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Two Perspectives: Technology and Our Culture – A New Jobs “DEAL”

This issue of the Gordon Report has a two-part format that I intend to use periodically: Part I, You Can't Click for Brains, will provide my viewpoints on the interplay of culture and technology in today's world. Part II: Workforce Perspectives, will analyze current labor market data, issues, and solutions.

PART I: YOU CAN'T CLICK FOR BRAINS – TECHNOLOGY AND OUR CULTURE

Inside my Flash Gordon Time Machine, I took a journey back to the 1950s. Upon arrival I was invited to address a large group eager to learn about life in the 21st century.

The iPhone I had brought with me captivated this audience. Here I told them was a device that was a portal to all of the past and present knowledge of world civilization! Though I admitted most people seemed to use it for more mundane tasks – buying things, playing games, reading the latest conspiracy theories, sending each other short cryptic messages and photos of themselves, called selfies, or engaging in endless opinionated discussions with total strangers on just about everything.

With all this personal access to instant information, people had become less patient. This infatuation with speed and the “power of now” had shortened attention spans. Google's top ten instant answers had replaced more in-depth information exploration. The focus on today dominated life and stifled people's interest in planning their own futures.

With instantaneous communication, crisis headlines dominated the news. But the historical background providing context for interpreting these events was almost entirely ignored. No one had the time. Quick, silver-bullet solutions were demanded. Few people took the time or even had the desire to develop their mental capacities for analytical reasoning and problem solving.

The super-abundant access to on-line data through more and more powerful devices had transformed the bulk of Americans into glib know-it-alls. Each person's opinion was considered equally valid. Opinion was thought to be the same as knowledge. Expertise gained from in-depth study of a field of knowledge was not widely esteemed. Public opinion became increasingly polarized. Pundits espousing a wide variety of ideologies who offered emotional responses and instant solutions to complex problems gained avid followers.

Because people carried devices everywhere that enabled them to be in constant contact with others and to obtain instant answers on the Internet, people were perpetually being distracted and felt little incentive to devote the time and effort to developing critical thinking and memory skills.

My story of life in the 21st century frightened this '50s audience. While they marveled at how the spread of computer technology had interconnected and transformed the world, they were shocked that it had such negative effects on important aspects of learning and knowledge. They agreed with me, “You can't click for brains!”

PART II: WORKFORCE ANALYSIS – A NEW JOBS “DEAL”

In February 2015 the United States recorded its longest streak of monthly job gains above the 200,000 level since 2008. Also 60 straight months of private job growth set a new record.

The unemployment rate fell to 5.5 percent with over 295,000 jobs added. However, the rate actually fell because more people left the workforce than got jobs. The proportion of people in the U.S. labor market, i.e., the labor participation rate, is still near a 36-year low.

The number of U.S. adults who are classified by the U.S. Department of Labor as “Not in the Workforce” has risen to 93,680,000. Of this total, about 50 million people over age 55 have retired. Another 6.5 million periodically look for a job. However, over 37 million workers have given up looking. What are they doing? Some of these people are on medical disability. Others are raising children, or are in school. But a sizeable number have lost their jobs due to automation and need additional training/education to secure a new one. They either can’t find a company that will train them, lack the funds to get additional education, or in some cases, refuse to go back to the classroom in order to get a new job.

Over the past 25 years profound socioeconomic changes to the U.S. labor market have dramatically altered the workforce equation producing a new jobs “DEAL” with four moving parts:

- 1st: Demographics – 79 million Baby Boomers need to be replaced. Many held technical jobs in STEM areas that are now vacant.
- 2nd: Education – jobs require more education and career skills than ever before. This includes both students and workers. A knowledge economy requires life-long learning.
- 3rd: Automation – its spread has eliminated most low-skill and many middle-skill jobs. The digital workplace requires people to develop stronger thinking and problem-solving abilities.
- 4th: Longevity – people are living longer. Actuarial projections estimate that on average an American 65-year-old man will live to 86.6 years and the average woman to 88.8 years. More retirees want to keep on working beyond age 65. As they retire, their knowledge will be difficult to replace.

We project that the U.S. unemployment picture will not change substantially until all of these socioeconomic issues are seriously addressed nationwide. The unemployment rate will keep falling, but for the wrong reasons, as more people continue to leave the workforce because they do not have the skills employers are seeking.

America’s biggest cultural challenge is to adapt the job/career and educational expectations of students, parents, workers, businesses, educators, and politicians to this new labor-market era. We all need to embrace this new jobs DEAL. Longevity is increasing the potential number of years of workforce participation, but also heightening the importance of continuous training and life-long learning. Lower-skilled relatively good paying middle class jobs are disappearing. They are being rapidly replaced by new higher-skilled and often higher paying jobs and careers. This

process began in the 1970s with the introduction of the personal computer that has led to the spread of digital technologies to every business sector and almost every occupation.

Can the United States embrace the massive socioeconomic changes needed to fully utilize the potential of digital technologies to raise productivity and increase economic growth? We should not forget that about 100 years ago between 1890 and 1920 the United States was the first nation in the history of civilization to pioneer a universal education-to-employment system. This revolution was triggered by the introduction of the new advanced technologies of that day electricity, assembly lines, automobiles, tractors, telephones, radios, household appliances, etc.

To make these transitions to a radically different labor-market era, America needed to better educate and train its children, workers, and a massive tidal wave of immigrants. Cities experienced massive growth as farming was mechanized. For the first time most women went to high school. Children were taken out of factories and farms and sent to school. Businesses and families were taxed to support education for everyone.

It was not a perfect system, and it was strengthened over the next decades by the GI Bill, vocational/technical education programs, and much more. There is little doubt that it was a decisive factor in making the 20th century the “American century.” We need to do it again!

Adjustments to fiscal and monetary policies will not solve the broader societal issues behind the current employment crisis or reverse the increasingly felt economic stagnation of the American middle class. Media attention has been focused on when the Federal Reserve will increase interest rates, swings in the strength of the U.S. dollar relative to other currencies, and proposals to lower U.S. corporate taxes. Such moves by themselves are becoming more and more of an economic shell-game, a redistribution of diminishing monetary resources to different segments of the U.S. population.

We instead need to reignite significant economic growth by taking the structural and systemic actions that will bridge the job-skills gap of this new labor-market era. Regional public-private partnership networks have begun this process. We need to support and speed up these efforts to reinvent local education-to-employment systems.

We are in a new labor-market era and face a new jobs DEAL. Four factors – demographics, education, automation, and longevity – are significantly altering the U.S. employment equation. Every community in America needs to take action to confront the challenges posed by these changes.

Edward E. Gordon is the president of Imperial Consulting Corporation (www.imperialcorp.com). His latest book is *Future Jobs: Solving the Employment and Skills Crisis* (Praeger, 2013).