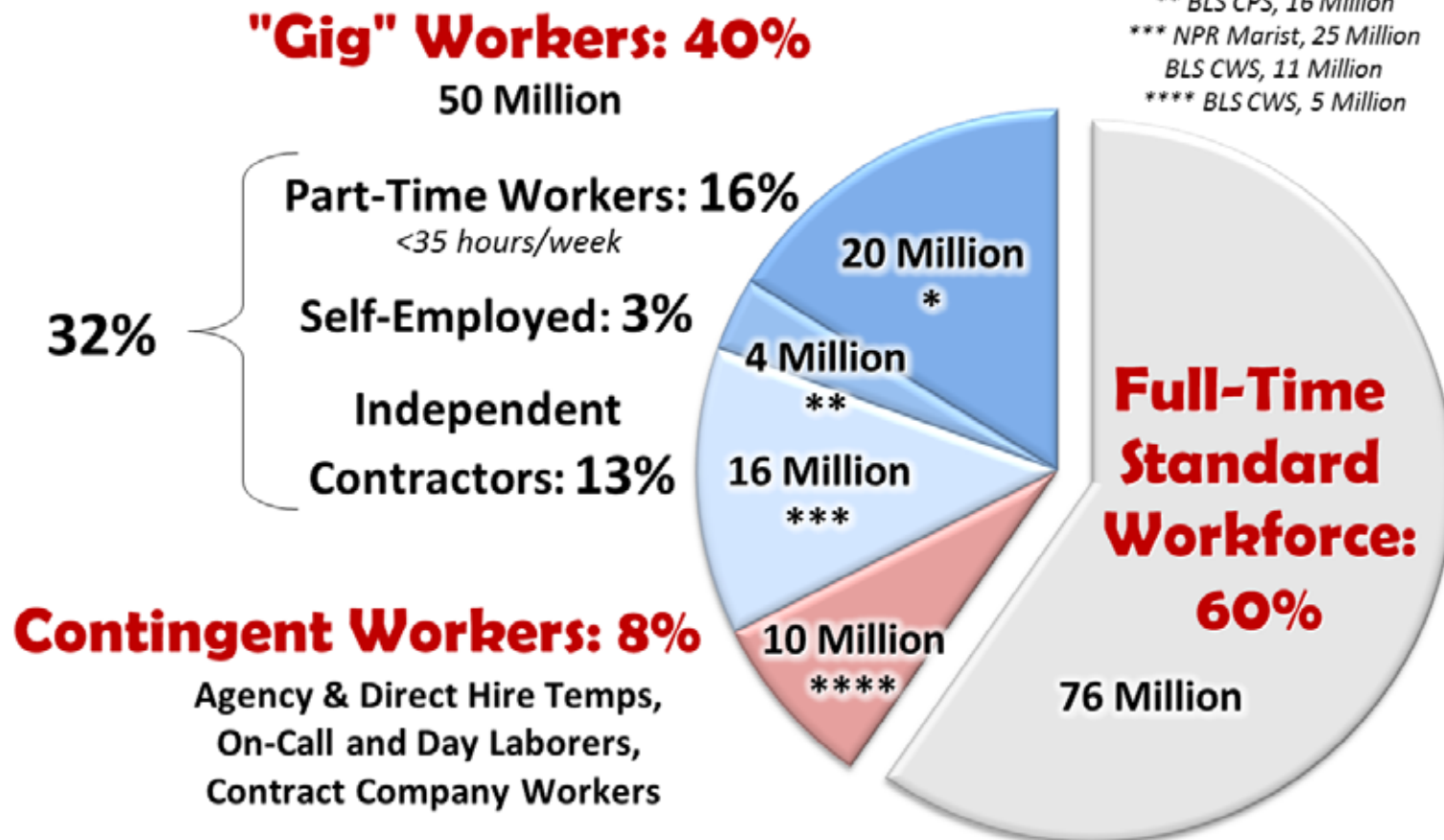
Our economy is not sustainable if the Not-in-Labor-Force and workers with Alternative Workforce Agreements continue to grow.

