



Federal Reserve
Bank of Dallas

“Survey Says...”

How Dallas Fed Surveys Provide Key Insights

Dallas Fed Survey Participants’ Appreciation Reception

October 9, 2024

Why conduct regional surveys?

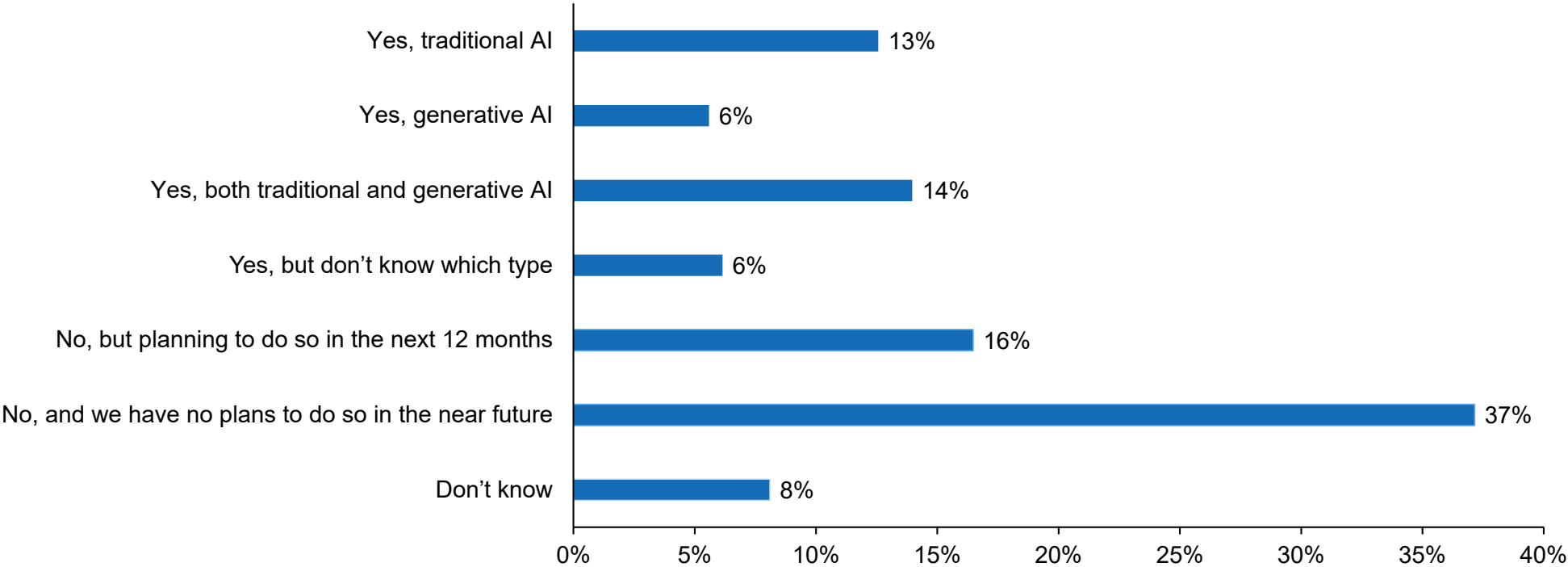
- There is a dearth of regional data
 - Sparse
 - Lagged
 - Subject to large revisions
- Surveys provide timely data not otherwise available
 - Current (quick turnaround)
 - Not subject to revision
 - Flexible—can cover a broad range of topics through ‘special questions’
 - Helps answer key questions relevant for monetary policymaking



