

Audio Lesson #5 – Understand the Problem, Career Uncertainty

*It's not a hill, it's a mountain
As you start out the climb...*

Hello. My name is Jeff Tyburski. Welcome to my fifth in a series of audio lessons. I teach financial literacy with a focus on helping you save money. Unfortunately, you can't even begin to save if you can't get and hold a good job; especially one that enables you to grow your income.

Recall, my ultimate goal is to teach you why we must save and how to save. But first we must ensure that you are *in a position* to save. The main obstacles preventing people from saving are debt and career uncertainty (or, as I said, not being able to get and hold a good job). We just completed three sessions giving you a plan and process to minimize student debt. Now, let's embark on the first of three sessions devoted to ensuring you can proactively stay employed. *This session will outline the problem - the causes of career uncertainty.* The next two sessions will arm you with a personal plan to adapt to this environment by 1. Embracing the change around you and 2. By investing in yourself.

Being able to identify a problem affecting you is the first step in your efforts to adapt and cope with the problem. So, let's dive into ...

Why is There Career Uncertainty?

- An important driver of career uncertainty in today's world is technological change. **Technological change, automation, artificial intelligence, machine learning, innovative disruption – whatever you want to call it.** Think about jobs that are disappearing, or at least changing, due to technological advances. Maybe we all like E-ZPass and don't lose sleep over the lost toll booth attendant job. But what's next? *What if* artificial intelligence displaces all or most pharmacists, doctors, attorneys, or engineers? These are some of our economy's highest paying jobs. But...*maybe* a computer really can perform these jobs better than a human because it remembers **all** the drug interactions, **all** the symptoms, **all** the legal precedence, and **all** the formulas. The reality is that specific jobs and whole industries are constantly facing disruption due to some technological innovation.

- Another driver of career uncertainty is the *globalization of trade and business*. This has opened up and connected markets more than ever before. **The net result is an increase in job competition.** I used to work for someone who'd *quite frequently* say, "Tyburski, three billion people want your job."
- *Wage stagnation* also contributes to career uncertainty. A lack of rising wages is partly a result of what I have mentioned so far, technology and job competition reducing labor's power to make demands. People used to count on a steady march of wage increases for a given job description.
- Another driver of uncertainty is a *skills gap* as many people in the workforce don't have the skills required in a more technology-driven and service-based economy. The problem goes beyond just the inability of many to adjust and compete for the new jobs. The problem extends to the fact that many lower paying jobs, which used to act as a safety net, are vanishing.
- **Lastly, demographics** also have an impact on career uncertainty. Millennials are a very large demographic cohort, in fact on par with the baby boomer generation, but opportunities are opening up slowly for them. This is because boomers are not retiring as soon as anticipated because the 2008 global financial crisis hit their income and retirement nest eggs.

Let's conclude this brief session with an exercise. Can you think of:

- Jobs that *have been eliminated* by technological change or global competition?
- Also, Jobs *at risk* of disappearing or radically changing *going forward*?
- and Jobs that may be relatively *well positioned or shielded* from these threats?

There are many examples of **Jobs eliminated by technology and global competition**: I already mentioned the tollbooth attendant. ATMs reduce the need for as many bank tellers. Robots are replacing jobs in factories and warehouses. Developing countries are manufacturing items that used to be made domestically; this also impacts supply chains and distribution models. Online shopping is taking sales from local shops. Disruptive technology is all around us, changing entire industries. The music industry changed its mode of delivery, and now television is doing the same. When I was a kid everyone watched *Seinfeld* at 8pm on Thursdays, with many commercials per episode. Now, you watch what you want,

when you want, streamed to any device. Trust me, that is radical disruption. Other examples of radical disruption in everyday life include the impacts of the search engine and free exchange of information ...to *sell* new and used items, *buy* event tickets, and **find** a date, job, apartment, place for a vacation, a meal review, or a ride around the city. What may seem like ordinary features of today's world are actually radical changes versus only a few years ago.

As far as Jobs at risk going forward: As I indicated earlier, the next wave of technology could move from simply changing factory floor jobs to posing a real threat to what I call *thought workers*, engineers, doctors, attorneys, etc. Perhaps these jobs don't totally disappear, but I could envision a hub and spoke arrangement with the computer as the hub and the humans on the periphery feeding input. In our lifetimes we will see industry innovation and disruption such as self-driving cars and trucks, new energy sources, robotic personal assistants, new ways to wage war, new ways to feed ourselves, and healthcare breakthroughs. These changes will displace and redefine many jobs.

To conclude let's discuss Jobs that may be relatively better positioned: Of course, the jobs associated with the disruptive change are safer than those being displaced. Coders and developers are likely to remain in high demand. There may even be a resurgence of some *old skills*, made valuable again, *precisely* because the machines will never be able to fully match humans; for example, in the areas of expressing empathy and in really communicating and connecting with people. If this proves true, jobs in healthcare and senior care could thrive. Also, creative jobs like writing and conceiving of new entertainment content may be in high demand to fill the new modes of media content distribution.

In an earlier session I encouraged you to consider and pursue your passions. The context was that college is expensive and you want a job and career with minimal debt taken on in the process. This session though provides some important insight that you shouldn't consider your passions in a vacuum. You need to think of the environment, and realize the environment is changing. It looks threatening, but it is also creating opportunities. The great Wayne Gretzky said, "skate to where the puck is going". That is good advice for proactively staying employed. Now that you are aware of the challenges you face; the next two sessions will outline how to confront career uncertainty.