Alternative Workforce Agreements

2018 U.S. Private Sector Labor Force (126 Million)

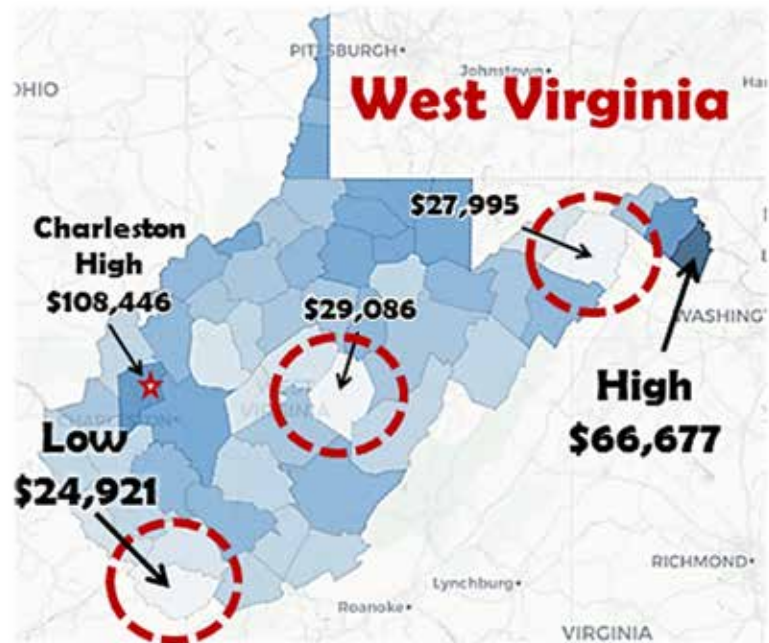
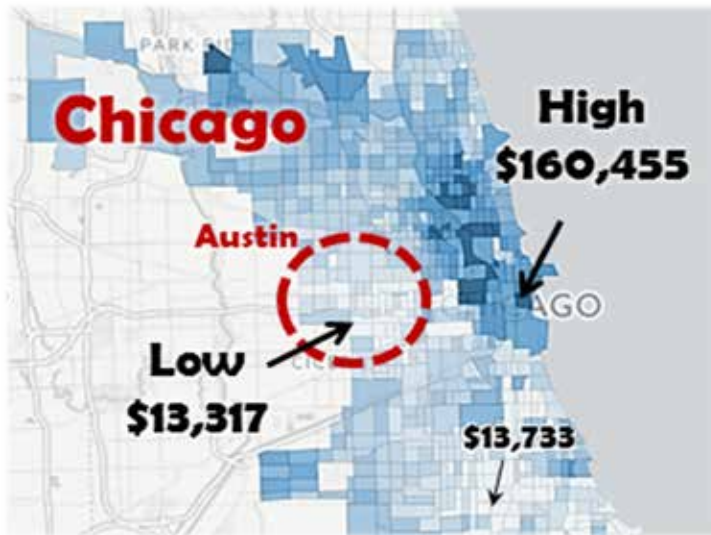
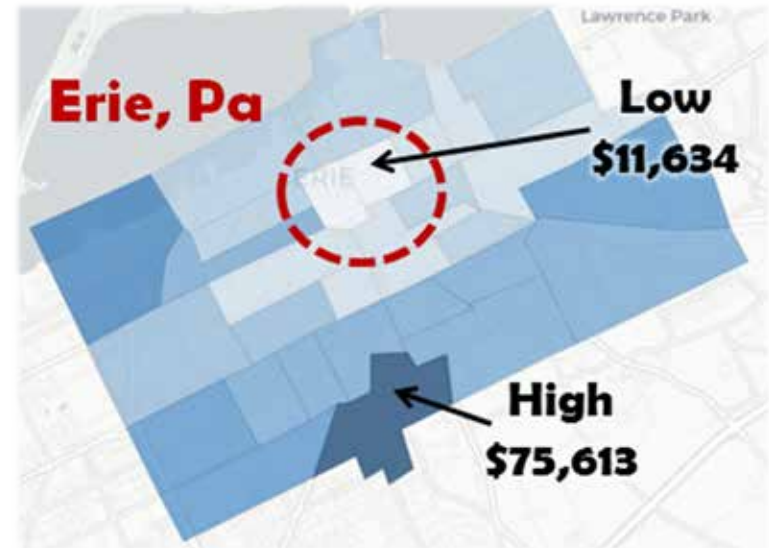
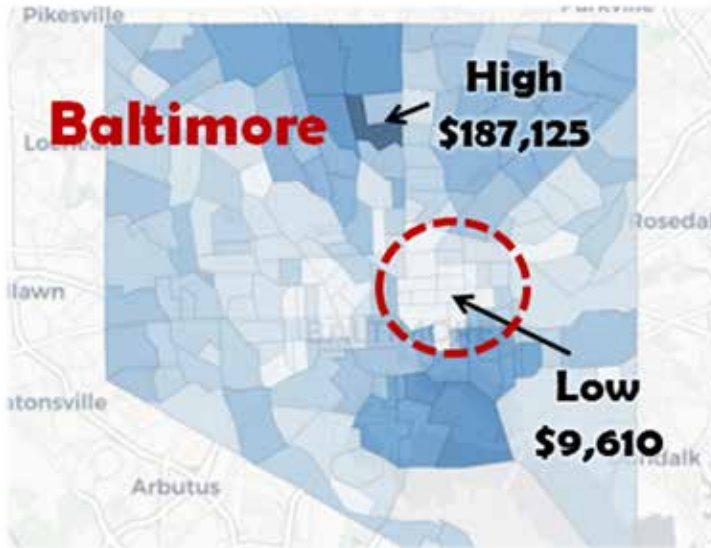
Source: GAO, BLS, NORC, Jobenomics

