



U.S. DEPARTMENT OF LABOR

ETA VISION 2030

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The Voices of America's Workers



Pam Gerassimides
Regional Administrator

U.S. Department of Labor,
Employment and Training
Administration, Region 5



Kimberly Staley
Regional Administrator

U.S. Department of Labor,
Employment and Training
Administration, Region 3

The Voices of America's Workers



Dr. Kristen Broady

Director

Federal Reserve Bank of
Chicago, Economic Mobility
Project



Merissa Piazza

Senior Community
Development Analyst

Federal Reserve Bank of
Cleveland



Automation Risk and the Labor Market

November 15, 2023

Kristen Broady

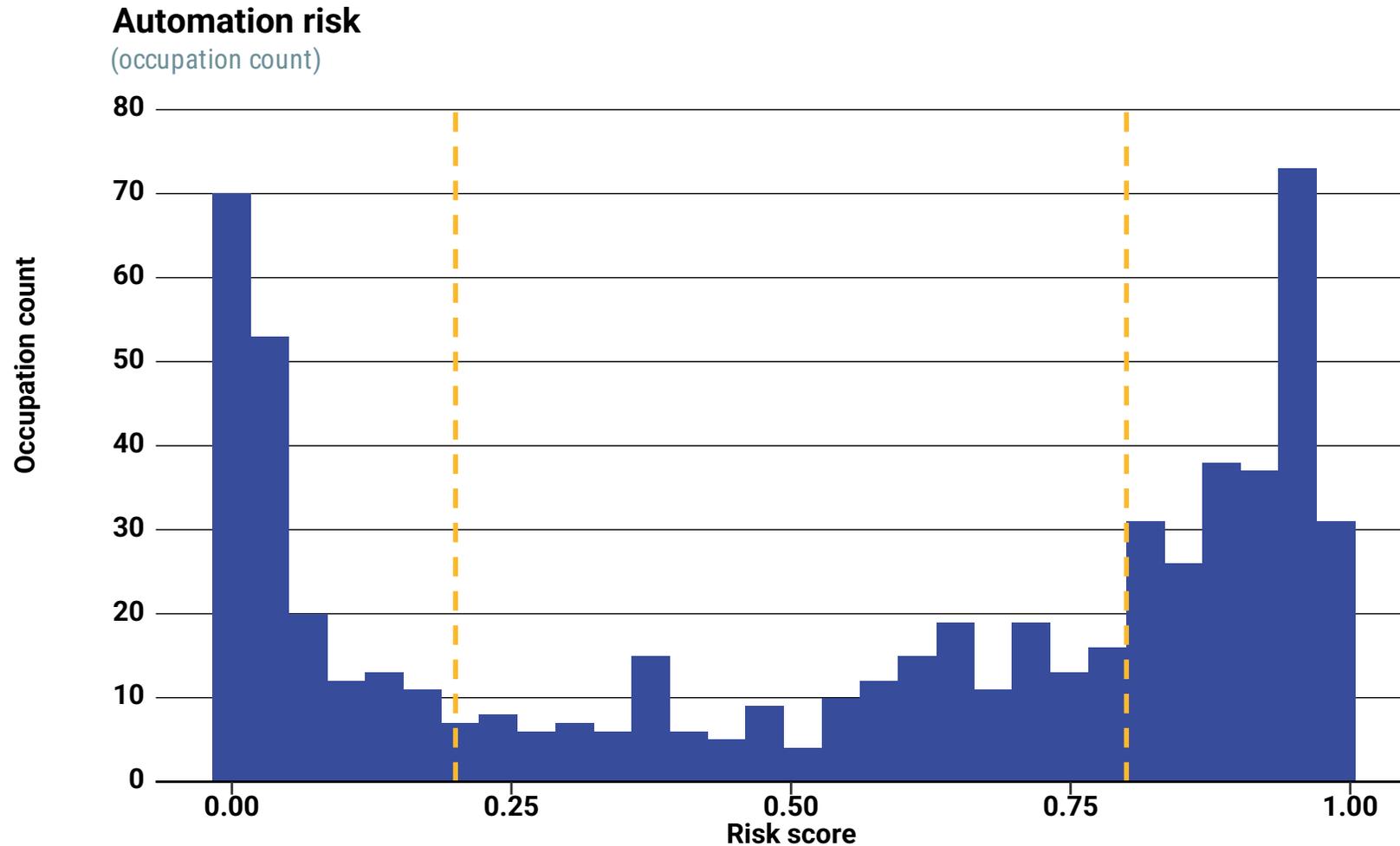
Senior Economist, Economic Advisor, and Director of the Economic Mobility Project

The views expressed here do not necessarily reflect the views of the Federal Reserve Bank of Chicago or the Federal Reserve System.

