Millions & Billions
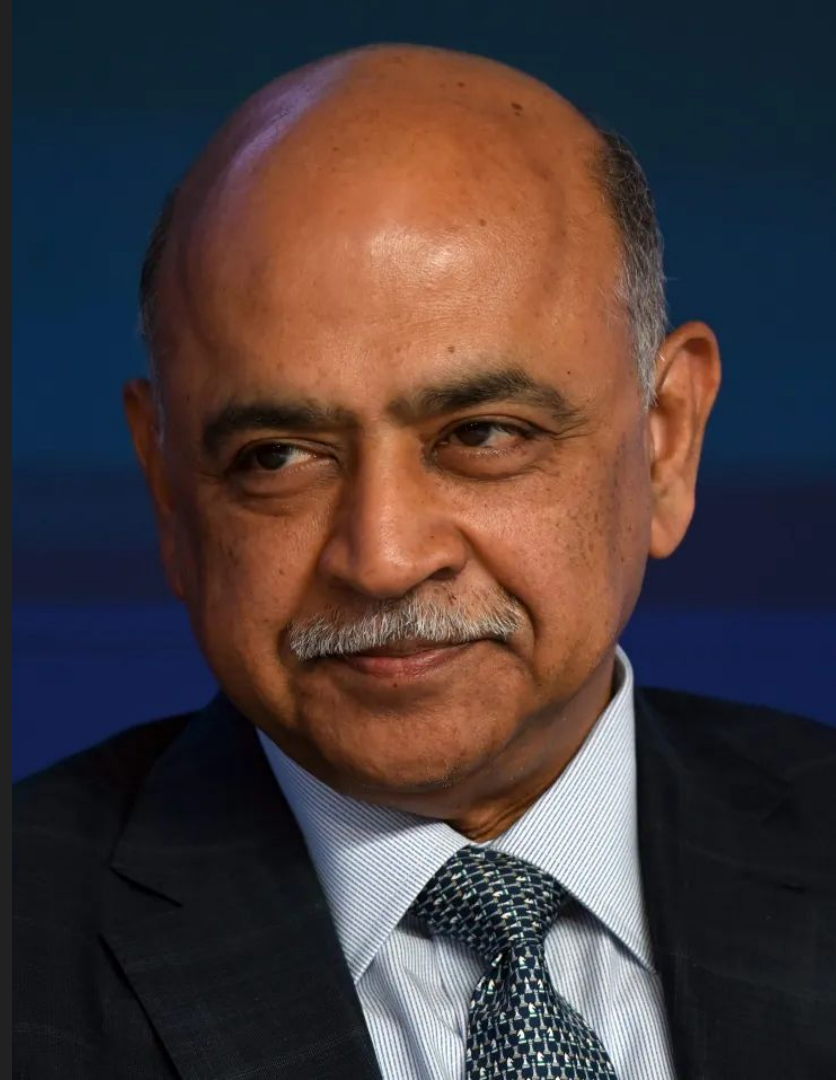
OpenAI, Tesla, and IBM

News

IBM invests in Huggingface

- Arvind Krishna, CEO of IBM
    - Froze thousands of jobs earlier this year
    - 3,900 layoffs planned
    - 7,800 positions frozen
    - Says AI could take over 30% to 50% of repetitive tasks (and do them better than humans)
- $235M Series D Funding Round
    - Hugging Face now worth $4.5B
   - They have collaborated on WatsonX
- **Doubling down on AI**

Tesla Giga Computer

- Turned on HPC cluster worth $300M
    - Powered by 10,000 Nvidia H100 compute GPUs
    - Primarily for FSD and other HPC workloads
- Elon has said they will invest $4B in more AI
    - Plan is to invest over the next 2 years
    - Investing another $1B into Dojo supercomputer
- **Doubling down on AI**

