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# >> The Future of Work

## How Should We Prepare for the New Economy?



# About This Issue Guide

The future of work in this country is fraught with questions about free trade, our educational system, and where communities, individuals, and our governments should put limited resources. Deliberative forums on this issue may not be easy. It will be important to remember, and to remind participants, that the objective of these forums is to begin to work through the tensions between individual and corporate freedom, equal opportunities, and which jobs hold the most promise for a prosperous future.

**Participants in these forums may become angry, and those with strong feelings may feel attacked by those who hold other points of view.** This can sidetrack the deliberation. In productive deliberation, people examine the advantages and disadvantages of different options for addressing a difficult public problem, weighing these against the things they hold deeply valuable.

The framework in this issue guide encompasses several options and provides an alternative means for moving forward in order to avoid polarizing rhetoric. Each option is rooted in a shared concern, proposes a distinct strategy for addressing the problem, and includes roles for citizens to play. Equally important, each option presents the drawbacks inherent in each action. Recognizing these drawbacks allows people to see the trade-offs that they must consider in pursuing any action. It is these drawbacks, in large part, that make coming to shared judgment so difficult—but, ultimately, so productive.

One effective way to hold deliberative forums on this issue:

- Ask people to describe how the changing nature of work has affected them, their families, or their friends. Many of them will have had direct experience and they are likely to mention the concerns identified in the framework.
- Consider each option one at a time, using the actions and drawbacks as examples to illustrate what each option entails.
- Review the conversation as a group, identifying any areas of common ground as well as issues that still must be worked through.

The goal of this issue guide is to assist people in moving from initial reactions to more reflective judgment. That requires serious deliberation or weighing options for action against the things people hold valuable.

## **The National Issues Forums Institute**

This issue guide was prepared for the National Issues Forums Institute in collaboration with the Kettering Foundation. Issue guides in this series are used by civic and educational organizations interested in addressing public issues. These organizations use the books in locally initiated forums convened each year in hundreds of communities. For a description of the National Issues Forums, go to [www.nifi.org](http://www.nifi.org).

## **Other Topics and Ordering Information**

Recent topics in this series include economic security, America's role in the world, health care, and education. For more information, please visit [www.nifi.org](http://www.nifi.org) or contact NIF Publications, 800-600-4060 or [info@ait.net](mailto:info@ait.net).

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Founded in 1927, the Kettering Foundation of Dayton, Ohio (with offices in Washington, D.C., and New York City), is a nonprofit, nonpartisan research institute that studies the public's role in democracy. It provides issue guides and other research for the National Issues Forums. For information about the Kettering Foundation, please visit [www.kettering.org](http://www.kettering.org) or contact the foundation at 200 Commons Road, Dayton, Ohio 45459.



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## >> The Future of Work

### How Should We Prepare for the New Economy?

**W**ORK IS AN ESSENTIAL PART OF THE lives of most adult Americans. On average, full-time workers spend more than 2,000 hours a year at work and commuting—half of their waking lives. We work to support ourselves and our families. For some, work can give meaning to our lives, and for others it can be a source of stress and unhappiness. Sometimes, we lose our jobs and face the hardships of unemployment. We may look for new, higher-paying or otherwise “better” jobs, or even change

our careers entirely. Many of us study to prepare ourselves for careers or career changes; some of us look forward to retirement, while others want to work as long as possible.

In the United States today, about 145 million people have jobs and another 11 million are seeking them. Millions who have jobs are underemployed, working part-time when they want full-time jobs. Our work, along with capital investments and ideas, has made the U.S. economy the world’s largest, and

has provided a decent standard of living for most Americans.

The nature of the work we do has changed in ways that few Americans a generation ago could have imagined, and it will undoubtedly be dramatically different in yet another generation. These changes will bring both opportunities and difficulties.

Agriculture, which once occupied almost half of America’s workforce, now employs less than two percent of the country’s workers. While technology has reduced farming’s need for human labor, it has also created entirely new industries, generating millions of jobs and enormous wealth. But technological change often places a premium on highly educated, skilled workers, eliminating middle-skilled jobs that have been automated or gone “offshore” to lower-wage countries.

The decline of full-time jobs with one life-long employer has made work more precarious for millions of Americans. Unemployment and underemployment are more common, and an increasing number of jobs are part-time, temporary, or limited to fixed-term contracts. Those with the right skills and ability to navigate this new work world can prosper, but others find themselves in low-wage jobs with few benefits and little job security.

In 2012, over 3.5 million hourly workers earned less than the federal minimum wage of \$7.25 per hour. The fastest growing jobs in America are poorly

paid ones in service industries such as food service and retail. According to the Census Bureau, 15 percent of Americans live at or below the poverty threshold—almost 2.5 percent more than before the recent economic recession.