* Census ASEC, 51 Million
** BLS CPS, 16 Million
*** NPR Marist, 25 Million
BLS CWS, 11 Million
**** BLS CWS, 5 Million



By 2030, the alternative workforce will be the dominant form of labor in the United States. In marginalized communities the alternative workforce is well over 50% today.

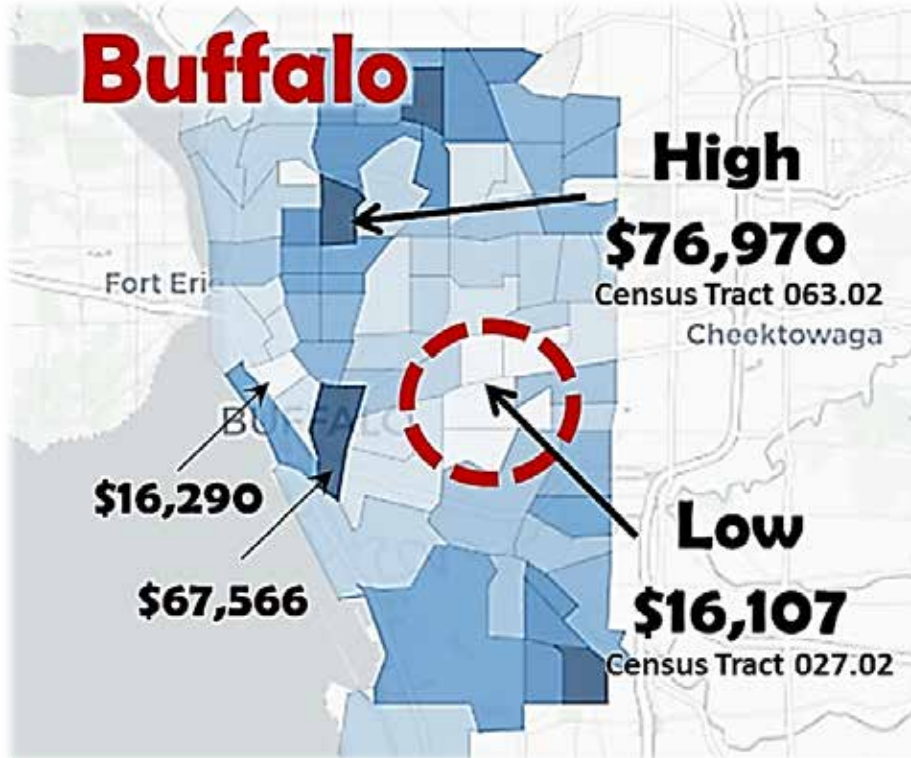
Jobenomics "Donut Hole" Emphasis



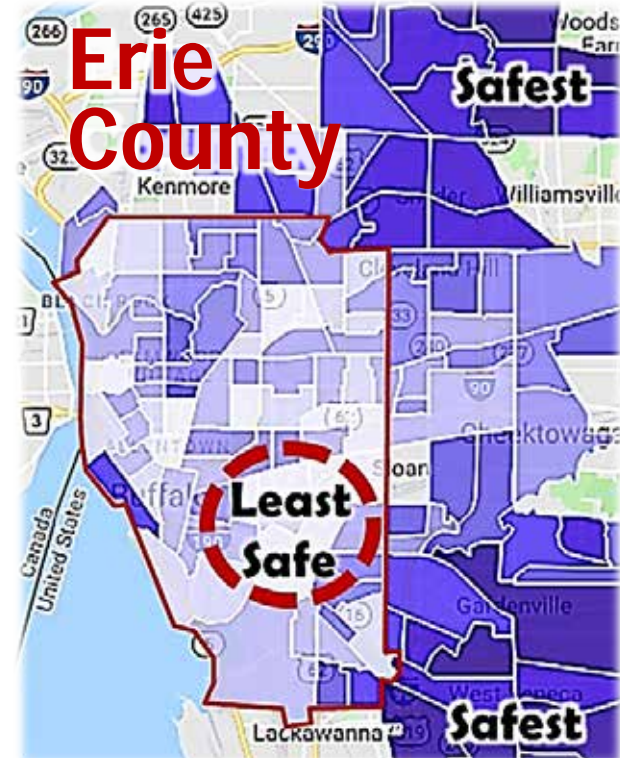
Median Household Income

Buffalo's Donut Hole

Median Household Income



Crime



Why Focus On The Donut Hole? Provide income opportunity for the poor. Protect the gains achieved in more affluent communities.

An Initiative to Consider: Community-Base Business Generators with Skills-Based Training and Certification Centers.

Jobenomics Community-Based Business Generator (CBBG) Concept

Labor Pool of People Interested In Workfare



Due Diligence

Top Candidates Selected By Schools, Non-Profits, Churches, Sports Teams, Etc.

Top Candidates



Incorporation

JCBBG Candidate Interviews, Aptitude Testing and Counseling



Education

Sent To Other Educational and Training Centers for Career Development



Training

JCBBG Leadership, Skills-Based Training and Certification Programs



Scaleups

Hired by Existing Companies Looking For Pre-Qualified Employees

Startups

Start Small Business

Most cities have **Business Incubators** and **Business Accelerators**, but not **Business Generators** for low-income citizens.

