



AI and Demographic Changes

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The United States, like many developed countries, is facing a shrinking labor force as its population ages. At the same time, changes in immigration policy under the Trump administration suggest that at least in the immediate term, the American economy will not be able to rely on [immigrant workers to make up the shortfall](#). But wait! Could technology get us out of this?

Some countries have managed to utilize technology to help relieve some labor burden from their aging population (e.g. famously Japan). But we shouldn't overly rely on that as a solution. For instance, here is AI exposure and usage relative to the share of the workforce in a given occupation that is over age 55.

Figure 1. Occupation's Exposure to AI vs. Share of 55+ Workers Employed in Occupation

Share of occupation age 55+ on x axis
Percent of tasks exposed to AI on y-axis

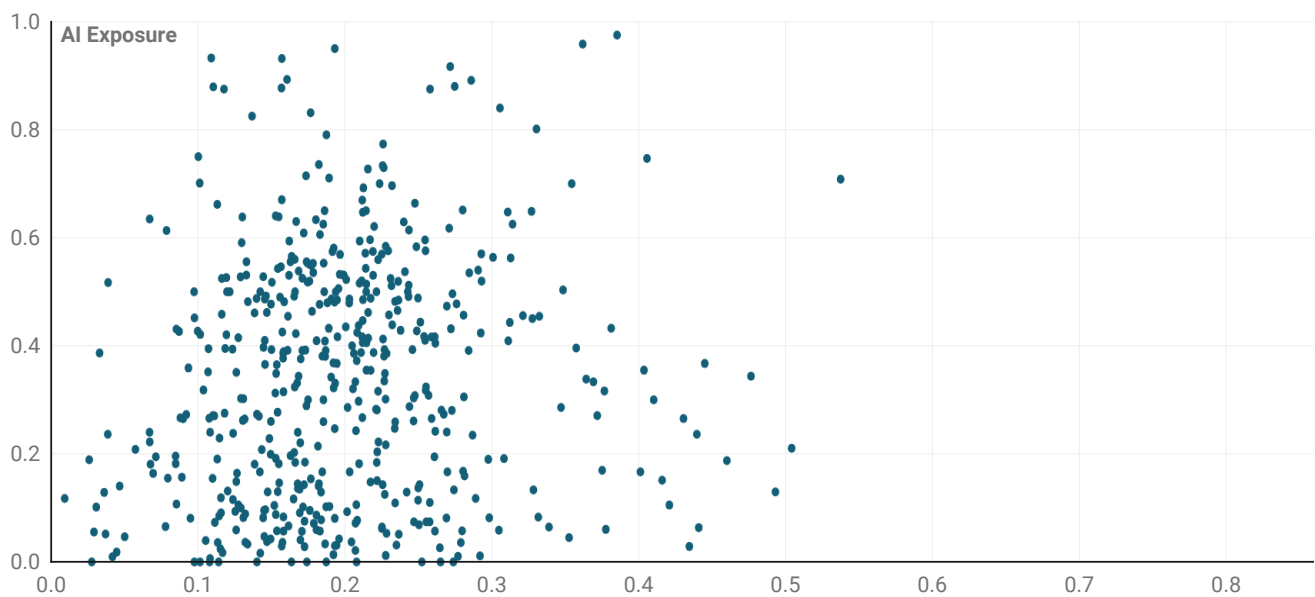


Chart: The Budget Lab • Source: Eloundou et al. (2023), CPS, The Budget Lab analysis • Created with [Datawrapper](#)

Figure 2. Occupation-level AI Usage Automating Tasks vs. Share of 55+ Workers Employed in Occupation

Share of occupation age 55+ on x axis
Percent of AI usage indicating automation on y-axis

