

Adam Brotman (00:00)

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Andy (00:37)

This is AI First with Adam and Andy, the show for leaders turning AI from a tool they're testing into a workforce they run. I'm Andy Sack, alongside my co-host Adam Brotman. Each episode we bring you candid conversation with business leaders deploying real agents. What's actually working, what's not, and how they're rebuilding their companies around it. No fluff, just real talk, actionable use cases, and insights you can use.

Greetings, everyone. Greetings, Adam. Today we're

Adam Brotman (01:05)

Reading.

Andy (01:06)

going to be having a mini episode on a chapter from our recent book, Agents Inc. and the chapter that we want to focus on is Ghost GDP.

And we want to define that topic. So we've had readers ask us more about that. We've had journalists inquire about this area. So we want to define the term ghost GDP and explain it for all of you alongside our book. So Adam, you wanna tee up a basic definition as a start, and then I'll chime in afterwards.

Adam Brotman (01:36)

Yeah, I'll try my best. For the economists in our audience, I'm sure I'm getting this wrong, but basically GDP, gross domestic product, is a measurement of the output of goods and services that a society produces or a nation produces.

Andy (01:51)

it's worth mentioning that the term ghost GDP isn't even our term, right? That's right. It came from the

Adam Brotman (01:55)

Right, it came from the Centrini report, I think, where which

Andy (01:59)

Citrini report, which we we read and really liked and we recommend you read.

Adam Brotman (02:03)

Right.

I'll explain my best attempt at what the term ghost GDP means but it's more important to talk about what it implies and get away from like economics and stuff. So it's this idea of up until the world of artificial intelligence being as powerful as it is in the last few years, and it's gonna definitely be in the next few years, this idea of measuring

A nation or society's gross domestic product, meaning the sum total value of all of the goods and services produced by all of the companies and people in that society. If you were to measure, like, I wonder how much output there is, how much economic activity there is, but measured by the output, you would normally measure that. and if you had a really good GDP quarter, it would normally correspond with like

A booming economy, which would normally correspond with lots of jobs. Like jobs are plentiful, unemployment is low. Those things usually correlate, all those things. Ghost GDP is like, what if, because of artificial intelligence, you could have a bunch of agents that AI agents that are doing the work that used to be done by the people. So like synthetic intelligence doing a job versus biological intelligence doing a job. And like that would mean that the output would still be there, like the actual company is still.

you know, making the hamburger, making the widget, providing the service, but because it didn't get done by a human, the company could be producing it, it could actually have profits, but there isn't as many jobs available. And so you disconnect this idea of like a booming economy means low unemployment. And that's the idea of a ghost GDP. Like it's there, but like the ghost is uh-oh, there are not people doing the job behind it, is artificial intelligence doing the job.

And so you could have super low unemployment. And if you have super low unemployment, you could end up having people having trouble paying their bills, buying new houses, buying new goods and services. And that would normally slow down the economy. But if you have so much AI powering so many things, you could end up with like this what looks like a really good GDP and a really good economy, and yet you got struggling humans and struggling consumers, both on the employment side and the affordability side, et cetera.

So that sort of disconnect is this ghost GDP concept that the Centrini report mentioned, and we report on in the book a little bit and give some thoughts on it. I would say the bigger that's kind of wonky. The bigger, more regular, plain English sort of way to think about it is it and there's a debate going on right now. I mean, some people would say there's no debate, but there is a debate going on about whether or not like will you see AI.

Create so many new opportunities for individuals to be creative, be entrepreneurial, et cetera, that those new opportunities that could only happen because of AI, will they make up for this ghost GDP phenomenon? And you end up with sort of effectively a situation where we don't have a huge amount of unemployment to have to go through to get to the other side of this. And that's the debate. So ghost GDP is the lead into this bigger debate of whether or not

we're gonna have this big unemployment period because of AI or not. So that's the relevance of it.

Andy (05:04)

Yeah,

so I'll just add I think you did a good job synthesizing and playing macroeconomist to describe Ghost GDP from the Citrini report. And that simply put, it's higher productivity because of AI and agents, and basically at the same time greater unemployment and more human struggle

That's Ghost GDP. so.

What you talked about is that I think as a result of the Ghost GDP, it touches on two other topics, which we talk about regularly. One is the labor thing, meaning what's going to happen with unemployment. And that touches on displacement versus job creation. And I think what you are, as part of the job creation piece, you're getting at

As a result of AI, there's certainly going to be some layoffs, maybe job displacement. And it's going to be a tougher job market. There aren't going to be as many jobs available. So they're going to be almost forced into being entrepreneurs, whether they like it or not. and suddenly one person, two people, teams can do.

Amazing things. And there's talk of the billion dollar one person company. we've already talked about that. We will have a separate episode on solopreneurship. but this whole ghost GDP thing touches on the rise of a lot of one and two person companies in response to a tougher job market.

Adam Brotman (06:24)

Yeah, and I want to just throw something in which makes it even more complicated is when we talk about the rise of the one-person company, which we talk about in the book, solopreneurship, the one-person company, which is a thing in China, it doesn't have to just be like a company like we all think about a company. It doesn't have to just be like a company that makes, you know, some product or whatever.

Provide some service. It could actually be that you're a freelancer and you're able to plug in to someone else's one-person company in a way that you wouldn't have been able to because you've got AI. Like all of a sudden you're able to write reports and do research and build software as a one-person individual contributor.

That you might be able to freelance. And so I even get confused myself as to like what's the definition of a one-person company. I think in my opinion, the weird messy period we're going into in the next few years, which is like, you know, trying to read through productivity numbers in the society, GDP numbers, unemployment numbers.

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You know, Andy Sack Incorporated, Andy Sack the individual contributor, Andy Sack the consultant. It doesn't have to just be Andy Sack has, you know, his version of a stuffed animal company that produces stuffed animals for kids or something and manufactures them overseas and uses AI to help with content marketing and all this. Like we think of the one person company in our book, we even talk about this one guy that created like this giant GLP one lead gen company made hundreds of that's like

the classic example of like there's gonna be the billion dollar company with the one person using AI. There's also just gonna be like lots of individuals that say I can contribute as an individual contributor now in society. I can be a freelancer, I can do whatever. So I think that's interesting to think about all those things and see how they all play out. I have no idea

how it's gonna play out.

Andy (08:27)
I think that's

I think you're making a really good point, which I just want to double click on, which is, you know, everyone's talking about solopreneurship and the one person billion dollar company, which has not

Adam Brotman (08:37)
Right.

Andy (08:38)
happened yet, even though there's been some amazing stories, it hasn't happened yet. There certainly is a rise of one person companies, and there's a wide range of what that looks like, including just as you point out, just being a

1099 contractor to

Adam Brotman (08:53)

Sole proprietor, yeah. Exactly.

Andy (08:56)

of and and helping out other companies. So there's gonna be a rise of one-person companies with a rise of outcomes, of which at the very extreme, someone is likely to use agents and AI to create a billion dollar company. But we actually don't want to focus on most of the people are gonna be faced with a different employment marketplace.

and need to adapt. And the best way to

adapt

at this point, it's not do as I say and it's actually do as we do. we do use the tools. And so

Hopefully in this episode, you got an overview of what we meant when we talked about Ghost GDP, a layman's explanation, a layman economist, as well as a brief overview of what's happening when it comes to solopreneurship. So thank you, Adam. thank you all for listening to AI First with Adam and Andy.

For more on how to become AI first, head to forum3.com. You'll find case settings, research briefing, executive summaries, and our most recent book, Agents Inc. How to Rebuild Your Company in the AI Age. We truly believe you can't overinvest in your AI learning onward.