

# Predicting the World of Work in 2040

BY GENE ZAINO, FOUNDER, MBO PARTNERS®

## To My Firstborn Granddaughter, Abigail,

2040 seems so far off, yet also just around the bend. Will you have chosen a career? Built your own business? Gone to college or pursued a trade? Found love or traveled the world? Only time will tell what you will do with this great big wonderful life you've been given—but one thing is for sure: the future is uncertain, yet exciting adventure for all of us. The surest path to success is the one we forge ourselves, through hard work, passion, and dedication.

When I was asked to write this chapter, I immediately thought of you. It's hard to believe that in 2040, you'll be 21, fresh with possibilities about what your future might look like.

### **Independents: Less Jetsons, more Ironmen**

When I imagined working in the future as a child, I recall watching *The Jetsons*—a cartoon set far, far in the future, where people drove flying cars, 3-D printed their food, and talked to anyone, anywhere in the world, via a smartwatch. (Funny enough, many of these inventions once thought of as “Space Age” are available today.)

But there's one thing *The Jetsons* never predicted—that people wouldn't work for companies like Spacely Sprockets, but rather, for themselves. Over the past 20 years, the rapid rise of the independent workforce has created new opportunities and challenges to our economy and society, and I am certain it will continue to be a major force impacting our lives in the next 20 years as well. By the time you take your first full-time job, more than half of the workforce will be, or will have been at some point in their career, self-employed.

That's why I like to use another analog. The future doesn't look like the *Jetsons*, where people went about their daily lives and jobs using technology simply for convenience. Instead, we will see people creatively

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combine a treasure trove of technologies, data, and resources to build their own productive version of an Ironman suit, giving them the power of independence to pursue their passion and financial wellbeing.

In 2040, savvy individuals will use technology to work smarter, to work more productively and to protect themselves and their careers against obsolescence as they leverage tools to make themselves—and their work—more valuable. These skills and tools make you powerful, creating an armor, just like an ironman suit, that will insulate you and let you do things you've never imagined.

Combine your skills, your talents, and your knowledge, along with the benefits of technology, support systems and an employment infrastructure that lets you work when and how you want, and you'll be unstoppable.

Self-employment in 2040 will look very little like it looks today. I'd love to offer you some unfiltered advice and predictions about what the world will look like then and the path we'll take to get there.

### The next way of working is here—but what does that mean?

Today, in 2020, we stand on the precipice of the next way of working. Nearly 41 million Americans embrace the independent lifestyle either full-or part-time. Satisfaction amongst independents is the highest it's ever been. In less than five years, more than half of the workforce will experience self-employment at some point in their careers, and many will cycle back and forth between self-employment and traditional employment in years to come. By the time you turn 21, this number will rise to more than 60 percent, if not higher. You may begin your career by picking up a side hustle to learn a new skill, freelance to pay for pizza money in college, or start a business when you have family to have more flexibility. Traditional retirement won't be the goal either. You'll invest in new endeavors, to keep your skills fresh and your income diversified, as well as to fulfill your passions and find your purpose.

But growth hasn't always been—and won't always be—easy. While this type of work grows rapidly, we increasingly tell the “tale of two independents” as the largest areas of expansion exist at the high and low ends of the spectrum. On one hand, we see a rapid rise in commodity platforms, where buyers primarily engage independents to perform an undifferentiated service (driving a car, walking a dog) and workers generally receive their assignments from an app-based algorithm to generate extra income, fill a gap between jobs or other gigs, or pursue independent work just as a way to meet new people and socialize. But app-based algorithms of commodity services can soon create a race to the bottom for wages. People who need to rely solely on this type of work will find it hard to make ends meet and society will need to create a new social safety net to prevent wage deterioration, similar to those in traditional employment.

**COMBINE YOUR SKILLS, YOUR TALENTS, AND YOUR KNOWLEDGE, ALONG WITH THE BENEFITS OF TECHNOLOGY, SUPPORT SYSTEMS AND AN EMPLOYMENT INFRASTRUCTURE THAT LETS YOU WORK WHEN AND HOW YOU WANT, AND YOU'LL BE UNSTOPPABLE.**

On the other hand, a strong jobs market and increasing skills gap has led many highly skilled workers to leap into independence as a way to make more money while enjoying flexibly and lifestyle benefits that can be hard to come by as traditionally employed individuals. It is this portion of the workforce that I believe will be most successful, both in the immediate and long-term future. In contrast to the need for a safety net for the those relying solely on app-based commodity services, we need to encourage, and enable, people to work independently, giving them the freedom to build their skills, to be happier, and to know that they are a productive contributor to society. It will be important to carefully balance these two conflicting policy vectors. Too much of a protectionist environment will inhibit the use of independent workers, taking away the freedom to choose to take on the risks and rewards inherent in independent work.

