

TIP  
strategies  
AUSTIN • SEATTLE



# Who is TIP Strategies?

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FOUNDED **1995** (OVER **20** YEARS OF EXPERIENCE)

**THREE PRINCIPALS** WITH A TOTAL **STAFF OF 11**

COMMITTED TO **HOLISTIC** THINKING &  
**SUSTAINABLE** DEVELOPMENT

**AUSTIN & SEATTLE** OFFICES WITH **GLOBAL** REACH



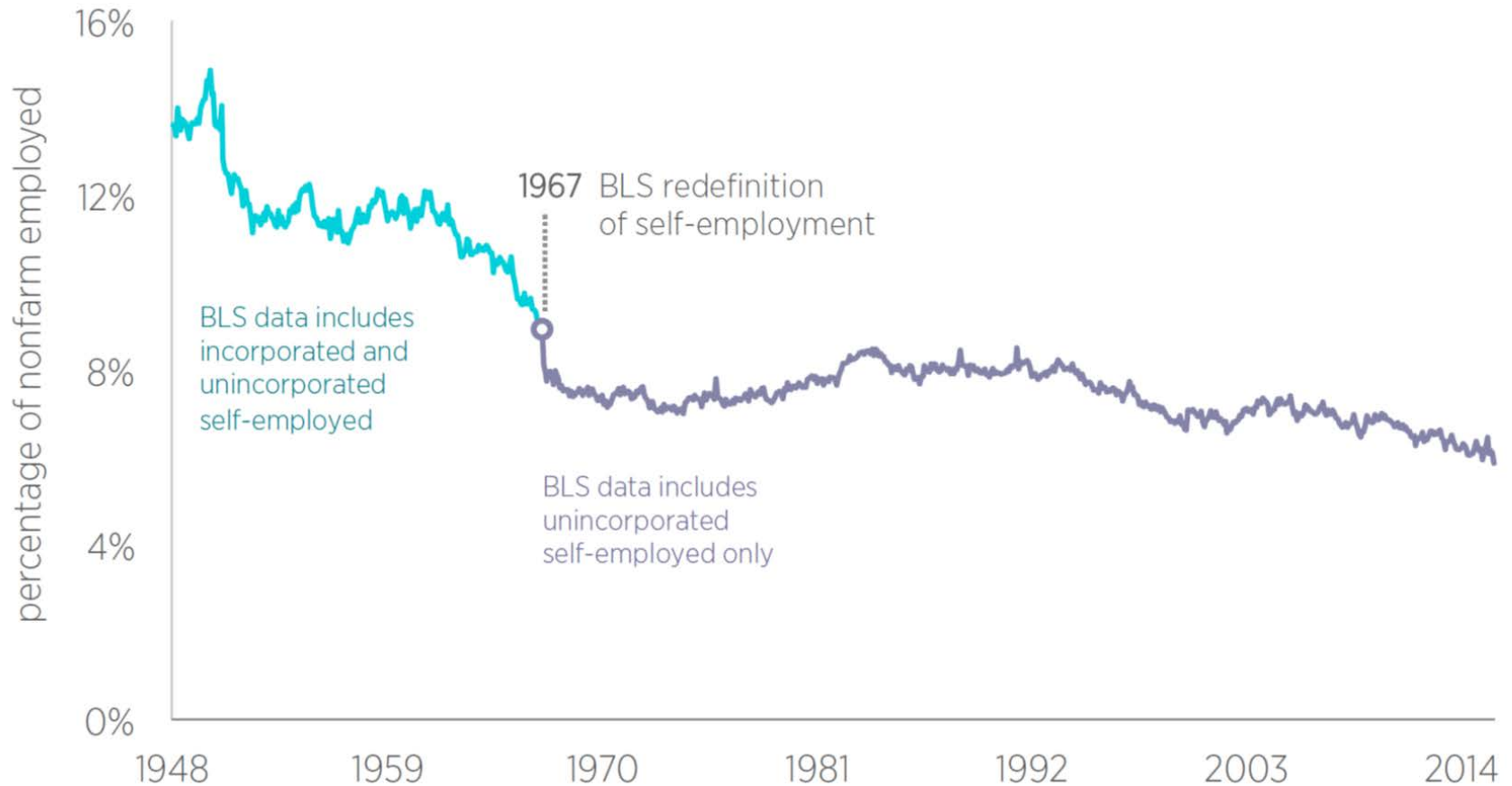
What EDOs need to know  
about land, labor, and capital

Predicting future work force patterns...