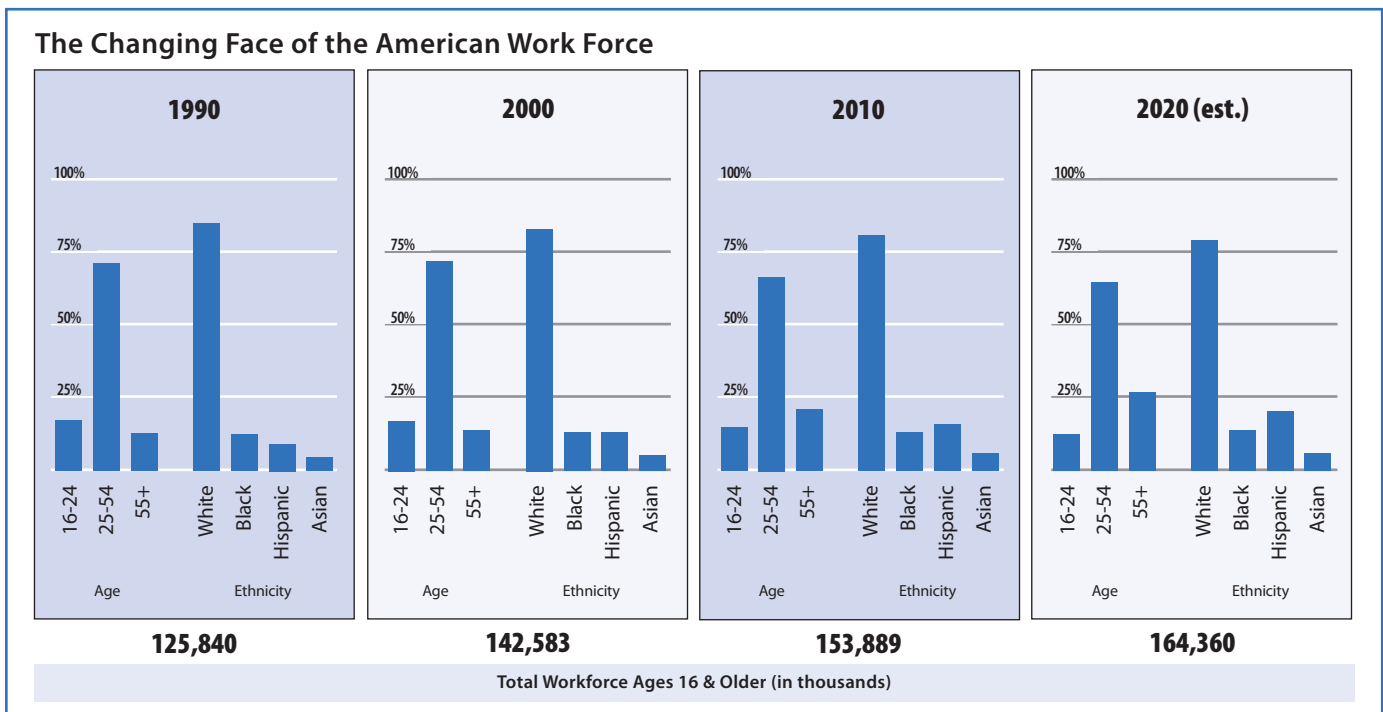
The stakes are high. Many Americans share concerns about the nation’s competitive edge, stagnant wages, and a sense that young people today will be worse off than previous generations.

We have choices to make together in shaping the future of work. Business, government, individuals, and communities all play a role in addressing this issue. This guide presents some of the options we might pursue, along with their drawbacks.

**Option 1** says that we ought to unleash Americans’ entrepreneurial spirit, reduce barriers that hinder the ability of businesses to thrive, and be freer to choose our paths to success.

**Option 2** suggests that we must recognize that Americans need more equitable access to the means for achieving success, including good education and training opportunities, critical work supports like affordable child care and paid sick and family leave, and decent wages.

**Option 3** holds that we should embrace, and actively influence, changes in our economy so that we—as individuals, businesses, and a society—create a more prosperous and rewarding future of work.



Source: Bureau of Labor Statistics

Give individuals and businesses the freedom they need to innovate and succeed.



© Brennan Linsley/AP/Corbis

## >> Free to Succeed

**T**HE UNITED STATES HAS BECOME THE wealthiest society in human history, in part because individuals, businesses, and communities have been comparatively free to choose the types of work and economic activities that are most rewarding to them. Workers and companies decide what to produce, how to produce it, and how to work without much government interference. This approach has made its economy the largest on the planet.

According to this option, in addressing the ways work is changing, individuals, entrepreneurs, and businesses should be free to innovate, making choices that are best for them.

### Free from Dictates

“Free enterprise has done more to reduce poverty than all government programs,” President Ronald Reagan once said. While most agree that the government has a role in setting rules for the economy and for the workplace, and for ensuring that people do not suffer from extreme poverty or exploitation, many would also agree that American success has stemmed from the relative freedom businesses and workers have from government dictates.

