EPISODE 569

We Were Promised a Four-Hour Workday

Money for the Rest of Us • David Stein

moneyfortherestofus.com

The Promise of Leisure

Two predictions from the early 1930s

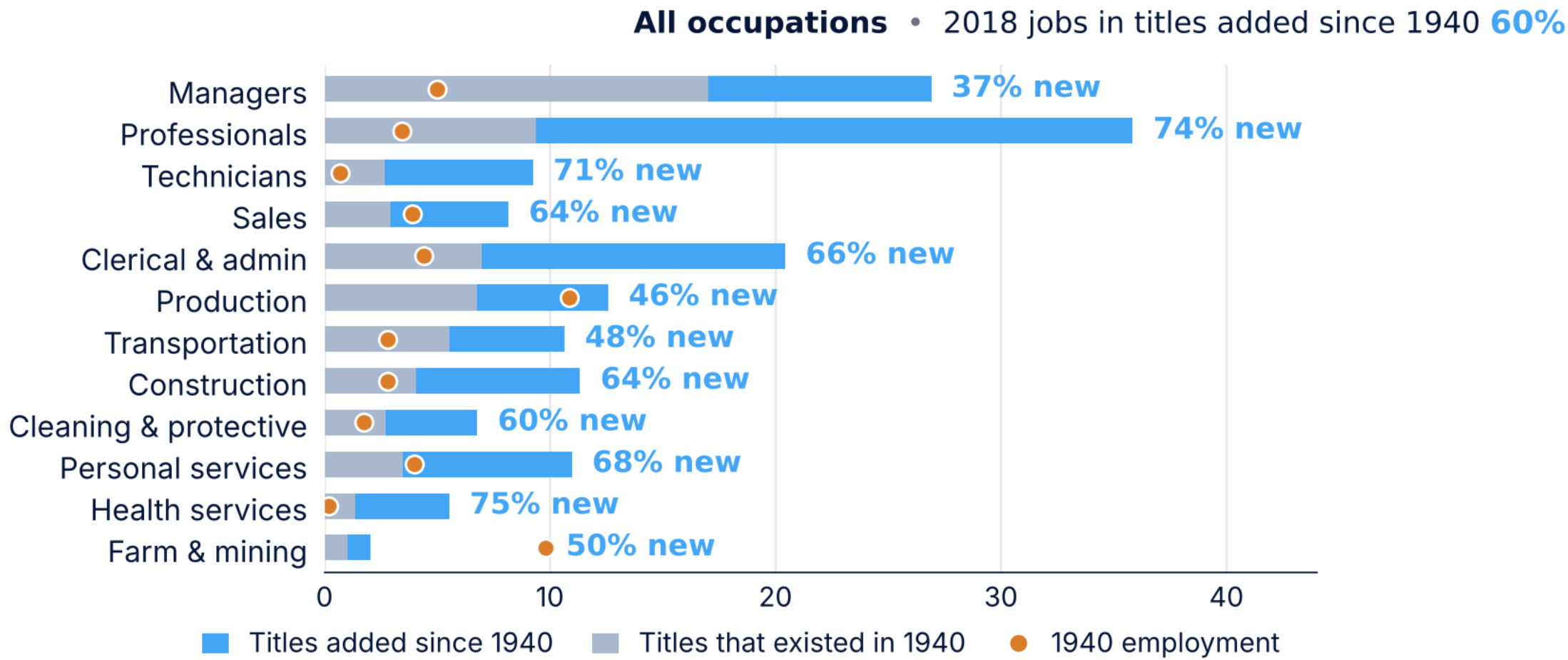
> Four hours' work a day should entitle a man to the necessities and elementary comforts of life, and that the rest of his time should be his to use as he might see fit.
>
> ***Bertrand Russell, In Praise of Idleness (1932)***

> Three-hour shifts or a fifteen-hour week may put off the problem for a great while. For three hours a day is quite enough to satisfy the old Adam in most of us!
>
> ***John Maynard Keynes, Economic Possibilities for our Grandchildren (1930)***

MONEY for the Rest of Us
Asset CAMP

Most of Today's Jobs Are New

US employment by occupation, millions, 2018 vs. 1940



Source: Autor et al., "New Frontiers" (2022). Ranked by pay, highest at top.

