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Expect 25 years of rapid change

Editor's note: This essay is part of a series being published to help commemorate the Monthly Labor Review's centennial (July 1915–July 2015). The essays—written by eminent authorities and distinguished experts in a broad range of fields—cover a variety of topics pertinent to the Review and the work of the Bureau of Labor Statistics. Each essay is unique and comprises the words and opinion of the author. We've found these essays to be enlightening and inspirational. We hope you do as well.

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It seems almost impossible to imagine, but it was only about 25 years ago that the first web page was published on the World Wide Web. Looking ahead from today, then, it is clear that the pace of technological change is so rapid that many core characteristics of the economy of 2040 are impossible to predict. Above all, this unpredictability is a key characteristic of the modern world that challenges scholars and workers alike.

What shifts are predictable? What will be the labor market's drivers, challenges, and opportunities in 2040? Looking ahead, we see several key factors that will revolutionize the workplace and challenge the writers and analysts of the *Monthly Labor Review*.

Let's start with an easy one: Workers will live and work longer, perhaps much, much longer. If you subscribe to the lump of labor fallacy, then you would think that these older workers would take jobs away from younger workers. But we doubt that will happen—older workers will have more income, consume more goods and services, drive up demand, and create more jobs for younger workers in the process.

But all may not be well. Twenty-five years from now, there may be a good number of workers in their 50s waiting for their 75-year-old boss to retire so they can advance to the next level of their career. What will this do to morale? What will it do to the internal culture of organizations for jobs to become permanent?

We expect the second factor that is relatively easy to predict will partially mitigate any negative effects of "permanent" careers: the workplace itself will be less and less relevant to the organization of society. Applications such as Uber have already made it much easier for workers to be matched to those who demand their services in real time and on their terms.

You might set an income target for yourself: "I want to make $50,000 dollars this year." One day you sell your labor as a taxi driver. The next day, you wake up and decide you'd like to do some programming, so you log onto a job board and bid on a project. You work on that project for a month, and then decide to take 2 weeks off. When you feel like working again, you pick another task.

Task is the key word here. You perform tasks, and you receive income. But you work for yourself.

The third factor that is sure to transform the workplace is the robot. Today a robot can deposit your checks and give you cash. Next year a robot will be able to pilot your car down the highway. Twenty-five years from now, what might robots be able to do? Perhaps much, much more. Today, rudimentary robots, such as the VGo, allow individuals to remotely interact with distant places. Some scientists have already attended academic conferences remotely via robot.

Intelligent robots will likely take over many everyday tasks. Your heart surgeon will still have a beating heart—though she will likely be assisted by a tin man. The same will likely be somewhat less true of lower paying occupations. Today robots can't clean office buildings after hours, but in the year 2040 they might be able to.

And in the year 2040 we will probably still be on what economists call a "transition path." Technology will still be destroying and creating occupations at an unusually rapid clip. The winners in this process will win big, and the losers will face much hardship. A central challenge for public policy will be mitigating the damage and helping individuals to build the skills needed in the new economy. But these advancements mean that machines will offer increasingly abundant and inexpensive labor. Society will, accordingly, be much wealthier than it is even today. If all goes according to plan, there should be plenty of resources to assure that lesser skilled workers are not left behind.

Fifty years ago, you went to a job and remained until you retired. You left with a gold watch and a pension. Twenty-five years ago, you started your career, hopped from job to job, maybe took a break for additional schooling, had no expectation of a defined-benefit pension, and had a relatively weak relationship with any individual employer. Twenty-five years from now, the workplace will still exist in some industries but will be a distant memory in others.

Charting that distance will be a key challenge for economists in the quarter century to come.

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