This option holds that rather than protect people and industries from change, Americans should adapt to a global economy in which fierce competition



means that businesses will need to employ and deploy labor with maximum flexibility. To ensure prosperity and job creation, the United States should reduce national and local regulations on business, expand free trade, and promote entrepreneurship. Americans should see themselves more as free agents than as company men or women. They should be ready to seize new opportunities, whether with new jobs, new careers, or as new entrepreneurs.

## The Spirit of Innovation

According to Daniel Isenberg, author of *Worthless, Impossible and Stupid: How Contrarian Entrepreneurs Create and Capture Extraordinary Value*, many successful entrepreneurs see economic potential and business opportunities where others see nothing. Entrepreneurship requires creativity, capital, and a mindset that can tolerate risk.

Small businesses are the expression of individuals' desires to pursue a vision, to create value, and to be free to succeed (or fail). Companies with fewer than 500 workers (the official definition of "small business") employ almost half of American private-sector workers and accounted for 64 percent of the net new jobs created between 1993 and 2011, according to the Small Business Administration. Half of the nation's 28 million small businesses are home-based, a number that has grown significantly as more and more Americans no longer equate work with going to an office and having a boss.

"Starting and growing a business is as much about the innovation, drive, and determination of the people who do it as it is about the product they sell," according to Elon Musk, the entrepreneur who created PayPal, Tesla Motors, Solar City, and SpaceX.

Seth Goldman and Barry Nalebuff, two Yale graduate students, wanted to create a drink that was flavored but less sweet than soft drinks. Both spurned conventional employment. They started brewing tea in Goldman's kitchen, and founded Honest Tea in 1997. Eleven years later, the Coca-Cola Company bought a 40 percent share of the company for \$43 million, acquiring the rest of the company in 2011. Honest Tea is now sold in more than 100,000 stores throughout the United States.

America's history is filled with similar entrepreneurial success stories. They are not limited to those of college graduates, nor are they all stories of multi-million dollar companies. Every neighborhood has its independent automobile detail businesses, plumbers, carpenters, web designers, dog walkers, and more. These small businesses are often launched by one individual who had an idea and started with one or two customers.

According to this option, we should unleash this creativity and foster the innovation that drives economic growth by teaching young people not only math, science, and reading, but also how to be creative, "think outside the box," and be more willing to take calculated risks. We need to develop the habits of entrepreneurship. At the same time, people with good ideas should be able to raise the money to pursue their dreams. This may mean making small business loans or "micro loans" more readily available.

## Barriers to Success

This option also holds that we must break down barriers to entrepreneurial success—whether they take the form of red tape that hinders individuals from creating new businesses or immigration restrictions on the number of talented foreign workers who can live in the United States and contribute to our economy. Reforming immigration laws will also benefit our economy by providing new talent, tax revenues, and a growing workforce at a time when our native-born population of working age will begin to decline. The nonpartisan Congressional Budget Office has estimated that immigration reform will increase real GDP relative to current projections by 3.3 percent, or \$700 billion, in 2023.

Trade barriers, which have been lowered in fits and starts since World War II, can be further reduced.

Trade has enormous net benefits for America, whose \$2.2 trillion in exports in 2012 supported 9.8 million jobs, according to the Office of the U.S. Trade Representative. A proposed U.S.-European free trade agreement could increase trans-Atlantic trade significantly and increase American income by 13 percent, according to a study by the Ifo Institute in Germany.

## What We Could Do

This option calls for a freer economy that will result in greater overall prosperity, although this prosperity comes at a cost: loss of some jobs, greater inequality, and more insecurity for many people. Here are some of the things this option suggests we might do, along with their drawbacks:

- As individuals, we could adopt a more entrepreneurial spirit, taking advantage of the Internet to sell specialized goods and services from anywhere. Inventors and others with good ideas could use the new wired economy to raise capital by crowd-sourcing (raising numerous small contributions, usually online). Writers, artists, and others could develop a web-based following and promote their works online.

*But many people do not have the resources, the temperament, or the family flexibility to be entrepreneurial. Moreover, most people who launch new enterprises fail.*

- Community banks, lending circles, and more established financial institutions could expand financing opportunities for entrepreneurs and small businesses.

*Borrowing money, even with micro loans, is risky and could leave borrowers deeply in debt or faced with bankruptcy.*

- We could relax federal rules on hiring contract employees so that businesses can easily adjust their workforces to meet

changing needs.

