Changing US WorkForce

Jeff Wald, Founder of WorkMarket
Jeffrey Wald  - @jeffreywald

- Founder - WorkMarket
  - $70 million in VC from Union Square Ventures, Spark Capital and Softbank
  - Sold to ADP in January 2018

- Founder - Spinback
  - Sold to Buddy Media (bought by salesforce for $800 million) in 2012

- Former Activist Hedge Fund Manager (Barington) VC (GlenRock) M&A Banker (JP Morgan)

- Over 30 Angel Investments and Advisor to nearly 100 startups

- Former NYPD Auxiliary Officer; Author, *The Birthday Rules* and upcoming books, *Your Child’s First ABC of the Internet* and *The End of Jobs: The Rise of the On-Demand Worker and the Agile Corporation* and the upcoming feature film *Day 39*

- Harvard - MBA, Cornell - MPP and BS
Breaking the Lifetime Employment Contract

Globalization + Technology + Cost + Shareholder Activism
The Current State - Fact vs. Fiction

FACT: The IBM job of the 1950’s does not exist anymore

The average length in job is 5 years and has been that way for a long time.

This average 5 year length is true for all demos.

20-30% of labor force is agile.

75% of agile workers are happy.

is less than 0.1% of agile labor force.

FACT: The IBM job of the 1950’s does not exist anymore.
## The Current State - Fact vs. Fact?

<table>
<thead>
<tr>
<th>Source</th>
<th>Employees</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Occasional</th>
<th>Satisfied</th>
<th>Comparison to FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Bureau of Labor Statistics</td>
<td>5.9 million contingent</td>
<td>10.6 million IC</td>
<td>4.9 million Other Agile</td>
<td>60,000 respondents</td>
<td>31-46 million independent workers</td>
<td>41 million independent workers</td>
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<tr>
<td>Upwork Help Center</td>
<td>57.3 million did independent work in 2017</td>
<td>47% of those that freelanced are millennials</td>
<td>69% of freelancers prefer to traditional employment</td>
<td>6,000 respondents</td>
<td>30% Happy Full Time IW</td>
<td>Full time: 40%</td>
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<tr>
<td>McKinsey &amp; Company</td>
<td>31-46 million independent workers</td>
<td>14% Unhappy Full Time IW</td>
<td>40% Happy Moonlighters</td>
<td>8,000 respondents</td>
<td>16% Unhappy Moonlighters</td>
<td>Part time: 29%</td>
</tr>
<tr>
<td>MBO Partners</td>
<td>41 million independent workers</td>
<td>30% Happy Full Time IW</td>
<td>14% Unhappy Full Time IW</td>
<td>8,000 respondents</td>
<td>Satisfied with employment: 77%</td>
<td>Occasional: 31%</td>
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<td></td>
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<td>Comparison to FTE:</td>
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<td>- Slight more educated &amp; slightly higher income</td>
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<td>16,000 respondents</td>
</tr>
</tbody>
</table>
The Current State - BLS Deep Dive, Agile Workers are...

**Demographic**: Slightly more likely to be older and male but almost no other differences

**Education Level**: Almost no difference in educational level

**Preference**: 79% positive for IC, other Agile, ~70% negative

**Healthcare**: Have HC: ~70% for Agile, vs. 84% for traditional

Employers Pays HC: ~20% for Agile (0% IC) vs. 53% of traditional with employer provided

**Retirement Plan**: Approximately 20% for Agile (0% for IC) vs. 50% for traditional

**Median Weekly Wages**: $900 for traditional

$650 for Contingent

$850 for IC and approximately $800 for Other Agile
So, what is the Future of Work?
The Labor Equation will ALWAYS Remain

Workforce resource planning is driven by many variables:

- Cost
- Regulation
- Intellectual property
- Customer touch points
- Ramp time
- Length of project
- Institutional knowledge needed / created
- Touch points to other parts of the org
By 2025 a Fortune 2000 Company will exist with no employees outside C-Suite.

Movements now are all up and to the right... but slow

Movements of 0.1% = $75 billion and 1.5 million people

Regulation is not going to change, but technology will bend the labor equation.