# ...it's complicated.

## PERCENTAGE OF NONFARM EMPLOYED WHO ARE SELF-EMPLOYED, 1948-2015



Note: Before 1967, Bureau of Labor Statistics data on self-employed included both the incorporated and unincorporated self-employed. After 1967, the data included only the unincorporated self-employed.

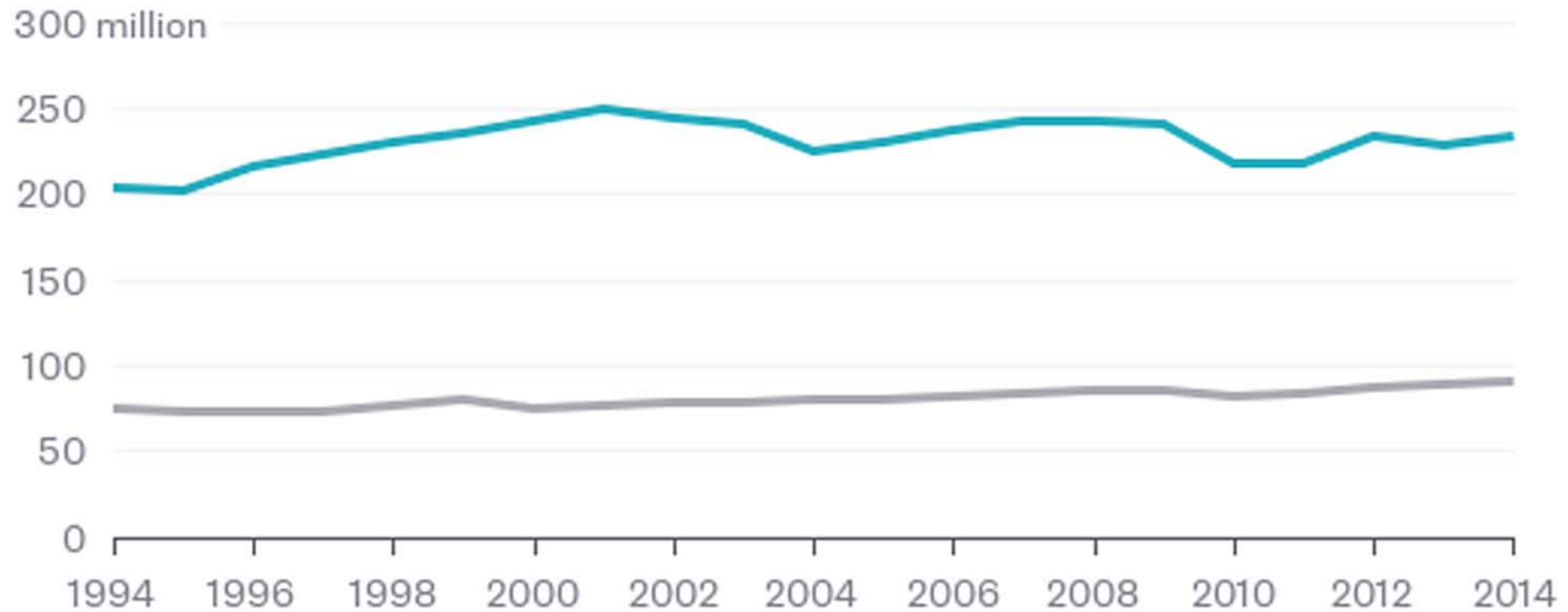
Source: Bureau of Labor Statistics, "Current Population Survey;" Chart via "Evaluating the Growth of the 1099 Workforce" report produced by Mercatus Center at George Mason University, December 2015.