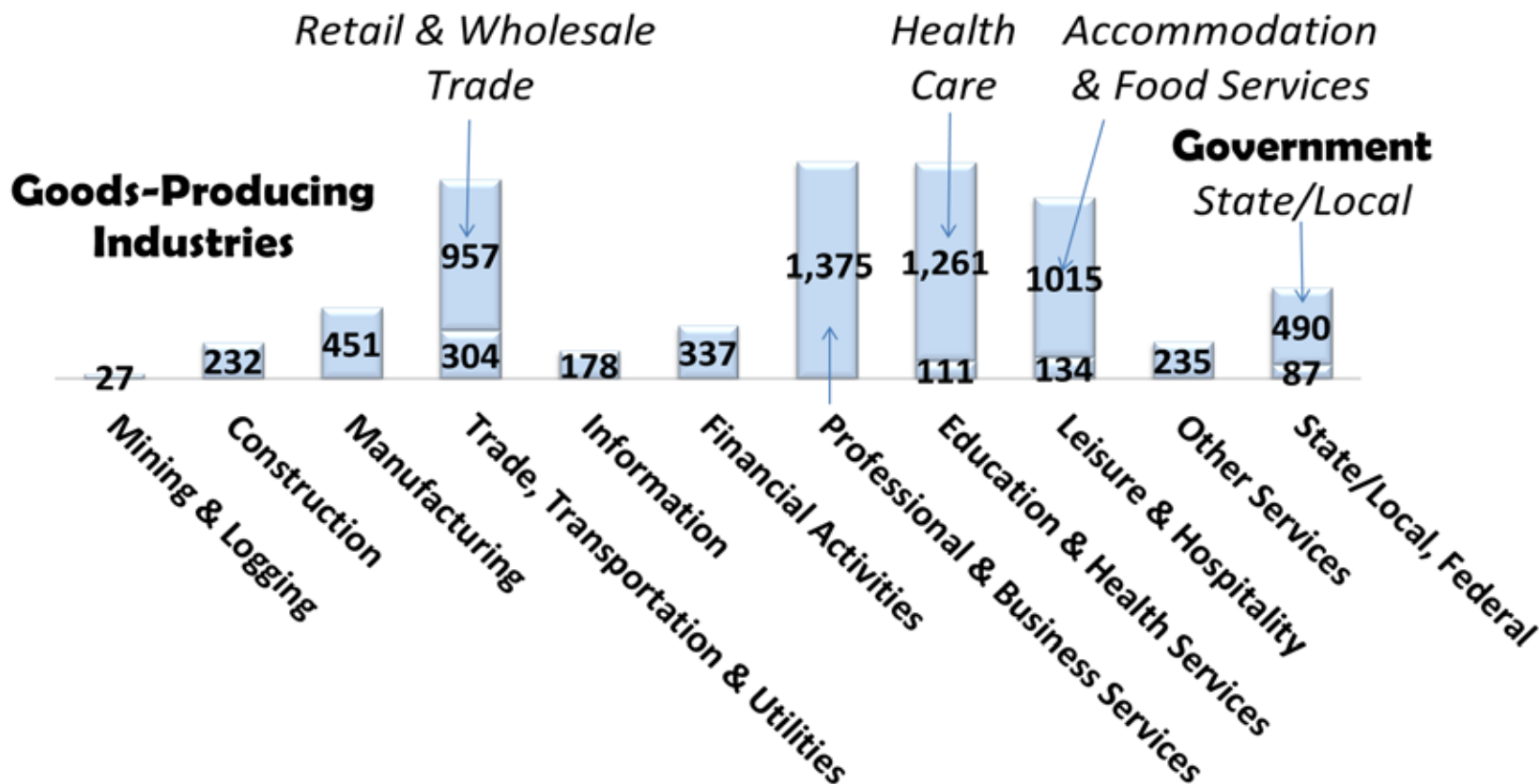
Fill Current Job Openings

7,195,000 Unfilled Jobs

Source: BLS, JOLTS Table 7, Not Seasonally Adjusted

Thousands (000s) of Jobs, as of **April 2018**, Retrieved 5 June 2018

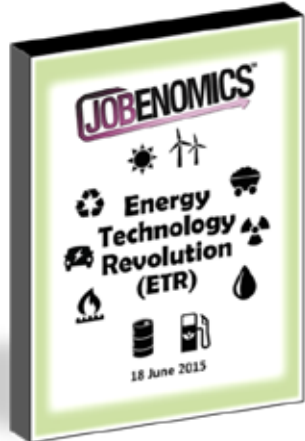
Service-Providing Industries



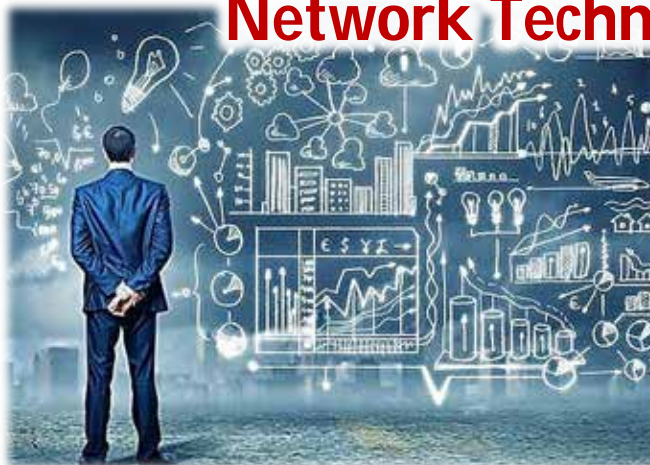
There are 6 million unemployed and 7 million job openings today.
The vast majority of open jobs are due to a lack of skills.

Exploit Next-Gen Jobs

Energy Technology Revolution



Network Technology Revolution



The ETR and NTR will create 10s of millions of new job opportunities—largely for the contingent workforce.

Emerging Digital Economy

- § Standard economy growing at 2% per versus digital economy's 15% per year.
- § \$124 trillion global economic impact by 2025 (McKinsey Global Institute).



