Unlocking the Potential of AI:
How Local Governments Can Lead the Way

Alex Goryachev

WCMA Winter Meeting – February 29, 2024

"52% of the Fortune 500 companies from the year 2000 are now extinct.."
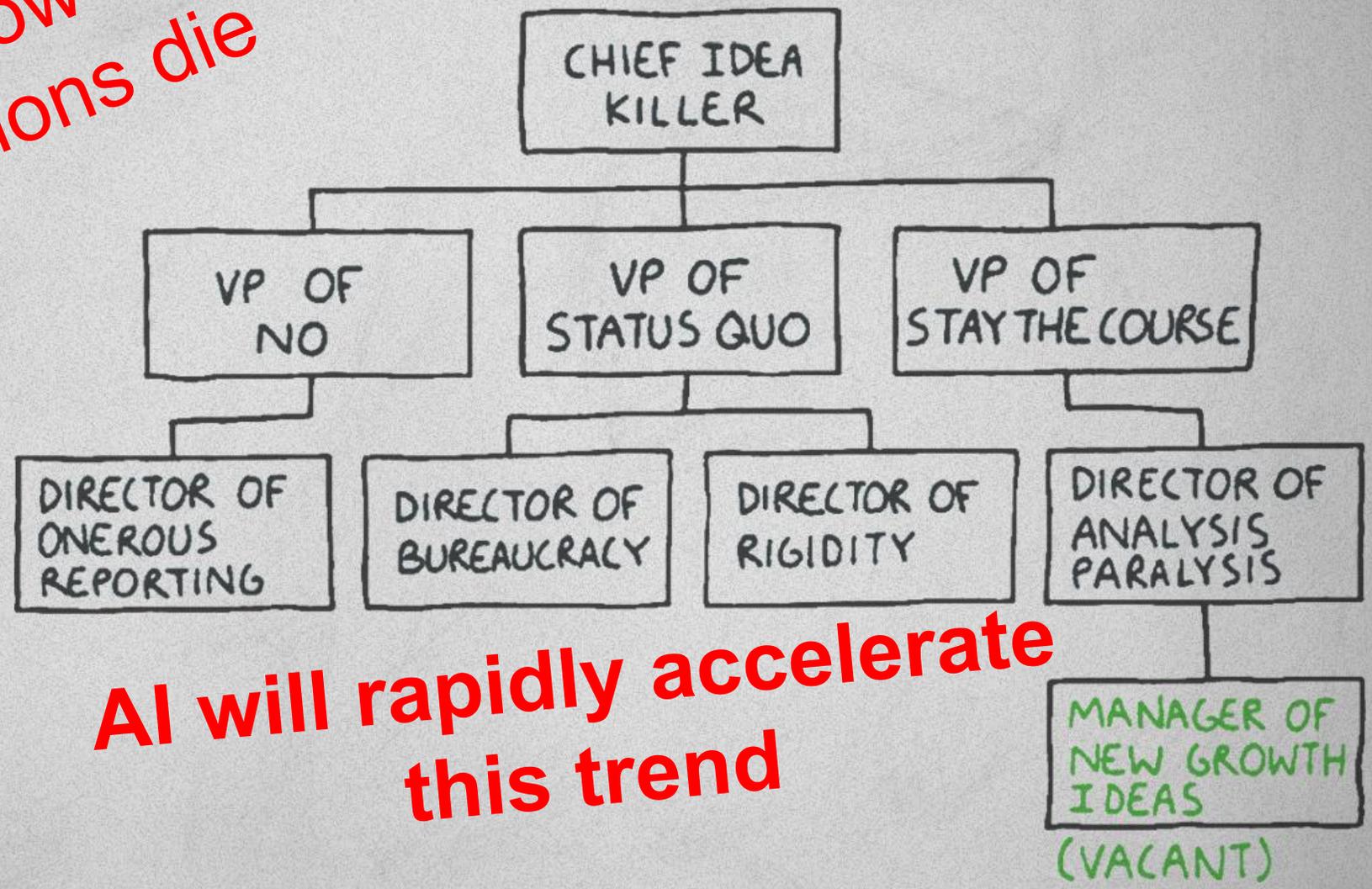
Economic Transitions

