

The Ledger: Wealth and Work in the Machine Economy

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The last essay was about how the buildout redistributes power between nations. This one is about the redistribution happening inside them, which for most people collapses into a single question, what happens to my job? The warnings are not subtle. Dario Amodei, who runs Anthropic, has said AI could eliminate half of entry-level white-collar jobs within one to five years, with unemployment reaching ten or twenty percent¹, a warning he has since begun to walk back as the data refused to cooperate. Coming from the man selling the technology, that is either admirable honesty or the best marketing in history, and either way it deserves a serious answer. Mine is more optimistic than the consensus, but not because I think the disruption is overstated. It is because I think everyone is staring at the supply side of the economy, and the answer lives on the demand side of the ledger.

First, the honest mechanics, because the disparity risk is real. The macro essay walked through what happens when capital can do cognitive work. The wage share of income falls, the capital share rises, and income flows toward whoever owns the machines. Ownership of the machines is concentrated, equity is held disproportionately by people who already have wealth, and the fastest-compounding asset in the world right now is a data center. Left entirely alone, the arithmetic of this transition concentrates income faster than any force in modern economic history. The problem is real. But notice what kind of problem it is. A distribution problem, not a production problem. The pie is exploding. The fight is over the slices, and that distinction matters because production problems make everyone poorer while distribution problems are, at least in principle, solvable.

Second, what is actually happening in the labor market in 2026, because the data is stranger than either the doom or the denial. Roughly 49,000 American layoffs through April of this year have been linked directly to AI, which against a workforce of 160 million is statistical noise². Mass firing is not happening. What is happening is quieter. Companies have stopped opening the door. Entry-level postings are shrinking, and employers are demanding experience for jobs that used to be where you got experience, a phenomenon researchers are calling experience creep³. The bottom rung of the white-collar ladder is being sawed off while the ladder itself still stands. I will not pretend to be neutral here. I am twenty-one, I have spent one summer at Silver Lake and another at Jefferies in investment banking, and I have no illusions about the outputs I was tasked with, the decks, the models, the formatting passes late at night. That work is exactly what commoditizes first, and it should, because a machine can already produce most of it. What does not commoditize is everything those jobs were supposed to teach on the way up, judgment about what the numbers actually mean, whose trust you hold, what is worth building in the first place. The problem for my generation is that the industry priced years of commodity output as the tuition for that judgment, and AI just made the tuition worthless without making the judgment any less scarce. Meanwhile, the same companies quietly closing doors to analysts are throwing them open for electricians. Ford and AT&T are ramping up recruiting for skilled trades, IBM announced it would triple entry-level hiring⁴, and

the buildout from the capex essay needs welders, linemen, and substation crews in numbers America has not trained. The signal in the noise is not disappearance. It is migration.

Third, the history, with its limit stated honestly. Two hundred years ago, four in ten American workers farmed. Today it is under two percent⁵, and the descendants of those farmers are not unemployed, they are doing jobs no farmer could have imagined. ATMs were supposed to end bank tellers and instead teller employment rose for decades as cheap branches multiplied⁶. Spreadsheets were supposed to end accountants and instead created an analysis industry. The lump of labor fallacy, the idea that there is a fixed amount of work to be divided, has been wrong every single time it has been tried, because human wants turned out to be unlimited. Every productivity gain lowered prices, freed income, and that freed income went looking for new things to want, which became new work. The honest caveat is that every previous machine complemented human cognition, and this one substitutes for it, so the pattern is not guaranteed to hold. Anyone who tells you they are certain, in either direction, is selling something.

So here is why I still land optimistic, and it is the point I think the whole debate misses. The economy does not exist to produce. It exists to consume. Every dollar of output, every token generated, every data center built, exists because a human being somewhere up the chain wants something. A cure, a house, a game, a vacation, a faster answer. The machines produce, but they do not want. A GPU never buys dinner, never upgrades to the window seat, never wants a bigger home for its family. Production can be automated. Wanting cannot. Which means that as the supply side of the economy inflates toward abundance, the binding constraint on growth stops being our ability to make things and becomes our appetite to absorb them, and that appetite is the one input only people supply. Humans do not keep their place in this economy because machines cannot do their tasks. They keep it because the entire machine economy points at them. Demand is the permanently human side of the ledger, and an economy of exploding output needs its consumers more, not less, which is precisely why every serious fiscal proposal, from compute dividends to sovereign wealth stakes, is at bottom a plan to keep purchasing power in human hands. The system does not work otherwise, and the people who own the system know it.

