

**Essay**

# The New Work Reality

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## What Excites You about the New Work Reality and Why?

What is the new work reality? To me, it is neither holding multiple jobs over the course of a career nor relatively short job tenure for the vast majority of workers, as these have characterized work in the United States since World War II. Rather, it is compensation and employee benefit program designs that fit a mobile workforce well. These are in contrast to the designs of the 1950s, 1960s, and 1970s that provided for the stable 10–20 percent of workers while disadvantaging most. The ideal structure of compensation and employee benefits would accommodate all workers through programs suited to individual workers' job patterns, skills, and family and financial circumstances.

Another component of the new work reality is a reduction in unionization and its job protections. In addition, we seem to be witnessing a decline in employer commitment to keep workers working, with employers instead viewing workers as expendable when demand weakens or when profits might rise by starting over with a new workforce in a new location (even if that means moving jobs outside of the United States).

What excites me about the new work reality is that today's compensation and benefit programs are beginning to deliver customized fits for all workers.

Social Security, Medicare, and Medicaid continue to provide an essential base of protection for survivors, people with disabilities, and retirees. The Affordable Care Act and its combination of employer-based programs and exchanges, guaranteed issue, no medical underwriting, age-based but banded premiums, and coverage portability across the nation facilitate choice and flexibility for workers more so now than at any other time in our nation's history.

At the same time, we have seen the spread of employment-based, defined contribution retirement savings programs with immediate or near-immediate vesting, fully vested account portability to new employers' plans or Individual Retirement Accounts (IRAs), and the choice of pretax or Roth after-tax IRA contributions. This has produced a new work reality in which growing numbers of workers have the opportunity to save effectively for retirement, emergencies, and such other expenditures as home purchases, medical

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catastrophes, or children's education. Many long-service workers still have defined benefit pension plans, but the plans now may offer single-sum distributions that allow for full balance portability and investment opportunities. These developments have helped do away with large portability losses suffered under the old work reality when workers left jobs. I find exciting the expanded job flexibility, including the ability to move in and out of the labor force at younger and older ages without fear of losing access to retirement accumulation value or health insurance protection. Greater workplace flexibility can make it possible for workers to care for family members, update skills, or take long vacations while still in good health.

I am also excited by the vitality, focus on self-actualization, attention to family and community, and enjoyment of life that I see in so many people of all ages as they have embraced this new work reality. The increase in life flexibility that the new reality provides may well reduce security but increase happiness and quality of life. Finally, as the Retirement Confidence Survey's nearly quarter-century tracking of worker and retiree expectations shows, with the new work reality has come far more realistic expectations by older workers of what they can rely on others to do for them and what they must do for themselves: save, work longer, and plan for possible retiree medical and long-term care expenses. These steps can lead to better retirement outcomes for individuals and families.

## What about the New Work Reality Keeps You up at Night and Why?

I am proud to be an American. I view the well-being of the United States and the people who live in it to be of the highest importance, and I believe that this should be at the core of what drives the desire for success of the country's employers and workers. The willingness of Americans and American organizations to leave the United States simply to reduce their tax burdens and increase their net earnings is, in my view, its own form of treason. The new "global" and "profit above and beyond all else" work reality keeps me up at night.

I am also kept awake by a market and political mantra that suggests we all should want to have global enterprises and to be global citizens. For me, that suggests a lack of community and commitment to help each other, regardless of where we came from, as part of a common national bond. My ancestors and family members served in the Revolutionary War, the Civil War, the Vietnam War, and the Iraq War, among other conflicts, to preserve and strengthen this nation and ensure equality and freedom for all. Many of those relatives—one of whom was Abraham Lincoln—gave their lives toward this end. I worry that the new work reality, carried too far, could undermine national identity and the sacrifices of so many to preserve it.

*The views expressed by the author are meant to encourage debate and discussion; they do not necessarily represent official policies of AARP.*

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