Statement by Juliet Schor, Professor of Sociology, Boston College, before the Senate Committee on Health, Education, Labor, and Pensions for a Hearing on:

AI's Potential to Support Patients, Workers, Children and Families

October 9, 2025

Good morning Dr. Cassidy, Senator Sanders and members of the Committee. I am honored to be back before this Committee to have the opportunity to discuss Artificial Intelligence. Thank you for the invitation.

I will focus my remarks today on AI in the workplace, addressing three issues. First, what will AI do to jobs and employment? Second, how should the productivity benefits of AI be distributed? And third, why working time reduction, and the 32 hour week in particular, must be a significant part of our response to AI.

What is workplace AI? It includes a wide variety of tools ranging from algorithmic management of the type used by Uber or Doordash, to predictive hiring algorithms, to algorithmic scheduling in retail, to Large Language Models (LLMs) such as ChatGPT. Robotics are also increasingly incorporating AI. While much of the recent conversation has been about the LLMs, AI is present in the workplace in many ways.

Economists have been at the forefront of asking questions about impacts on jobs and employment. AI has led to a sea change in their views on the impacts of labor-saving technology.

Traditionally economists have had an optimistic "What me, worry?" stance, arguing that new technologies will generate enough productivity increase and economic growth to re-employ people who lose their jobs and help restore the middle-skill, middle-class jobs hollowed out by

automation.[1] However, this once rock-solid consensus has ended. A growing body of evidence has led to a "revisionist approach." A series of studies by 2024 Nobel Prize recipient Daron Acemoglu and collaborators suggests that we cannot expect the experience of the Industrial Revolution to be repeated. For example, factory automation has been shown to result in higher local unemployment.[2] In addition, most of the benefits have gone to company owners and managers, while workers have paid the price in negative outcomes. AI has led to higher job displacement than replacement,[3] and analysis of online job postings data reveals AI-induced job loss.[4] Other studies find a decline in retail employment.[5]

Acemoglu and his co-author Pascual Restrepo argue[6] that we need to think beyond the simple displacement versus replacement formulation (i.e. job loss versus new job creation) to a three-part process. [7] There's the original job loss, the creation of new jobs via the productivity gains of the new technology, and a third process, which they call reinstatement, which is the development of new occupations in which labor has a distinct comparative advantage. Analyzing data since 1947, they find that over four decades, the displacement and reinstatement effects were roughly equal. But after 1987, that is no longer the case. We have witnessed high levels of displacement with low levels of reinstatement, leading to stagnant labor demand. MIT economist David Autor captured the shift in economists thinking in the title of a paper—From Unbridled Enthusiasm to Qualified Optimism to Vast Uncertainty."[8] A 2017 poll of leading US economists[9] found that 35-40% believe robots and AI will raise long-term unemployment rates, and of course that was well before LLMs appeared.

What about the impacts of LLMs? At this point, the evidence is mixed. Some studies have found that impacts have been small to date, which is not unexpected, given that uptake of AI has been uneven. A pathbreaking study of LLMs published last year in *Science* which looks not just at occupations, but actual tasks, and found that 1.8% of jobs could have over 50% of their current tasks affected by LLMs.[10] However, projecting technological changes farther out these authors

---

[1] Autor, David. 2024. "Applying AI to Rebuild Middle Class Jobs." *NBER Working Paper* w32140.
[2] Acemoglu, Daron, and Pascual Restrepo. 2020. "Robots and Jobs: Evidence from US Labor Markets." *Journal of Political Economy* 128(6):2188–2244.
[3] Acemoglu, Daron, David Autor, Jonathon Hazell, and Pascual Restrepo. 2022. "Artificial Intelligence and Jobs: Evidence from Online Vacancies." *Journal of Labor Economics* 40(S1):S293–340. doi:10.1086/718327.
[4] Acemoglu, Daron, and Pascual Restrepo. 2019. "Automation and New Tasks: How Technology Displaces and Reinstates Labor." *Journal of Economic Perspectives* 33(2):3–30. doi:10.1257/jep.33.2.3.
[5] Deming, David J., Christopher Ong, and Lawrence H. Summers. 2025. "Technological Disruption in the Labor Market." *NBER Working Paper 33323*.
[6] Acemoglu, Daron, and Pascual Restrepo. 2019. "Automation and New Tasks: How Technology Displaces and Reinstates Labor." *Journal of Economic Perspectives* 33(2):3–30. doi:10.1257/jep.33.2.3.
[7] Acemoglu, Daron, and Pascual Restrepo. 2019. "Automation and New Tasks: How Technology Displaces and Reinstates Labor." *Journal of Economic Perspectives* 33(2):3–30. doi:10.1257/jep.33.2.3.
[8] Autor, David. 2022. "The Labor Market Impacts of Technological Change: From Unbridled Enthusiasm to Qualified Optimism to Vast Uncertainty." *NBER Working Paper* w30074.
[9] https://www.kentclarkcenter.org/surveys/robots-and-artificial-intelligence-2/
[10] Serdar Ozkan and Nicholas Sullivan, "Is AI Contributing to Rising Unemployment? Evidence from Occupational Variation," *St. Louis Fed On the Economy*, Aug. 26, 2025.