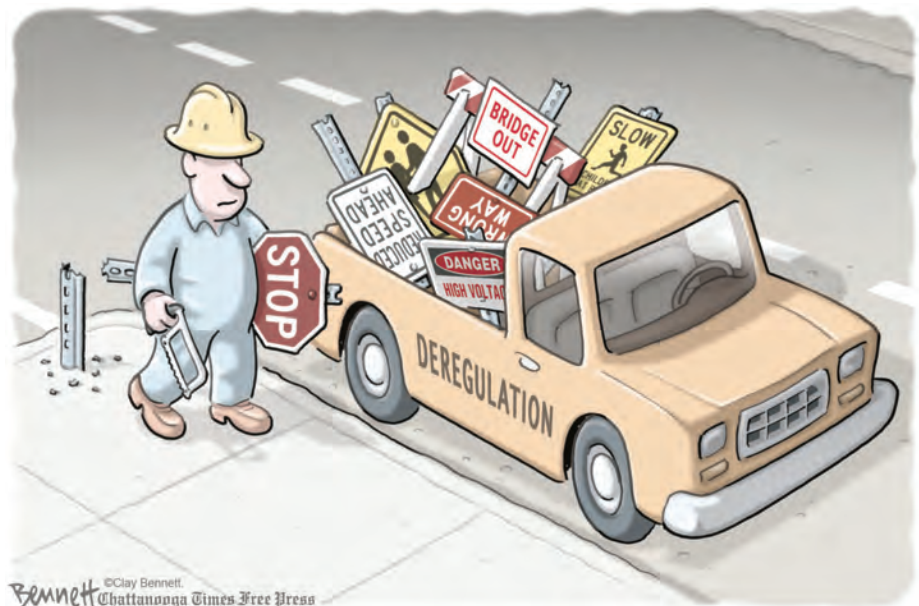
*But this could make work even more precarious for many people, increasing the number of short-term, part-time, or contract workers who have no job security, benefits, or job satisfaction.*

- Communities could change their zoning laws to make it easier for people to start businesses from their homes.

*Home-based businesses in residential areas could increase traffic and congestion, threatening the safety and changing the character of the neighborhood and decreasing property values. Those who work from home might feel like there is no clear line separating when they are “at work” and when they are “off work.”*

- Government could work to increase free trade through international agreements and abandon efforts to protect declining industries from foreign competition. It could also expand the free movement of people by liberalizing immigration laws.

*While trade may increase overall economic activity, promising start-ups and older, key industries may need help getting off the ground or weathering temporary storms. In addition, without protection from low-cost foreign producers and immigrant labor, many Americans could lose their jobs.*



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Make sure all Americans have a chance to succeed in an increasingly competitive environment.



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## >>An Equal Chance to Succeed

**T**HE DECLARATION OF INDEPENDENCE reminds us that all men are created equal and endowed with certain inalienable rights. This notion of fairness has time and again led our nation—at least in principle—to recognize and extend equal rights to all of its people. Freedom is not enough; rather, according to this option, every American should have an equal opportunity to succeed.

The changing landscape of work is threatening equality of opportunity, according to this option, which argues that society as a whole benefits when everyone has a relatively equal chance to succeed. Greater inequality is associated with lower life

expectancy, poorer physical and mental health, higher crime, and less social trust, according to Richard Wilkinson and Kate Pickett, authors of *The Spirit Level: Why Greater Equality Makes Societies Stronger*.

Rapid economic and social changes are leaving some Americans in a much better position to prosper than others. As some people thrive, many others are left behind. According to this option, we should ensure that everyone has an equal chance to take advantage of work opportunities that provide decent wages and benefits, and that individuals are not hindered by such problems as the inability to pay for child care or lack of transportation.



## Education Is Critical

In this view, improving education for all, from preschool to college and lifelong learning, must be one of America's top priorities. For those without a good education—either from college or career and technical training—getting good jobs with decent wages can be very difficult. While some young people receive an excellent education, others attend failing schools and have neither the academic preparation nor the financial resources to go to college.

After World War II, veterans and other Americans from all economic backgrounds could almost be assured a place in the middle class, thanks to the G.I. Bill, huge investments in education, and well-paying unionized factory jobs. But now the American dream of rising from rags to riches through hard work has faded.

Better-educated, higher-income Americans tend to pass these advantages on to their children. International research has found that adults and their children who are on the bottom rungs of the U.S. economic ladder have less opportunity to move up and succeed than their counterparts in most other industrialized countries. One study found the United States to be 11th out of 13 in social mobility.

Almost every American agrees that upward mobility is something to be pursued. "Opportunities for upward mobility in America have gotten harder to find over the past 30 years," President Obama said. "That's a betrayal of the American idea." Congressman Paul Ryan echoed this belief: "Upward mobility is the central promise of life in America—but right now,

America's engines of upward mobility aren't working the way they should."

This option holds that every child deserves a first-rate education. We cannot have failing schools and American students continually ranking near the middle or bottom among wealthy countries in math, science, and reading performance. Given strong evidence that a quality preschool enhances children's abilities to learn—and considering that half of American children never attend preschool—we need to make early childhood education available to all.