AI Adoption and Impact

Evidence from Dallas Fed Surveys

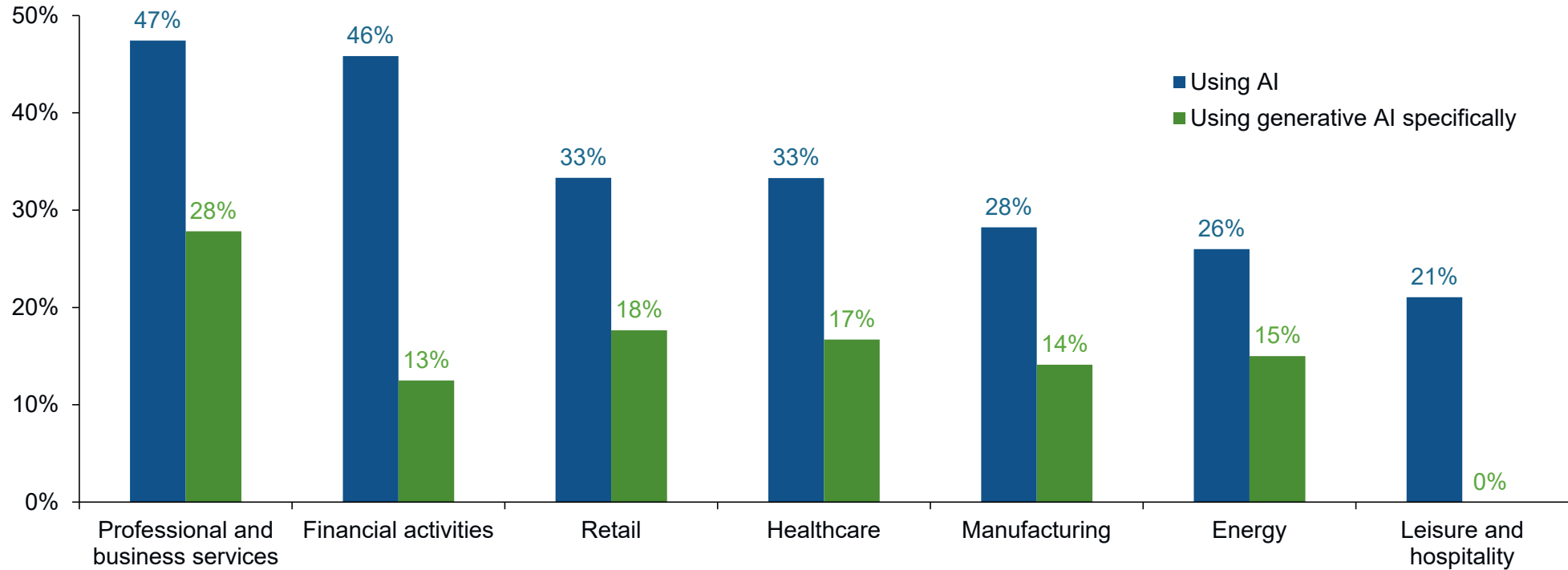
40% of Texas firms are currently using AI; an additional 16% plan to do so in the next year



NOTES: Respondents were asked, "Is your firm currently using AI?". N=358.
SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

