Office Hours Study Guide

AI and the Job Market

Fear vs. the Facts

Will artificial intelligence replace workers and lead to widespread job losses? It's a question that's getting plenty of attention. While AI is changing how we work, the labor market tells a more reassuring story.

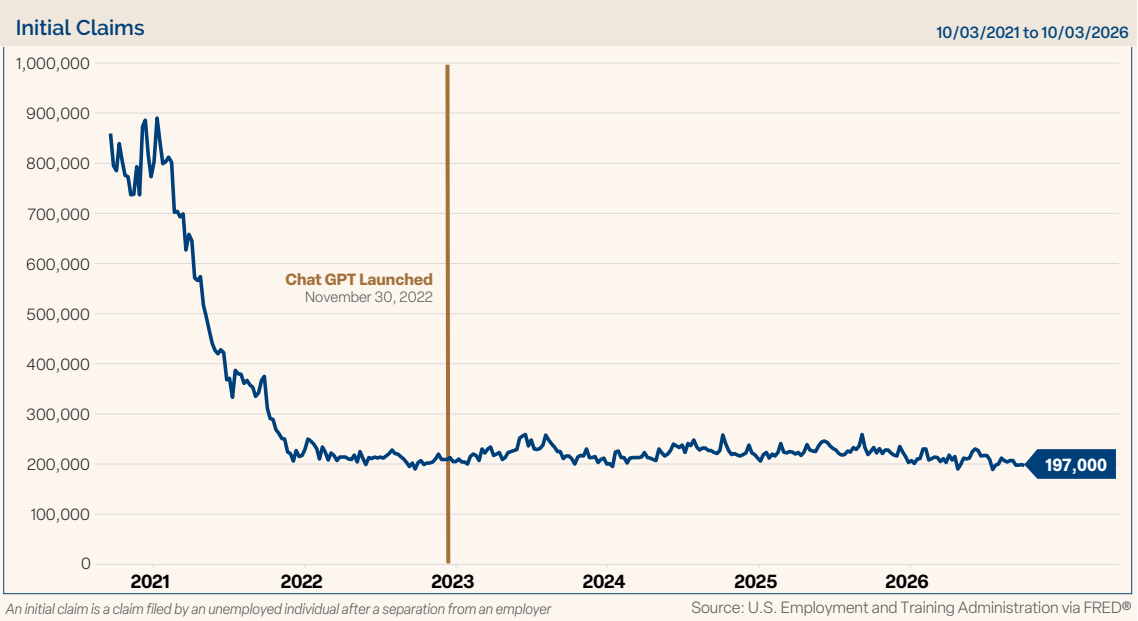
THREE THINGS WORTH KNOWING

1. Technology Has Disrupted Jobs Before

From mainframe computers in the 1970s to the internet in the 1990s, technological breakthroughs have always raised concerns about job losses.[1] Yet the U.S. economy has added roughly 88 million jobs through decades of innovation.[2] Since AI's arrival, approximately 5 million more jobs have been created, led by sectors like healthcare, education, and hospitality.[3] Some roles will inevitably change, but history suggests new technology doesn't necessarily mean fewer jobs.

2. Layoffs Aren't Signaling Trouble

If AI were driving widespread job losses, we'd expect to see it in unemployment claims. So far, we haven't. Layoffs have remained relatively subdued.[4] Weekly initial claims have hovered in the low 200,000s in 2026, well below the 800,000 to 900,000 levels seen coming out of the pandemic.[5]



An initial claim is a claim filed by an unemployed individual after a separation from an employer

Source: U.S. Employment and Training Administration via FRED®

For illustrative purposes only. Past performance is not indicative of future results.

Continuing claims remain around 1.7 million.[6] Both measures have historically risen ahead of recessions, but neither is signaling broad labor market weakness today.

3. Unemployment Remains Historically Low

Despite higher interest rates and rapid AI adoption, the labor market has held up remarkably well. Unemployment has remained around 3% to 4% in recent years, a stretch of strength not seen since the late 1960s.[7] While AI may disrupt certain industries, the broader employment picture remains resilient. That's an important distinction when evaluating the technology's economic impact.

THE BOTTOM LINE

AI will change the workforce, just as past technological innovations have. But disruption doesn't automatically mean widespread job losses. Employment continues to grow, layoffs remain subdued, and unemployment is historically low. For now, the data points to a labor market that's adapting to AI rather than being displaced by it.

To learn more about this topic, please watch our **Office Hours video** or reach out to your investment consultant.

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Sources:

[1] Pessimists Archive; Chirag Patel, Medium

[2] YCharts

[3] U.S. Bureau of Labor Statistics via FRED (JTSLDL)

[4] U.S. Bureau of Labor Statistics via FRED (JTSLDL)

[5] U.S. Employment and Training Administration via FRED (ICSA)

[6] U.S. Employment and Training Administration via FRED (CCSA)

[7] U.S. Bureau of Labor Statistics via FRED (UNRATE)