

FREE AGENT NATION

How America's
New Independent Workers
Are Transforming the
Way We Live

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MISTAKEN PREMISES

1. *Loyalty is dead.* Last decade's blaze of downsizing, this decade's dot-com layoffs, and the end of lifetime job security have eroded loyalty in the workplace, right? Not quite. In Free Agent Nation, loyalty isn't dead. It's different. Instead of the up-and-down loyalty that runs from an individual to an institution, free agents practice a new side-to-side loyalty—a fierce allegiance to clients, colleagues, ex-colleagues, teams, professions, projects, and industries. In some ways, loyalty is stronger than ever.
2. *The workforce is adrift, operating without a broad social contract.* True, the implicit employment deal that reigned in the Organization Man's day has disappeared. But a new one has emerged, the animating bargain of free agency in which individuals trade talent for opportunity.
3. *The best measure of economic success is growth.* The traditional view is that a larger company with higher profits is more successful than a smaller company with lower profits. But these economics don't necessarily apply to free agents. Bigger isn't better. *Better* is better. As millions of free agents decide that staying small is preferable to growing big, they are redefining the very notion of success.
4. *The free agent economy makes workers less secure.* Sometimes. But as many free agents fashion a diversified portfolio of multiple clients, customers, and projects, they often find themselves *more* secure than traditional employees.
5. *Parents must try to balance work and family.* For much of the past two decades, middle-class Americans have struggled to balance work and family. Corporations have responded with so-called family-friendly initiatives and

governments have passed laws mandating family leave. But these well-intentioned efforts haven't alleviated the anxiety. Why? They offer One Size Fits All solutions for a My Size Fits Me workforce. That's why many free agents have taken a different approach and scrapped the balancing act altogether. For them, the solution is mostly to *erase* the boundary between work and family. Blending, not balance, is often their answer.

6. *Small entrepreneurs and solo workers, missing that fabled water cooler, are isolated and lonely.* Isolation is a genuine risk of working this new way, but free agents have formed an array of ingenious small groups to rebuild workplace social life and redefine community.
7. *Americans should—or even want to—retire.* Retirement is, in many ways, a twentieth-century aberration. Why should it be a twenty-first-century fixture—especially when the notion is increasingly less necessary, not to mention less desirable, for many older Americans? Instead of going gently into the retirement night, free agents are inventing a new old age. Just ask Grandma Betty.
8. *Public education is in a crisis that can be repaired with better testing, higher standards, and more rigorous discipline.* The main crisis in schools today is irrelevance. And the main problem with most education solutions is that they incrementally improve Taylorist solutions for a Taylorist workforce. Of all the institutions in America, schools have least adapted themselves to the free agent economy. Watch for more middle-class families opting to home-school their children on their own terms and consistent with their own values. And expect more Americans to begin questioning whether formal schooling should be compulsory and whether a college degree is necessary.

9. *“Empowering” workers and trying to “retain” them is a wise strategy for corporate managers at talent-starved companies.* As more employees head for the exits, more organizations are redoubling their efforts to keep them in their cubicles. But these tactics tend to fail because they rest on flawed assumptions. “Empowerment” implies that the organization holds the power, and is generously granting some of it to the individual. But in a free agent economy, organizations need individuals more than individuals need organizations. (“Hey, I think I’ll empower GM today by showing up for work.”) Corporate attempts at empowerment, consequently, are both laughable and patronizing. Ditto for “retention.” With a free agent workforce, you can inspire people and challenge people, but you can’t “retain” them.
10. *Americans ought to get their health insurance through an employer.* This is the standard arrangement for most Americans under sixty-five who have health insurance. The trouble is, it’s an arrangement built on a historic accident and underpinned by almost no economic or moral logic. Why should employer-based health insurance continue—especially when fewer of us will *have* employers?
11. *Men are overrepresented in the workforce and in the top positions of the economy.* Women still earn less than men for similar work. And women still face a stubborn glass ceiling. Those aren’t good things, but they might end up mattering far less than some think. Women are a driving force behind free agency, and could possibly dominate the free agent economy.
12. *Rampant individualism is fraying our social fabric.* Critics on both the left and the right agree on one thing: Our common culture is corroding. And they argue that a hypercharged free agent economy, with its fleeting rela-

tionships and temporary commitments, only speeds the corrosion. However, free agency may have the opposite effect. Instead of fraying bonds, it will mend them. Instead of eroding community, it will repair it. Instead of promoting a race to the bottom, it will trigger a scramble to the high ground. The “art of association”—genuine community forged by ones “own interest rightly understood”—that Alexis de Tocqueville noted on his visit to America two centuries ago is alive and well in Free Agent Nation.