# Conflicting...

## JOBS VS. GIGS

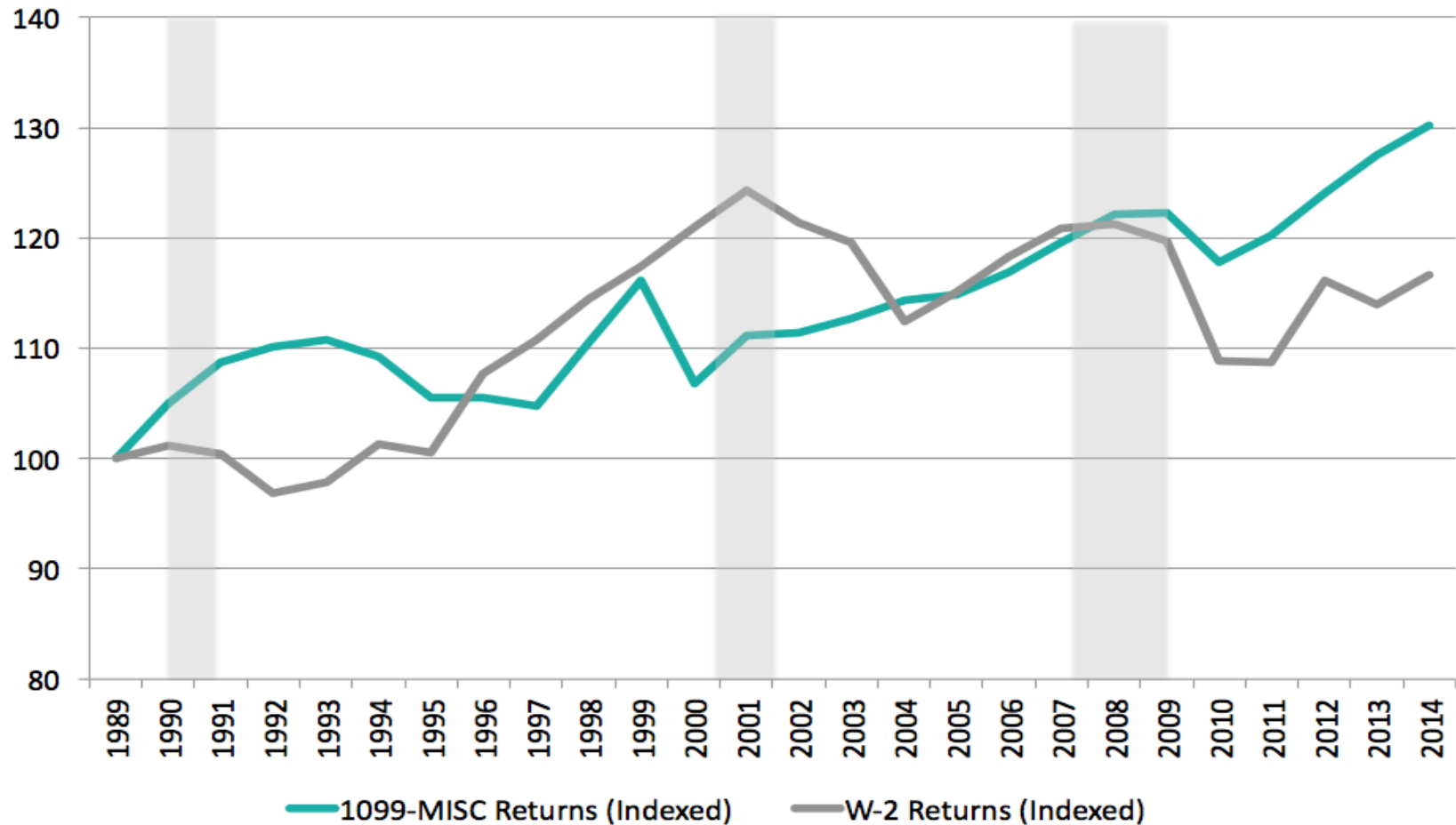
The evidence from tax filings

■ W-2 forms    ■ 1099-MISC forms



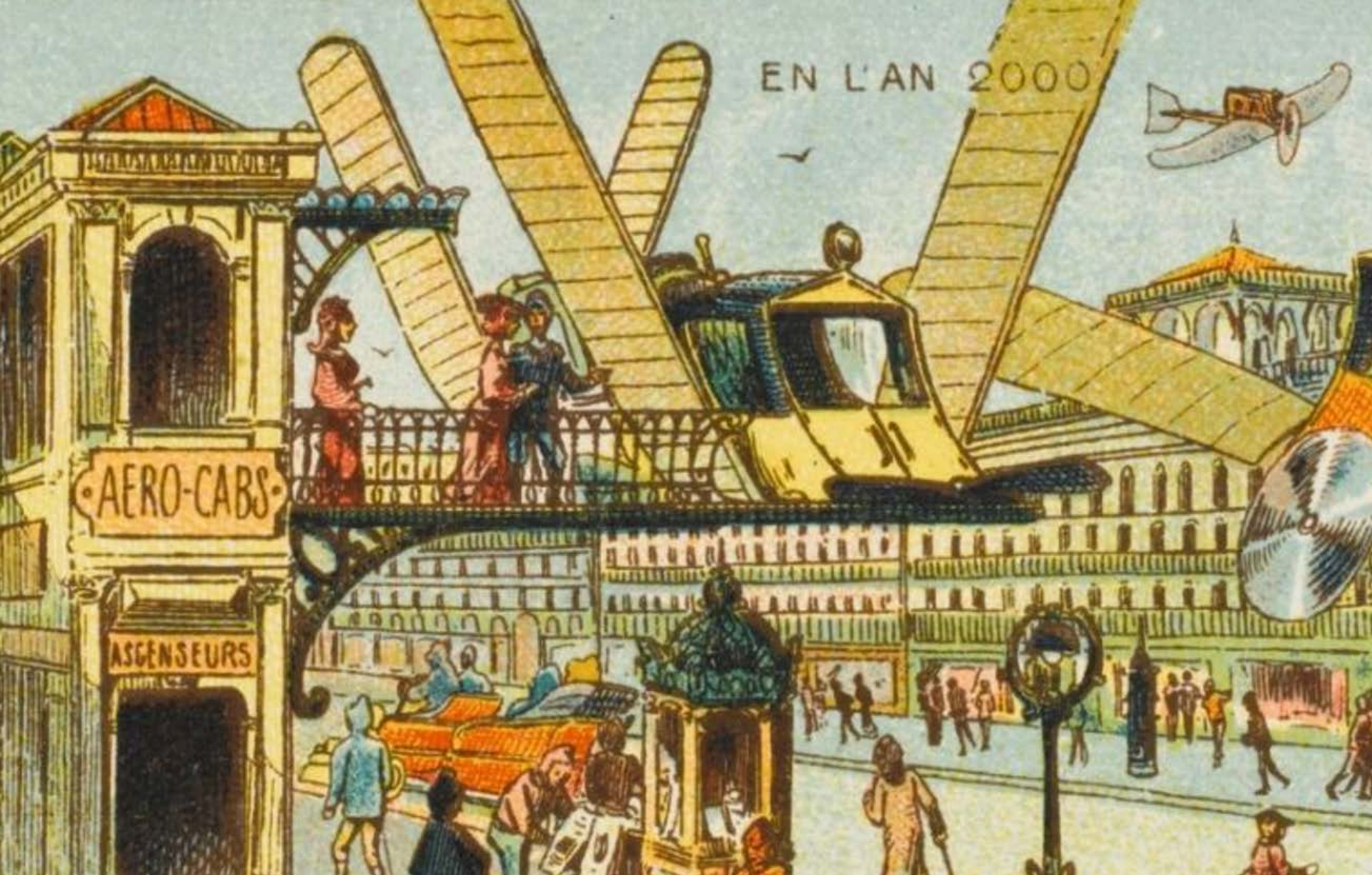
# And confusing.

TOTAL FORM 1099-MISC AND W-2 RETURNS BY YEAR, INDEXED TO 1989



\*Shaded areas represent recessions as defined by the National Bureau of Economic Research. Source: Internal Revenue Service, Office of Research; Analysis by Bay Area Council Economic Institute. Chart via "The Rise of the 1099 Economy," BloombergView, Bloomberg.com





The future will never arrive.