**WE NEED TO ENCOURAGE, AND ENABLE, PEOPLE TO WORK INDEPENDENTLY, GIVING THEM THE FREEDOM TO BUILD THEIR SKILLS, TO BE HAPPIER, AND TO KNOW THAT THEY ARE A PRODUCTIVE CONTRIBUTOR TO SOCIETY.**

As skilled independent labor continues to grow, organizations will place a premium not just on the workers themselves, but also on the results and successes driven from the projects independents complete. It is here that the model of working in the future will really begin to change, as we move from a traditional workforce to a fractionalized one where work itself is packaged as a product to be purchased, rather than paid for by the hour.

This will be the first step to freeing up time as independent workers leverage their Ironman suits to deliver results, rather than merely services. Imagine being a one-person business that can outsource work to others, use robots and artificial intelligence to make new creations, and collaborate with multiple buyers of what you produce. Maybe you can place much of this on autopilot, giving you more time to live life.

Skilled and creative independent professionals will fill needs for both in-demand skills not currently present in a company's full-time employee (FTE) population, as well as to help complete projects—both strategic and tactical—that need additional people to meet aggressive timelines to keep up with a fast-paced, changing environment. Attracting and building relationships with independent talent has become a strategic and important aspect of a company's workforce even today, and I predict this trend will continue, with companies articulating a specific value statement for independents within their greater talent strategy.

By 2040, organizations will assemble their workforces with both independents and FTEs, with equal weight and value placed on both parts of the workforce mix. The companies that do this best will have a leg up on their competition.

**It's going to get hard (before it gets better)**

It's easy to think that the next generation reaps the benefits of generations before. While that's true, to a point, and while I hope that your road to success is easy, the path we'll take to help you get there will have its twists and not-so-welcome turns.

In the coming years, for the first time ever, we'll see four generations actively engaged in the same workforce, from the new Gen Z workers to Millennials to Gen X and Boomers. Much has been written about what this melding will cause... and it won't be easy.

Many Boomers are unprepared for retirement and will draw on resources like Social Security and Medicare with a heavy hand.

We're heading towards a tipping point, one where our present burdens will cause a fundamental shift, not just in how we work, but in how we think of social responsibility.



Today's employment system is broken, and it has been for some time. Workers no longer leave a company after 50 years with a pension and a gold watch. They no longer build careers at one or two companies. Instead, they transition in and out of traditional employment, joining companies to create stability for a growing family, to learn a new skill, or to leverage an opportunity.

Employers need to think in the same manner. They position their most valuable asset as their "people," treating their full-

time workforce to benefits like healthcare and paid leave, offering training opportunities and valuable development benefits. But they often sideline their most strategic assets—their contract workforce population—by treating them like second-class citizens.

The media and government cry foul, bemoaning a race to the bottom, when in fact satisfaction and choice amongst independents has never been higher.

The tipping point won't be pretty. I believe before we can move towards a world where independents are seen as a valued economic and entrepreneurial asset, we'll swing the other way in an attempt to protect a broken world of work.

Then, to add to this, there are the economic cycles. Based on population demographics, the debt balance of our economy and others around the world, we will see a nasty recession in the early 2030's. This will be a rough economic period for a few years, where companies will make major workforce reductions, reducing traditional employment by the millions...but then this will be the genesis to a new and exciting way to work.

The Millennial generation rises to the top of the workforce food chain, creating a new culture of work. This is what I call the rise of the Maker Force, and the decline of the Labor-based workforce.

## The rise of the Maker Force

The rise of this Maker Force will be a way for people to take advantage of great tools, fulfill passions, and make money not just based on time, but on leveraging skills and assets, be they data, software tools, or physical goods. Creativity will reign, and consumers will benefit from a thriving global economy.

What's a maker, you ask? Makers are those who leverage more than just labor, time, and materials for their jobs. Makers take their knowledge and produce an asset that can derive value, and with that value, income, both now and in the future. Examples of this include writing a book, selling a song, creating a new service, or investing in productive assets like real estate or software, as well as traditional methods of making a product for sale (perhaps on Etsy or some new marketplace).

You'll earn your living based not just on a flat, transactional skill set, but based on your intellectual property, a concept previously reserved only for companies, and your income-generating potential and value to the market will grow accordingly.

Today, savvy companies are investing in this type of talent. Grow with Google is helping train for jobs with skills-based learning programs and tools; the program has helped more than 10 million people to date. That's a quarter of the total independent workforce in 2019!

