



April 2019

The Futurist

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Marriott Student Review is a student journal created and published as a project for the Writing for Business Communications course at Brigham Young University (BYU). The views expressed in Marriott Student Review are not necessarily endorsed by BYU or The Church of Jesus Christ of Latter-day Saints.

Recommended Citation

Stenquist, Ryan (2019) "The Futurist," *Marriott Student Review*. Vol. 3 : Iss. 1 , Article 8.
Available at: <https://scholarsarchive.byu.edu/marriottstudentreview/vol3/iss1/8>

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“Necessity is the mother of innovation, and innovation responded with numerous technological advances.”

By Ryan Stenquist

“Eight hours for work! Eight hours for rest! Eight hours for what we will!” This was the cry of factory workers across the United States in the early 1900s. Grueling six-day workweeks approaching 100 hours a week exhausted blue-collar America until they finally achieved legal protection and the normalization of the two-day weekend we often take for granted today.

Long after the success of this eight-hour workday movement, we are on the verge of another labor revolution. At least that’s what Jason Schenker, the world’s leading economic futurist, tells us. At the 2018 Park City conference for the National Association of Corporate Directors (NACD), Mr. Schenker revealed what’s coming for business leaders and, by extension, for all of us. While Mark Twain cautions, “prediction is difficult—particularly when it involves the future,” we would do well to consider the data of a forecaster whom Bloomberg rates as #1 in the world in over two dozen financial categories. So, what does the future hold?

The Free Money Election

The United States debt is currently climbing above 22 trillion dollars and by the year 2030, all tax revenue collected by the federal government will be spent on entitlements and interest we owe on the national debt. Otto Von Bismarck, Mr. Schenker facetiously claims, may be as much to blame as any modern politician for our current trajectory.

During Otto Von Bismarck’s rule as Chancellor of the German Empire (1871 to 1890), he led Germany to establish the first social security program in the world: The Old Age and Disability Insurance Bill of 1889. This program gave modest funds to individuals over the age of 70. Bismarck was often criticized as being radically socialist following the creation of this bill. His response: “Call it socialism or whatever you like. It is the same to me.”

Incredulously, these attacks towards Bismarck came at a time when the average life expectancy of Europeans hovered around age 40. “Now that’s a sustainable social security plan!” Schenker quips. Today, average life expectancy in the United States is 78.6 years with a social security threshold of age 65, equaling 13.6 years on average of social security payments.

Needless to say, United States entitlement spending has gotten out of hand. And what might be the antidote? Jason Schenker predicts that by 2030 a

politician who supports scrapping our current entitlement system in favor of giving free money—to the tune of 20,000 dollars per citizen per annum—will be elected as President of the United States. How could distributing free money possibly remedy our financial woes? The data seems to suggest this massive overhaul would in fact be more solvent than today’s labyrinth of federal financial assistance.

The Transpocalypse

National Public Radio reports that in 1978 the most common job title in the United States was “secretary.” Necessity is the mother of innovation, and innovation responded with numerous technological advances (Microsoft Office, calendar applications, voice assistants, etc.) that replaced much of the need for human capital in secretarial roles. And what is the most common job title today? Truck driver. An overwhelming 29 states report that their largest need for human capital is in the truck, delivery, and tractor driving industry.

Not surprisingly, the most innovative companies of today are approaching this opportunity with zeal. Tesla is producing an all-electric, self-driving semitruck with record acceleration and safety features. Uber aims at skipping roadways altogether with commercial, self-automated flying cars 32x quieter than the average helicopter. And on December 7, 2016, Amazon delivered



THE FUTURIST

Wise Words from an Economic Fortune-teller





Tesla Semi
Image Source:
TheVerge.com

its first package with Amazon Prime Air, its drone delivery service. Schenker's prediction: it won't be long before the title "truck driver" goes the way of the secretaries of 1979.

The Robocalypse & Voting Capital

"Robocalypse" is a doomsday term that has been tossed about in science fiction movies and books for decades. Few would expect that the cause of this impending event would not be villainous scientists, but rather payroll taxes. Jason Schenker predicts that as part of the aforementioned increase of entitlement debt, congress will choose to increase payroll taxes from the current 15.3% to approximately 25% or more. As employers bear the burden of an almost doubled tax rate for every human employee they hire, the incentive to turn to automation will only increase.

The touchscreen self-service kiosks

now appearing in fast food restaurants are only a foreshadowing of the shift towards automated and robotic labor. Companies are looking to collaborative robots, "co-bots," to assist human employees in more strenuous physical tasks and more mundane office work. For example, factory workers in Japan are already using metal suits that help them lift hundreds of pounds—even at an advanced age. Schenker predicts that these and other cost-efficient technologies will proliferate only as the talented, though perhaps not so lucrative parkour robots on YouTube are cut from research and development funding.

As all of this new technology rolls out, a human employee's only hope may come from a surprising source: voting rights. Political candidates largely choose policies that will please their constituents, and one of the primary reasons for the resiliency of

automotive, oil, and manufacturing companies in the United States is the fact that they employ millions of voters. Massive companies have seen unusually merciful tax breaks, tariffs on competitors, and cash handouts from government officers anxious to please the electorate.

So, what happens when companies switch from a human workforce to a robotic one? For one, they lose "voting capital." The status "too big to fail" may not apply to a company with massive revenues but relatively few employees. It's no wonder that companies like Amazon, who could be much more automated than they currently are, continue to invest in human capital in key political areas like New York and Northern Virginia.

Conclusion

Ubiquitous self-driving cars, robot workers, and massive political shifts may seem far away and irrelevant to our day-to-day lifestyles. However, Mr. Schenker proves that these changes are fast approaching and come as timely responses to our current problems and opportunities. 19th century factory workers would be pleased to see our day, to say the least. 🇺🇸

Notes

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