MONEY for the Rest of Us
Asset CAMP

Where New Jobs Come From

Examples of job titles the US Census first recognized, by decade

	NEW TECHNOLOGY	TASTES AND INCOMES
1940s	Airplane designer	Tattooer
1950s	Textile chemist	Pageant director
1960s	Computer applications engineer	Mental health counselor
1970s	Remotely piloted vehicle controller	Hypnotherapist
1980s	Circuit layout designer	Conference planner
1990s	Artificial intelligence specialist	Amusement park worker
2000s	Wind turbine technician	Sommelier
2010s	Cybersecurity analyst	Drama therapist

Source: Autor, Chin, Salomons & Seegmiller, "New Frontiers" (2022), Table 1.

MONEY for the Rest of Us
Asset CAMP

The Cost of Busyness

Giurge, West & Whillans, Harvard Business School

> Today, time poverty and ‘busyness’ are often seen as signals of productivity, success, and high status. Yet, recent scientific evidence provides compelling evidence that feeling time-poor can adversely affect subjective well-being (e.g., life satisfaction, positive affect), mental health, work performance, creativity, and relationship quality.

Source: Giurge, West & Whillans, "Beyond Material Poverty," HBS Working Paper 20-051.

MONEY for the Rest of Us

Asset CAMP

What Makes Us Time-Poor

Drivers built into organizations, governments, and our minds

ORGANIZATIONS

Idle time
78% kept idle between meetings, $100 billion a year in lost wages

Fragmented time
A typical workday breaks into 88 episodes of 10 minutes or less

GOVERNMENTS

Paperwork
11.6 billion hours of federal forms in 2019, hardest on the poor

Commuting
300 hours a year, 10% of work time
DC low earners: 2 more hours a week

OUR OWN MINDS

We undervalue time
Only 48% prefer more time to more money, even working parents

We shrug off lost hours
Losing an hour bothers us less than losing $12, so lost time piles up

Source: Giurge, West & Whillans, "Beyond Material Poverty," HBS Working Paper 20-051.