Amazon, the business behemoth that started as little more than an online bookstore, is now giving people \$10,000 to start their own delivery-based business.

These companies know that incentivizing and championing entrepreneurial makers is the key to success, but they still have a long way to go.

In the coming years, the tools we have to perform, optimize and complete work will grow faster than we've ever imagined. This technology will be the rocket fuel we need to help today's consultants become the maker force of tomorrow.

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Savvy independents will team up with each other to leverage relationships, to capitalize on shared intellectual property, and to fractionalize work, so that income will be a separate concept from 'hours worked.'

We all have 24 hours in a day. To live your best life, you can't work all the time. The way to do that is to create something—or many things—that generate income, knit them together, and create a consumable product or service.

In order to achieve this state, you must have other things producing income for you. Figure out how to knit it together and create something that is consumable, just as many of the world's most successful businesses do today. Thanks to AI, technology, and shifting workforce demographics, you'll be able to leverage a unique opportunity: to become a maker in the micro business economy—the independent workforce of the future—taking your ideas, passion, and talents and selling them back to the workforce not just as a worker bee in someone else's hive, but as a thriving business of one.

**UNDERSTAND HOW YOUR UNIQUE SKILLS FIT IN, AND WHERE YOU CAN BRING NEW, FRESH PERSPECTIVES TO THE WORLD AND LEAVE IT A BETTER PLACE THAN YOU FOUND IT. AND IF YOU'RE SAVVY, YOU'LL FIND A WAY TO DELIVER VALUE TO YOURSELF ALONG THE WAY AS WELL.**

### **The skills you need to succeed**

Success tomorrow isn't about the one thing you can do today, but about the little things you can do every day to prepare you every day. The biggest tool you can bring to the workforce of tomorrow is a creative and open mind. Learn what your God-given talent is. Find out what you can develop and do better than anyone else. Find your purpose and live it.

There are so many possibilities—the hard part will be narrowing down what drives you.

Here, your entrepreneurial skills will matter. You'll need to be alert to what's going on around you, and also have the creativity and confidence to do something that's not been done before or the vision to do it in a

better way.

**FORM DEEP, MEANINGFUL RELATIONSHIPS. TALK FACE-TO-FACE WHERE POSSIBLE. LISTEN, REALLY LISTEN, TO WHAT OTHERS HAVE TO SAY. COMMUNICATION IS ONE OF THE MOST IMPORTANT SKILLS YOU CAN LEARN.**

Building your own business isn't always comfortable, nor does it come with a rulebook. You'll need to trust your gut, as well as to be a bit of an anthropologist. Study others. Understand what has worked. See where needs arise. You'll need to understand how your unique skills fit in, and where you can bring new, fresh perspectives to the world and leave it a better place than you found it. And if you're savvy, you'll find a way to deliver value to yourself along the way as well.

When I started MBO Partners, I had a vision of making a better world for independent workers, of making it easier, more productive, and more lucrative for them to work the way they wanted. In the more than two decades since, I've stayed true to that North Star, that mission.

But I wouldn't have been able to be successful without decisive action. With so many tools and choices at your fingertips, the ability to act on opportunities, to pivot and to respond to change, will become more important than ever.

You need to know how to leverage resources, how to make the most of data available to you, of partnerships, and of what you've learned. How you take those individual points and make something out of it that's valuable not just to yourself, but to others, and improve your life and the lives of others as well. That's the dream.

You won't be able to do all this alone. A key failing of technology is that it can make us feel invincible. After all, we can meet, talk, and connect virtually with anyone in the world with the push of a button. But technology is worthless without real, meaningful communication.

At every moment, use the resources around you to help you form deep, meaningful relationships. Talk face-to-face where possible. Listen, really listen, to what others have to say. Communication is one of the most important skills you can learn—among family, friends, and colleagues. Those skills will serve you well in all aspects of business, whether you are bouncing a new idea off of a friend, pitching a potential investor, or selling your products or services for the 1st or 50th time.

Those skills can also help you feel less alone when you fail. Communication breeds community, and that community of family, friends, and colleagues will become your safety net when you fail. Note that I say when—not if.

Failure isn't rock bottom, Abigail. It's part of the journey. But as long as you learn from each mistake, each misstep, and each trial, and emerge stronger, more resilient, and more motivated, even if there are tears and skinned knees and struggles along the way, that will be the real success.

And I hope that when you look back, 20, or 40, or 60 years from now, you find success—coupled with lessons learned along the way—and you can share your own story with the next generation.

2040 seems so far away, but it isn't so very far off after all. I can't wait to see all the places you'll go, and how you'll forge your very own—and very independent—path.

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## With Love, Gene