Flash Economics

N° 114
November 19th, 2026

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How can productivity gains be used?

It seems clear that the use of artificial intelligence (AI) will generate substantial productivity gains. The question then becomes how these gains will be used. In principle, productivity gains can be used:

- to raise real wages;
- to reduce working hours;
- to increase profits and, hence, the capacity to invest;
- to lower prices and thereby increase purchasing power;
- to finance, through taxation, additional public spending that can be useful in education and training.

The effects of productivity gains spread widely throughout the economy if real wages rise (all wages, not just those in certain sectors) or if prices fall. Shorter working hours and the funding of training, for their part, enhance well-being. In the United States, recent developments show that the productivity gains made possible by AI are being used mainly to increase profits and to finance the considerable investment needs associated with AI; for the time being, they are benefiting US employees only to a limited extent.

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Artificial intelligence will boost productivity

We focus our analysis on developments in the United States, where the use of AI is spreading rapidly: according to the Census Bureau's Business Trends and Outlook Survey (BTOS), 24.2% of US businesses reported having used AI in the previous two weeks (late October 2026), compared with 17.3% in November 2025. **Productivity has been rising rapidly in the United States** since 2023 (**Chart 1**), reflecting both growth supported by AI-related investment (**Chart 2**) and weak job creation (**Chart 3**).

Chart 1
United States: Labour productivity per hour worked in the private sector

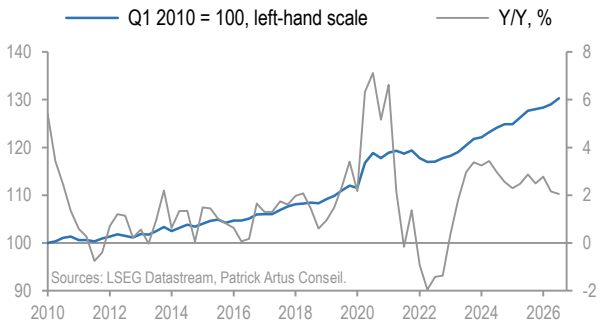


Chart 2
United States: Private fixed investment (chained 2017 USD billion)

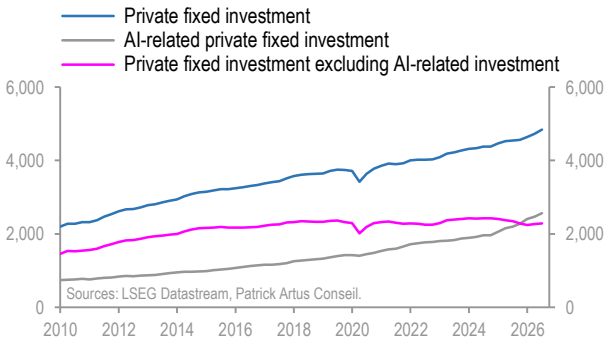
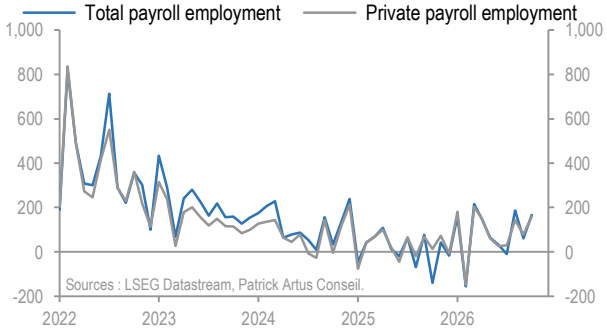


Chart 3
United States: Change in private payroll employment (M/M, thousands)



AI-related productivity gains should continue to grow as businesses make fuller use of the technology's potential.

How can productivity gains be used, and what is happening in the United States?

Productivity gains can be used:

1. **to raise real wages** (the purchasing power of wages), which has happened only to a limited extent in the United States recently (**Chart 4**);
2. **to reduce working hours**, which has not happened in the United States recently either (**Chart 5**);

Chart 4
United States: Real compensation per hour, business sector (Y/Y, %)

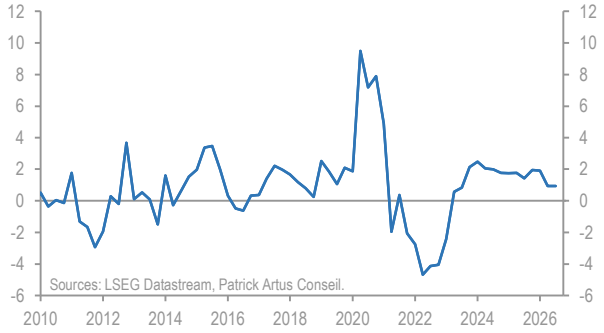
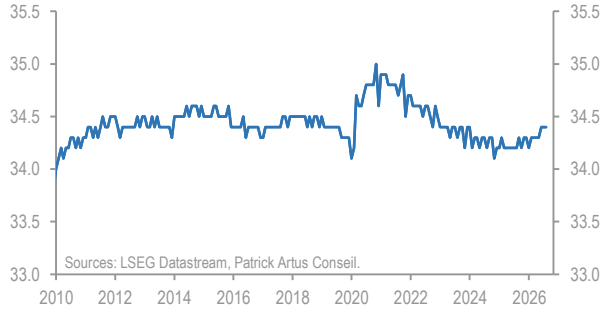


