

## Macro Roundup Article

**Headline:** [Exploring How AI Will Impact the Economy](#)

**Article Link:** <https://www.bridgewater.com/document/exploring-how-ai-will-impact-the-economy?id=0000018b-00e4-db27-a58b-33fe67120000>

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Publication	Bridgewater Associates
Publication Date	October 13, 2023

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**Summary:** AI will flow through to productivity faster than past general-purpose technologies, but the peak impacts remain far off. AI will likely proceed more quickly for a few reasons. First, the uses of AI typically require less capex, so the marginal cost per unit of labor saved is lower than for past technologies. Second, that capex is more concentrated among major software players and therefore easier to coordinate; much of the adoption will take the form of AI tools being rolled out to software-as-a-service platforms that businesses already use. Finally, secularly low unemployment and high wage growth today may also increase the incentive to automate, although temporary cyclical pressures are unlikely to have a major impact on this decades-long process. Much of the impact of AI could come from accelerating the highest-value research and development work. Related: Centaurs and Cyborgs on the Jagged Frontier and Generative AI at Work and AI, Mass Evolution, and Weickian Loops

**Primary Topic:** Innovation/Research

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

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