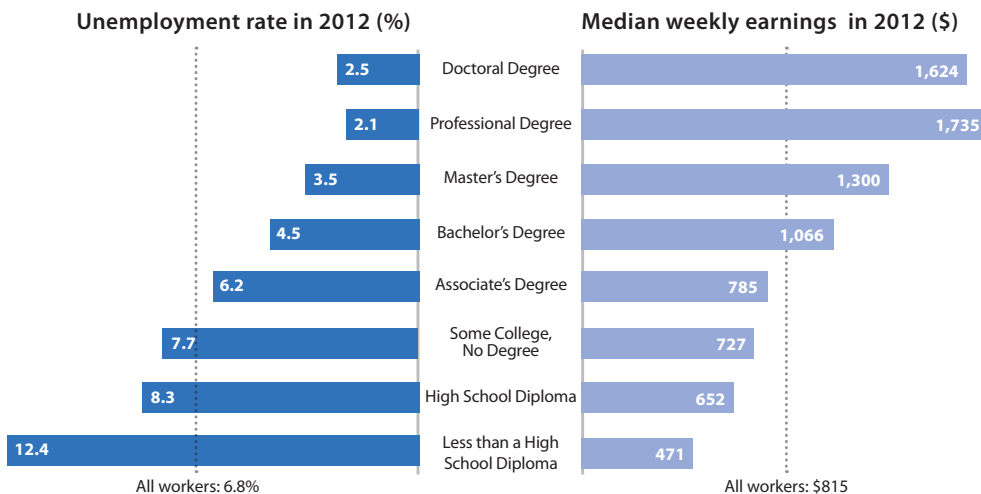
## The Cost of Higher Education

Those with a college education—and especially those with an advanced degree—traditionally get higher-paying and generally more rewarding jobs than those with only a high school education or a few years of college. High school dropouts are at an even greater disadvantage. A recent Census Bureau study found that over a lifetime, a master's degree is worth about \$1.3 million more than a high school diploma. Applicants for jobs requiring science, technology, engineering, and math (STEM) backgrounds are in particular demand, as nearly two-thirds of companies say that they cannot find enough qualified applicants, according to a study by the McKinsey Global Institute.

Skyrocketing college costs have meant that children from well-to-do families are much more likely to attend college than children from poor and middle-class families, despite equal intellectual abilities, talents, and drive. While 74 percent of students

attending the most competitive colleges come from the wealthiest quarter of the population, only 3 percent come from the poorest quarter. With elite colleges costing close to \$60,000 a year and student debt topping \$1 trillion nationwide, we need to expand financial aid and work to lower college costs so that no aspiring students are kept out of college because they cannot afford it.

### Earnings and unemployment rates by educational attainment



Source: Bureau of Labor Statistics, Current Population Survey

## Not Just Four Years

Higher education isn't for everyone, and in fact the Labor Department projects a shortage of jobs for those with a college education. Middle-skilled jobs are available in certain trades, yet our education system does not provide enough of the skills training to prepare young people for these jobs.

Moreover, education isn't only for the young. In our rapidly changing economy, middle-aged and older workers need to learn new skills to keep or find good jobs.

Community colleges have been growing and innovatively adapting to the needs of students wanting to learn a trade, those unable to afford four-year colleges, and older students seeking to add to their skills. While many already work with businesses and government to create career pathways, there is considerable room to expand their role in meeting Americans' education and training needs.

## Not Just Education

Two out of three families must pay for child care because there is no stay-at-home parent. With the average annual cost of child care at \$8,500—more than in-state tuition for many public colleges—some working parents are better able to afford child care than others. Those who cannot afford child care may be unable to work full-time or at all, thus sacrificing income and opportunities to advance. In addition, more than 40 percent of private-sector workers (and 80 percent of those in low-wage jobs) receive no paid sick or family leave to take care of themselves, their children, or elderly relatives.

According to this option, equal opportunity includes providing better pay and benefits, as well as according greater respect, for those in typically low-paying jobs, like elder or child care and other service occupations. Raising the minimum wage or even capping executive compensation are ways of reducing the disparities between very high- and very low-paying jobs.

## What We Could Do

This option speaks to Americans' sense of fair play, calling for concrete measures to reduce inequalities so that all can be ready to work. Here are some things this option suggests we might do, along with some of their drawbacks:

- We could offer much more financial aid or opportunities to repay loans through public service to make higher education accessible to every young person who wants to go to college. We could also take other steps to stem the rising costs of higher education.

*But we would prepare many young people for jobs that won't exist because there simply aren't enough "knowledge economy" jobs. Additionally, some economists believe that expanded student loans actually drive up tuition costs and encourage the proliferation of expensive for-profit career colleges with high dropout rates.*

- Government should increase the minimum wage, enabling everyone who works hard to have a decent standard of living.