Chart 5
United States: Average weekly hours of private-sector employees (hours)



3. **to increase profits and investment capacity**, which is the path taken by the United States (**Chart 6**), with the rise in AI-related investment (**Chart 2** above) in intellectual property products and equipment, notably to equip data centres (**Chart 7**);

Chart 6
United States: Profits after tax and interest, before depreciation, of non-financial corporations (as % of GDP)

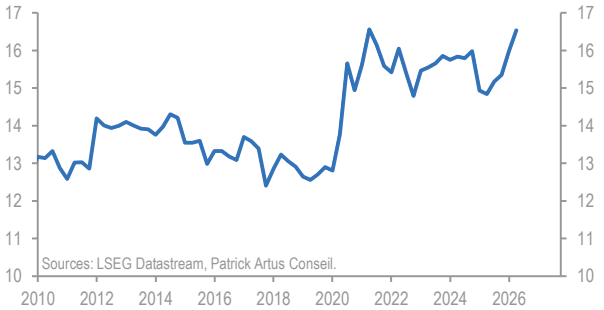
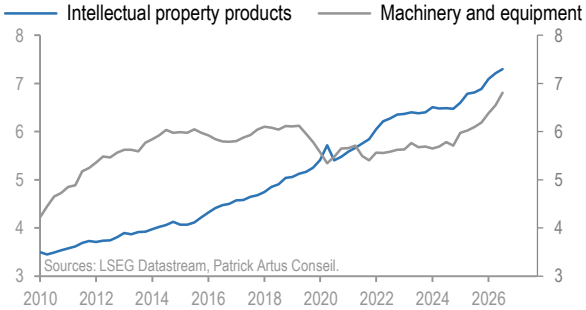
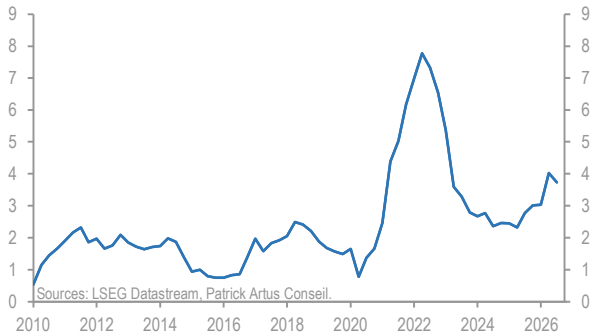


Chart 7
United States: Private investment in equipment and intellectual property products
(as % of GDP, in real terms, chained 2017 dollars)



4. **to lower prices and increase purchasing power**, which is not happening in the United States, where the GDP deflator (the price of domestically produced goods and services) has recently been rising rapidly (**Chart 8**);

Chart 8
United States: GDP deflator (Y/Y, %)



5. **to increase tax revenue and finance additional public spending through taxation**, which can be useful (training, education, etc.). The tax-to-GDP ratio (**Chart 9**) and federal spending on training and employment as a share of GDP (**Chart 10**) show that this is not the case in the United States.

Chart 9
United States: Tax and social contributions (as % of GDP)

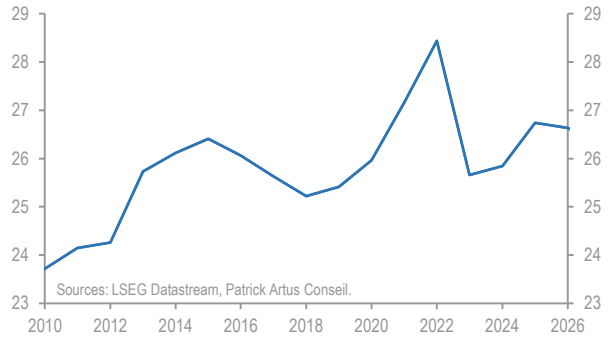
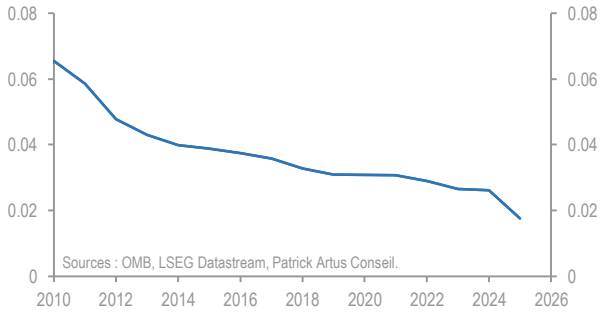


Chart 10
United States: Federal spending on training and employment (as % of GDP)



Overall, productivity gains, particularly those related to AI, are currently being used almost exclusively to increase corporate profits and to finance AI-related investment.

Conclusion: Can we define an optimal use of productivity gains?

It would be desirable for **the productivity gains from the use of AI** to benefit everyone, not just a minority. To that end, these gains should be used:

- to increase purchasing power across the board, either through higher real wages or through lower prices;
- or to enhance well-being, by reducing working hours or by financing useful public spending (education, vocational training, health).

The current use of productivity gains (almost exclusively to increase profits) is understandable given the massive investment needs associated with AI. It is to be hoped that this use of productivity gains will prove only temporary.

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