Some tasks are more likely to be automated

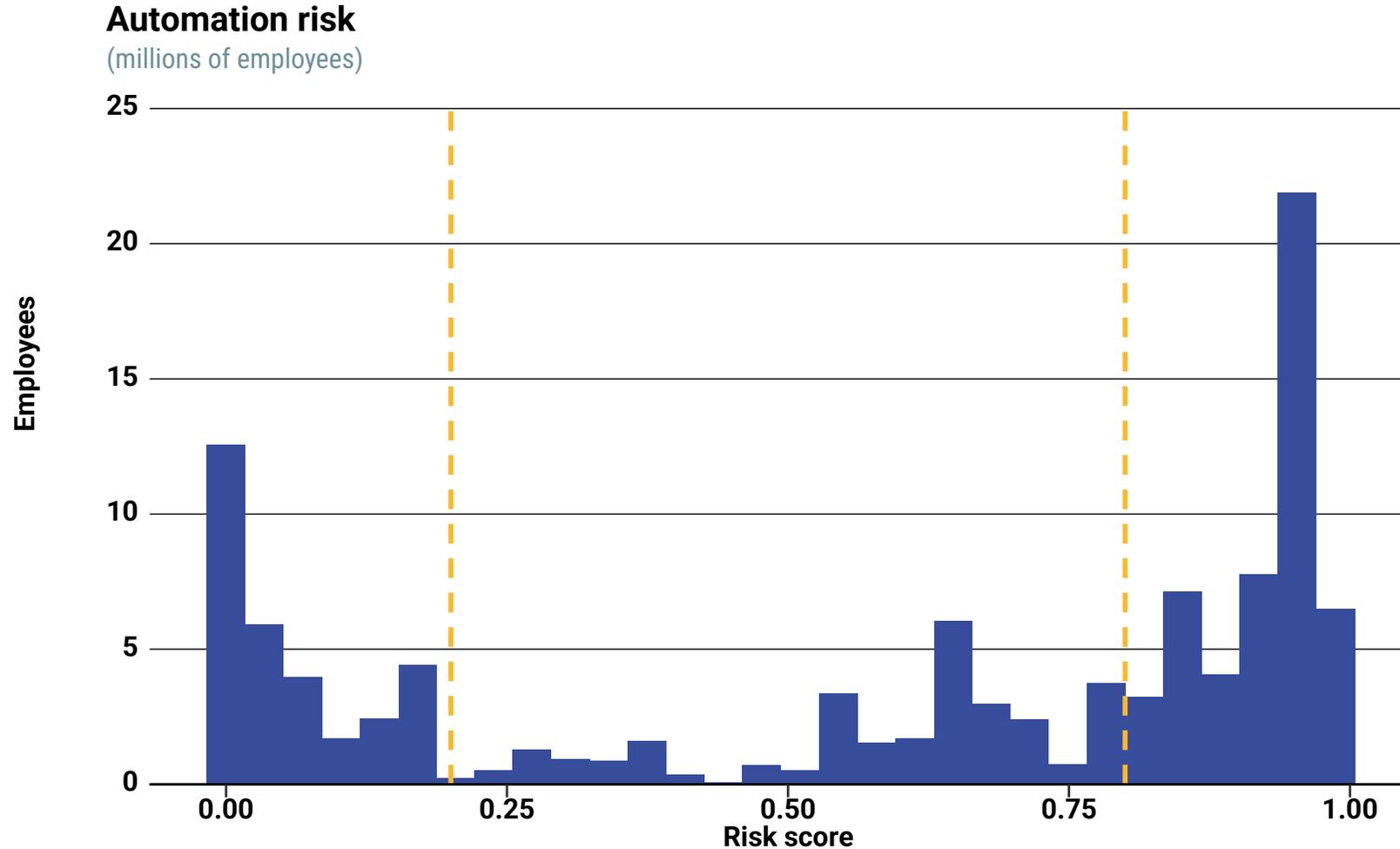
- **Frey and Osborne (2017) rank occupations by “automation risk score,” an index measuring ability of tasks to be completed by a computer or computerized technology.**
- **Use risk score to:**
 - Relate automation to employment and wages
 - See which demographic groups are more exposed to automation
- **Discuss preliminary evidence that COVID-19 pandemic accelerated automation**