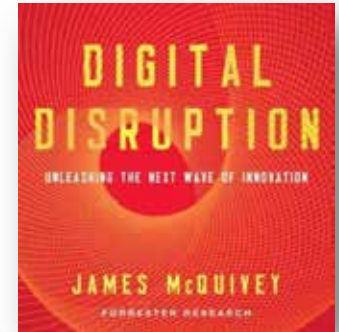
The Digital Economy

- Electronic/Mobile (E/M) Economy
 - Sharing Economy
 - On-Demand Economy
- Apps/Bots/Artificial Intelligence Economy
 - Platform Economy
- Gig/Contingent Workforce Economy
 - Data-Driven Economy
- Internet of Everything Economy

Jobenomics asserts that digital economy jobs are ideal for today's inner-city and rural "digital natives" (Screenagers & Millennials).

Digital Scaleups & Startups

“Digital scaleup and startups are at least 100-times easier to create and have 10-times the number of innovators that can innovate at one-tenth the cost than traditional startups.” (McQuivey)



- § **Top digital scaleup and startup platforms:** Amazon (2 million third-party sellers), Apple Store (650,000 apps developers), Google, Facebook, eBay, Craig's List, unicorns and gazelles.
- § **Examples of digital occupations:** Digital health (health care, elder care, wellness, behavior care), shared economy (Uber, Airbnb), content providers, construction, transportation, technology, and various forms of mom-and-pop firms.

Unlike other countries, U.S. policy-makers and decision-leaders are not concentrating on the economic impact of the digital economy.

China's Digital Economy Quest



China's unified economic development vision and public-private partnership is more mature and competitive than our business-as-usual approach.

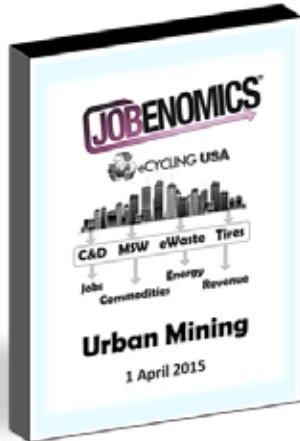
- § China is trying to replicate its manufacturing economic miracle that raised 700 million out of poverty by raising 500 million rural poor via the digital economy.
- § China's major platform companies include Alibaba, Tencent, Baidu and JD.com. Alibaba is investing \$2 billion to connect 100,000 villages to its e-commerce platform by 2018.
- § According to Jack Ma, CEO, Alibaba was founded **"to champion small businesses, in the belief that the Internet would level the playing field by enabling small enterprises."**

If China can raise 500 million out of poverty via the digital economy, America could easily prosper tens of millions of its urban/rural poor. It is imperative that America's tech-titans help American communities become more competitive like Alibaba is doing.

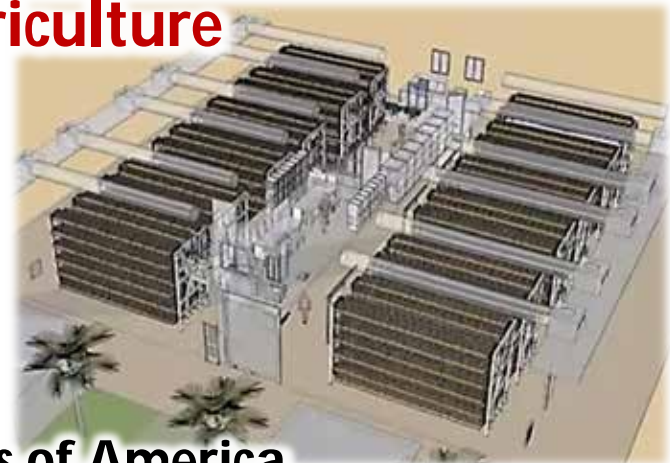
Jobenomics Quick-Start Programs



Urban Mining



Urban Agriculture



Freedom Farms of America

These programs generate community interest, new jobs and profits that fund skills-based training and certification programs.