Free agency is reconfiguring the basic assumptions of American work and life. And as these tectonic plates slide into new positions, what appears on the surface will begin to change as well. Existing arrangements will topple. New ones will arise in their place. For all the talk about paradigm shifts and digital revolutions, for each climb in the S&P 500 and collapse in the NASDAQ, for every panting account of this Internet millionaire and every scornful chronicle of that dot-com implosion, we have been missing the larger story.

Free agency is the *real* new economy.

CHAPTER 1

THE CRUX: In the second half of the twentieth century, the key to understanding America's social and economic life was the Organization Man. In the first half of the twenty-first century, the new emblematic figure is the free agent—the independent worker who operates on his or her own terms, untethered to a large organization, serving multiple clients and customers instead of a single boss. The rise of free agency shatters many ironclad premises about work, life, and business in America—from how companies should operate, to how we structure our health care, retirement, and education systems, to which values guide our lives. To truly understand the new economy, you must first understand the free agent.

THE FACTOID: The largest private employer in the U.S. is not Detroit's General Motors or Ford, or even Seattle's Microsoft or Amazon.com, but Milwaukee's Manpower Inc., a temp agency.

THE QUOTE: "This book is about the free agent. If the term is vague, it is because I can think of no other way to describe the people I am talking about. They are free from the bonds of a large institution, and agents of their own futures. They are the new archetypes of work in America."

THE WORD: *Taylorism*. The free agent's approach to work; descendant of Taylorism, Frederick Winslow Taylor's One Best Way method of mass production. Under Taylorism, free agents fashion their work lives to suit their own needs and desires—instead of accepting the uniform values, rules, and structure of a traditional job. Opposite of the One Size Fits All ethic of the Organization Man era. (Synonym: *My Size Fits Me*)

CHAPTER 2

THE CRUX: Work has changed so swiftly and so profoundly in recent years that traditional methods of measuring it are proving at best weak—at worst, misleading. (The federal government, for instance, still groups workers into two categories: “farm” and “nonfarm.”) While categorizing such an individualistic breed is difficult, free agents usually approximate three general species: soloists, temps, and microbusinesses. And using official figures, private studies, and academic research, we can fashion conservative estimates of the size of each group: 16.5 million soloists, 3.5 million temps, and 13 million microbusinesses. In all, at work in America today are 33 million free agents—about one in four American workers. (And that doesn’t include telecommuters, inveterate job-hoppers, and other quasi-free agents.) Even this conservative 33 million figure means that free agents easily outnumber all manufacturing workers and all government workers—and may be the largest single cluster of workers in the economy.

THE FACTOID: Two out of three workers in California do not hold traditional jobs—the permanent, year-round, full-time, outside-the-home employment arrangement that is the basis of nearly all American labor laws and social assumptions.

THE QUOTE: “Free agents, and ever more working people generally, do not nestle comfortably into the categories ‘employer’ and ‘employee.’ Free agents are *neither* employers nor employees; free agents are *both* employers and employees. That may sound like a Zen koan, but it’s a key feature of this new economy.”

THE WORD: *Nanocorp.* A microbusiness that remains “ruthlessly small”—as both a personal preference and a competitive strategy.

CHAPTER 3

THE CRUX: How did free agency happen? Four ingredients were essential: 1) the social contract of work—in which employees traded loyalty for security—crumbled; 2) individuals needed a large company less, because the means of production—that is, the tools necessary to create wealth—went from expensive, huge, and difficult for one person to operate to cheap, houseable, and easy for one person to operate; 3) widespread, long-term prosperity allowed people to think of work as a way not only to make money, but also to make meaning; 4) the half-life of organizations began shrinking, assuring that most individuals will outlive any organization for which they work.

THE FACTOID: Eighty-five percent of Americans today were not alive during the Great Depression, which means most of the country lacks any conscious recollection of widespread economic privation.