AI use varies across industries

Percent of respondents

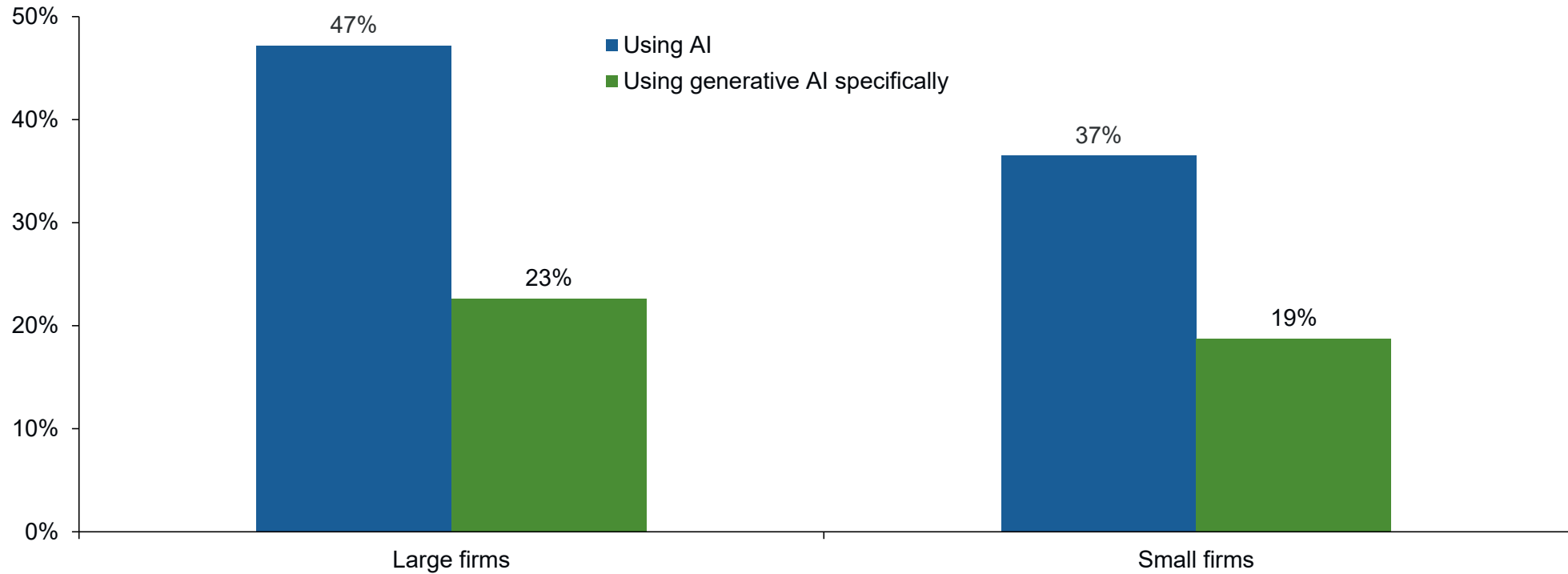


NOTES: Respondents were asked, "Is your firm currently using AI?"

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys, Dallas Fed Energy Survey.

AI use more common among large than small firms

Percent of respondents



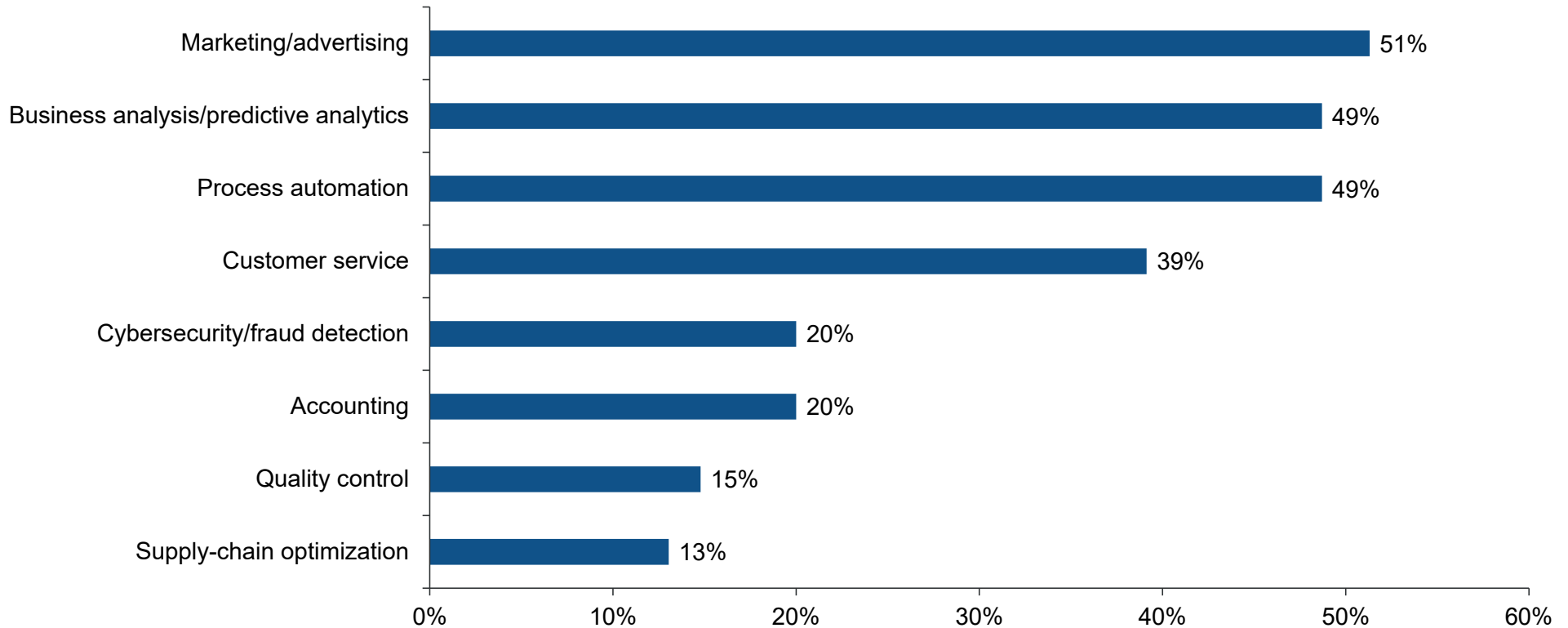
NOTES: Respondents were asked, "Is your firm currently using AI?" Small firms have fewer than 500 employees; large firms have 500 or more.
SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

