

How Will the Economy React to AI?

Artificial intelligence (AI) tools are already invading every aspect of our lives. Debates are ongoing about how it will infiltrate individual industries. Governments are working to understand AI and determine how to regulate something that affects much more than the digital space. Its potential uses are being realized everywhere, from musicians turning 50-year-old demo recordings into fully realized hit singles to firms analyzing data to increase productivity, maximize security, and even develop new medicines. The potential for AI is a fast-moving beast, with new tools emerging so quickly that they sometimes make existing ones obsolete just months after they become available.

It has certainly made many people nervous. An online educator surveyed 800 executives about their futures with AI. Almost half of the respondents believed that many of the job skills vital to the employees of various industries, including C-suite executives, may be irrelevant in just two years.^{1,2}

This is some scary talk, to be certain. However, it is important to note that such change is inevitable. Just as the telephone put the telegraph out to pasture and the commercialization of the Internet changed how every company does business, AI will change things. However, not all aspects of the change will be bad or negative.

For those in the workforce, AI represents this generation's pivot point. Just as prior generations got used to offices centered around emails and messaging tools, so will this generation of workers get used to the many AI tools that will help them work better and more efficiently. Jobs at all levels will change to incorporate emerging innovations. Executives will have access to resources that simplify their tasks and expand their abilities.

AI promises to help make a massive leap forward in terms of what people can accomplish, and its tools can help people do tasks more precisely and at previously impossible speeds. This sort of innovation always has growing pains. However, in the long run, it represents incredible potential for the economy to grow in new directions, uplifting the industries that every company changes and opening avenues that never existed before.

Although AI challenges the economy, investors have faced this challenge during every innovative period. As your trained financial professional, I will consider big and small changes, and I look forward to hearing any questions you may have about the future of AI.

1. Forbes.com, October 14, 2023
2. edX AI Survey, 2023

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