THE QUOTE: “Netscape was formed in 1994. It went public in 1995. And by 1999, it was gone, purchased by America Online and subsumed into AOL’s operation. Life span: four years. Half-life: two years. Was Netscape a company—or was it really a project? Does the distinction even matter?”

THE WORD: *Digital Marxism.* With the proliferation of inexpensive computers, wireless handheld devices, and ubiquitous low-cost connections to the Internet, workers can now own the means of production.

CHAPTER 4

THE CRUX: As work becomes about both making money and finding meaning, free agents are expanding the American work ethic—and sometimes turning it inside out. For independent workers, freedom matters more than stability, and self-expression has replaced self-denial. Instead of hiding behind an organization, free agents make themselves directly accountable. And rather than accept a prefabricated notion of success, they are defining success on their own terms. (For instance, in *Free Agent Nation*, bigger isn't better; better is better.) The result is that free agents have refashioned the Protestant work ethic into a free agent work credo composed of four key elements: having freedom, being authentic, putting yourself on the line, and defining success on your own terms.

THE FACTOID: A 1999 Lou Harris survey of one thousand self-employed Americans and small entrepreneurs found that money was not their top motivator. Nine out of ten respondents said that “setting their own priorities and independence influenced their decision most” to go out on their own.

THE QUOTE: “Maybe it's not ‘all about the Benjamins . . . or the promotions . . . or the growth.’ Maybe Bob Dylan, and not Puff Daddy, holds the answer. ‘A man is a success,’ Dylan sang, ‘if he gets up in the morning and does what he wants to do.’ ”

THE WORD: *The Peter-Out Principle.* Successor to the famous Peter Principle, which held that people would rise through the ranks of an organization until they reached their level of incompetence. The Peter-Out Principle holds that people will move up the ranks of an organization until they stop having fun. When the fun peters out, the talented people walk out—usually to become free agents.

CHAPTER 5

THE CRUX: In the old social contract of work, the organization offered the individual security—and in return, the individual gave the organization loyalty. That bargain, we all know, has crumbled. As the churn of jobs, technologies, and companies has intensified, free agents have responded to this heightened risk by hedging. Today, just as they do in their financial lives, individuals are achieving security through diversification. Security means investing their human capital in several clients or projects rather than tying it up in a single company. Likewise, loyalty has changed. Vertical loyalty—giving loyalty *up* to an authority figure or institution—has been replaced by horizontal loyalty. The result is a new and more challenging social contract of work: The free agent provides talent (products, services, advice) in exchange for opportunity (money, learning, and connections).

THE FACTOID: More than half of American households now own stocks, up from only one in five households in 1983. In 2000, shareholders outnumbered voters: More citizens owned stock than cast a ballot for President of the United States.

THE QUOTE: “Freedom, once a detour *from* security, is now a pathway *toward* security.”

THE WORD: *Horizontal loyalty.* The successor of vertical loyalty, which flowed upward—from an individual to an institution or authority figure. By contrast, this new loyalty flows laterally. It is a fierce, and usually reciprocal, allegiance to: teams, colleagues, and ex-colleagues; to clients and customers; to industries and professions; and to family and friends. (See also: *Free Agent Org Chart*, Chapter 8.)

CHAPTER 6

THE CRUX: Free agents are reconfiguring the relationship between work and time. The nine to five day has become the now-to-then day. The forty-hour week may still contain forty hours of work, but free agents apportion those hours as they see fit—often blurring the boundary between the “workweek” and the “weekend.” During a year, free agents are rejecting the fifty-weeks-of-work, two-weeks-of-vacation regime for whatever tailored arrangements they want or can afford. The advantage of working in the free agent time zone is the ability to control your schedule instead of ceding that control to a boss. The disadvantages are murky time boundaries and unpredictability.

THE FACTOID: Americans work 350 hours more per year than Europeans—and seventy hours more per year than even the Japanese, whose language contains a word, *karoshi*, that means “death from overwork.”

THE QUOTE: “The boundaries are far less clear than they were in a world where wailing whistles signaled a day’s beginning and end. For instance, if you can answer client e-mail at 10:00 P.M. from your den, where does work end and home begin? What exactly is the ‘workday’? What exactly is, to borrow a labor movement rallying cry, ‘a fair day’s pay for a fair day’s work’? Whose time is it anyway? This daily smokiness, and not the hours themselves, may be stoking America’s time anxiety.”

