THE FUTURE OF WORK IN THE AGE OF THE MACHINE

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The Future of Work in the Machine Age

Erik Brynjolfsson and Andrew McAfee

MIT Sloan School

Hamilton Project Forum

February 19, 2015
The Great Decoupling


- Labor Productivity
- Private Employment
- Median Household Income
- Real GDP

1953=100

Axis for Real GDP
State of Understanding, 2005

Uniquely Human Abilities

1. Autonomous mobility and fine motor control
2. Language and complex communication
3. Pattern matching and unstructured problem solving
Machine Intelligence

Interacting with physical world
  • Fine and gross motor control
  • Vision and other senses

Language
  • Voice recognition
  • Natural language processing
  • Creating narratives

Problem Solving
  • Answering unstructured questions
  • Rule based analysis
  • Pattern recognition and classification
Siri

Voice recognition

Lionbridge

Translation

Narrative Science

Authoring News Stories
Apple reports its second-quarter earnings on Wednesday, April 23, 2014, and the consensus earnings per share estimate is $10.21 per share.

The consensus estimate has risen over the past month, from $10.20, but it’s below the estimate of $11.02 from three months ago. For the fiscal year, analysts are projecting earnings of $42.72 per share. Analysts project revenue to fall less than a percent year-over-year to $43.55 billion for the quarter, after being $43.60 billion a year ago. Analysts are expecting revenue to stay flat at $43.55 billion this quarter. For the year, revenue is projected to come in at $180.22 billion.
WILLIAM WILKINSON'S
"AN ACCOUNT OF THE PRINCIPALITIES OF WALLACHIA AND MOLDAVIA"
INSPIRED THIS AUTHOR'S MOST FAMOUS NOVEL
The Hard Truth

Technical progress makes the economic pie bigger. But there is no economic law that everyone, or even most people, automatically benefit.
Three Sets of Winners and Losers
1. Skill Biased Technical Change


Source: Acemoglu and Autor
2. Capital vs. Labor

Corporate Profits After Tax as % of GDP & Non-Farm Labor Share, 1947-2013

Source: research.stlouisfed.org
3. Superstars vs. rest
The New Grand Challenge

• Digital technologies will continue to accelerate.

• Our skills, organizations and institutions are lagging.

• Business as usual won’t solve this problem.

➤ We need to reinvent our economy and society to keep up with accelerating technology
Roundtable: The Future of Jobs
February 19, 2015

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