Small firms face more hurdles

“We are a small business and would like to use AI to automate processes but don't have the labor, time or expertise right now to do it.”

“We do believe AI has merit, but how do we implement, establish guardrails to keep us out of the ditch, and build confidence in the concept? Those are big questions and tall challenges for smaller firms that are not easily answered.”

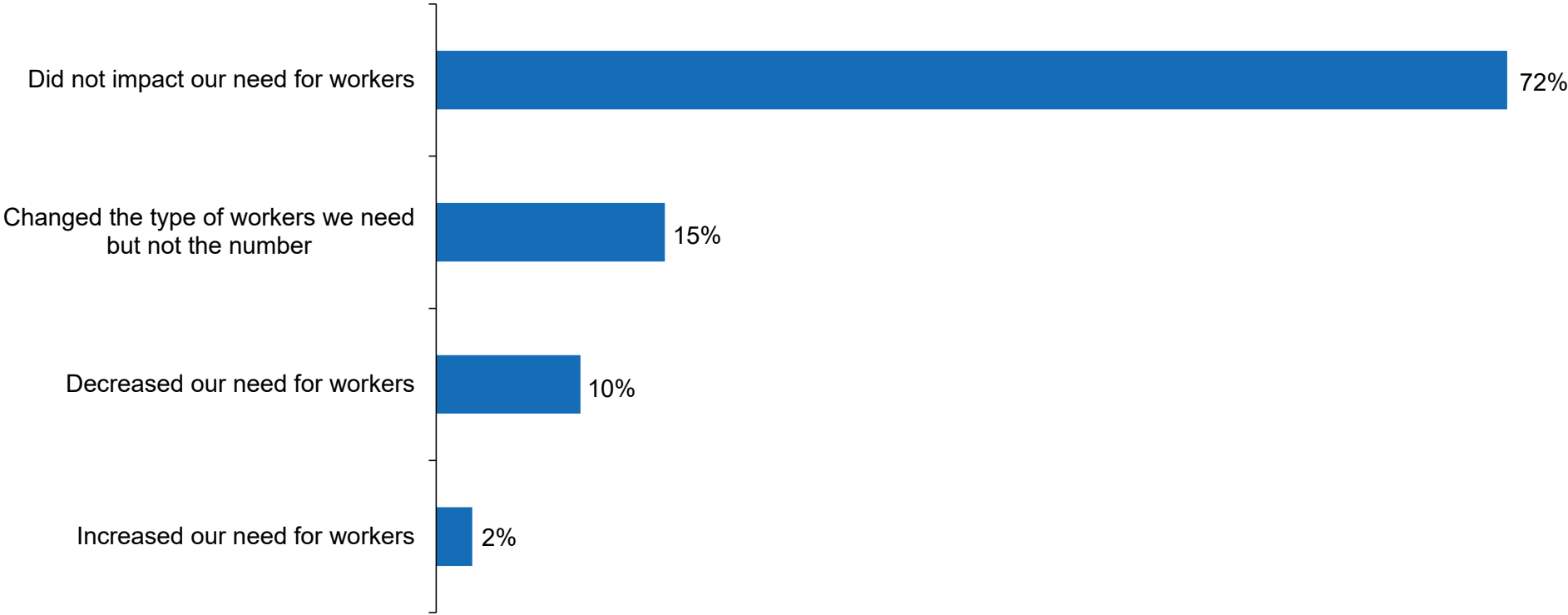
Top business uses for AI include marketing, analytics