Hyper-connectivity

Speed of innovation

Lower cost of innovation

AI

2025 → 75B IP DEVICES
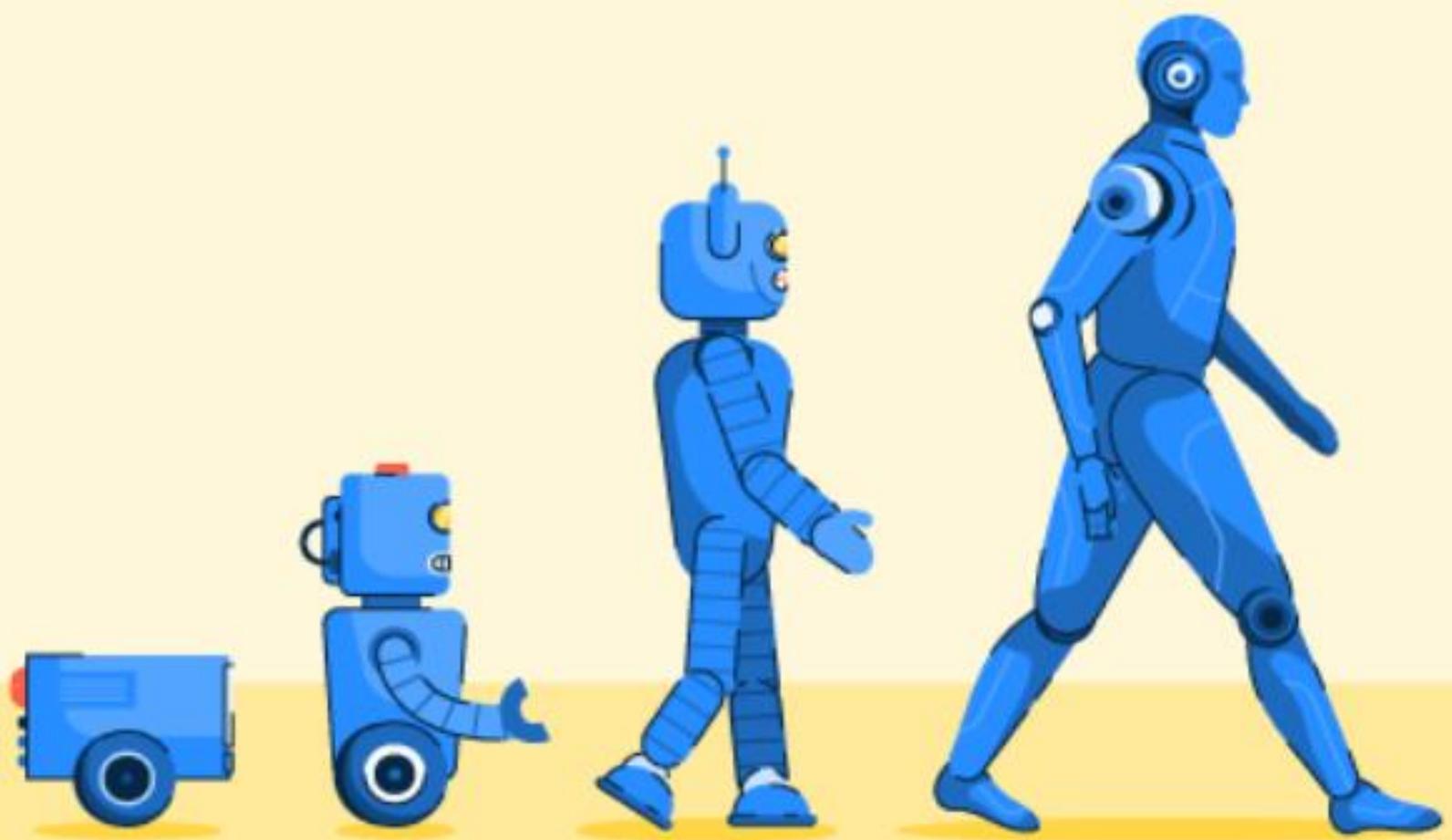
2023 → $220B MOBILE APPS

$5M → $FREE

?

AI is an ultimate equalizer – creating a fundamental power shift that will impact all areas of life

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users

	Launched	
Netflix	1999	3.5 years
Kickstarter*	2009	2.5 years
Airbnb**	2008	2.5 years
Twitter	2006	2 years
Foursquare***	2009	13 months
Facebook	2004	10 months
Dropbox	2008	7 months
Spotify	2008	5 months
Instagram***	2010	2.5 months
ChatGPT	2022	5 days

180M

ChatGPT Users

61%

**Americans think
AI is a threat to humanity**

27%

**Legacy jobs lost to AI
in the next 10 years**

Out of **10 U.S. workers**

10% OF WORK IMPACTED — Six workers will have at least **10%** of their work tasks impacted by GPT technology

50% OF WORK IMPACTED — Two workers will have over **50%** of their work tasks impacted by GPT

What makes **your** job exposed to GPT?

