

Value Added Partners

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Who's Afraid of AI?

Here are three facts about artificial intelligence:

- Most experts agree that it has been the largest factor in this year's economic growth and the movement in the domestic stock markets. It is also profoundly impacting the US bond market.
- As users adopt it, AI is changing the way that students, consumers and employees read, write and work.
- AI accounts for the greatest number of concerned calls that our team has fielded from clients in 2026.

While many of you have asked about investment valuations in the technology sector, the majority of the AI inquiries have focused on its impact on society and its potential to be destructive, or even fatal, to humans. We certainly appreciate why we are getting these questions. Even a superficial look at the headlines would suggest that AI is prompting job losses and that AI company insiders believe that it has the capacity to wipe out mankind.

Our team spends a lot of time researching the effect that the new technology is having on the companies we follow and society in general, including discussions with senior people at some of the leading companies. While AI, like all innovations, will disrupt the economy and has the potential to be used in destructive ways, our best guess is that the negative headlines may be too pessimistic.

Let's start by looking at how AI is impacting workers. There is no question that certain jobs are most at risk of being replaced by automated bots and that losing those positions will be very painful for the people involved. Thus far, however, there is no evidence that artificial intelligence is decimating the workforce. To the contrary, employment in white collar positions is higher today than it was when Chat GPT was rolled out.¹ Even with AI's increased capacity to read X-rays, for example, the demand for radiologists is the highest it has ever been. What seems to be happening is that AI's tendency to drive down the cost of providing goods and services is sparking enough of an increase in demand to keep the same number of workers in their seats, or even increasing them. It is important to bear in mind that for each headline about a company reducing its headcount by 1,000 workers, there may be a few hundred smaller companies hiring several people each, offsetting those job losses. Again, we are not minimizing the pain of people whose professions disappear. From an overall economic perspective, however, AI is not the job killer that it is often portrayed as being.

But, what about the technology's ability to wipe out human existence? Kevin and Harry were fortunate enough to attend a talk given by the point person of a financial firm which is financing significant investments in artificial intelligence. He was asked how concerned he is about AI's destructive capacity. He said that, in order for computers to be able to destroy humanity, they would need three things:

- **The ability to learn on their own:** AI currently can do this.
- **The ability to set its own goals:** At present, AI cannot do this.
- **The ability to access outside resources on its own:** This would be crucial, and AI cannot requisition assets independently now.

This is clearly just one person's view. Nonetheless, it struck Kevin and Harry that this is a very useful way of understanding the limitations on the power of AI models. Unquestionably, bad actors can set evil goals and give AI access to resources, but it seems far less likely that computers can run completely amok on their own at this time.

Our team cannot pretend to know exactly where the developments in technology will lead. There may well be unintended deleterious consequences. As we learn more, we promise to share what we hear with you. In the meanwhile, it may be useful to bear in mind that negative newspaper headlines do not convey the whole story about artificial intelligence.

¹Bureau of Labor Statistics Data. (n.d.). Data.Bls.Gov. Retrieved October 2, 2026, from https://data.bls.gov/timeseries/CES0700000001?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true



A Joyous Name Change

Last year, **Natalie** married her college sweetheart, Tyler, throwing an incredibly festive wedding.

In the intervening months, she has engaged in hand-to-hand combat with the Social Security Administration and the Department of Motor Vehicles of New Jersey to change her surname. As is always the case when Nat sets her mind to something, she has prevailed! As such, please make note of her new email address: Natalie.soltes@ubs.com. Please feel free to congratulate Nat on her wedding and her victory over bureaucracy when you next speak with her.



The Expanding Roster at Value Added Partners

Even as AI is making us more efficient, we continue to add talented people to our team to ensure that we have sufficient numbers of humans to take good care of you.

Alex Bamford comes to us from the University of Michigan and a stint at another financial services company, while **Kara Rippey** is a recent graduate of the University of Virginia. Both of them are getting up to speed quickly and look very much forward to assisting you when you phone. Do not hesitate to welcome them if they pick up your call.



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Artificial Intelligence

Companies engaged in Artificial Intelligence (AI) typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Additionally, AI companies typically invest significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. Companies that are capitalizing on innovation and developing technologies to displace older technologies or create new markets may not be successful.

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