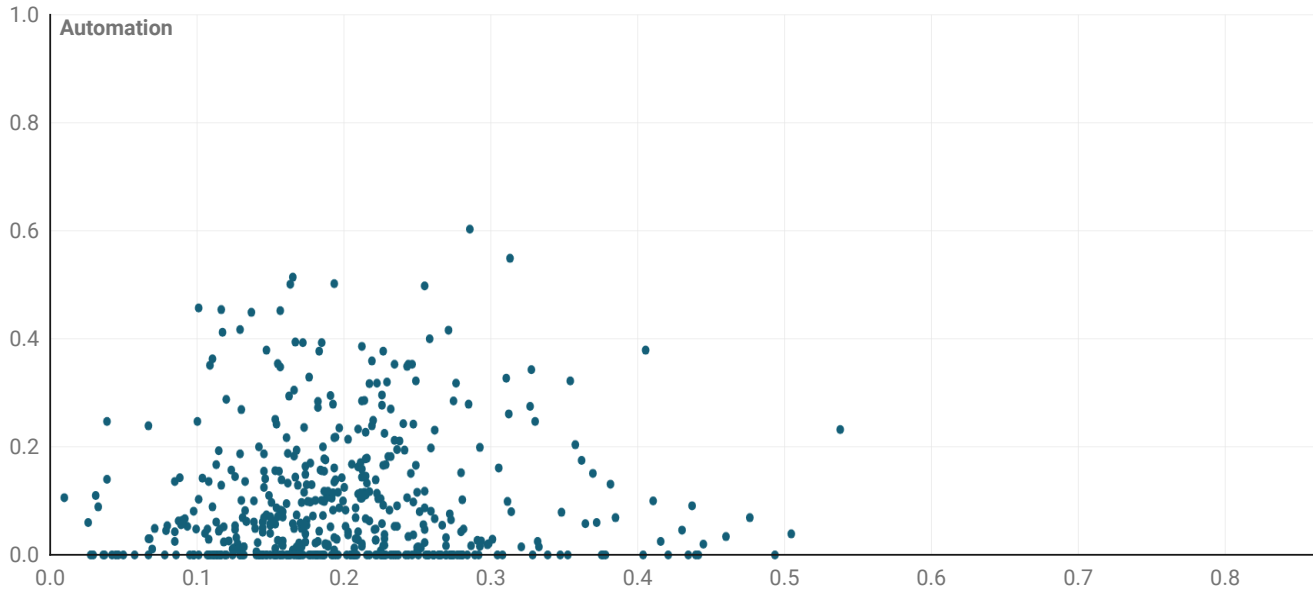


Chart: The Budget Lab • Source: Anthropic, CPS, The Budget Lab analysis • Created with [Datawrapper](#)

Figure 3. Occupation-level AI Usage Augmenting Tasks vs. Share of 55+ Workers Employed in Occupation

Share of occupation age 55+ on x-axis
Percent of AI usage indicating augmentation on y-axis

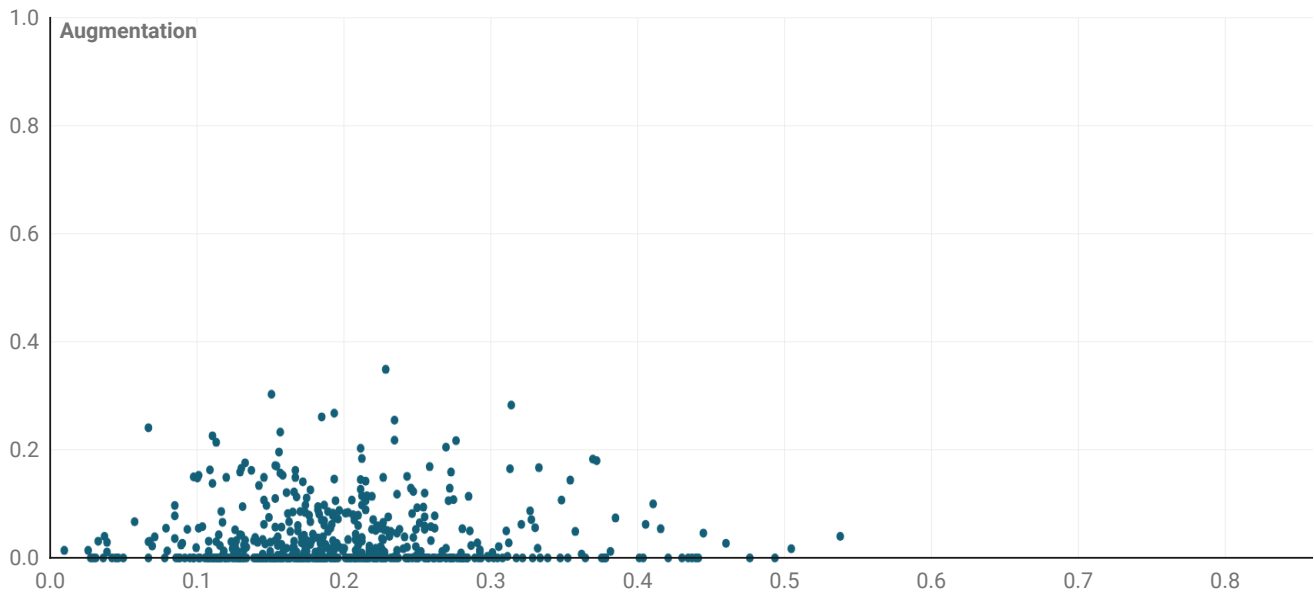


Chart: The Budget Lab • Source: Anthropic, CPS, The Budget Lab analysis • Created with [Datawrapper](#)

In some occupations AI might be helpful in relieving the burden of an aging workforce – for instance legal secretaries and administrative assistants both tend to be older and also are more exposed to AI. But in others, AI

seems unlikely to play a large role (e.g. passenger attendants).