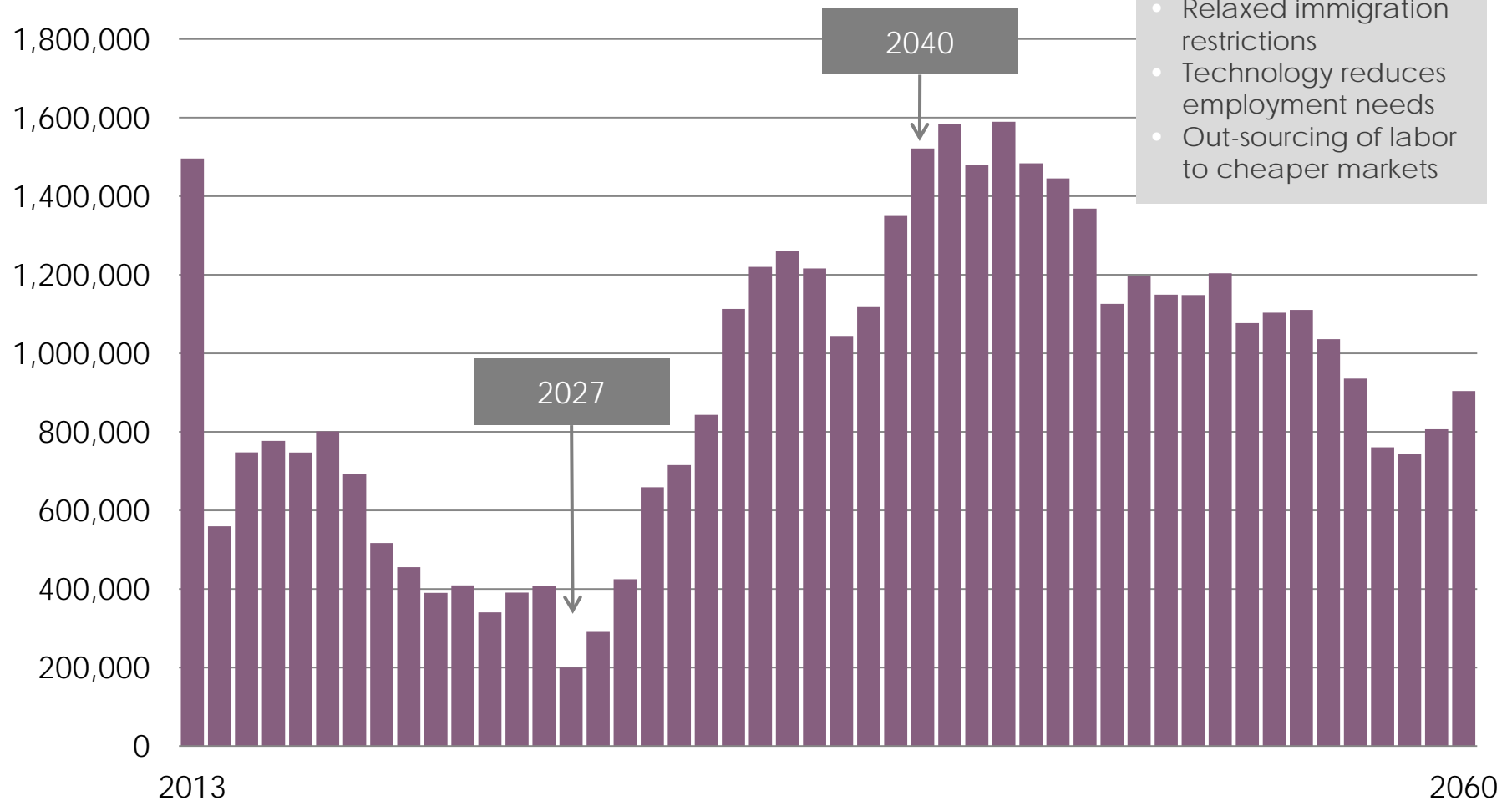
# What we know...