NOTES: Respondents currently using AI were asked, "How is your firm using AI? Please select all that apply." N=115.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

AI has a limited, net negative impact on employment



NOTES: Respondents currently using AI were asked, "On net, how has the use of AI affected employment at your firm?" 11 percent of respondents selected "Don't know" and the calculations shown exclude those responses.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

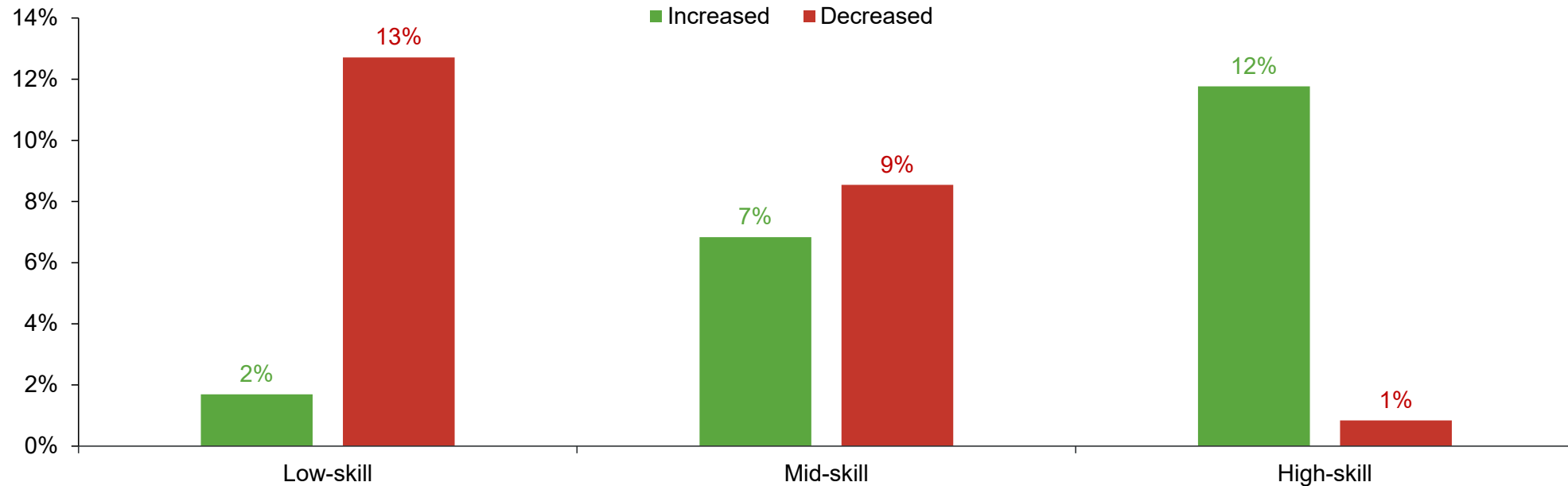
AI employment impact minimal, so far

“AI is helpful in offloading workload and increasing productivity, but we are not at the point where AI is going to replace workers.”

