

William C Dudley: Opening remarks at the Evolution of Work Conference

Opening remarks by Mr William C Dudley, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the Evolution of Work Conference, Federal Reserve Bank of New York, New York City, 17 November 2016.

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Good morning. I would like to welcome you to this conference on the Evolution of Work. Today, we will explore how the nature of work is evolving, including the role of technology, shifts in employee work arrangements and employer-employee relationships, and the effects of these changes on workforce development strategies. We are pleased to host this conference with the Board of Governors of the Federal Reserve System and the Freelancers Union. We welcome all the leaders from across academia, government, industry, labor and the nonprofit sector assembled here to explore the transformation of the workforce, and the impact this has had on communities and the economy more broadly. As always, what I have to say today reflects my own views and not necessarily those of the Federal Open Market Committee or the Federal Reserve System.

As you know, the Federal Reserve monitors the labor market closely, given that maximum sustainable employment is one goal of the Fed's dual mandate. The evolving nature of the workplace—and the speed with which it is changing—are therefore important developments that we must continue to monitor. Traditional nine-to-five jobs are becoming less common, and people are increasingly employed in less traditional work arrangements. Measuring the creation and destruction of these new jobs is of utmost importance to gain a better assessment of the health of the labor market. We also need to understand how this evolution is affecting job security and earnings stability. While these jobs might provide workers with more flexibility, they might also come with increased income volatility and financial vulnerability. In today's gathering, we will discuss the measurement challenges we face to better understand this growing segment of the labor market, and we will facilitate a dialogue aimed at developing a workforce aligned with the evolving nature of work.

The Fed's efforts to understand labor markets include analyzing the comprehensive data that exist now. But, in an ever-changing workplace, it is critical that we hear from external stakeholders to understand their views on these changes and to ensure we incorporate them in our assessments. This is an important part of our discussion. As technological changes persist, it is inevitable that the nature of our jobs will continue to evolve. We may not readily recall the days when there was little job flexibility and we did not have today's technology to assist us in our work. While technological transformation allows for further growth in productivity and innovation, we must also think through how these changes affect the workforce overall. We must realign our workforce development strategies with these changes.

Today, we will also focus on what this evolution means for low- and moderate-income households. One session will explore on-the-ground community development and labor models, with a focus on the implications for low- and moderate-income earners. This will be an important discussion on how to help workers build the skills necessary to adapt to change—a conversation that should ultimately include workers, their employers, their communities and the public sector, working together. We all need to share in the responsibility of helping people increase and maintain the skills relevant to contributing valued work. Again, I wish you a fruitful dialogue, and I commend you for coming together to discuss such important issues and the trends affecting the U.S. workforce.