PRODUCTIVITY & WEALTH IN THE AI ERA

The Productivity Trap

Why doing more won't make experienced workers wealthier, and what the 2026 data already shows about where AI's gains are going.

What this deck covers

90% vs 33%

Net productivity growth versus typical worker pay growth, US private sector, 1979 to 2025

If pay had simply tracked productivity, the typical worker would earn $16.40 more per hour today. Not a windfall, just the relationship holding.

SOURCE: ECONOMIC POLICY INSTITUTE, 2025

71.3%

Workers' share of corporate income, Q1 2026, down from 77.8% in Q1 2020 and 79.1% in 1979

54.1%

Labor's share of national income, early 2026, lowest since post-WWII records began

57.7%

Same measure, early 2020, six years earlier

SOURCE: CBS NEWS, JULY 2026

$1.02T

Record S&P 500 share buybacks, 12 months to Q3 2025, up from $918.4B the year before

101,743

US job cuts citing AI in 2026 through June, 23% of every announced cut

$18.3T

Global billionaire wealth, up 16%+ in 2025, 3x the prior 5-year pace, Oxfam

SOURCES: S&P DOW JONES INDICES, CHALLENGER GRAY & CHRISTMAS, OXFAM

Five kinds of technological change, only one is unambiguously pro-worker

Labor-augmenting	Neutral to modestly positive
Capital-augmenting	Raises returns to ownership, not to work
Automating	Transfers the task away from the worker
Expertise-leveling	**Can erase the scarcity premium on your judgment**
New task-creating	Expands what humans can be paid to do

SOURCE: ACEMOGLU, AUTOR & JOHNSON, BROOKINGS, FEB 2026

> "Expertise-leveling doesn't take your job. It takes the scarcity premium the market used to pay for your judgment.

Your paycheck doesn't stop. It just stops growing relative to what you're actually producing.

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WHAT TO DO

Rethinking business and wealth, in practice

01 **Screen AI investment by category, not by hype**

Automating and expertise-leveling deployments cut cost. New-task-creating ones expand what your people get paid to do.

02 **Route captured value back to labor on purpose**

Profit-share tied to AI-driven margin gains, equity for the people who built or run the system, outcome-based pricing instead of hourly billing.

03 **Negotiate for a stake, not just a salary**

AI proficiency is becoming table stakes. The scarce thing left to negotiate for is a structural claim on the outcome.

Being productive and being paid for it were never automatically the same act

The 1979–2025 data settles that. What builds wealth is owning a piece of the value your work creates, not just producing more of it. AI didn't invent that gap. It's the fastest version yet of the mechanism

Productivity was never the wealth engine. AI just made

the math impossible to ignore.

Read the full piece, with every source, on terencekok.com.

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