

AI in the Labor Market

Impacts of Artificial Intelligence

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Giovanni Richetelli

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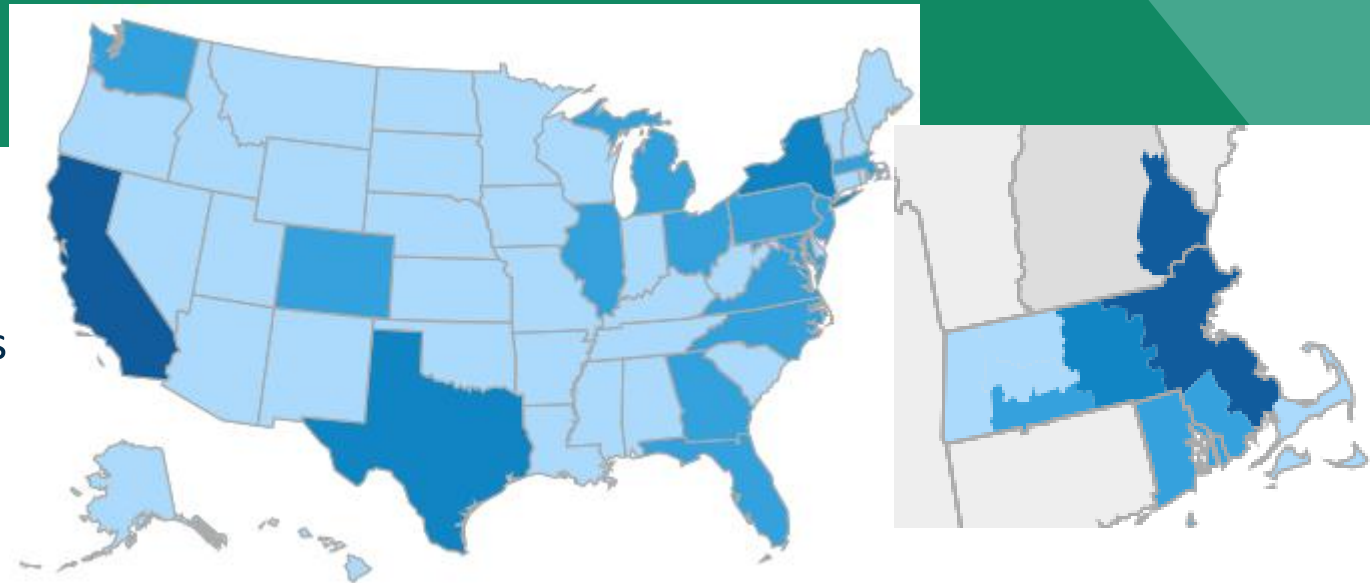
Rapid Change in the Job Market

- Between 2021 and 2024, one third of skills seen in the average job changed and the rate of change is accelerating
 - AI is accelerating skills change in the industries that were already the fastest evolving
 - IT and Marketing
- 30% of Americans believe their job is directly at risk of replacement
 - 70% of Americans believe there will be a general decrease in job opportunities
 - 55% of Americans believe AI will do more harm than good
- AI was cited for 50,000-100,000 job cuts in 2025
- AI has been cited for 50,000-100,000 job cuts in 2026 as of June 1st
 - The majority of job loss/creation due to AI is concentrated in a small group of industries
 - The tech industry is simultaneously responsible for the most job loss due to AI and the most job creation due to AI
 - In May the tech industry cut 38k+ jobs and added 11k+
 - Cuts due to AI “taking” jobs vs cuts due to restructuring (AI Washing)
 - Many cuts are due to investments in building out AI infrastructure
 - Oracle is laying off 30,000 employees in 2026 while investing \$50 billion in AI infrastructure in 2026



Local Job Posting Activity

- Tech heavy areas are using AI at a much higher rate
 - Massachusetts ranks 5th for total job posts calling for “AI skills” over the past three years
 - 16th most populous state
 - The bulk of these job posts are coming from the Boston/Cambridge area
- Over the past three years job posting activity calling for AI skills in the Franklin Hampshire region is minimal and top heavy
 - UMASS accounted for over 30%
 - 175 total
 - Second highest is Amherst College with 5%
 - 30 total



State	Unique Postings (May 2023 - May 2026)
California	405,641
Texas	202,783
New York	165,558
Illinois	114,668
Massachusetts	109,590
MSA Unique Postings (May 2023 - May 2026)	
Boston-Cambridge-Newton, MA-NH	96,773
Worcester, MA	4,360
Providence-Warwick, RI-MA	1,866
Springfield, MA	1,478
Amherst Town-Northampton, MA	544

AI Exposure

- Some amount of change can be seen across all industries however, not all industries are being affected equally
- Information technology, marketing, and design are some of the industries that have been most significantly impacted
- Hospitality and Healthcare have seen the lowest rates of AI adoption
- The Industries facing the most severe labor shortages are seeing the lowest rates of AI adoption
 - AI investment is being made in the industries where the return is the highest