estimate that this share will grow to 46%, a massive number.[11] A Federal Reserve Board of St. Louis study, just out in August,[12] finds that between 2022 and 2025, the occupations in which AI exposure has been estimated as highest have had the largest increases in unemployment, and conversely those with lower estimated AI exposure have had less increase. The correlation is higher with data on actual AI adoption to date. A September 2025 National Bureau of Economic Research Working Paper similarly finds that tasks with higher AI exposure experience reduced labor demand.[13] Other kinds of methodologies suggest even larger impacts, for example the massive unemployment projections predicted by AI executives and other corporate leaders, and those predicted from basic job exposure estimates.

What are we to make of this evidence on the question of potential job loss? A first, critical point is that we are in a zone of high uncertainty. We really do not know and will not for some time. In the summer of 2025, the narrative that AI has been over-hyped took hold.[14] However, it is possible that even if it does not approach Artificial General Intelligence—and it is likely that it will not—it will likely prove to be highly disruptive. It behooves us to pay close attention now and to put in place robust policies that will avoid the catastrophic economic, social and political impacts of mass unemployment, should that outcome prevail. But even if mass unemployment does not occur we have already seen an important example of the disruptive and anti-worker impacts of these technologies. I refer to the advent of ride-hail, a topic I began studying in 2011. Uber and Lyft were made possible by the use of algorithmic management which allowed them to decimate the traditional taxi industry, and with it hundreds of thousands of jobs. Employees with jobs and stability became people with gigs, paid by the task.

Thinking about LLMs, their ability to do certain kinds of tasks, such as coding, customer service, writing, art, etc. is so advanced that it seems unlikely that these activities will continue to be done mainly by humans. The mix between human and computer input is likely to change dramatically, with potentially very large employment impacts. We just don't know yet, but we do need to prepare for worst case job scenarios.

But there are some things we do know that relate to my second issue—who will benefit and who will pay the costs. At the moment, there is little doubt that most companies can implement AI without worker input, and without sharing the gains. As the labor market worsens, this will be even more the case. In the standard economic models, if a worker becomes more productive, they are able to capture that benefit. But we have seen, over many decades, that employees are no longer reaping the benefits of productivity growth. Wages have stagnated as productivity has grown; income has become ever more unequal, with gains going increasingly to the top of the distribution,

---

[11] Tyna Eloundou, Sam Manning, Pamela Mishkin, and Daniel Rock, 2024, "GPTs are GPTs: Labor market impact potential of LLMs, *Science*, Volume 384(6702):1306-8.
[12] Serdar Ozkan and Nicholas Sullivan, "Is AI Contributing to Rising Unemployment? Evidence from Occupational Variation," *St. Louis Fed On the Economy*, Aug. 26, 2025.
[13] Menaka Hampole, Dimitris Papanikolaou, Lawrence D.W. Schmidt, and Bryan Seegmiller, 2025. "Artificial Intelligence and the Labor Market," Working Paper 33509, NBER Working Papers series, http://www.nber.org/papers/w33509.
[14] Servaas Storm, 2025, "The AI Bubble and the U.S. Economy: How Long Do 'Hallucinations' Last?" Institute for New Economic Thinking (INET) Working Paper #240.

and over time to a smaller and smaller group. We now have the highest levels of income and wealth inequality in history.

If AI does lead to significant productivity growth, will the owners of these technologies reap all or the bulk of the gains, without sharing with workers in the form of reduced hours of work and/or higher wages? New research by Acemoglu makes clear that a likely outcome of these technologies is increased inequality.[15] Owners of capital gain at the expense of labor in nearly all outcomes. Wages are unlikely to rise much according to his estimates, and the gap in earnings across skill levels may well increase. Overall, if these outcomes are left solely to the market, AI is likely to exacerbate inequality without significant wage improvements for ordinary workers. That would be a bad outcome.[16]

Instead, we can share productivity growth in two ways—in higher wages and as working hour reductions. Giving people time, via the 32 hour week needs to be at the forefront of our nation's response to the AI revolution. Since 1950, the productivity of the average American worker has risen by 400%.[17] Since 1973, I've calculated that the US has used less than 8% of its increased productivity to reduce hours, while many Western European countries have taken much more—three to four times that amount.[18]

Americans are working extremely hard. Beginning in about 1970, annual hours started to rise, as I discovered early in my career. Although there has been a small average reduction in weekly hours since that time, full-time workers still log an average of four hours a week.[19] On an annual basis, hours have risen by 366 since 1977, or an increase of 23%. (According to calculations from the Current Population Survey done by the Economic Policy Institute, hours went from 1611 in 1977 to 1861 in 2023.)[20] We work hundreds of hours more each year than European counterparts, and now, even more than the Japanese.