THE WORD: *New Economy 7-Eleven*. What many free agents become, because they are never fully “off” work. Like an all-night convenience store, their work life occasionally may be empty, but it’s never closed.

CHAPTER 7

THE CRUX: Instead of laboring in loneliness, independent workers are inventing an array of small groups. Free Agent Nation (F.A.N.) Clubs are clusters of free agents who meet regularly to exchange business advice and offer personal support. Confederations are informal work collaborations of free agents. Entrenetworks are groups of small entrepreneurs who pay a fee to participate in facilitated brainstorming and strategy sessions. Alumni associations are groups of people whose common bond is that they graduated not from the same college, but from the same company. Because most of these groups are self-organized and arise from the grass roots, they've eluded much notice. And they challenge the critics who claim that community is collapsing and that independent workers are speeding its demise. Community isn't dead in Free Agent Nation. It's different.

THE FACTOID: One of the earliest self-organized clusters of free agents—Benjamin Franklin's Junto, formed in 1727—created a “subscription library” for its members, which in turn became the first public library in America.

THE QUOTE: “F.A.N. Clubs are one part board of directors, another part group therapy. They combine the search for clients with the quest for meaning, the urge for authenticity with the need for sociability. They emerge from self-interest, but endure through trust.”

THE WORD: *Confederation.* A regular collaboration between free agents akin to a law or accounting partnership—but in which the relationships are fluid and the structure is set by an informal agreement rather than a legal contract.

CHAPTER 8

THE CRUX: Free agency has its own organization chart—but this org chart doesn't look much like the traditional corporate version. The connections between individuals run horizontally, not vertically. Power depends on relationships instead of one's place in an established hierarchy. And the connections are loose, fluid, and purposeful rather than tight, permanent, and preordained. What keeps free agency running smoothly is the principle of enlightened self-interest. I'll help you, because in the future I know you'll help me. The great paradox of the freewheeling, seemingly treacherous, free agent economy is that it encourages people to behave extremely well. What keeps the free agent economy together is the Golden Rule.

THE FACTOID: In sociologist Mark Granovetter's classic study of how people find jobs, he discovered that most people found them jobs through contacts—and that in roughly five out of six instances, those contacts were people with whom the job seeker did not have a close relationship and did not even know particularly well.

THE QUOTE: "The Free Agent Org Chart is fluid. And because it's fluid, it's less hierarchical. Your peer on one project could be your boss on another. Today's subcontractor could be tomorrow's customer. In this sense, the Free Agent Org Chart resembles a traditional organization chart less than it resembles the human brain. In our brains, existing neurons and new ones are continually forging and reforging connections, constantly laying fresh pathways to one another. That—literally—is how we think. This is one reason that free agency might—just might—be more attuned to human nature than the typical twentieth-century employment structure."

CHAPTER 8 (CONTINUED)

THE WORD: *Free Agent Operating System.* The underlying instructions that allow free agency to function. Like Windows, DOS, or Linux on computers, the Free Agent Operating System establishes the platform on which the free agent economy operates. Its basic unit is trust, which is fashioned into reciprocal altruism. (See also: *The Golden Rule.*)

CHAPTER 9

THE CRUX: An economic infrastructure has emerged to provide a foundation for free agents' work. Composed of copy and printing shops, coffee shops, bookstores, executive suites, the Internet, office supply superstores, postal service centers, and overnight delivery services, this new infrastructure has two defining attributes. First, it is self-organized rather than centrally planned. Second, the infrastructure serves a fundamentally social role by creating a variety of "Third Places" where independent workers can come together.

THE FACTOID: By 2002, home offices will spend \$10.2 billion on Internet access.

THE QUOTE: "Everybody knows that Starbucks serves a decent, if pricey, cup of coffee. But what far fewer people realize is that Starbucks is not in the retail beverage industry. It's really in the commercial real estate business. For me, and for many other independent workers, these coffeehouses have become free agent office centers."

THE WORD: *Free agent infrastructure.* The physical foundation on which the free agent economy operates. The infrastructure is self-organized and composed of private establishments.