“We think it is too early in the maturation of AI to be evaluating impacts on employment.”

Negative employment effect of AI hits low-skilled workers; high-skilled workers may be complements

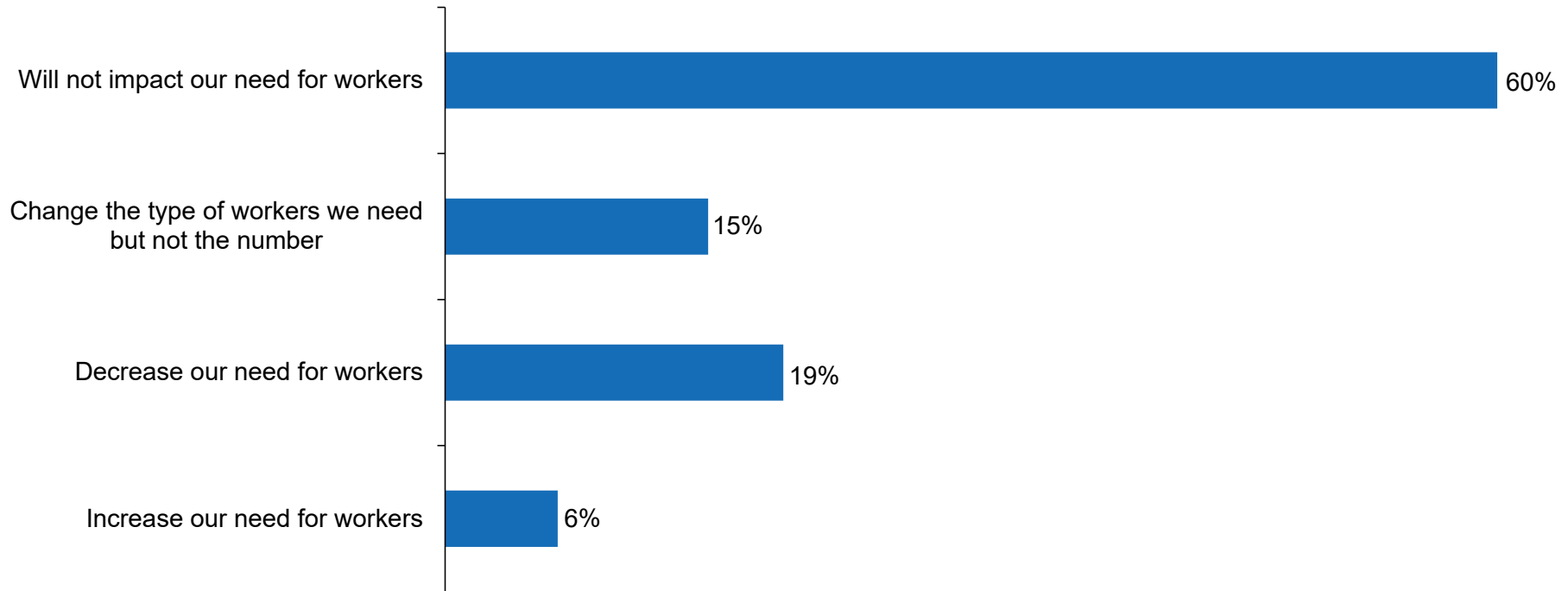
Percent of respondents



NOTE: Respondents noting an employment impact from AI use were asked, "Please indicate the change in employment/workers by skill level due to the use of AI." The calculations shown represent the share of all firms using AI noting these outcomes. Not shown is the 85-87 percent share noting no change, either by reporting no change in the broader question about the employment impact from AI use or this follow-up question posed to those who reported some employment change. 6-10 percent of respondents selected "Don't know" to either the initial question or some part of the follow-up, and the calculations shown exclude those responses.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