And we have the stress and social strain to prove it. According to Gallup's *State of the Global Workplace 2025*,[21] the US and Canada have the highest stress levels of any region, recorded at 10 points above the global average. Fifty percent of all workers felt stressed "a lot of the previous day." Forty-eight percent are struggling or suffering, and half express intentions to leave their

---

[15] Daron Acemoglu, 2025, "The Simple Economics of AI," *Economic Policy*, 40(121):13-58.

[16] Acemoglu makes another important point in this paper, which is that the current group of LLMs places a premium on conversational interactions with humans, but they remain unreliable for information. The path of AI development could focus instead on providing reliable information that yields higher productivity increases.

[17] Total Economy Data Base (TED), Conference Board. In 1950, per hour productivity was $22; in 2022 it was $83, in constant dollars. https://www.conference-board.org/data/economydatabase/total-economy-database-productivity.

[18] These are my calculations from the TED data, from 1973-2019. The UK has only taken 13% and is a bit of an outlier. Germany, Netherlands, Italy and France have taken between 25% and 38%.

[19] Weekly hours for full-time workers in 2023 from BLS. https://www.bls.gov/cps/cpsaat19.htm.

[20] https://data.epi.org/labor_force/labor_force_annual_hours/line/year/national/hours_worked_annual_asec/overall?timeStart=1975-01-01&timeEnd=2023-01-01&dateString=2023-01-01&highlightedLines=overall.

[21] Gallup, *State of the Global Workplace: 2025*, https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx.

current jobs. Sixty-nine percent are either "not engaged" or are "actively disengaged" in their jobs. Clearly, our workplace model is broken.

We do have a solution. As I testified to you in 2024, I have been researching companies who give their employees a four day, thirty-two hour workweek with no reduction in pay. The results for both employees and employers have been exemplary.[22] We track 20 well-being measures, all of which rise significantly on the new schedule. And nearly all the companies remain at four days, and express high levels of satisfaction with this intervention. Many report higher productivity and business success, for a variety of reasons, including better quality work, lower levels of turnover, happier and healthier workers and a much easier time attracting workers. This is a commonsense solution to problems facing both employees and employers.

But as we know from the adoption of the five day week, we will not get there without government help. We have been stuck at five for 85 years. It's time to remedy that. If we do get significant productivity gains from AI and we are unable to reduce the workweek that will turbocharge layoffs and unemployment. Why will employers keep more employees whose work is disappearing? Instead, we could gradually transition to 32 hours, with large benefits for workers, employers, families, and society. As Maine State Senator Rick Bennett has noted when he filed his 4 day work bill-- "Maine people work hard and they deserve to thrive, not just survive."

Historically economists have pointed to the experience of the first Industrial Revolution as evidence that new technologies will not result in large-scale unemployment. But there is a major factor for that success that is generally ignored by economists. That Revolution was eventually accompanied by working hours reductions. Between 1870 and 1970, average annual hours of work fell across nearly all the high-income countries. Annual hours in 1870 were about 3,000 a year (or sixty hours a week). A century later we were at roughly 2,000 (forty hours).[23] That translated to needing to replace one third fewer jobs. This history should be top of mind as we craft workplace policies for the AI era. AI has the potential to substantially increase labor productivity. But it will prove to be a poisoned chalice if we allow a small group of technology firm owners to dictate how it transforms our economy and society. We need a democratic response to such a disruptive technology. Workers must have a significant voice in how this software is used and who benefits from its deployment.

AI raises many other issues than the ones I have addressed here. In my field, education, AI has created a crisis of cheating and plagiarism. There is growing evidence of its role in disseminating misinformation and undermining democracy. There is a large body of research on its role in the propagation of gender and racial bias. And there is concern about the adverse impacts of humans interacting with AI agents. These are all urgent issues that we ignore at our peril. Going forward we need human-centered software, not a technology whose purpose is to replace us.

[22] Juliet B. Schor, 2025, *Four Days A Week: the life-changing solution for reducing employee stress, improving well-being and working smarter,* (NY: Harper Business).
[23] Ibid.