- The demographics are changing—and changing the labor market.
- The middle wage job is declining.
- Technological change is disruptive

# Tightening Labor Market

## GROWTH OF THE WORKING AGE POPULATION

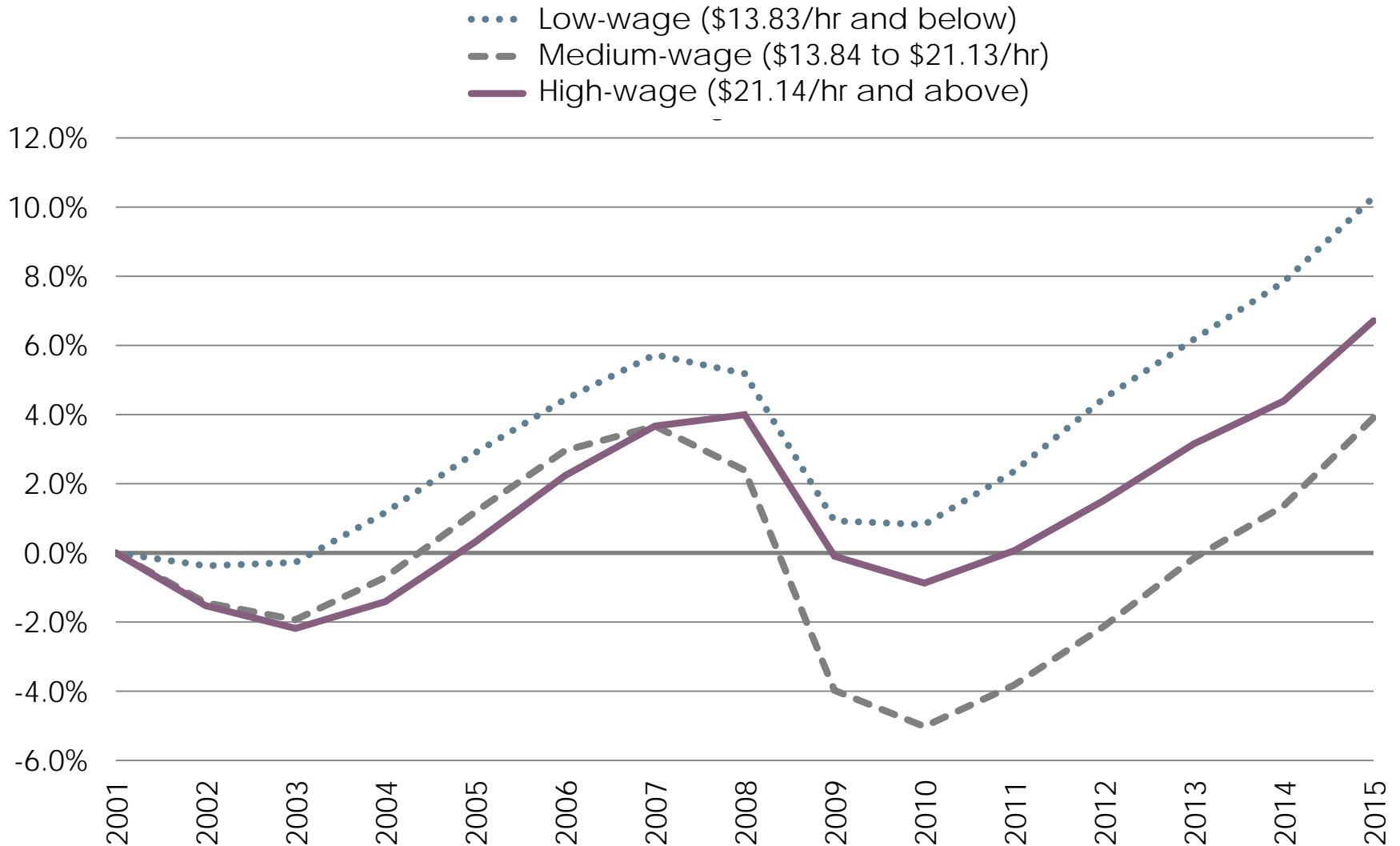
Projected net annual change for the **US** population age 18-64



## COUNTER FORCES

- Advancement of retirement age
- Relaxed immigration restrictions
- Technology reduces employment needs
- Out-sourcing of labor to cheaper markets

# Job Growth by Wage Category, 2001-2015



Source: EMSI 2015.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

# The disruptive effects of technology



# THE SUPPLY CHAIN

Entire business units cease to exist  
and secondary providers disappear.







# SOCIAL NORMS

Culture shock around expected behaviors.

# THE LABOR POOL

Massive disruption in the number of workers and the skill sets they require.

