Macro Roundup Article

Headline: The Economic Potential of Generative AI

Article Link: https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/the-economic-potential-of-generative-ai-the-next-productivity-frontier#/

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Publication	McKinsey & Company
Publication Date	June 14, 2023

Tweet: .@McKinsey forecasts that generative AI could accelerate US productivity growth to 3.6% CAGR between 2022-2040.

Summary: The deployment of generative AI and other technologies could help accelerate productivity growth, partially compensating for declining employment growth and enabling overall economic growth. Based on our estimates, the automation of individual work activities enabled by these technologies could provide the global economy with an annual productivity boost of 0.2 to 3.3 percent from 2023 to 2040 depending on the rate of automation adoption—with generative AI contributing to 0.1 to 0.6 percentage points of that growth— but only if individuals affected by the technology were to shift to other work activities that at least match their 2022 productivity levels. In some cases, workers will stay in the same occupations, but their mix of activities will shift; in others, workers will need to shift occupations.

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Primary Topic: Innovation/Research

Topics: Innovation/Research, Investment, Other Source, Productivity

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