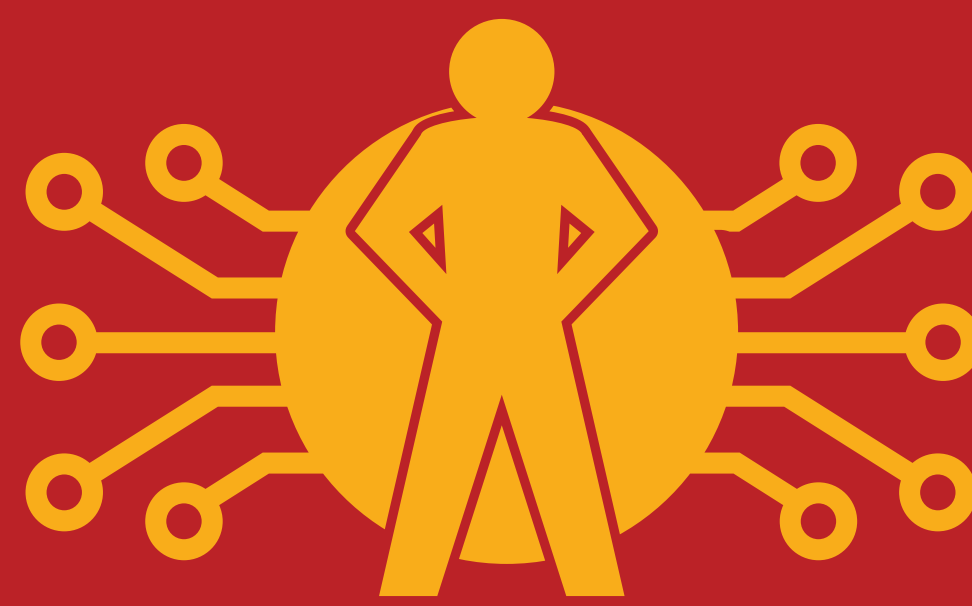
AI & the Labor Force:



THE CONFERENCE BOARD

This report examines four potential labor force scenarios and identifies steps policy-makers, business leaders, and educators can take to prepare.

Trusted Insights for What's Ahead®

Through the end of 2025, 18% of US firms and 41% of US workers reported using AI, led by knowledge-intensive sectors

Employers must understand how AI can make workers more productive and collaborate with educators to ensure employees have the skills needed to success in an AI-driven economy.

Limited data make AI's labor-market effects difficult to measure, including worker productivity gains and employment effects. Early detection of both positive and negative impacts is critical.

RECOMMENDATIONS

Improve data and early-warning systems

Agencies should partner with employers and colleges to leverage existing data on AI's use and impact while safeguarding confidentiality and privacy.

Congress should consider allocating additional funds to agencies to expand data collection and economic research.

Identify indicators, such as the The Help Wanted Online Index and AI and Automation Risk Tool, for monitoring rapidly changing economic conditions.

Firms should assess their AI-readiness, including culture, workforce capabilities, data quality, and processes to identify promising use cases.

Invest in worker training and education

Firms should expand training, apprenticeships, internships, and work-based learning in fields where AI is likely to alter job responsibilities.

Policymakers should provide educational institutions with flexible funding to expand capacity quickly when labor-market disruption increases enrollment.

Employers should develop career transition pathways specifically for highly educated and mid-career workers.

Firms should reassess their talent pipeline to ensure that reduced entry-level hiring does not weaken the future talent supply.

Modernize unemployment insurance and public-benefit systems

Policymakers should replace or modernize outdated unemployment insurance technology, adopt common data standards, and strengthen cybersecurity.

The Department of Labor should work with states to establish surge-capacity plans covering staffing, application processing, and other functions.

Where appropriate, agencies should leverage AI to improve service, detect potential fraud, and process applications while maintaining human oversight.

Policymakers should also continually evaluate the existing structure of benefit programs in light of AI's evolving impacts

AI is reshaping work. The choices we make today will determine our economic future.