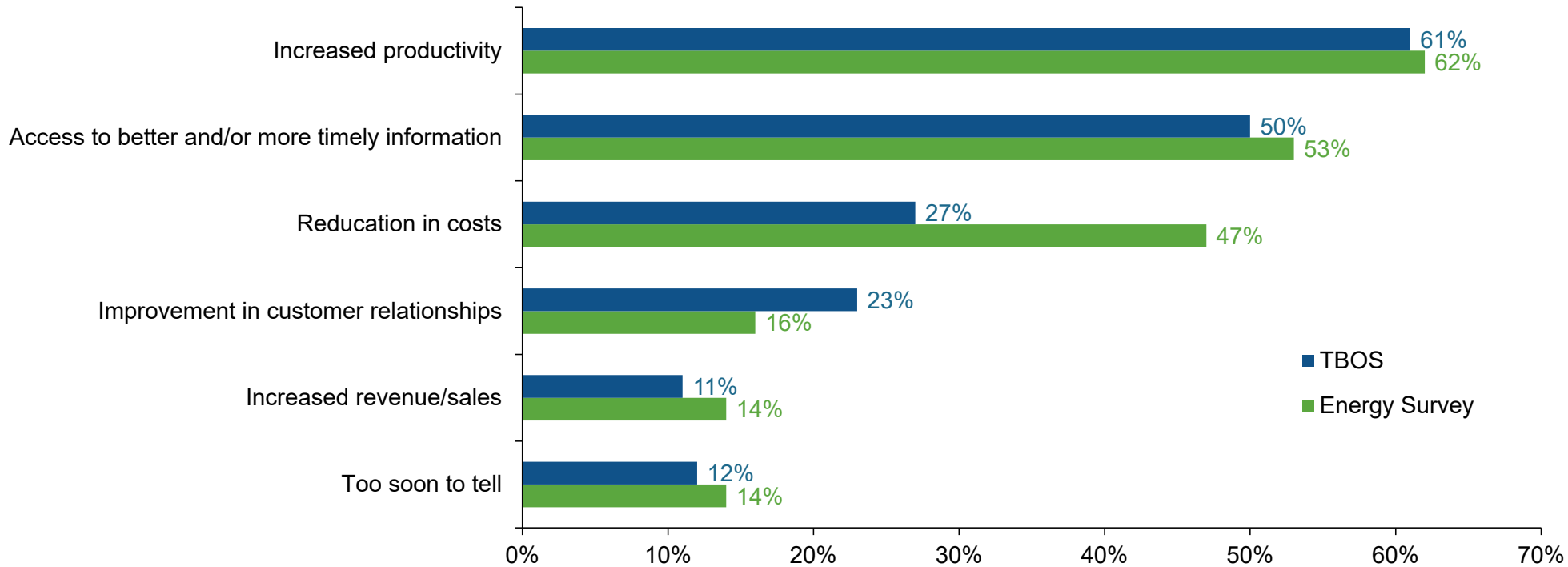
Stronger negative employment impact expected among firms planning to use AI than already using it



NOTES: Respondents planning to use AI were asked, "On net, how do you expect the use of AI to affect employment at your firm?" 19 percent of respondents selected "Don't know" and the calculations shown exclude those responses.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

Enhanced productivity and information top benefits of AI use



NOTES: Respondents currently using AI were asked, "What benefits has your firm experienced from using AI? Please select all that apply." Respondents could select all that applied. Data from April 2024. Respondents selecting "Other" were asked to explain, and roughly one-third of them noted that it was too soon to tell or that they had not seen any benefit so far.
SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys, Dallas Fed Energy Survey.

