The Black AI Optimist Column by Kenley Joseph, MMTC Policy Counsel

December 2023

The Black AI Optimist Part II (Workforce Impacts)

AI In the Workforce

As previewed in our introduction, we will focus this time on the impact artificial intelligence (AI) is having and is slated to have on the workforce. Understandably, many view AI as a threatening development, worrying it could eventually replace them. Who can blame them given the common refrain these days, "AI will not take your job, someone who understands AI will take your job." The reality is much more nuanced.

A Blessing Or a Curse?

Per the Bureau of Labor Statistics' study, AI's arrival to the workforce is a nuanced discussion. For starters, it is important to distinguish between the effects AI is having on a workforce from longstanding existing technologies. As an example, the emergence of self-checkout registers has contributed to the drop in store cashiers. However, this should not necessarily be attributed to AI. Moreover, scaling effects should also be considered. While automation caused by AI may reduce the staff needed at a particular firm, it could also expand markets and demand such as to require more total workers across the industry. A recent study by economist David Autor found that 60% of today's workers are employed in occupations that didn't exist in 1940. Remarkably, this means that more than 85% of employment growth over the last 80 years was the product of technology-driven creation of new positions.

Some exaggerate and claim that AI spells the beginning of the end for human employment. Others pragmatically focus on how AI has helped human workers increase worker productivity. The truth is that many jobs will change significantly and others will cease to exist as AI and other technological advancements develop. Goldman Sachs' economists predict that roughly two-thirds of U.S. occupations are exposed to some degree of automation by AI. That said, exposure to AI and AI automation does not necessarily mean overall job losses.

As Pew Research outlined, whether exposure to AI will lead to overall job losses is unclear. In a recent study, it underscored the fact that AI can be used to either replace or complement job tasks. Customer service is a perfect example of how AI can be used to either eliminate or improve a job. For example, companies are using chatbots to address customer concerns more and more every day. A company can decide to lean into the use of chatbots for customer service queries, eliminating the role previously held by a customer service representative. However, a company also could retain the person and allow the chatbots to handle the more

mundane questions, while freeing up the person in that role to handle more complex customer service issues.

Exactly when the anticipated AI changes will take place is still an open question. The recent 2023 McKinsey & Company survey on AI reported that at least 30% of respondents in each of the eight workforce functions examined expected a decrease in workforce size in the next three years thanks to the use of generative artificial intelligence ("GAI"). And the 2023 McKinsey Global Institute report noted that nearly one-third of hours worked in the United States could be automated by 2030.

Who Will Be Affected?

The 2023 McKinsey report stated that low-wage jobs in the food industry and customer service are among the positions most likely to be eliminated by generative AI by 2030. More broadly, jobs that make under $38,000 a year are 14 times as likely to be eliminated by GAI as other roles. Perhaps surprising to some, also among the cohort of jobs likely to be affected by AI were high-wage jobs that require a college degree. The fields in this cohort are STEM, creative industries and business or legal professionals.

The McKinsey report found that Asian American employees are more exposed than other racial groups to AI. Out of 11,000 employees used in the McKinsey report, 24 percent of Asian American workers are in fields categorized as "most exposed" to AI, followed by white (20 percent), Black (15 percent), and Hispanic (13 percent) employees.

Accordingly, the impact AI will have on the workforce is not isolated to a single portion of the population. This means that everyone should be paying attention to where they can learn from AI. This can be either to increase productivity in an existing secure career, or to prepare to make a transition in the event one's current position is in jeopardy.

Opportunity

This flux presents our government with an opportunity to lead on workforce change. The federal government is no stranger to workforce transition efforts. Today programs like the Career Transition Assistance Plan (CTAP) and Interagency Career Transition Assistance Plan (ICTAP) for federal employees already exist. And efforts to address widespread need have prompted significant sums to be dedicated, such as the Broadband Equity and Access Deployment (BEAD) program allocating $42 billion to help ensure no American is left offline.

The government might also explore the following:

- Retraining and Reskilling Programs: Legislators should consider funding training scholarships, vocational programs, online programs, and bootcamps that help retrain workers with skills required for new tech-related jobs or emerging roles. The funding should be targeted towards portions of the workforce that are most at risk of losing their jobs.

- Incentivize Employers Retain and Retrain Programs: Action should not simply be taken to address actions of employees. Employers also need to be brought into the fray. Tax breaks have long been an effective means of encouraging employers to act. Legislators should also look into offering tax breaks and subsidies to employers to invest in internal retraining programs to prepare existing employees for new roles. These type programs would eliminate the need for companies to engage in external hires and allow them to keep those employees who have developed organizational knowledge.
- Develop Internship and Apprenticeships Programs: In order to facilitate more employees into the future of work, the government should partner with colleges, trade schools, and employers that can offer hands-on reskilling opportunities, especially HBCUs. This hands-on experience will help all employees better position themselves for the upcoming change.

It Is Up to Us

While AI promises to bring transformative change to the workforce in the coming years, we have an opportunity before us to shape that change for the better. With proactive planning, strategic investments, and realigning incentives, humans have the potential not just to survive but thrive alongside artificial intelligence innovation.

This moment calls for pragmatic optimism rooted in compassion. Workers undoubtedly feel anxiety about impending disruption, even as startups eagerly capitalize on emerging technologies. Leaders across government, industry, and education will need to balance economic potential with care for people impacted. From funding reskilling programs to guiding career transitions, supporting workers must remain forefront.

The future remains unwritten. AI will certainly rewrite rules for business and employment, but that need not culminate in dystopian outcomes of inequality or mass unemployment. With vision, cooperation, and responsible development, we can create an AI-powered economy that unlocks new prosperity. Workers can find purpose in evolving roles, not redundancy. Industries can expand productivity without sacrificing humanity.

The machines are here, but humans still determine their programming. This time of transition challenges us to dream bigger - to see AI not as a threat to be feared, but an opportunity to be seized. Our actions today steer the course. So rather than dread change, let us shape it - into a future powered by technology yet centered on the welfare of all people. The choice is ours. The potential is boundless. Let progress lift humanity.

In our next installment, we'll be discussing the regulations and legislation being used to keep AI on track.

Stay Tuned!