OpenAI Revenue Explodes

- On track to generate more than $1B in revenue
    - Up from $28M in revenue last year
    - >35x in revenue growth
- ChatGPT costs $700k per day (estimated)
    - Not sure if they are cash positive
- Microsoft entitled to 75% of revenue
    - Could take a decade to pay it off
    - That timeframe may shorten quite a lot
    - Looks like their investment paid off!
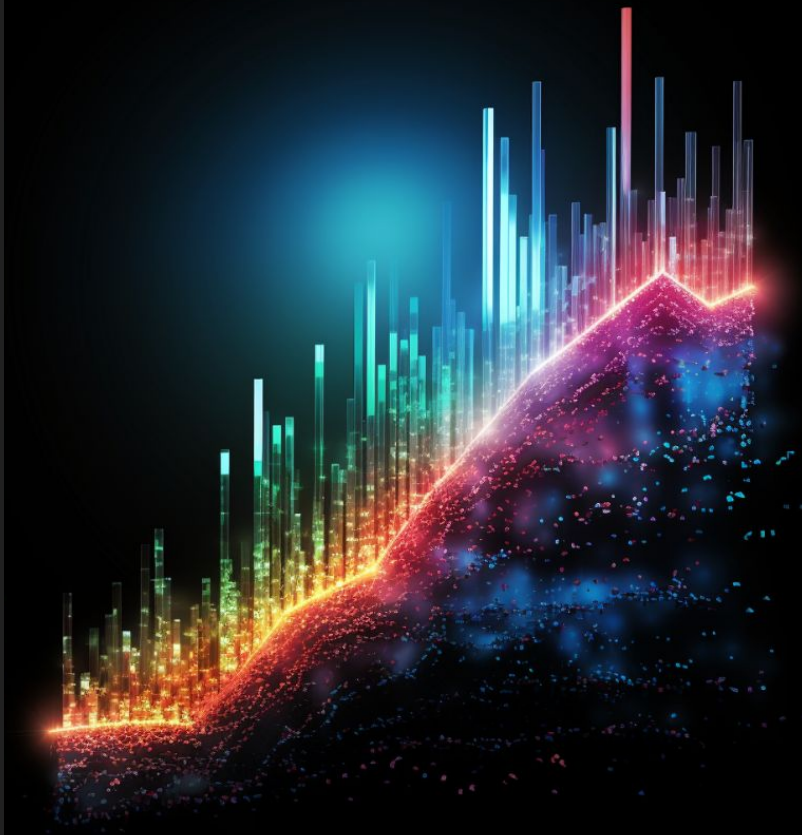
Analysis

AI Investment Growth

- **Global AI Investment**
    - 2020: $30B
    - 2021: $66.8B
    - 2022: $92B
    - 2023: ???
    - **2025: $200B (Goldman Sachs forecast)**
- Current opinions mixed
    - Some signs of investment slowing or accelerating
    - But we're only in September
- **Consensus seems to be things are chugging along more or less as expected**

Tech Layoffs, New Jobs

- **150,000+ US tech layoffs as of June**
  - Total unemployment remains at 3.5%
  - Government source (MLS)
- **About 375k open jobs as of January**
  - Forecasts said 272k new tech jobs in 2023
  - Remains to be seen… (not a government source)
- **AI expected to destroy 85M jobs by 2025**
  - But create up to 97M jobs
  - Net gain of 12M
  - Not a government source, so take it with a grain of salt
  - **That's a LOT of reskilling!**
- Generative AI job postings up 20% in May
- Maybe it's a wash? So far so good.
  - **Just make sure you're up to date on Generative AI tools**

Public Sentiment

- **Reuters/Ipsos poll:** 61% of Americans view AI as potential threat to human civilization
- **Pew Research poll:** 58% of Americans more concerned than excited about the rise of AI
- **Economist/YouGov poll:** ~75% of Americans believe AI should be regulated by government
    - 79% Democrat
    - 73% Republican

Conclusion

Predictions

- **AI investment may cool slightly**
    - OpenAI lawsuits seem to have spooked the markets
    - Still, turning red hot fast
    - This will be brief if at all
- **Americans are largely united on regulations, fears**
    - Regulatory capture still a primary concern
    - Rarely see this much consensus!
- **State of jobs right now seems good**
    - Post-Labor Economics will have to wait (and UBI)
    - Keep your eyes open, though, we're in for an interesting future
    - Many industries are being disrupted (tech, marketing, translation, copywriting, etc)

Takeaways

- **Skill up!**
    - Learn to use AI tools
    - Learn the basics of AI
    - **Job market transformation is actively happening**
    - I'm happy to do remote training, groups, ping me
    - Might do paywalled training, not sure
    - Reminds me of early 2000's with the rise of Microsoft and developer and IT certifications
- **Voter solidarity**
    - Americans are rarely this united on something
    - Don't count the chickens yet
    - **CONSTANT VIGILANCE!**

Thank you