Exposure: potential economic impact

● Low Exposure   ⬤ High Exposure

Low wages	Jobs requiring low formal education	High wages	Work that requires college degree or higher
Manufacturing	Jobs requiring many hours of on-the-job training	Writing	Minimal on-the-job training
Agriculture	Critical thinking Skills	Programming	Routine & repetitive work
Mining	Science skills	Information processing	

What **jobs** are exposed to GPT?
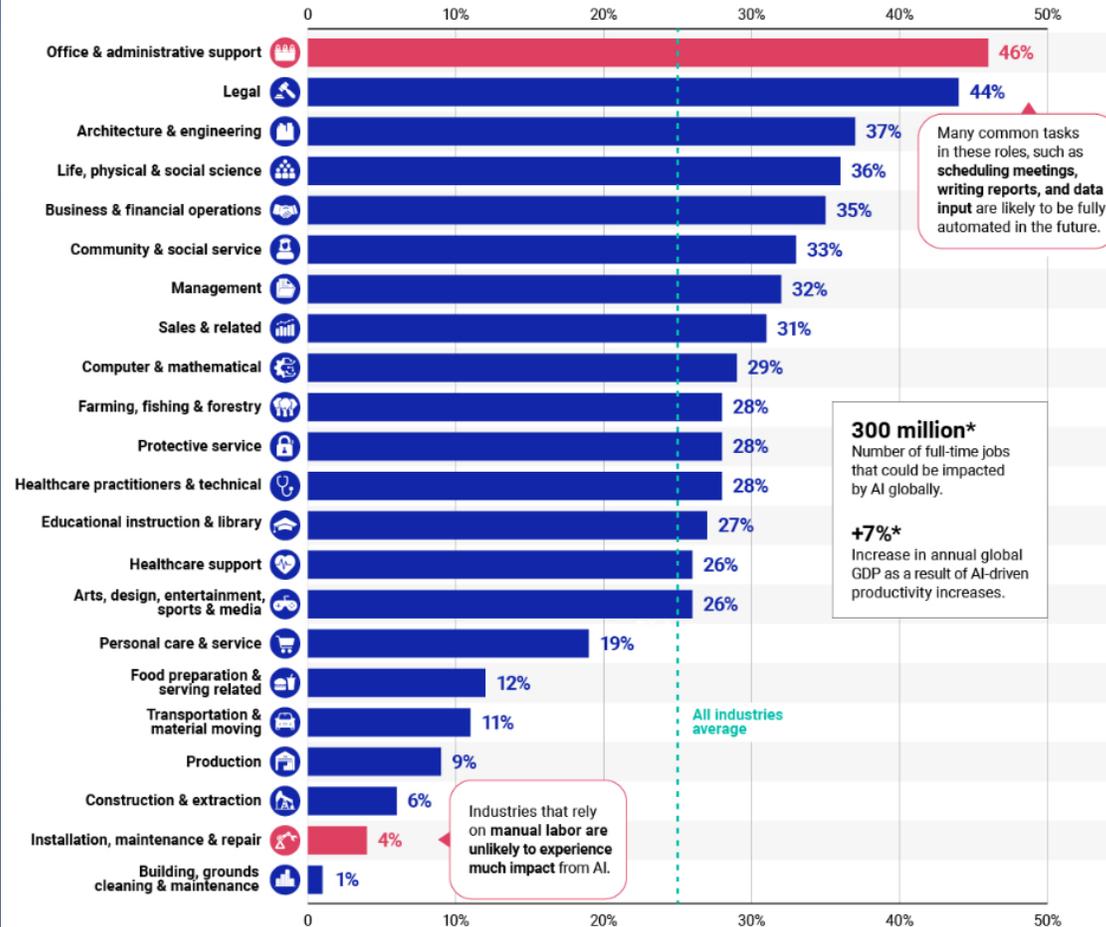
● Low Exposure   ⬤ High Exposure

Low Exposure	High Exposure
👤 Athletes	👤 Interpreters + Translators
👤 Automotive Repairers	👤 Survey Researchers
👤 Cement Masons	👤 Writers and Authors
👤 Cooks	👤 Public Relations Specialists
👤 Pile Driver Operators	👤 Tax Preparers
👤 Stonemasons	👤 Mathematicians
👤 Tire Repairers and Changers	👤 Blockchain Engineers
👤 Dishwashers	👤 Proofreaders and Copy Markers
👤 Carpenter Helpers	👤 Accountants and Auditors

U.S. Industries with the

Highest Potential for Automation

(i) Automation exposure was estimated for 900+ U.S. jobs using the O*NET occupational database. Exposure estimates were weighted by the employment share of each occupation, and aggregated to the industry level.