§ Potential Collaborative Efforts

- Cross reference our partnership on each website
- Coproduce intellectual capital
- Cooperate on city and state initiatives
- Pursue joint funding and grant opportunities
- Work together on TV and media outreach efforts

§ Jobenomics America TV

- Recorded first four 30-minute TV weekly shows in June 2018
- Will air on Apple TV, Roku, Amazon Fire, REDD TV, and soon on Dish TV's new American Voices Network



Jobenomics looks forward to discussing our way ahead with the IEDC Officers and Board of Directors.

www.Jobenomics.com

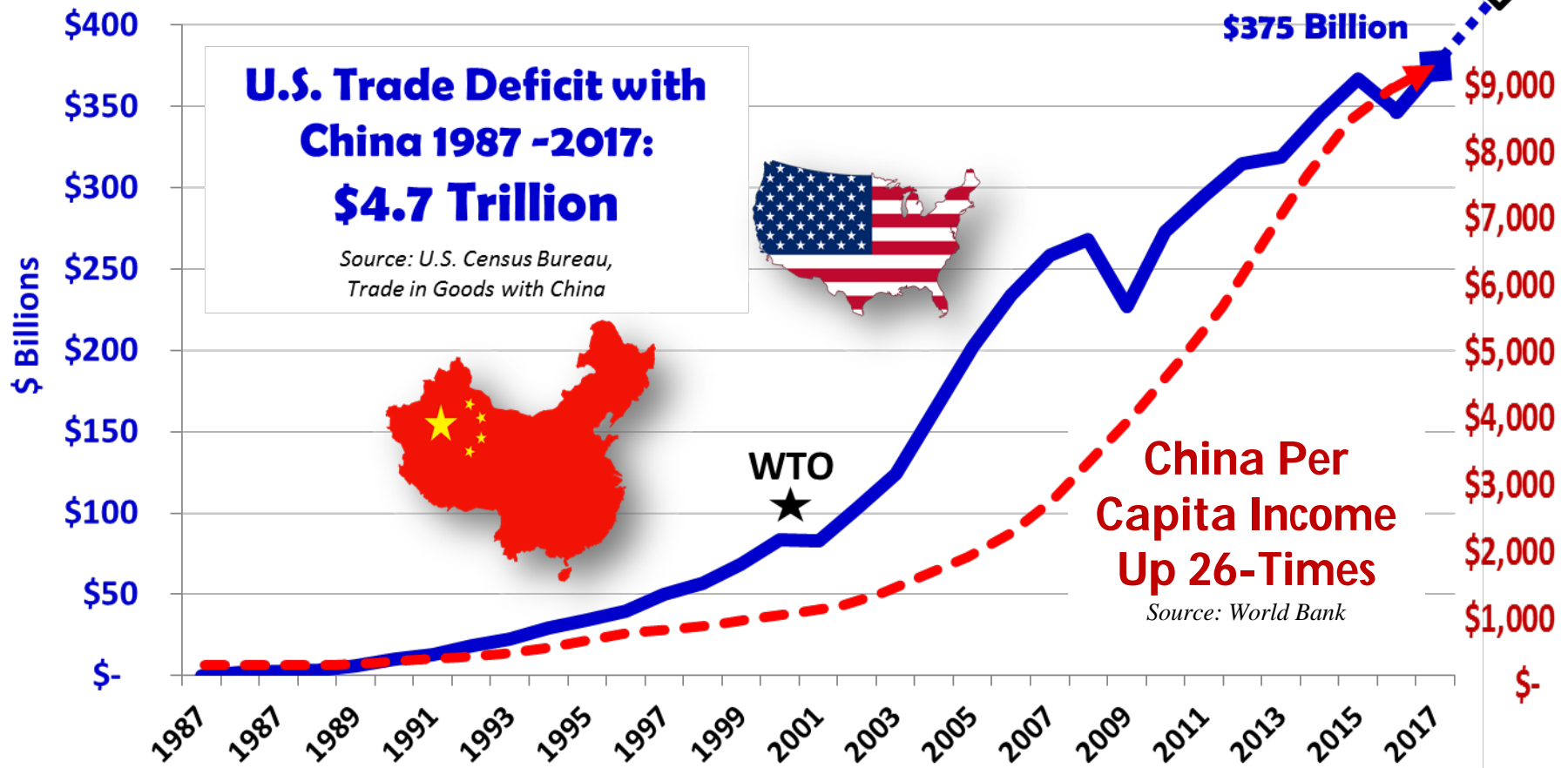


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Backup Slides

Trade War

2018 Estimate Based On January Through April Deficits Above 2017 Levels (+\$65B) **\$440 Billion**



2017 U.S. Goods Trade Deficit was \$810B: China \$375B, Mexico \$71B, Japan \$69B, Germany \$65B and Canada \$18B or 74% of total . Total Goods & Services deficit was \$566B.