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AI's Potential for the Future of Work

AI can boost productivity, reestablish human strengths, and revive middle-skill jobs

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I n the ongoing debate within labor economics, a central question is whether AI will ultimately benefit or harm workers. The answer depends on how AI is deployed: to automate jobs by fully replacing human workers, or to augment jobs enhancing worker productivity and capabilities. The balance between these two approaches—automation and augmentation—will determine whether AI threatens job stability or expands opportunity in the labor market.[1]

We humans can influence AI's direction before it defines ours. One way is to leverage early experimental research to proactively shape the conversation. There are **three key takeaways from the current research**:

1. **AI can boost worker productivity** by serving as a real-time assistant—not a replacement.
   - AI provides the biggest lift to those who need it most: lower-skilled and less-experienced workers.
   - AI could level the playing field and expand access to economic mobility.

2. In an AI-enhanced workplace **human traits—such as judgment, empathy, and creativity—remain irreplaceable** and may become more valuable.
   - Automation raises the value of tasks only humans can perform.
   - As technology advances, employment does not disappear—it evolves.
   - In one study of 950 occupations, the authors found that while nearly all jobs can benefit from AI-performed tasks, none can be fully automated.

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[1] See Revana Sharfuddin, "Leaning into Our Humanity in the Age of AI (Part 1)," *Labor Market Matters*, April 8, 2025, https://liyapalagashvili.substack.com/p/leaning-into-our-humanity-in-the. Scan the QR code below for the full analysis, including sources.

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3. By helping non-experts perform higher-skill tasks, **AI can reverse job polarization, restoring the middle-skill jobs** lost to past technological change.
   - The rise of the information age and the proliferation of computers after World War II reduced the need for "mass expertise"—the middle-skill jobs that powered the industrial age.
   - Unlike past automation, AI can augment human judgment, not just replace routine tasks.
   - By allowing more workers to participate meaningfully in human-dependent tasks involving judgment, creativity, and decision-making, AI could democratize expertise and revitalize the middle-skill workforce.

The future of work will not be defined solely by the power of AI, but by how we choose to use it. If deployed to augment rather than automate, AI can unlock human potential, expand access to opportunity, and rebuild the middle of the labor market.