Estimated Share of Employment Exposed to AI Automation

Industry	%
Office & administrative support	46%
Legal	44%
Architecture & engineering	37%
Life, physical & social science	36%
Business & financial operations	35%
Community & social service	33%
Management	32%
Sales & related	31%
Computer & mathematical	29%
Farming, fishing & forestry	28%
Protective service	28%
Healthcare practitioners & technical	28%
Educational instruction & library	27%
Healthcare support	26%
Arts, design, entertainment, sports & media	26%
Personal care & service	19%
Food preparation & serving related	12%
Transportation & material moving	11%
Production	9%
Construction & extraction	6%
Installation, maintenance & repair	4%
Building, grounds cleaning & maintenance	1%

Many common tasks in these roles, such as **scheduling meetings, writing reports, and data input** are likely to be fully automated in the future.

300 million*
Number of full-time jobs that could be impacted by AI globally.

+7%*
Increase in annual global GDP as a result of AI-driven productivity increases.

All industries average

Industries that rely on **manual labor are unlikely to experience much impact** from AI.

Source: Goldman Sachs Global Investment Research (March 2023)

Cities everywhere are beginning to explore generative AI approaches:

71% of surveyed cities are either exploring, testing, or implementing generative AI

60% Exploring

2% Applying

9% Testing

23% of surveyed cities have a designated generative AI lead

81% of surveyed cities want to use generative AI to optimize city service delivery to constituents

71% of cities are exploring, testing or implementing the use of generative AI, **yet most cities have not developed their capabilities and policies**

to survive and thrive, cities must quickly raise their AI competency and develop AI Strategy

Key Impact Metrics

Addressing needs of Residents

Productivity & efficiency

$ Savings

?

Key Use Cases

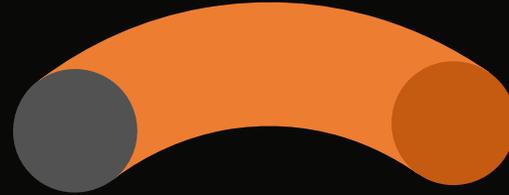|			
"Smart City"	Communications	Program / Project Management and Planning	Data Analysis and Reporting
Citizen Services	Safety & Security	Business Operations	?

Main Barriers:
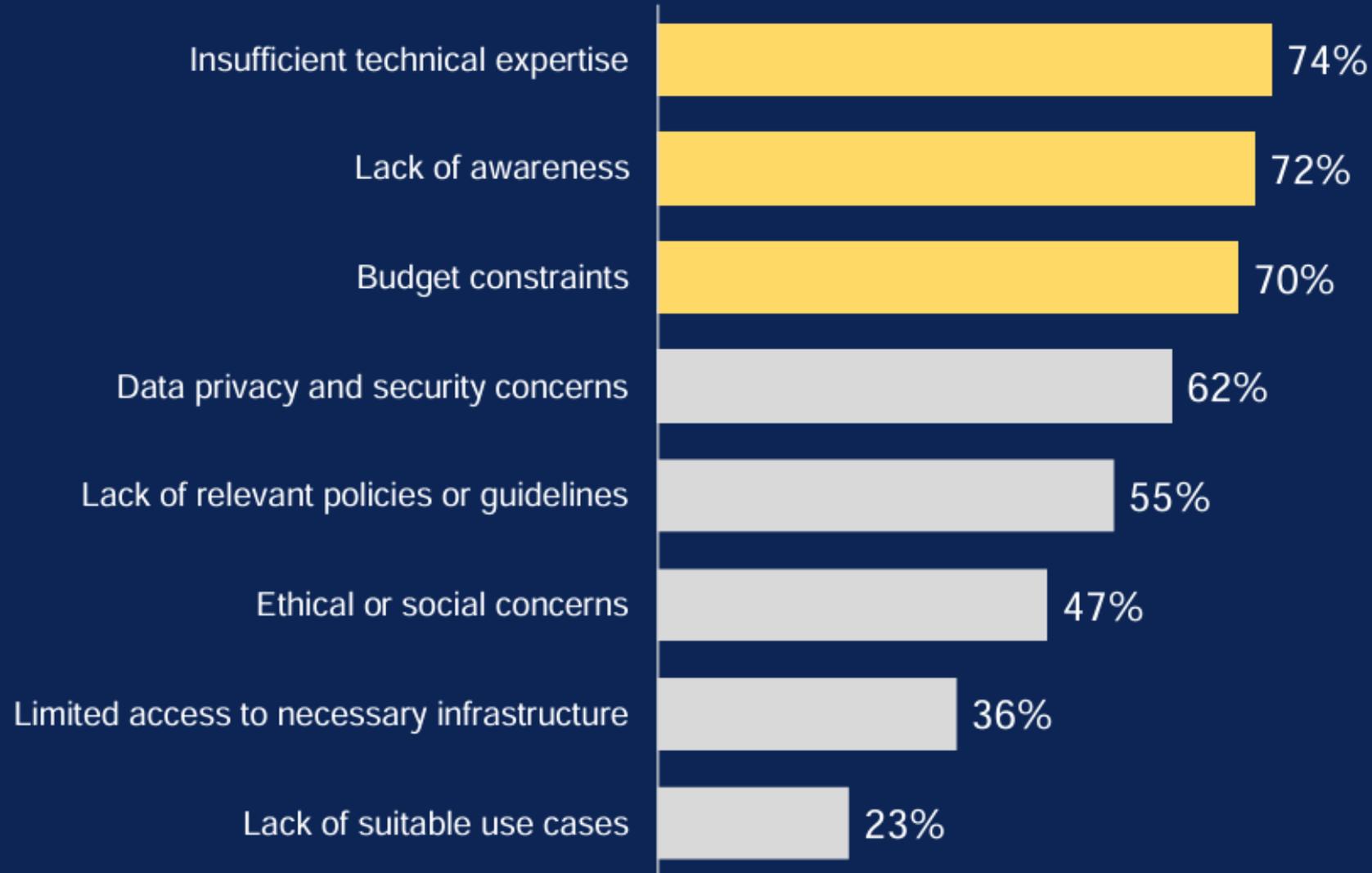
Barrier	Percentage
Insufficient technical expertise	74%
Lack of awareness	72%
Budget constraints	70%
Data privacy and security concerns	62%
Lack of relevant policies or guidelines	55%
Ethical or social concerns	47%
Limited access to necessary infrastructure	36%
Lack of suitable use cases	23%