Similarly, AI is not a panacea for an economy that is less welcoming to immigrants.

Figure 4. Occupation's Exposure to AI vs. Share of Foreign-Born Workers Employed in Occupation

Share of occupation foreign-born on x-axis
Percent of tasks exposed to AI on y-axis

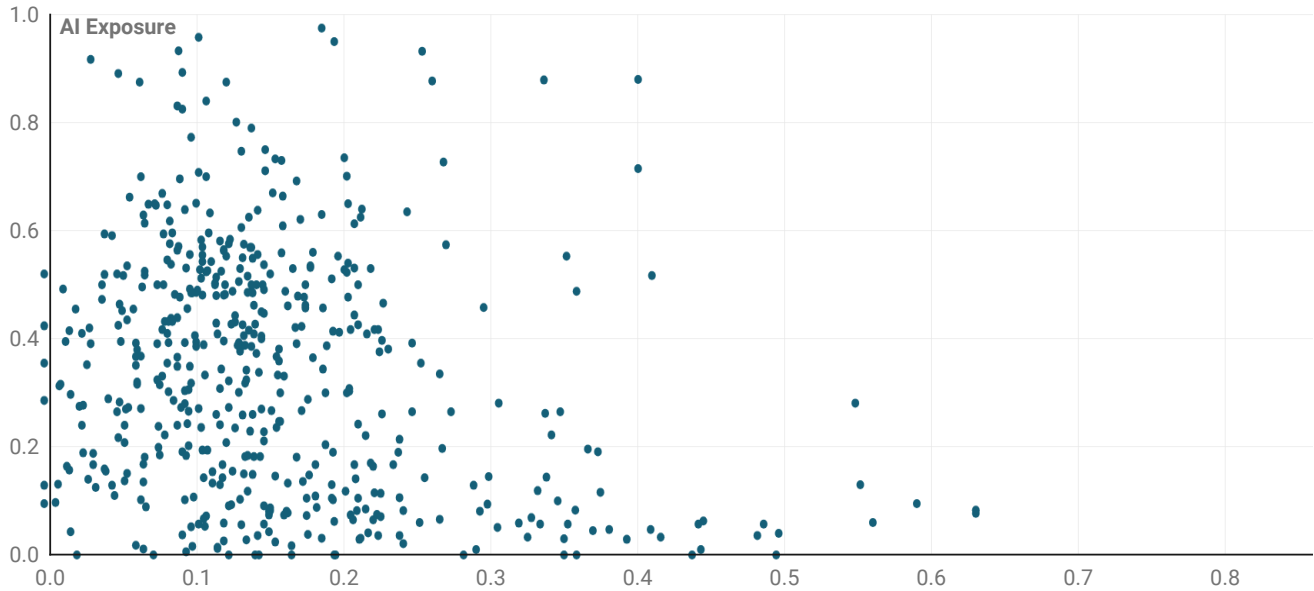


Chart: The Budget Lab • Source: Eloundou et al. (2023), CPS, The Budget Lab analysis • Created with Datawrapper

Figure 5. Occupation-level AI Usage Automating Tasks vs. Share of Foreign-Born Workers Employed in Occupation

Share of occupation foreign-born on x axis
Percent of AI usage indicating automation on y-axis