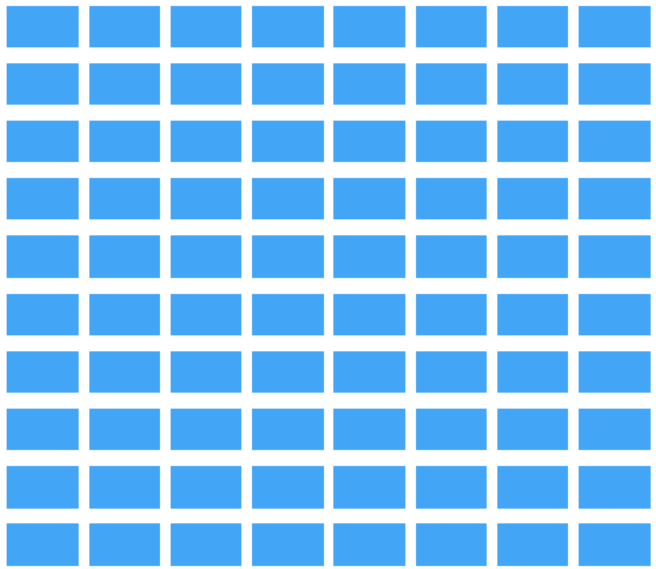
MONEY for the Rest of Us

Asset CAMP

Russell's Pin Factory

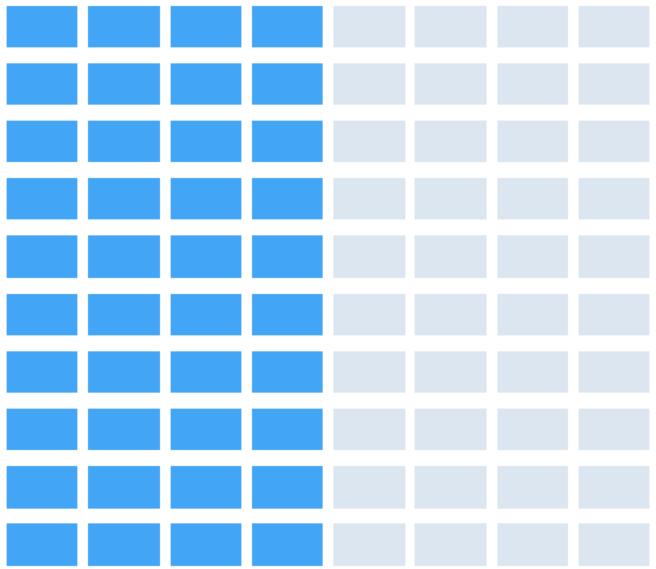
A machine doubles output. Who gets the extra time?

BEFORE THE MACHINE



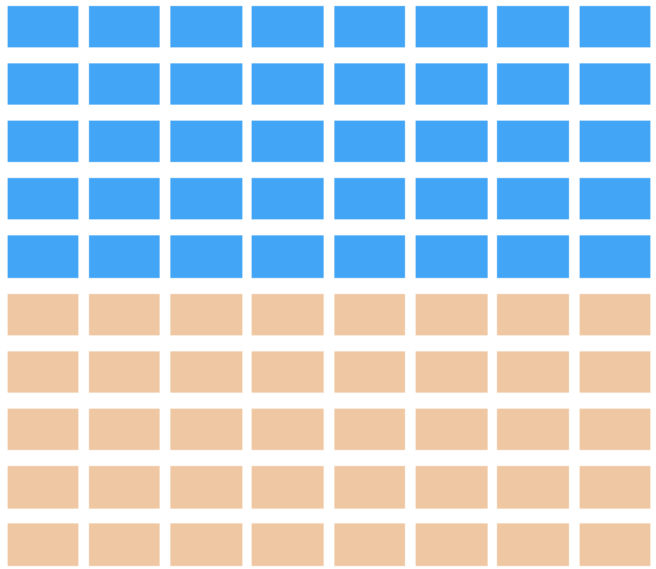
8 hours each
makes all the pins needed

THE SENSIBLE FIX



4 hours each
same pins, more leisure

WHAT HAPPENS



8 hours or none
half overworked, half idle

Hour of work Hour of leisure Hour unemployed

One row per worker

Source: Bertrand Russell, "In Praise of Idleness," Harper's Magazine, 1932. Illustrative.

MONEY for the Rest of Us

Asset CAMP

The Pin Factory, Revisited

Where the 1932 example fits AI, and where it breaks

	RUSSELL'S PINS	AI TODAY
SIMILAR		
Output jumps	A machine doubles pin output	Compute and output surge
No one stops	No factory makes less alone	No cloud giant builds less
Workers' choice	Shorter days or fewer jobs	The same choice returns
DIFFERENT		
Demand	Pins were already plentiful	New uses may soak up supply
Who loses	Workers, half left idle	Investors; users may gain
What is left	Unsold pins	Reusable capacity, like fiber

Source: Bertrand Russell, "In Praise of Idleness" (1932). The AI comparison is editorial.

MONEY for the Rest of Us

Asset CAMP

From Workers to Returns

What drives economic growth, and how it reaches stock returns

WHAT DRIVES GDP GROWTH

More workers

1.7% a year in the 1970s, about 0.1% for 2025-2035

+

Higher productivity

Output per hour: 2.1% a year since 1947

=

Real GDP growth

Add inflation to get nominal GDP growth

↙

WHAT DRIVES STOCK RETURNS

Dividend yield

Cash paid out to shareholders

+

Earnings growth

Tracks nominal GDP over time, less share dilution

+

Valuation change

Investors paying more or less per dollar

With the workforce barely growing, productivity must carry growth.