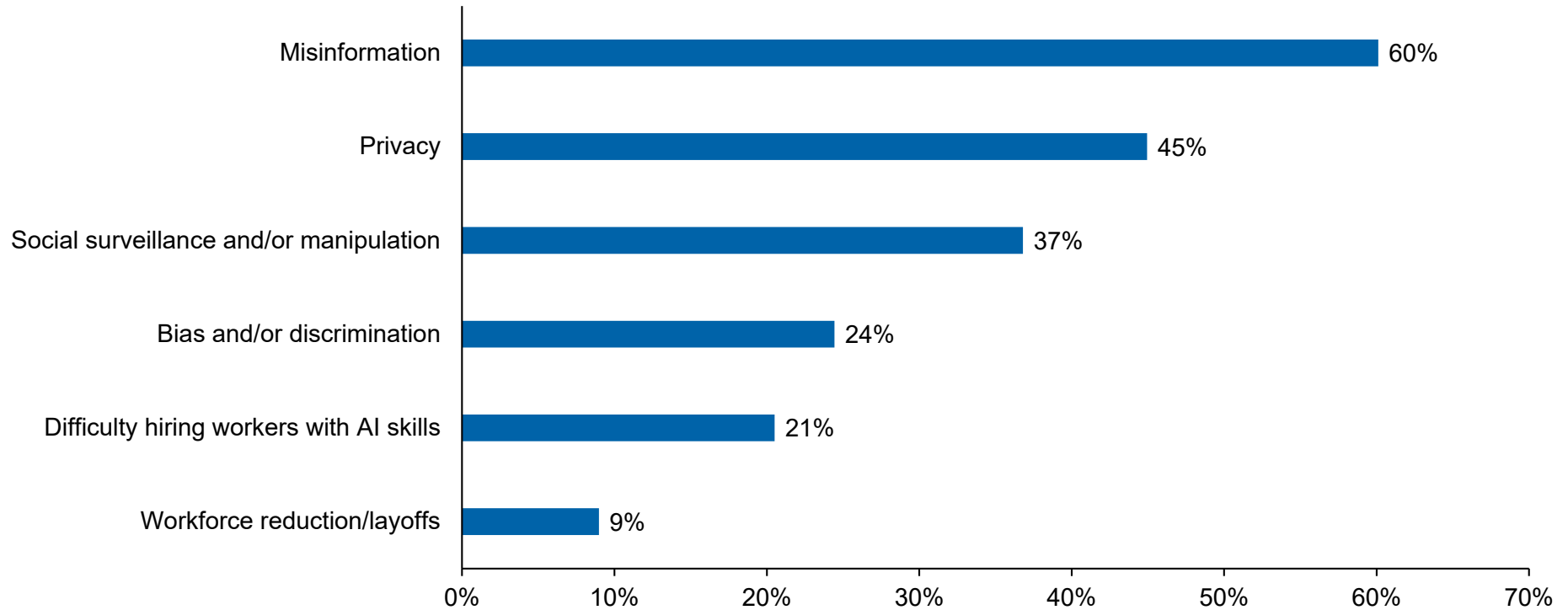
AI use still too new to know full impact

“AI is more challenging to implement than anticipated, and the impact is currently lower than expected.”

“AI is in its infancy. Many systems do not have additional AI capabilities yet that impact business.”

“It is too soon to reliably measure AI’s employment impacts and/or other benefits or costs.”

Misinformation and privacy cited as top concerns of AI use



NOTES: Respondents were asked, "What concerns do you have regarding the use of AI, if any? Please select all that apply." N=356.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

Broader impacts of AI still largely unknown

- AI adoption remains in relative infancy, and it is too soon to know the full impact on businesses, workers and the economy.
- Expectations of AI's benefits may be unrealistic in some cases, as the surveys show a lesser impact among actual AI users than is expected among those planning to use AI.
- High skilled workers are more exposed but could be complements to AI while low-skilled could be substitutes.



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