*But setting higher mandatory wages could impose costs on businesses that might hinder job creation or put struggling companies out of business altogether.*

- Community colleges, four-year colleges, and other training institutions should work with businesses and governments to develop better and more varied educational options—ranging from rigorous STEM education to career pathways like apprenticeships and vocational education.

*Drawing a sharp line between academic and vocational training may close off opportunities for many young people who might excel in college. Too much focus on STEM subjects could undermine traditional liberal arts education.*

- All workers should have access to affordable day care and paid family and sick leave so that they do not have to pit work and earnings against family needs.

*The growing numbers of childless Americans may resent paying for others' child care. Subsidizing child care and offering paid sick and family leave for every worker could be costly for businesses and taxpayers.*

- State and federal governments could spend more to improve failing schools.

*But it would mean taking resources away from other government-funded programs.*

## OPTION THREE

Strategically choose to support promising industries rather than simply hoping that the changes in work and the economy will be beneficial.



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## >> Choose the Future We Want

**O**UR ECONOMY, OUR WORKFORCE, AND the nature of work are changing rapidly. While the economy has been in flux ever since the Industrial Revolution, many now say that change is occurring faster and more dramatically than ever. This option says we need to make strategic investments and decisions, *choosing* our desired future rather than simply letting change unfold. This could be the difference between creating a society filled with high-wage, high-skill jobs, and one where too many people are locked in low-paying, sometimes temporary work.

As President John F. Kennedy said, “Change is the law of life. And those who look only to the past or the present are certain to miss the future.”

### A Wave of Change

Technological change is occurring at breakneck speed. Forty years ago, computers were used by only a few scientists; today, computers are a part of the work experience of most Americans.

Many huge sectors of the economy and big businesses of the mid-20th century—from steel and textile manufacturing to “Ma Bell” and Kodak—have suffered grave setbacks and some have all but disappeared. In contrast, immensely successful new companies and industries—from Google and Facebook to finance and discount retail—have grown enormously. Economist Joseph Schumpeter called this “creative destruction”—the dynamic of a

successful economy in which old industries decline as new ones emerge.

Finding work also has changed dramatically as job-seekers now peruse listings on Web-based job boards and subscribe to services that regularly email individually tailored job announcements. LinkedIn, one of the largest social networking sites, enables people to make contact with others in their profession and prospective employers, and Glassdoor.com allows workers to share information about their employers.

Many are also able to choose new ways to work. Rather than go to an office, factory, or shop from 9 to 5, a small but growing number of Americans work from home—or from a neighborhood cafe hundreds of miles from the office. Just as telecommuting is changing how some of us work, so is the spread of freelance and time- or project-limited contract work. Some have called this new model of having multiple clients, marketing oneself, and working when and where one wants the “gig economy” or the “freelance nation.” While many thrive on the variety, freedom, and sometimes higher income of such work, it can also be precarious and episodically paid, and is not for the faint of heart. It does not bring with it the kind of security that many are used to.

## Choosing the Jobs of the Future

According to this option, government, businesses, and financial institutions should strategically choose which promising new industries to support, as well as certain older industries that are adapting to chang-

ing times. This could take the form of national or local governments providing grants to start-ups or tax breaks to companies that will add hundreds or thousands of workers to their payrolls—although tax breaks can risk undermining the tax base that supports a good quality of life. Government research and development investments in creating the Internet have yielded huge dividends, and the bailouts of General Motors and Chrysler paid off as well.

Communities can also put resources into creating attractive, lively, pedestrian-friendly downtowns and public parks, arts organizations, and recreational facilities that draw highly skilled, educated workers and the kinds of enterprises that employ them. Or, in some locations, they can opt for potentially huge returns, while taking environmental risks, by allowing companies to use “fracking” to extract natural gas and petroleum from otherwise nonproductive mines. Some communities, seeking an influx of jobs, may opt to encourage local prison construction.

We can also make choices as a society about the type of education and skills we focus on. People need specialized knowledge, creativity, and entrepreneurship to succeed in an environment where lifetime employment based on one skill set has been replaced by ever-changing opportunities that require constant learning and initiative.