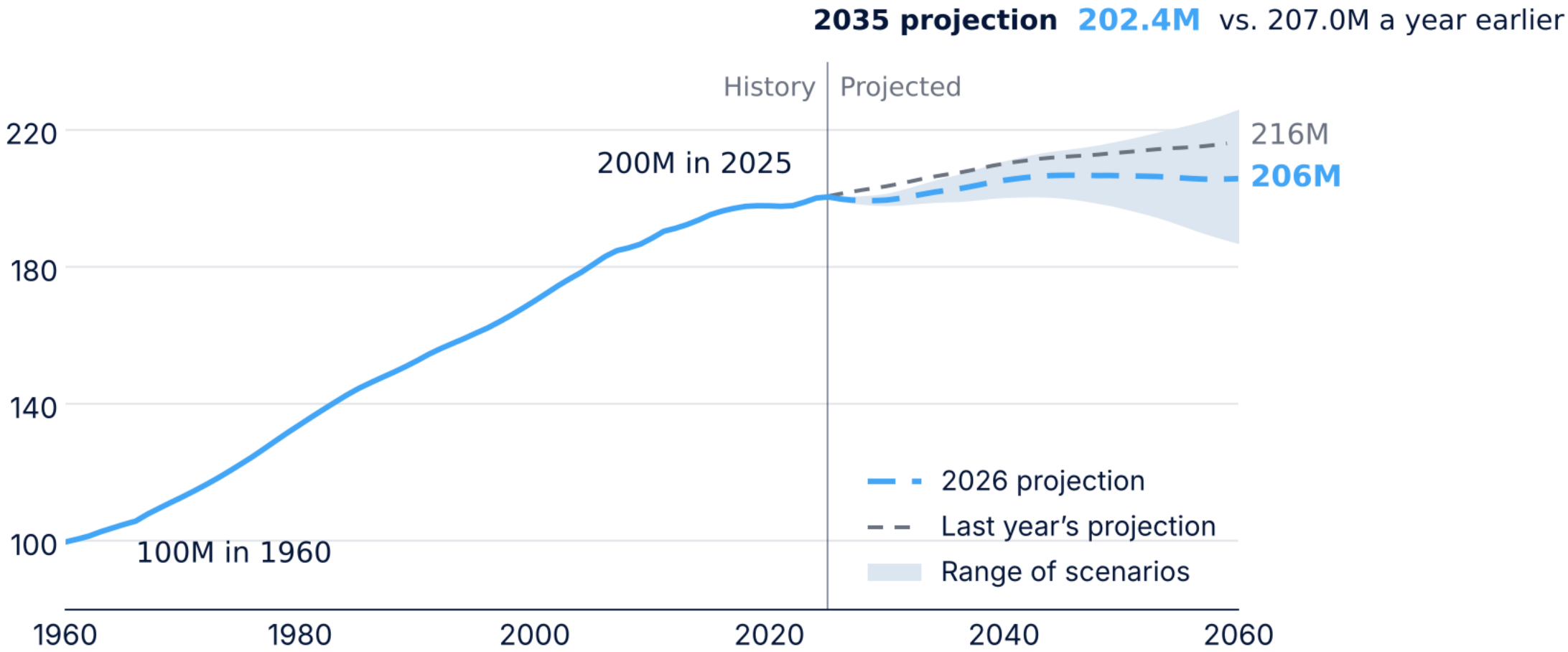
Sources: BLS Productivity and Costs (Sept. 2026); 2026 Social Security Trustees Report, Table V.A3 (population ages 20-64).

