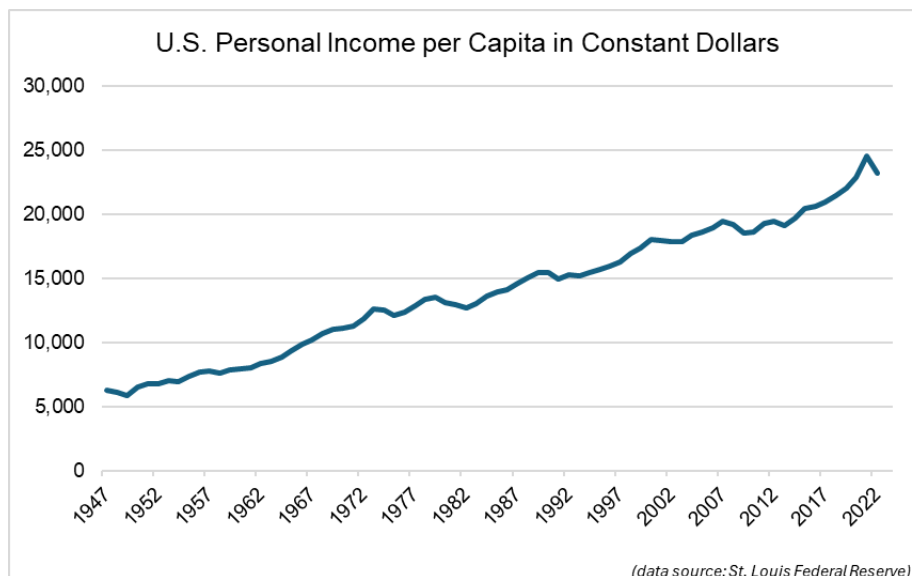


Are We Better Off Now?

August 19, 2024

One futurist has an unusually optimistic outlook for the global economy based on the acceleration of innovation and how that increase makes us all better off. The futurist is Ray Kurzweil, who has written extensively on his theory, the Singularity, providing extensive documentation on how and why things are getting better, not worse, as many economists and politicians proclaim. As we can see, his ideas reflect the compounding effect of innovation on innovation and how more and more technological breakthroughs will provide us with a higher standard of living. For a deeper look into Kurzweil's theories, check out <https://www.bvp.com/atlas/ai-escape-velocity-a-conversation-with-ray-kurzweil>.

Data from the Federal Reserve Bank of St. Louis, as reflected in the chart below, shows that personal income has been in a long-term uptrend for many years, with a slight hiccup due to the temporary economic shutdown caused by the pandemic. You can see that the growth rate had been accelerating before the pandemic. Kurzweil has measured these numbers going back to 1774, but our chart starts just after WWII, as personal income growth began to accelerate.



According to Kurzweil, advances in artificial intelligence (AI) will accelerate this growth in wealth and also give us more time in our lives, a benefit that is difficult to quantify. These expectations provide a very optimistic outlook for investors, and the latest surge in AI-related stocks appears to be only the beginning of an increase in these trends. If these ideas are of interest, Kurzweil's latest book, "The Singularity is Nearer," was published in June of this year.