

Artificial Intelligence

A 60,000 ft. View

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Artificial Intelligence (AI), a term that has become commonplace in our vernacular, represents an important next step in the evolution of technology. This evolution, while discernibly impactful to the technology sector, has profound implications for other industries, where businesses are keen on applying advanced technologies to capture more revenue and enhance profits.

Generative AI: An Advanced Model

AI is a machine's ability to perform cognitive functions associated with the human mind, such as learning, reasoning, and problem-solving. Early examples include smartphone voice assistants and customer service chatbots. With the potential to anticipate problems and address issues as they arise, AI systems operate in intentional, intelligent, and adaptive manners.

Generative AI, a remarkably more advanced AI model, generates content in response to a prompt. For instance, writers can use it to create content, software developers to develop and review code, or marketing professionals to craft and edit personalized print and digital content. Even more compelling, healthcare professionals can use it to analyze medical data to diagnose patients more accurately and determine more effective intervention plans.

Developing a generative AI model, however, is resource-intensive and costly, requiring massive amounts of data and storage, and highly advanced computing power. For this reason, the largest technology companies remain the primary investors in building AI's infrastructure. This includes investing in and partnering with the companies that create the software, manufacture the semiconductors, assemble and maintain the servers, protect the server's data from cyber threats, and more. With a stable, fast, and secure infrastructure in place, AI investors can license the software to companies and consumers.

Economic & Investment Implications

Businesses that utilize AI systems have the potential to become more efficient and profitable by employing AI to automate processes, analyze significant amounts of data, generate and review computer code, and streamline other time-consuming and mundane tasks. This frees employees to focus their efforts on more strategic business initiatives, enhancing productivity and providing companies with a competitive edge in their respective markets.

Economic & Investment Implications (cont'd)

While AI technology is still in its infancy, it is advancing at an exponential rate. Bloomberg estimates that by 2032, generative AI will be a \$1.3 trillion market. Just as the internet and smart phones transformed the global economy, AI will have significant economic implications, affecting industries beyond the technology sector, including Finance, Energy, Education, Life Sciences, Manufacturing, and more. Early adopters that capitalize on the countless benefits of AI technology, and evolve with it to deliver superior product and service offerings in the future, stand to thrive as industry leaders in the ever-changing digital landscape.



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