MONEY for the Rest of Us

Asset CAMP

Working-Age Population Stalls

US population ages 20-64, millions, 1960-2060



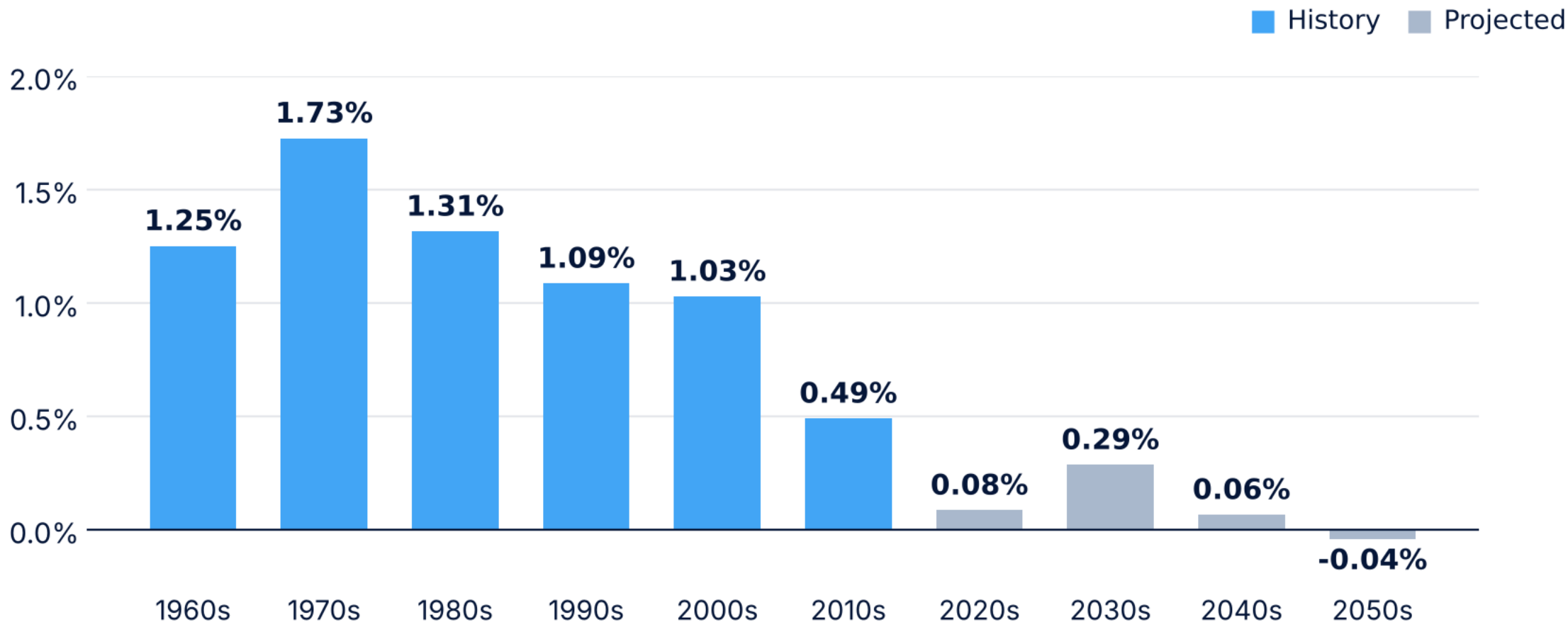
Source: Social Security Trustees Reports (2025, 2026), Table V.A3, intermediate.

MONEY for the Rest of Us

Asset CAMP

Decades of Slowing Growth

Average annual growth, US population ages 20-64



Source: 2026 Social Security Trustees Report, Table V.A3. Projected after 2025.

MONEY for the Rest of Us

Asset CAMP

Making Up for Fewer Workers

Three partial offsets, and one headwind working against them

OFFSETS

Automation	Scarce young workers push firms to adopt labor-saving technology
Better-educated workers	Smaller families invest more in each child, making up about an eighth of the loss
Immigration	Adds workers directly, but net inflows fell from 3.5M in 2023 to 0.4M in 2025