What does work look like on the other side? It migrates toward the two places machines point back at people. The first is the demand side itself, deciding what gets built, owning outcomes, taste, judgment, trust, relationships, the jobs where being human is the qualification rather than the limitation. When execution becomes cheap, the scarce skill is knowing what is worth executing, and the number of viable businesses explodes because the first essay's logic cuts both ways. If intelligence is rentable by the hour, the barrier to starting something falls to the price of knowing what to start. To be clear about how this sits with the macro essay, judgment is not the economy's binding constraint. Megawatts and machines are, and taste will not gate how much the machines can produce. It gates where humans fit inside that production, which is this essay's question, not that one's. More output means more firms, and every firm, however automated, has humans at the top of it deciding and consuming on its behalf. The second is the physical world. The buildout is the largest blue-collar jobs program in American history, there are five-year backlogs on the equipment side and no queue of qualified people to install it, and the wage premium that spent forty years flowing to the college desk job is starting to flow back toward the trades. That inversion will be one of the defining social facts of the next decade.

The real danger, then, is not the existence of work. It is speed and ownership. Work migrates over years. Paychecks stop in a quarter. The wage share can fall faster than new roles emerge, and the gains are compounding in equity accounts most wage earners do not hold. Be concrete about who does hold them. The top ten percent of American households own close to ninety percent of the stock market, and more than forty percent of the country owns none of it at all⁷. The machines are publicly listed, the capital side of the ledger trades every day under tickers, and a brokerage account is the cheapest ticket in history to the ownership side of an industrial revolution, which is why I think the most consequential financial decision of my generation is whether we show up on the capital side. But a ticket still has to be paid for out of savings, and a falling wage share is precisely the thing that eats savings, so the people most exposed to this transition are the least able to hedge it. That is the disparity machine in one sentence, the same force that shrinks your paycheck inflates assets you do not own. It compounds quietly for years, then it shows up in politics all at once. This is where the underconsumption risk from the macro essay lives, and why the fiscal system will be forced to adapt whether it wants to or not, shifting the tax base from payrolls toward capital and compute, and recycling returns into demand through dividends or broader ownership mechanisms. The optimistic case in this essay is conditional on that adaptation happening. Abundance does not distribute itself.

So my read on the disparity question comes down to four claims. Abundance with a distribution problem beats scarcity with any distribution, real purchasing power rises as the price of everything cognitive collapses, humans stay load-bearing because demand cannot be automated, and work migrates to the ends of the economy machines cannot occupy, wanting and building. But the transition will be the most politically turbulent economic event since industrialization, because it is running in years instead of generations. Which leaves exactly one question this series has not faced, the one every optimistic page above quietly assumes away. That is the next essay.

SOURCES

1. Amodei warning (50% of entry-level white-collar jobs, 10-20% unemployment). Anthropic CEO public comments via TheStreet and Axios.
2. ~49,000 US layoffs linked to AI through April 2026. Challenger, Gray & Christmas, April 2026 report (May 7, 2026).
3. Entry-level postings squeeze and "experience creep." Via Stern Strategy Group, Washington Monthly, and Yale CELI via Fortune.
4. IBM tripling US entry-level hiring (February 2026), IBM announcement. Ford and AT&T ramping skilled-trades recruiting, CNBC, May 2026.
5. US farm employment share (~40% circa 1900 to under 2% today). USDA Economic Research Service and BLS historical statistics.
6. ATM and bank teller employment history. James Bessen, Boston University.
7. Stock ownership concentration (top 10% of households hold ~87% of equities per Fed Distributional Financial Accounts, Q1 2026, and 42% of Americans own no stock per Gallup, April 2026). Federal Reserve and Gallup.

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