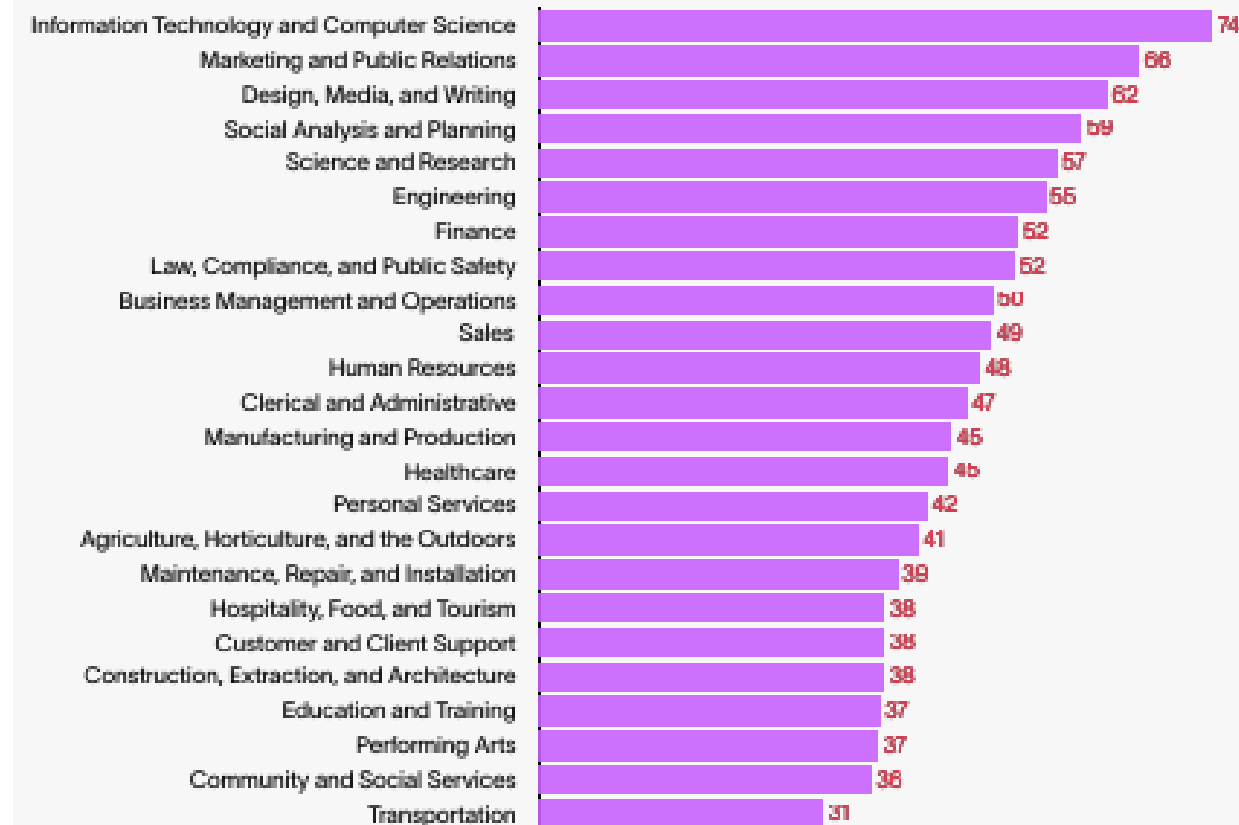
Occupation (Lightcast Occupation Taxonomy)	AI Exposure
MOST AI-EXPOSED	
Executive Assistant	78%
Editor	74%
Interpreter	74%
Office/Admin	74%
Proofreader	72%
Data Entry Clerk	72%
Court Reporter	70%
Legal Secretary	70%
Underwriter	70%
Receptionist	70%
LEAST AI-EXPOSED	
Nurse Anesthetist	14%
Physician	12%
Driller / Drill Operator	12%
Emergency Medical Technician	10%
Firefighter	8%
Paramedic	8%
Art Therapist	8%
Cardiovascular Technician / Technologist	8%
Respiratory Therapist	8%
Dialysis Technician	6%

Skills Obsolescence

- The sectors that are highly exposed to AI are facing accelerating skills obsolescence
 - These sectors already faced higher rates
- The rate of change is outpacing traditional training cycles
 - The technologies being introduced are changing faster than the labor market is able to adapt
 - If educators try teaching application specific skills it is very likely that those skills will soon be outdated
- AI's impact on cognitive work, vs manual tasks, means that even highly educated workers must continuously adapt

AI is a primary driver of rapid skill change in white-collar occupations.

Skill Change Index by Career Area, 2021-2024 (UK)



Moving Forward

- The solution to navigating the rapidly changing labor market is likely prioritizing adaptability to effectively navigate these rapid changes
 - Soft skills vs hard skills
- Even within the AI Industry there is a prioritization of soft skills over hard skills/application specific skills
 - Eight of the top ten most common skills seen in job postings within the AI Industry are soft skills
 - This does not only apply to the AI Industry
 - The Business Services Team experienced this first hand during a site visit with Oxbow Design
- An individual's approach towards working with AI is more valuable than that individual's current set of skills with any one application

The skills most in demand in AI jobs are still overwhelmingly human.

The Top 10 Skills Most Frequently Mentioned in AI Jobs

1. Communication

2. Artificial Intelligence (AI Skill)

3. Management

4. Operations

5. Leadership

6. Research

7. Machine Learning (AI Skill)

8. Customer Service

9. Writing

10. Problem Solving

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