HEADWIND

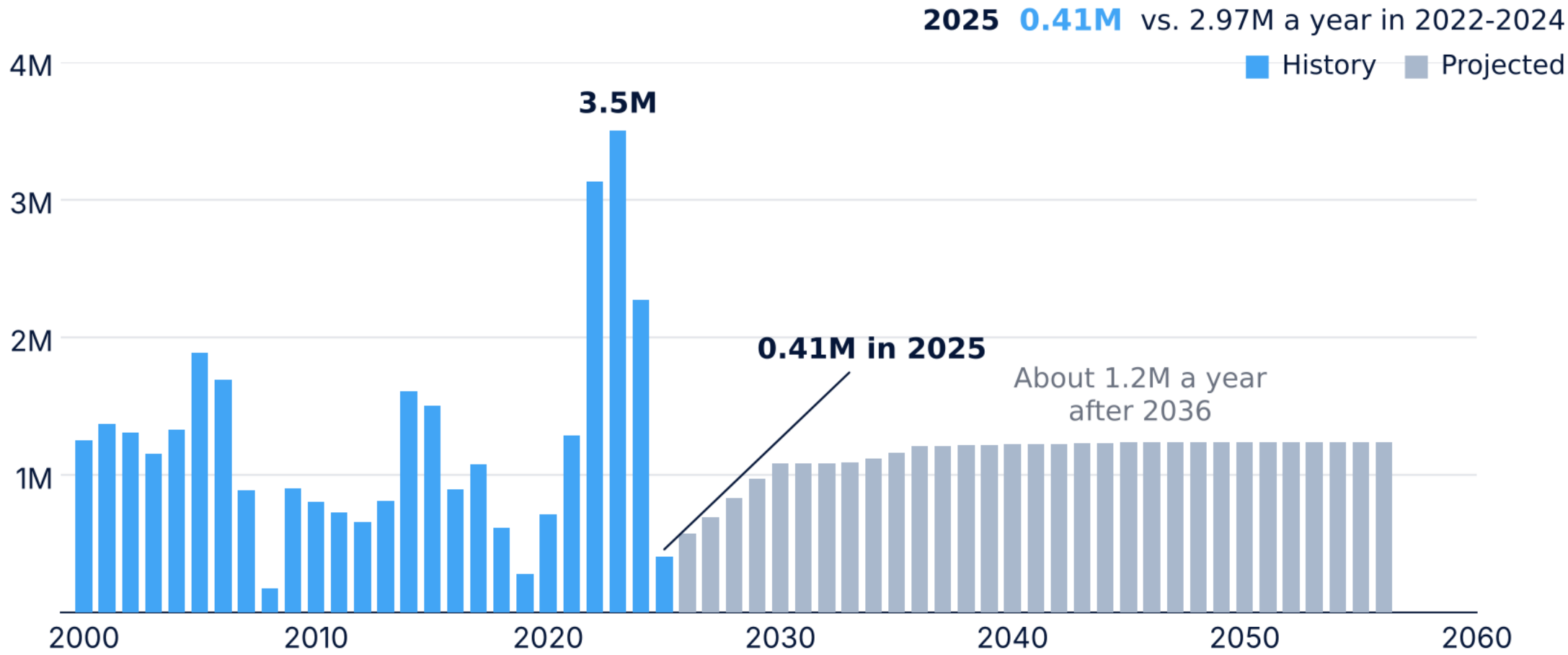
Less investment	An older population needs fewer new homes, stores, and offices, so investment slows

Sources: Acemoglu, Autor, Beirne & Scott (2026); Siskova et al. (2023); CBO, The Demographic Outlook (January 2026); Kopecky (2022).

MONEY for the Rest of Us
Asset CAMP

From Surge to Slowdown

US net immigration, millions of people, 2000-2056



Source: CBO, The Demographic Outlook: 2026 to 2056 (January 2026), Figure 7.

MONEY for the Rest of Us

Asset CAMP

Fewer Births, More Output

Seven decades of evidence across countries and US regions

Lower birth rates → **Fewer young workers** → **Labor-saving innovation** → **More output per worker**

World: 3.8 per 100 in 1950, 1.7 in 2025

Scarce young workers drive the effect

More automation patents and capital

Total GDP holds up

26.8%

higher GDP per working-age adult by 2020, per 1-point lower 1950 birth rate

Not

explained by more women working, more schooling, or the move off farms

Source: Acemoglu, Autor, Beirne & Scott, "Baby Busts and Growth Booms" (2026).

MONEY for the Rest of Us

Asset CAMP

Two Kinds of Innovation

Patents that help workers vs. patents that replace them

AUGMENTATION

Improves what workers make

EXAMPLE

Solar power conversion patent → solar photovoltaic electrician

RESULT

- **New job titles appear**
- **Employment and wages rise**

AUTOMATION

Replaces tasks workers do

EXAMPLE

Automatic mail processing patent → takes over mail handlers' tasks

RESULT

- **No new job titles**
- **Employment shrinks**

Both kinds tend to hit the same occupations. Since 1980, the drag from automation has grown, while augmentation's lift has not.