More middle-aged individuals are going to school to get new degrees or certificates in order to qualify for better jobs or embark on new careers. Of course,

### Industry Growth and Decline

#### Fastest Growing

Home health-care services, individual and family services, outpatient, laboratory & ambulatory care services

Management, scientific, & technical consulting services

Computer systems design & related services

Cement & concrete manufacturing

Office administrative services

#### Most Rapidly Declining

Apparel & leather manufacturing

Communications & computer equipment manufacturing

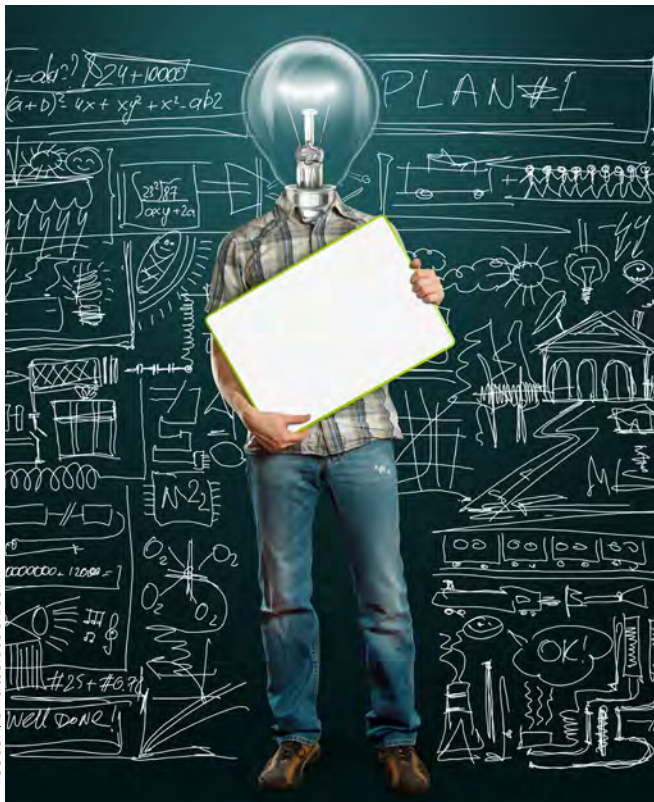
Governmental postal service

Newspaper, periodical, book, & directory publishing

Hardware manufacturing

Textile mills

Source: Bureau of Labor Statistics



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taking time for education may be a gamble, as time spent in a classroom rather than on the job can mean significant forgone income. And hope for good careers may fizzle while student debt remains.

## What We Could Do

This option holds that change is inevitable. We can sit back and let it happen to us or we can influence it. Individuals, businesses, communities, and government should make very deliberate choices about the paths we want to take. Here are some actions this option suggests we could take, along with some of their drawbacks:

- Communities could work to build their civic capacity, engaging a wide variety of citizens to make informed choices about the types of industries and jobs they want to attract.

*But community engagement and decision making can be time-consuming and messy, and can pit one part of the community against another.*

- Government, business, and higher education could collaborate to make investments in promising new industries, such as robotics, green

energy or shale gas, creative services, and high-tech businesses, projecting that these will be high-growth sectors that will generate new wealth and good jobs.

*We may think we know what tomorrow's industries will be, but there are many examples of governments, businesses, and investors making the wrong decisions, losing money, or spending taxpayer dollars on seemingly sure-fire ideas that fail.*

- Communities could take the lead by investing in infrastructure to attract businesses, and community-based organizations—from churches to chambers of commerce—could provide training and job services to local residents.

*But poorer communities may be unable to afford such things and would fall farther behind. Churches and other community organizations may not have the capacity or the desire to add new services. What's more, local approaches may fail to account for the complexities and needs of a national and global economy.*

- Communities can create tax-free enterprise zones, rezone to accommodate high-wage businesses, and develop walkable downtowns and other amenities to appeal to workers.

*But such choices affect a community's quality of life, and competition among communities could lead to a race to the bottom, with tax breaks straining public services like schools and roads.*

- Individuals can make more deliberate choices about how to thrive in a dynamic economy by taking more risks, investing in themselves with training, being more flexible about how and where they work, and changing the way they think about work and life.

*People who strike out on their own without steady employers, paychecks, and benefits risk significant economic and psychological insecurity. Moreover, many people simply do not have the savings to take risks or get a new education.*

## >>The Future of Work: How Should We Prepare for the New Economy?



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The U.S. economy is undergoing a dramatic and rapid transformation that is profoundly affecting what Americans do for a living and how well they do financially. Many things that were taken for granted a generation ago—such as secure employment and ever-better wages and benefits—are no more. Millions struggle to make ends meet and to attain a secure retirement.

Although American living standards remain the envy of much of the world, many people worry about what lies in store for workers in the years and decades to come. The concern is not just about unemployment. It is also about what kinds of jobs will

be available, what they will pay, and what our economy will look like. We may never go back to the days when almost everyone could get a good job that they kept for life. Nonetheless, we need to be able to chart a path to a new economy in which most Americans can find well-paying, rewarding work.

How can we respond to changes in our economy and society in ways that best meet the needs of most Americans?

### OPTION ONE

## Free to Succeed

We should give individuals and businesses the freedom they need to innovate and succeed. The U.S. needs to reduce regulations on business, expand free trade, and promote entrepreneurship. Businesses will need to employ and deploy labor with maximum flexibility, and Americans should see themselves as free agents, ready to seize new opportunities.