Key Elements of Initial AI Strategy

Agree on Objectives

Risks: Regulatory Landscape

Build Foundation for the future

YOUR NAME HERE

Invest in Quick Wins

Workforce Training

Key Elements of Initial AI Strategy

Agree on Objectives

> Understand Risks/Rewards

> Agree on Needs & Priorities

> Understand Key AI Stakeholders

> Establish Governance

Key Elements of Initial AI Strategy

> Existing regulatory landscape

> Verification, Privacy & Disclosure

> Potential Bias & Ethical Issues

> Workforce planning Impact

> Create and communicate AI usage policies ASAP

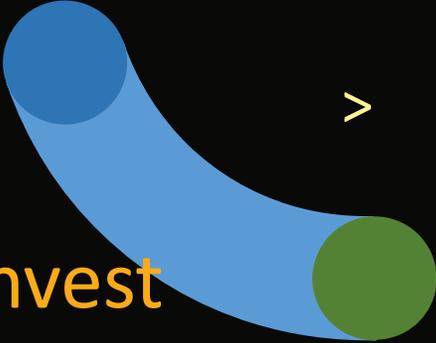**Regulatory landscape**

Key Elements of Initial AI Strategy

> Build your own AI Skills

> Develop AI talent in your organization

> Early identification of impacted roles and retraining
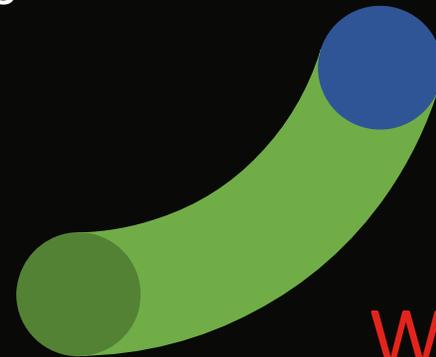
Workforce training

Key Elements of Initial AI Strategy

> Start Small

> Define clear measurable goal

> Build and execute 2-3 pilots

Invest
in quick wins

Key Elements of Initial AI Strategy

Build
Foundation for
the future

> Steering Committee / Owner

> Develop Ecosystem Partnerships

> Long term-impact & Use Cases

> Data Foundation

Leadership actions

> Educate yourself and your teams NOW

> Designate a leader & setup governance

> Develop, communicate and enforce policies

> Build a coalition of the willing: look for ecosystem partners

> Seek Public Input & Be Transparent

> Experiment with 1-2 quick wins

Cities that embraced the industrial revolution became the economic powerhouses of the 20th century.

In the digital age, cities leading in technology and innovation will become leaders.

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Top AI Applications - 2023