Source: Autor, Chin, Salomons & Seegmiller, "New Frontiers" (2022).

MONEY for the Rest of Us
Asset CAMP

Kiosks: Replace or Augment?

What changed inside McDonald's and other fast-food chains

TASK AUTOMATED

- **Taking orders at the counter**
- **Taking payment**
- **Suggesting add-ons**

WORK THAT GREW

- **Bringing food to tables**
- **Guest experience leads**
- **Mobile and delivery handoffs**
- **More kitchen work per order**

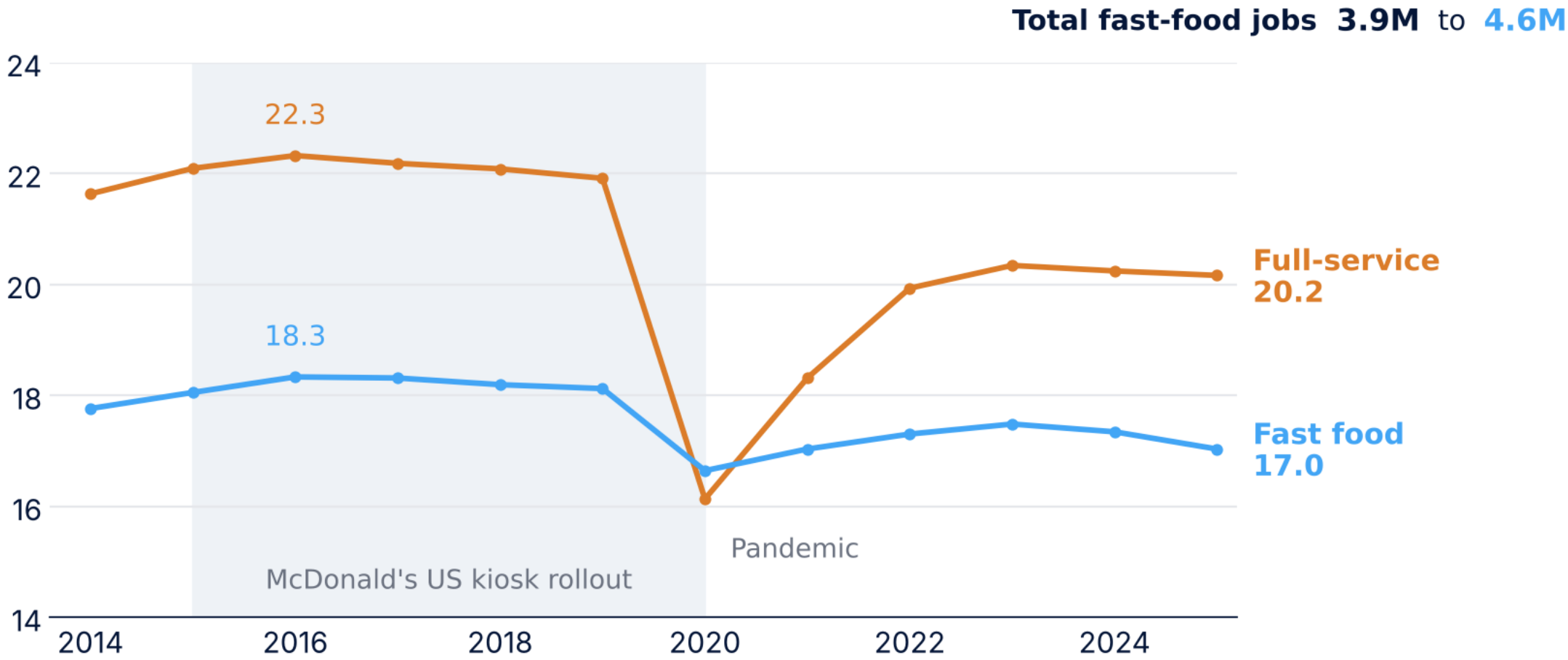
In Korea, restaurants that added kiosks kept the same number of workers, but part-time pay fell. McDonald’s does not report US restaurant staffing.