Number of occupations by automation risk



Sources: Frey & Osborne (2017), Bureau of Labor Statistics 2019, staff calculations

More workers are in high-risk jobs

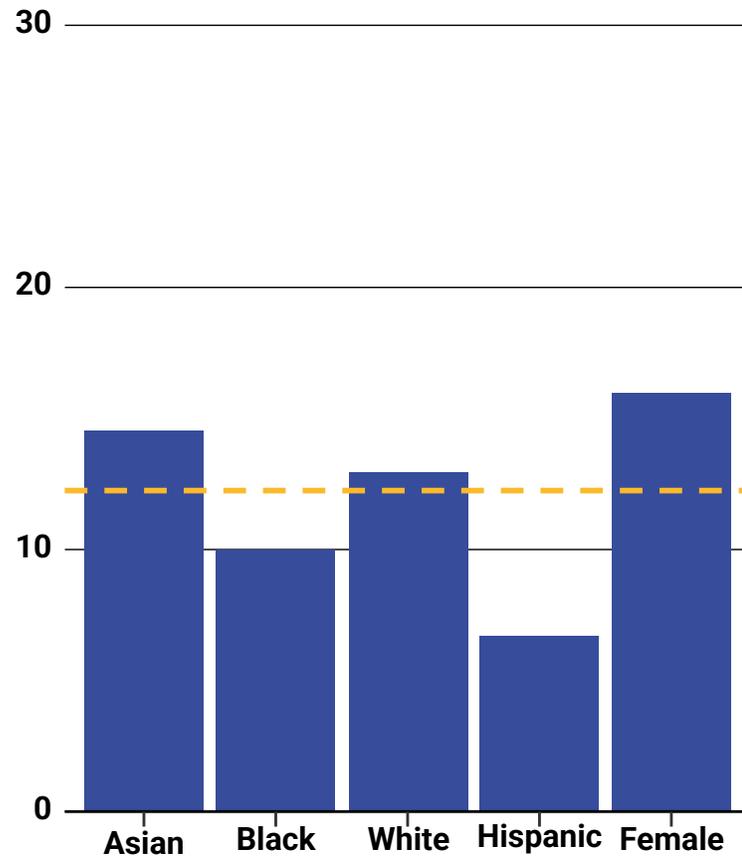


Sources: Frey & Osborne (2017), Bureau of Labor Statistics 2019, staff calculations

