

A Note From Your Advisors

BAIRD

THE MAIN, GOWIN, FISCHER, RICE GROUP

June 21, 2023

One very interesting thing to do is to use Google Trends to see what topic or topics are generating the most searches. Today I was exploring the Google Search Trends for the term “AI” – not surprisingly it’s a hot topic. “AI” is short for Artificial Intelligence. Worldwide, searches for this term have more than quadrupled just since the end of 2022, and news stories and image searches have also steadily climbed. So why all the interest, and are there investment implications for our clients?

The world of computing changes at a dizzying pace. But even by that standard, recent breakthroughs in artificial intelligence are astonishing. Computer models have been fed with initial source data and rules and taught by human programmers to learn and respond to different prompts. The reality is whether you realize it or not, you have almost certainly already interacted with AI directly yourself. The most prominent version of this tech is the widespread use of “chat bots,” which can carry on typed or verbal conversations – answering questions, providing resources, and offering perspective. If you have interacted with technical support for a product or company, you’ve probably interacted with AI.

But many companies are exploring much broader uses for AI. For example, e-commerce businesses use AI to analyze huge volumes of customer browsing and purchasing data to create better customer experience and websites that are easier to navigate. Pharmaceutical and biotech companies use AI to develop new drugs. And Walmart has even begun using AI to negotiate supplier contracts (with measurable success).

These advances naturally cause concern that human beings might be displaced and lose jobs. In fact, those same Google search trends tell us that searches for “Is my job safe” have also doubled in recent months, as people worry that they will be replaced by AI and Large Language Models (LLMs). This situation will require close monitoring, and likely some sensible policy decisions to help shape. However, we believe that the most likely uses for AI and LLMs will be to be used by human employees to efficiently replace the time spent on menial tasks. Real creativity and expertise will likely always have a place in our workforce and economy. After all, historically the countries which have the highest rates of technology uses (Japan, Singapore, South Korea) also consistently have among the LOWEST rates of unemployment.

Just for fun – and to demonstrate the power of this kind of technology – below you will see the results of a simple Chat GPT search: “Write a 100 word essay on the impact of AI.” You may enjoy it more than the one I wrote above!!

"AI, or Artificial Intelligence, has revolutionized numerous aspects of our lives, leaving an indelible impact on society. Its influence spans across various domains, from healthcare and finance to transportation and entertainment. AI has transformed the way we work, enhancing productivity and efficiency while automating repetitive tasks. In healthcare, AI aids in diagnosing diseases and developing personalized treatments. It has also revolutionized customer service, providing chatbots and virtual assistants for immediate assistance. However, the proliferation of AI has raised ethical concerns, including job displacement and privacy breaches. Balancing the benefits with the potential risks is crucial to harnessing the full potential of AI, ensuring a future where technology serves humanity's best interests."