CHAPTER 10

THE CRUX: The free agent economy differs from the Organization Man economy in two fundamental ways. First, as power has shifted from organizations to individuals, talent has replaced capital as the economy's most important resource—and a new talent market has emerged to organize, price, and allocate it. Second, instead of being humdrum and personality-free, work has become more emotionally complex. These two forces have created a new breed of professional specialists who help Free Agent Nation work. Matchmakers, an outgrowth of the temporary staffing industry, connect buyers seeking free agent talent with free agent talent seeking projects—and thereby make the new talent market run more efficiently. Agents—like the talent agents that have long represented actors, authors, and athletes—straddle the economic and emotional realms. They represent independent workers, negotiate on their behalf, and advise them on personal and professional matters. And coaches serve a squishier role—part career counselor, part priest—helping free agents answer more fundamental questions about their work and lives.

THE FACTOID: More than 5 percent of workers who earn more than \$75,000 per year now have agents to negotiate their employment contracts.

THE QUOTE: “In a sense, coaches are shrinks without the couches, management consultants without the flow charts, and sympathetic bartenders without the row of shot glasses.”

THE WORD: *Corporate yenta*. An entity that matches independent workers with firms or projects that need their short-term help.

CHAPTER 11

THE CRUX: The industrial economy separated work and family.

The free agent economy is rejoining them. Instead of *balancing* work and family—trading them off against each other—free agents are *blending* work and family. This is one reason why both family-friendly corporate policies and government-mandated family leave, though well intentioned, have fallen short. They force people to balance instead of helping them blend and impose One Size Fits All solutions on a My Size Fits Me workforce. In response, free agents are taking matters into their own hands and are returning us to work arrangements perhaps more consonant with human nature and our evolutionary heritage.

THE FACTOID: Small to midsize family businesses account for about 60 percent of all the employment in the world.

THE QUOTE: “Again, free agent couplehood is nothing new. Before the industrial economy, spouses often worked together. Just as those small shopkeepers lived above the store, my family—with Dad’s third-floor office—lives below the store. And thanks to the Internet, Mom and Pop’s operation doesn’t have to be a mom-and-pop operation.”

THE WORD: *Commuter marriages.* Couples with children and traditional jobs, whose lives seem to revolve entirely around the morning struggle to get to work, day care, and school—and the evening battle to return home and begin the process again the following day. (Antonym: *DINJ couples*—double income, no jobs)

CHAPTER 12

THE CRUX: The United States operates under a thicket of laws designed for a time when most people held full-time, lifelong jobs with a single employer—and free agency was an exotic choice. These laws have outlived their usefulness, and are hampering the economy most in three areas: health insurance, taxes, and zoning. Employer-based health insurance no longer makes sense because fewer of us have employers. This system, which began as a historical accident, is grounded in little economic or moral logic. And it is forcing many independent workers to go without insurance while locking other workers into jobs they don't want because leaving would mean losing their coverage. Meanwhile, the U.S. tax code punishes free agents by making them pay twice the Social Security payroll taxes of other workers, preventing them from fully deducting their health insurance premiums, and costing them time, money, and aggravation because of the sheer brain-melting complexity of the tax law. Finally, local zoning laws presume a clear boundary between work and home, and many impose severe restrictions—including outright prohibition—on home-based micropreneurs.

THE FACTOID: Tax complexity, according to a Stanford economist, costs more than \$100 billion in compliance, another \$100 billion in tax evasion, and yet another \$100 billion in “distortions from pursuing tax-advantaged investments.” In all, the costs of the federal income tax are “larger than the Defense Department, larger than Social Security, perhaps as large as the combined budgets of the fifty states.”

THE QUOTE: “If you have a job and get your health insurance through your employer, be thankful. It was never supposed to be this way.”

CHAPTER 12 (CONTINUED)

THE WORD: *COBRA baby*. A child conceived and born within the eighteen- month period during which employers are required to continue offering health insurance to departed employees, if the employees pay the full bill themselves. Common reproductive practice of free agents.

CHAPTER 13

THE CRUX: Free agency, of course, has a dark side. Some temp workers do mind-numbing tasks for meager pay in awful conditions. Others perform the same work for the same companies as employees, but are classified as temps and denied health insurance and other benefits. While most of this is deplorable, these beleaguered workers account for only a portion of temps—and temps account for only a portion of free agents. What's more, the source of inequality in work today is not between who's an employee and who's a free agent, but between who has skills that are in demand and who doesn't, between who can exercise bargaining power in the new talent market and who cannot. To take on such challenges, several new worker organizations—a “self-organized labor” movement—have emerged to represent these downtrodden workers. The end result will likely follow the path of professional sports: Independent workers will belong to a labor union to secure a floor, but many will have agents to negotiate more lucrative, personalized agreements above that floor.