Risk of automation varies

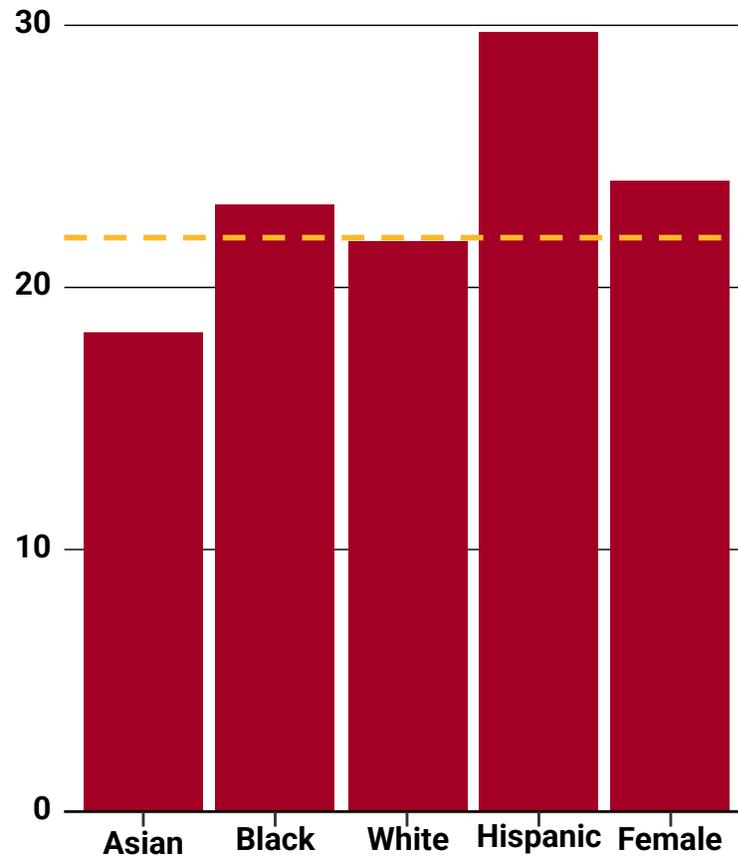
Low risk

(percent of group's employed population)



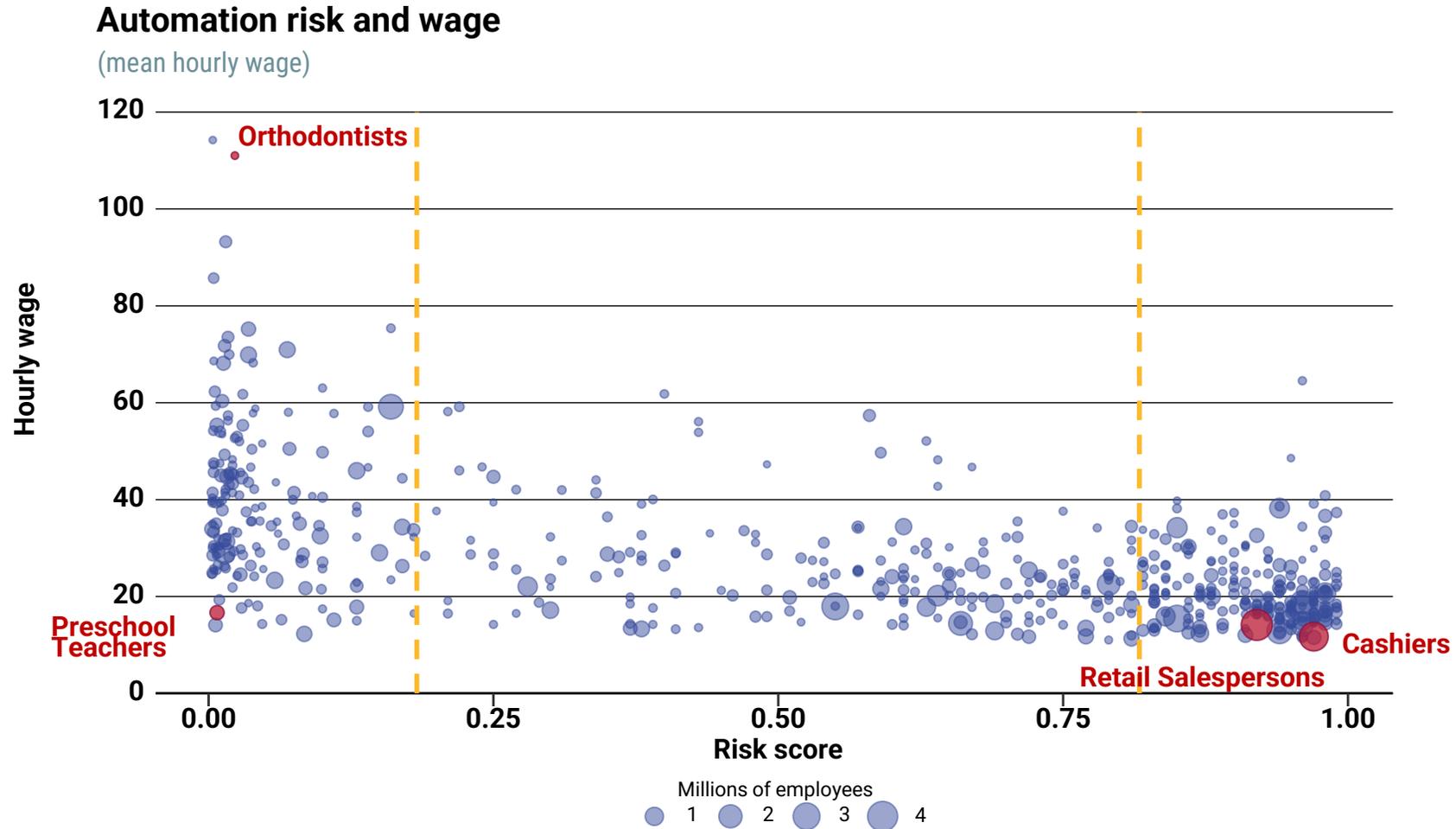
High risk

(percent of group's employed population)