Sources: CNN (Sept. 2024); Bloomberg (Aug. 2018); Yoon, Technology in Society (2023).

MONEY for the Rest of Us
Asset CAMP

Fewer Workers per Restaurant

Average employees per US restaurant, 2014-2025



Source: BLS QCEW, private-sector annual averages (NAICS 722513 and 722511).

MONEY for the Rest of Us

Asset CAMP

Which Tasks Get Automated?

Same computerization, opposite results for two kinds of clerks

ACCOUNTING CLERKS

Software took simple tasks

Filing and basic arithmetic automated
Left: reconciliation, problem-solving

EMPLOYMENT	WAGES
−32%	+39%

INVENTORY CLERKS

Scanners took expert tasks

Tracking and pricing automated
Left: counting and stocking

EMPLOYMENT	WAGES
+175%	−13%

Remove the easy tasks and a job gets smaller and better paid.
Remove the hard tasks and it gets larger and lower paid.

Source: Autor & Thompson, "Expertise" (2025) and Digitalist Papers essay (2026).
Changes over about four decades.

MONEY for the Rest of Us

Asset CAMP

Two Labor Paths

WHEN WORKERS ARE SCARCE

Firms adopt labor-saving technology → **Output per worker rises** → **Automated jobs shrink**

WHEN WORKERS ARE PLENTIFUL

Employment rises about one for one

Hiring concentrates in hospitality

Rents rise, but building doesn't

Sources: Acemoglu, Autor, Beirne & Scott, "Baby Busts and Growth Booms" (2026); Autor, Chin, Salomons & Seegmiller, "New Frontiers" (2022); Wilson & Zhou, Dallas Fed Working Paper 2607 (2026).

MONEY for the Rest of Us
Asset CAMP

Show Notes

In Praise of Idleness
Bertrand Russell, libcom.org

Economic Possibilities for our Grandchildren
John Maynard Keynes, marxists.org

New Frontiers: The Origins and Content of New Work, 1940–2018
David Autor, Caroline Chin, Anna M. Salomons & Bryan Seegmiller, National Bureau of Economic Research

Expertise
David Autor & Neil Thompson, National Bureau of Economic Research

Beyond Job Displacement: How AI Could Reshape the Value of Human Expertise
David Autor & Neil Thompson, MIT

McDonald’s touchscreen kiosks were feared as job killers. Instead, something surprising happened
Nathaniel Meyersohn, CNN

McDonald’s Kiosks Mean More Staff at Chicago Flagship, Not Fewer
Uliana Pavlova, Bloomberg

Technology Adoption and Jobs: The Effects of Self-Service Kiosks in Restaurants on Labor Outcomes
Chungeun Yoon, Technology in Society

Quarterly Census of Employment and Wages
Bureau of Labor Statistics

Social Security Area Population and Dependency Ratios (Table V.A3)
2026 Social Security Trustees Report

The Demographic Outlook: 2026 to 2056
Congressional Budget Office

Show Notes (continued)

Baby Busts and Growth Booms: Demographic Change and the Macroeconomy
Daron Acemoglu, David Autor, Keelan Beirne, and Andrew Scott, NBER

Population Age Structure and Secular Stagnation: The Long Run Evidence
Joseph Kopecky, SSRN

Does Human Capital Compensate for Depopulation?
M. Siskova, M. Kuhn, K. Prettner, and A. Prskawetz, SSRN

The Impacts of Unauthorized Immigration on U.S. Labor and Housing Markets
Daniel J. Wilson and Xiaoqing Zhou, Federal Reserve Bank of Dallas

Productivity and Costs
Bureau of Labor Statistics

Why Time Poverty Matters for Individuals, Organisations and Nations
Laura Giurge, Ashley Whillans, and Colin West, Nature Human Behaviour

Related Episodes

531: Will AI Wipe Out Half of White Collar Jobs or Is There an AI Bubble?

437: How to Live Like You Are Already Retired

417: Will Generative AI Replace Your Job?

331: Why Do We Work So Much?

72: Will A Robot Take Over Your Job?