THE FACTOID: African-Americans make up 11 percent of the total workforce, but 22 percent of temps.

THE QUOTE: “Temp slaves, as the name suggests, are not planning their ascent of Maslow's hierarchy of needs or holding touchy-feely F.A.N. Club meetings to discuss the deeper meaning of *Jerry Maguire*. Far from it. They are among the most disgruntled workers in the U.S. labor force.”

THE WORD: *Permatemp*. Somebody who works alongside a traditional employee, doing the same work, but whose employer classifies him as a temp to avoid providing health insurance, a pension, and stock options. (See also, Temp 24-7 definition of permatemp: “A kinder, gentler . . . euphemism for ‘indentured servant.’ ”)

CHAPTER 14

THE CRUX: In the free agent future, fewer people will retire. More will e-tire. Instead of leaving the work world completely at age sixty-five, they'll continue working as free agents—finding and executing work over the Internet. E-tirement is in many ways demographically inevitable, the simple outcome of supply and demand. As the gigantic baby boom generation ages, it will create an enormous cadre of healthy, able, tech-savvy, self-actualizing older Americans. This supply of labor will arrive at precisely the moment that the “working age” population is shrinking, sparking an intense demand for workers.

THE FACTOID: When Franklin Roosevelt established sixty-five as the standard U.S. retirement age, the average American life expectancy was sixty-three. Today, life expectancy is seventy-six and rising.

THE QUOTE: “Get ready for the mother of all windfalls: In the coming decades, baby boomers will inherit more than \$10 trillion from their parents. Sure, they'll spend some of that bounty on face lifts and relaxed fit swimwear. But there'll be plenty left over to launch a new career as a senior soloist.”

THE WORD: *E-tirement.* A new stage in American working life; working as a free agent after age sixty-five—and using the global communications network as the platform for obtaining and completing work.

CHAPTER 15

THE CRUX: In the free agent future, a host of changes will unschool American society. Mass compulsory education will give way to a variety of learning alternatives. Home schooling, perhaps the most robust expression of free agent values outside the workplace, will continue to boom. More free agent families will go this route. And more free agents will offer their services as itinerant tutors serving this population. High school as we know it will cease to exist—replaced and augmented by a variety of hands-on options, better attuned to the free agent economy. And the self-teaching ethic learned in youth will continue into adulthood, diminishing the value of college degrees and upping the value of informal, self-directed learning arrangements.

THE FACTOID: Forty percent of college students are now older than twenty-five. Within a few years, the number of thirty-five-plus-year-old college students will exceed the number of eighteen- and nineteen-year-old college students.

THE QUOTE: “So when we step into the typical school, we’re stepping into the past—a place whose architect is Frederick Winslow Taylor and whose tenant is the Organization Man. The one institution in American society that has least accommodated itself to the values and form of the free agent economy is the one institution Americans claim they value most.”

THE WORD: *Thanksgiving Turkey Model.* The education model that predominated in the twentieth century. Society placed kids in the oven of formal education for twelve years, cooked them until they were done, then served them to employers. A few youngsters also received an additional four-year basting at a place called college.

CHAPTER 16

THE CRUX: In the free agent future, the toolshed office—which exists mostly to house the things workers needed to produce wealth—will splinter into two new varieties of offices. One will be private Idahos, places for quiet, heads-down work. The other will be Free Agent Elks Lodges, places for collaboration and community—part friendly pub, part executive suite. These new office varieties, in turn, will reshape both residential and commercial real estate. Home offices will become the standard, altering the design and use of the home and triggering a boom in the home improvement industry. Commercial offices will become predominantly collaborative spaces, and trophy tower office buildings will morph into multipurpose residential, office, and retail spaces for a largely independent workforce.

THE FACTOID: At any given moment during the workday, 70 percent of desks, offices, or workstations aren't occupied. Factor in weekends and holidays, and the occupancy rate of the typical office hovers around 15 percent.