Sources: Frey & Osborne (2017), Bureau of Labor Statistics 2019 via Haver Analytics, staff calculations

Low automation risk jobs pay higher wages

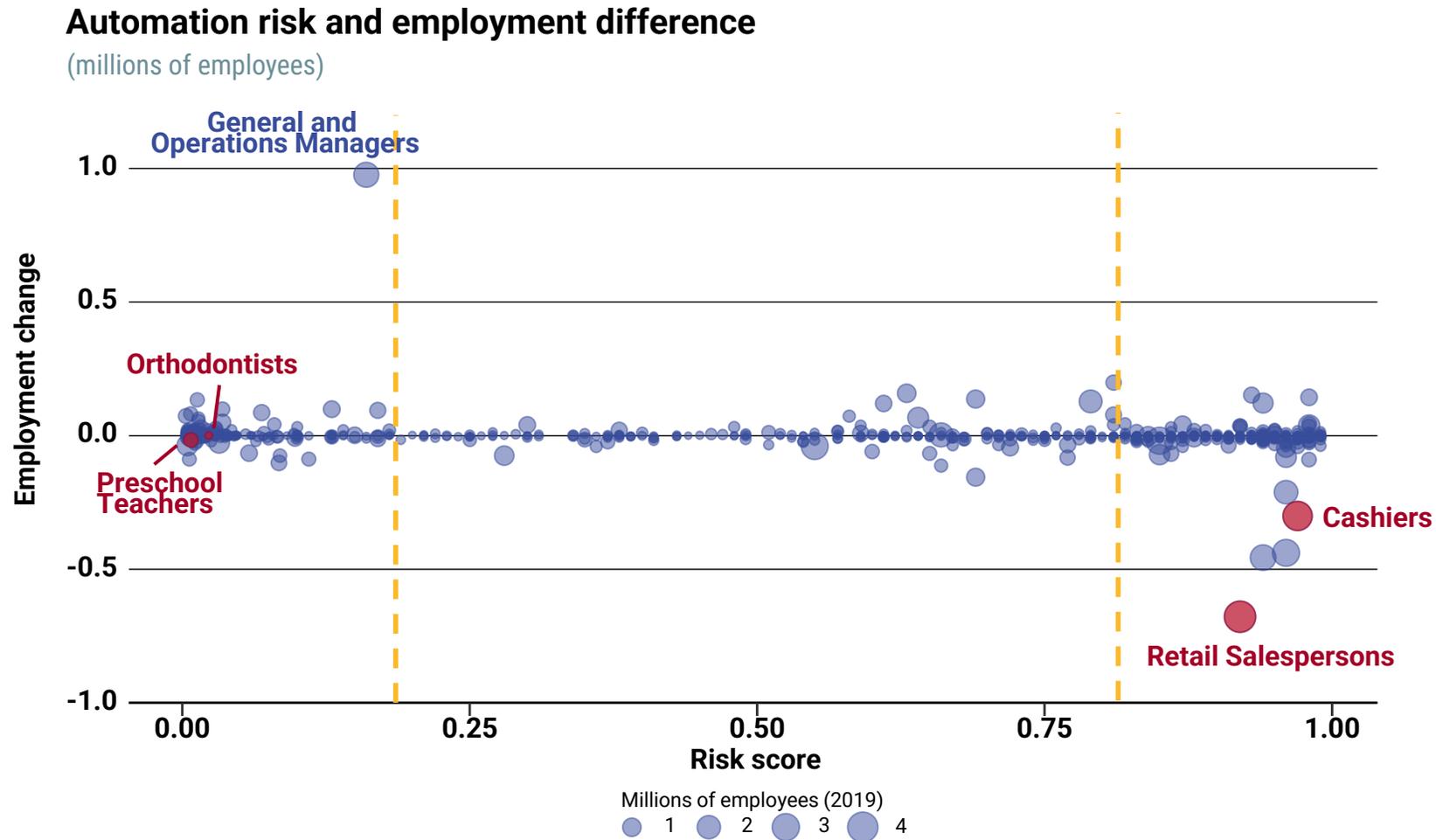


Sources: Frey & Osborne (2017), Bureau of Labor Statistics 2019, staff calculations