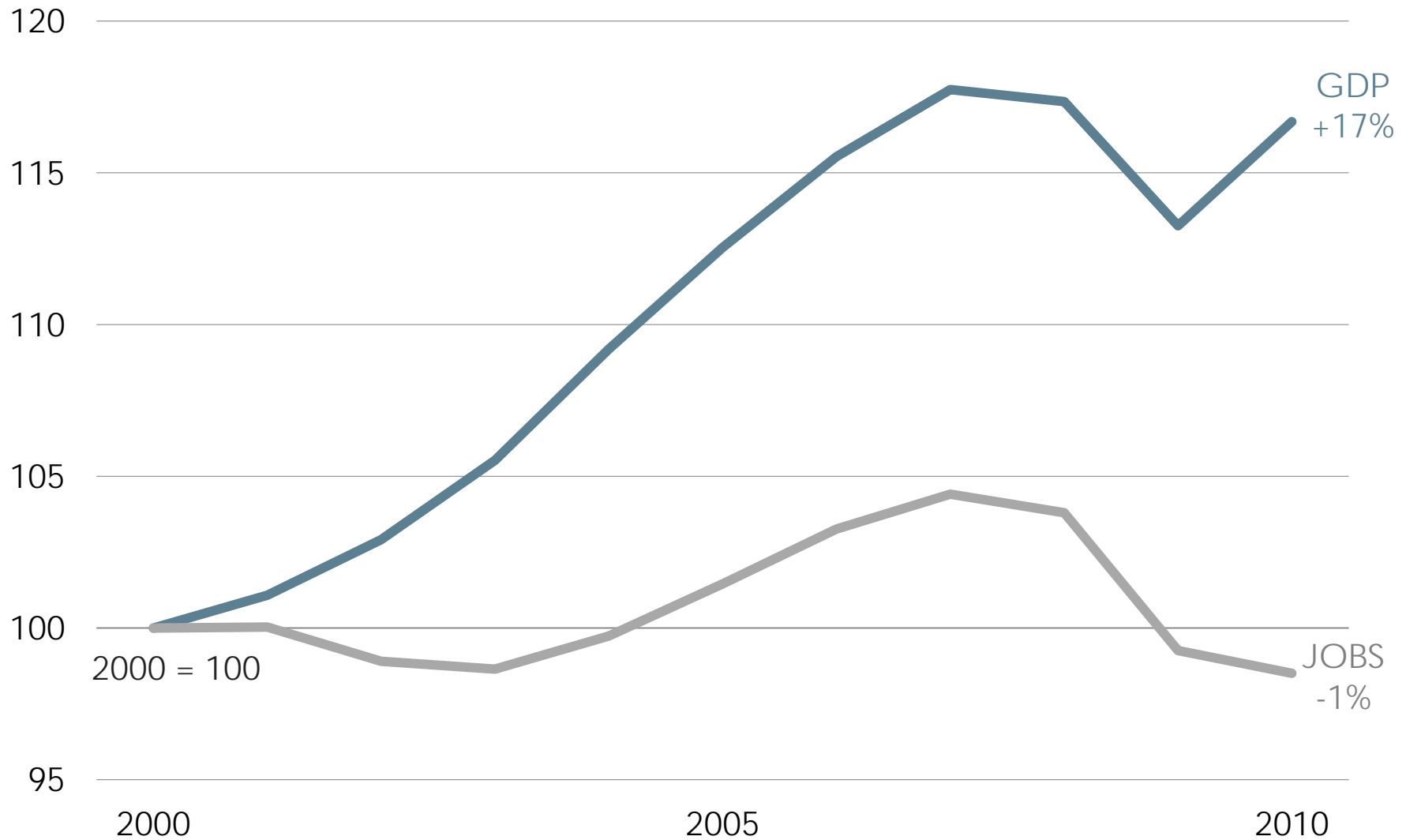


What does disruption  
mean for economic  
development?



If productivity doesn't  
bring job gains, what  
are we incentivizing?

# GDP/Job Gap Index



# What do we do next?



If productivity doesn't bring job gains, what are we incentivizing?

*New incentive policy.*



I can't find workers!

*Fresh approach to the labor market.*



My metrics aren't telling me what I need to know.

*New benchmarks.*



My marketing isn't reaching the audience I want.

*Rethink channels.*