*But this will necessarily result in some businesses failing and individuals who cannot adapt being left behind.*

#### EXAMPLES OF WHAT MIGHT BE DONE

Individuals should become more entrepreneurial, taking greater advantage of the new, wired economy that enables people to sell goods and services from anywhere, raise capital by crowd-sourcing, and promote artistic work online.

Communities should bolster innovative and local financing opportunities for small businesses and entrepreneurs by strengthening community banks, creating lending circles, and financing micro-loans.

Businesses should be able to hire workers under flexible terms, with more short-term contracts, so that they can adjust their workforces to meet changing needs.

Communities should revamp laws to make it easier for people to operate businesses from their homes.

Increase free trade, abandoning efforts to protect declining industries.

#### SOME CONSEQUENCES AND TRADE-OFFS TO CONSIDER

Many people do not have the resources, the temperament, the initiative, or the skills to be entrepreneurial, and many of those who do launch new enterprises will fail.

Many Americans already are too indebted, and taking on debt—and increasing the number of loans given to businesses and individuals—may involve too much risk for both entrepreneurs and lenders.

This would make jobs even more precarious, increasing the number of short-term contract or temporary workers, most of whom rarely receive benefits.

The lines between residential and commercial districts could blur, as would the distinction between work and personal life. Neighborhood property values could decrease.

Without protection from low-cost foreign producers and immigrant labor, more Americans may lose their jobs.

**OPTION TWO**

## An Equal Chance to Succeed

We should make sure all Americans have a chance to succeed in an increasingly competitive environment by improving failing schools and making college and career training more accessible and affordable for all. We should reduce hardships faced by low-wage workers by increasing minimum wage and child care/family leave benefits.

*But this may slow the economy and impose hardships on business.*

**EXAMPLES OF WHAT MIGHT BE DONE**

Ensure that all workers have access to quality day care and sick and family leave so that people don't have to choose between working or caring for their family.

State and federal governments should work to improve failing schools.

Businesses, educational institutions, and government should work together to develop better and more varied educational options, from training in STEM (science, technology, engineering, and mathematics) subjects to more extensive non-college career pathways.

Make college and other training accessible to all—including older workers—by reducing the costs of higher education and providing more generous loans and grants for students who need them.

Government should increase the minimum wage, placing a higher value on what are now low-wage jobs and enabling all people to have at least a moderate income.

**SOME CONSEQUENCES AND TRADE-OFFS TO CONSIDER**

This could impose costs on both businesses and taxpayers.

This will inevitably increase government spending or take resources away from other government programs.

Not all students have aptitude in STEM subjects, and this focus could damage traditional liberal arts education. Tracking some young people into vocational education would close off opportunities for those who might excel in college.

This may result in preparing many people for jobs that don't exist, as there simply aren't enough high-skill jobs requiring college or advanced degrees.

This could impose costs on businesses that could hinder economic growth and job creation.

**OPTION THREE**

## Choose the Future We Want

We should strategically choose to support promising technologies, skills, and businesses rather than simply hoping that the changes in work and the economy will be beneficial. Communities, businesses, and governments can make deliberate choices about what new directions we want to take, rather than sticking with outdated ones due to inertia or inaction.

*But such choices may be incorrect, leaving communities even further at risk.*

**EXAMPLES OF WHAT MIGHT BE DONE**

Community members should invest the time and energy in building civic capacity in order to work together more effectively in making choices that will affect their local economy and the types of jobs that will be available.

Partnerships between government, business, and academia should make strategic decisions and investments in "industries of the future," such as green energy, creative services, and high-tech businesses, because these high-growth sectors will generate new wealth and high-wage jobs.

Communities should invest in high-speed Internet and other infrastructure to attract businesses. Community organizations should offer classes, training, and job services to their members.

Communities can create tax-free enterprise zones, rezone to accommodate the kinds of businesses that communities want, and/or strive to make areas more livable and appealing to businesses and workers.

Individuals need to be willing to make new investments in themselves, become more flexible, and change the ways in which they think about work and their lives so that they can thrive in a changing economy.

**SOME CONSEQUENCES AND TRADE-OFFS TO CONSIDER**

Community engagement and decision-making is time-consuming, demands more of citizens, and can be messy, pitting one group against another.

We may think we know what tomorrow's industries will be, but we could easily make many wrong decisions, spending taxpayer dollars badly and distorting free markets.

Poorer communities may not have the resources to do these things, local organizations may not want to take on new missions, and local approaches can fail to account for the needs and complexities of a national and global economy.

New enterprises, whether they are technology start-ups, big-box stores, or natural gas companies, impact the quality of life in communities. Tax breaks for businesses can strain public finances and leave communities without adequate funds for schools and infrastructure.

If people are more "on their own," without steady employers and benefits, it will create greater economic and psychological insecurity, and many people simply don't have enough money to accumulate significant savings.



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