Automation may have accelerated due to Covid



Employment changes between 2019 and 2022



Sources: Frey & Osborne (2017), Bureau of Labor Statistics 2019 & 2022, staff calculations

Takeaways

- **In 2019, 50.6 million jobs were at high risk of automation**
 - 31.0 million were at low risk
- **Demographic groups vary in their exposure to automation risk**
- **Important for policies and communities to anticipate dislocations and support workers who may be impacted by automation**
- **Now, people are conducting similar research related to ChatGPT and other AI tools**



WORKER VOICES

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The Worker Voices Project

Background

Led by the Atlanta and Philadelphia Fed, this project engaged with each regional bank to host **20 virtual focus groups** with **175 total participants** from May-September 2022.

- What were workers' experiences with employment at the onset of the pandemic and during the economic recovery?
- Do these workers and job seekers believe that they are benefiting from strong labor market conditions and experiencing greater economic stability?
- What barriers persist and prevent them from returning to and then remaining in the labor market?
- How are they changing what they expect from a job, and how do changing expectations .





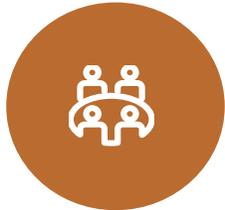
“These past two years, I've been laid off from work many times due to the COVID pandemic. I was interested in the title, ‘The worker's voice,’ because it makes me think we have a voice, the voice of those who are not heard. And I felt the urge to share my experience with other people.”

- Worker Voices Participant

Key Findings



Complex calculations about health risk, family demands, and financial needs during the pandemic changed how many workers navigate the labor market.



The tight labor market has not benefited all workers equally.



Workers expressed enhanced expectations of job quality.



Many workers are reinventing themselves through skill development and self-investment to change their economic opportunities.



Complex Calculations



Workers in this study weighed complex choices around employment, often balancing risks of financial instability against health and safety concerns, caregiving demands, and other barriers. Their comments reflected the mental health impacts these stressors had on their work & family lives. Many workers described how these traumatic and scary experiences fundamentally changed how they evaluate employment opportunities and affect how they navigate the labor market.

Themes included:

- Job insecurity and financial precarity
- Health and safety concerns
- Pandemic exacerbated barriers
- Increased mental stress



Labor Market Disparities



The tight labor market may not have benefited all workers equally. Respondents in this study described their experiences with heavy workloads and increased burnout, and also spoke of struggling to find employment, even in a time of significant job availability.

Themes included:

- Job search challenges
- Labor shortages and experiences with burnout





Expectations for Quality Jobs



Workers shifted their expectations of jobs and are seeking higher-quality employment opportunities. Participants spoke about job stability, agency, dignity, wages proportional to their job responsibilities, and flexibility as aspects of what they now expect in a good job.

Themes included:

- Stable employment
- Agency, dignity and value in work
- Wages and compensation
- Flexibility and work-life balance





Investing in Themselves



Participants are actively reinventing themselves to achieve better employment opportunities, investing in their skills in new and traditional ways through formal, informal, and self-directed learning and are exploring entrepreneurship as a means to achieve economic opportunity. Motivated to find better employment opportunities that meet their expectations of economic security and stability, participants focused on economic mobility in the near term through higher-paying job opportunities to secure economic stability in the long run.

Themes included:

- Formal, informal and self-directed learning
- Self-employment aspirations





“And I think during the pandemic – it kind of flipped the tables a little bit. ... I know that I can bring a lot to the table. Are you going to uphold your end of the half as an employer? So at least for me, it gave me a different perspective of ... don't settle for less.”

– Worker Voices Participant

THANK YOU

Full report: [Worker Voices: Shifting Perspectives and Expectations on Employment \(fedcommunities.org\)](https://www.fedcommunities.org/worker-voices)

Questions contact:

Sarah Miller, sarah.miller@atl.frb.org

Merissa C. Piazza, PhD, merissa.piazza@clev.frb.org

Ashley Putnam, ashley.Putnam@phil.frb.org