THE QUOTE: "A Free Agent Elks Lodge will be a place to hang out, to chat about last night's (Webcast) sitcom, and to work face-to-face with colleagues on projects that require intense interaction. These places will look a lot more like Kinko's or Starbucks than like the cubicle farms of the 1990s. Free agents will buy memberships much as today they join health clubs. And they will come to these New Age offices to do the very things we say we don't like: to gossip and to be interrupted."

THE WORD: *HOHO*. His Office/Her Office. A descendant of the well-known marketing label SOHO (Small Office/Home Office), this term describes family homes with two offices. Designation also works for same-sex couples.

CHAPTER 17

THE CRUX: In the free agent future, individuals will raise capital the same way companies do today. They will borrow money (debt) or sell stakes in their enterprise (equity). This will produce an array of new financial instruments—such as F.A.N. Bonds (see below) and perhaps even Individual Public Offerings.

THE FACTOID: A 1998 Arthur Andersen study found that 47 percent of entrepreneurs had financed their businesses with credit cards, double the portion in 1993. Credit cards have surpassed commercial loans as the leading financing mechanism instrument for small enterprises.

THE QUOTE: "Many boxers already finance their training by selling shares to investors. About one in ten pro fighters have syndicated financial backers, whose investments yield these investors a percentage of the boxer's earnings over a specified time. Soloists willing to forgo some autonomy in exchange for an influx of cash that would allow them to prepare for bouts in their own professions might also go the way of the welterweight."

THE WORD: *F.A.N. Bonds.* A form of debt financing for free agents. A financial instrument more widely available than student loans but with lower interest rates than credit cards. To allow the market to flourish, a corporation, perhaps chartered by Congress but owned by shareholders, would buy F.A.N. Bonds and package them into securities—much as Fannie Mae does for home mortgages. (See also: *Bowie Mae*)

CHAPTER 18

THE CRUX: In the free agent future, the path to the Oval Office will run through the home office. America's independent workers—the sleeping giant of American politics—will become an electoral force. They will help create a successor to the New Deal built on the new premises of the free agent economy. This New Economy Deal will make the individual rather than the corporation the central mechanism for distributing health insurance and pensions and for protecting worker rights. And it will promote an agenda of simpler taxes, microfinancing for welfare recipients, temp worker rights, and individual accounts for unemployment insurance.

THE FACTOID: More than twice as many Americans now consider big business a greater threat to the country than big labor, according to a Gallup Poll.

THE QUOTE: “Most politicians remain obsessed with groups that are old and shrinking while ignoring a group that is young and booming. And when they do cast their eyes toward free agents, Republicans see close-minded, modern-day Babbitts, antagonistic to government and greedy for profit, while Democrats see oppressed ‘contingent’ workers.”

THE WORD: *Just-in-time politics.* The political version of just-in-time manufacturing. Instead of building one coalition and keeping it together, the modern challenge of politics will be to assemble the available components to satisfy the current political demand, do it in real time, and then move on to the next task.

CHAPTER 19

THE CRUX: In the free agent future, we'll change the way we conduct commerce, guide careers, and build community. Our economic ecosystem will consist of very large enterprises and very small ones—with few in between. Commerce between soloists and tiny businesses will become much easier—thanks to micropayments and possibly barter. The manager as we know it will disappear—to be replaced by a new sort of business operative whose expertise is assembling the right people for particular projects. And rather than deepen isolation, free agency will help revive neighborhoods and communities. Finally, watch for women, rather than men, to define and shape the free agent future—perhaps turning the twenty-first century into the Feminine Century.

THE FACTOID: In 1999, women ran 38 percent of all U.S. businesses—9.1 million enterprises in all. Some analysts estimate that women-run businesses—large and small—will comprise 50 percent of all businesses by 2005.

THE QUOTE: “Enterprises that can benefit from economies of scale will grow preposterously large, perhaps approaching the size and scope of nation-states. At the same time, ever more enterprises will grow quite small—as free agent soloists and microbusinesses continue to flourish. But midsize organizations will disappear—or at least, become more ephemeral than they are already. In our new economic ecosystem, we'll have many elephants and plenty of mice, but fewer and fewer species in between.”

THE WORD: *Lego careers.* Instead of climbing a prefabricated ladder, rung by rung, in a predetermined order, careers will have much greater variety. People will assemble and reassemble them much as kids play with Legos. The pieces will be contacts, skills, desires, and available opportunity—and people will build impermanent structures with infinite, idiosyncratic variations.