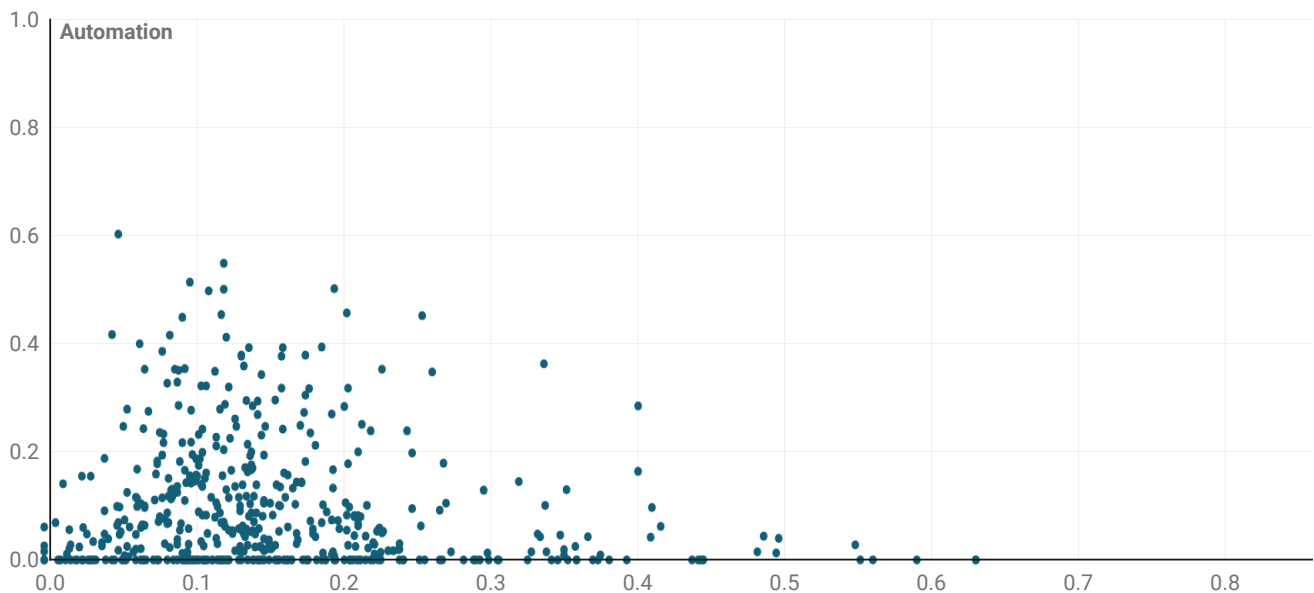


Chart: The Budget Lab • Source: Anthropic, CPS, The Budget Lab analysis • Created with Datawrapper

Figure 6. Occupation-level AI Usage Augmenting Tasks vs. Share of Foreign-Born Workers Employed in Occupation

Share of occupation foreign-born on x-axis
Percent of AI usage indicating augmentation on y-axis

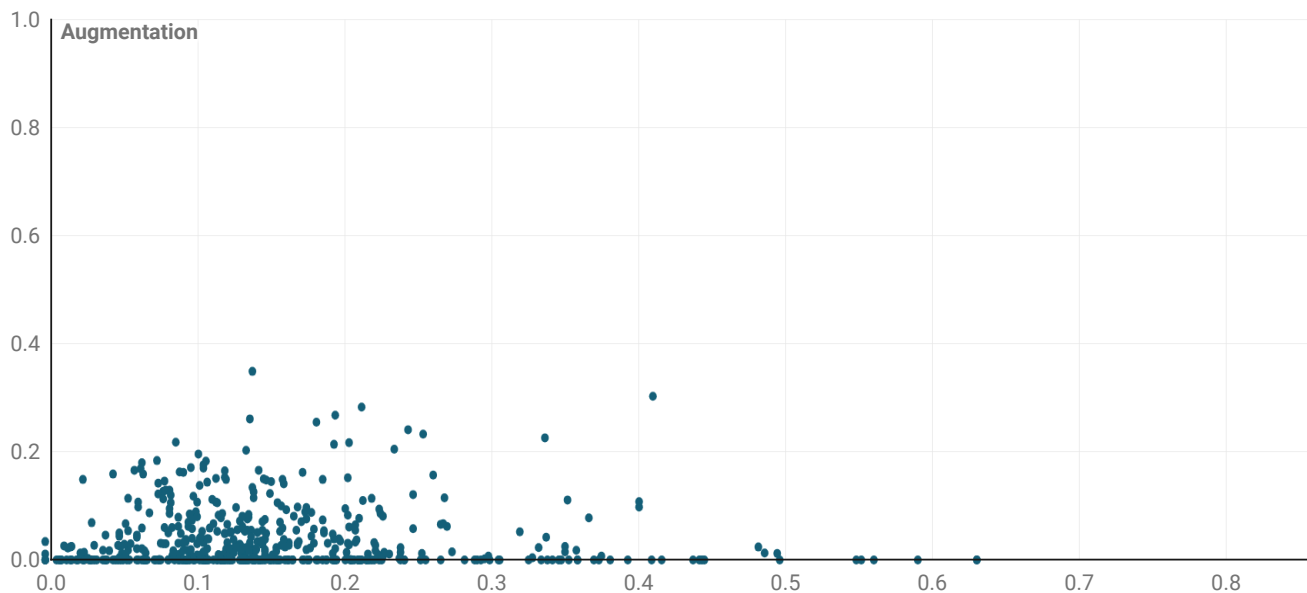


Chart: The Budget Lab • Source: Anthropic, CPS, The Budget Lab analysis • Created with [Datawrapper](#)

In fact if anything, AI exposure is clustered in occupations with a lower-share of foreign-born workers.

There aren't easy solutions to an aging workforce in an economy where policymakers are less willing to rely on immigrant labor. We shouldn't pretend otherwise.