

The Exponentialists: visionary investors during the 2020s in the AI and robotics revolution.

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Abstract:

This analysis explores the potential for artificial intelligence (AI), including the emergence of artificial general intelligence (AGI) and artificial superintelligence (ASI), paired with AI enabled Robotics to drive a doubling of global GDP within the next 10-20 years. It posits that this \$100 trillion increase in economic output will primarily flow into a small number of globally dominant companies already positioned within major stock exchanges. This influx of value, amplified by

market capitalization multiples, will lead to the emergence of a new class of super-affluent individuals, termed "The Exponentialists," who, through strategic investment in these companies during the 2020s AI and robotics revolution, will effectively own a significant portion of this newly created wealth. The analysis also considers the potential for increased inequality, the role of taxation and regulation, global distribution of value, and sectoral shifts within the economy.

The AI-Driven Doubling of Global GDP:

A Future of Super-Affluence and Inequality

This exploration delves into a potential future where advancements in artificial intelligence (AI), culminating in artificial general intelligence (AGI) and potentially artificial superintelligence (ASI), and AI enabled Robotics drive a dramatic doubling of global Gross Domestic Product (GDP) within the next 10-20 years. My analysis suggests that this immense value creation will likely concentrate within a relatively small number of globally dominant companies, primarily those already listed on major stock exchanges like the S&P 500 and their counterparts in China and Europe. This concentration of wealth will lead to the emergence of a new class of super-affluent individuals – a group I'll tentatively term the "The Exponentialists" – who will effectively own a substantial portion of this newly generated wealth.

My starting point is the current global GDP, which I'm rounding to \$100 trillion USD for simplicity. The hypothesis is that AI, through increased productivity, automation, and the creation of entirely new industries, will drive this figure to \$200 trillion USD within the specified timeframe. This doubling represents a massive injection of economic activity, comparable to adding several current US economies to the global output.

The crucial question becomes: where will this additional \$100 trillion in value reside? My theory suggests that it will primarily flow into the companies developing and deploying AI and robotics technologies. This flow will manifest in increased revenues, profits, and, consequently, significantly higher stock prices.

This is where the concept of market capitalization becomes critical. Stock prices don't simply reflect current earnings; they also incorporate expectations of future earnings and growth. Therefore, the increase in market capitalization will likely be a multiple of the \$100 trillion increase in GDP. If we conservatively assume a multiple of 2, we arrive at a staggering \$200 trillion increase in global market capitalization. This implies that the value held in equities will double alongside the GDP.

This value will not be evenly distributed across all companies. I anticipate a significant concentration within a relatively small number of globally dominant players, many of whom are already prominent in indices like the S&P 500. These companies, leveraging existing infrastructure, resources, and brand recognition, are best positioned to capitalize on the AI and Robotics revolution. Examples include tech giants, manufacturers of advanced hardware (like semiconductors and robots), and companies pioneering AI applications in key sectors like transportation (e.g., self-driving vehicles) and advanced manufacturing.

This concentration of value within a few companies leads to the emergence of the "The

Exponentialists." Those who own equities in these companies, whether through direct investment, mutual funds, or tax favorable retirement accounts, will effectively own a substantial portion of the newly created wealth. This will lead to a dramatic increase in their net worth, creating a new class of super-affluent individuals we are calling "The Exponentialists".

Other Considerations

It's important to acknowledge that this is a simplified model. Several crucial factors will influence the actual outcome:

- * **Valuation vs. Realized Value:** Stock prices reflect expectations, not guaranteed profits. Market corrections, competition, and unforeseen events can all impact actual returns.
- * **Distribution of Ownership:** The benefits will primarily accrue to those who own the equities. If ownership remains concentrated, existing inequalities will likely be exacerbated.
- * **Taxation and Regulation:** Governments already implement taxes on corporate profits and capital gains, which will affect the net returns for investors. New taxation on robotic or AI work could redirect some of the value to governments. Regulatory policies could also shape the competitive landscape.
- * **Global Distribution:** This is a global phenomenon. While US-based companies will likely be major players, companies in China, Europe, and other regions will also contribute to and benefit from this growth. This will create a new dynamic in global economic power.
- * **Sectoral Shifts:** While some sectors like healthcare may see reduced spending due to AI efficiencies, other sectors will experience significant growth, further influencing the distribution of value.

While I have focused on the flow of value into equities and the emergence of the "The Exponentialists", it's crucial to acknowledge the broader social and economic implications. The potential for increased inequality, both within and between countries, is a significant concern. The need for policies that promote broader access to capital ownership, address job displacement caused by automation, and ensure a more equitable distribution of the benefits of AI is paramount.

This analysis provides a framework for understanding the potential economic impact of AI over the next 10-20 years. While the precise details remain uncertain, the trend towards significant value creation concentrated within a relatively small number of companies is a strong possibility. This future presents both tremendous opportunities and significant challenges that society must proactively address.

Definition:

The Exponentialists:

The Exponentialists are a hypothetical class of super-affluent individuals who, according to this analysis, will emerge during the 2020s due to their strategic investments in companies poised to dominate the AI and robotics revolution. This revolution is projected to double global GDP within

10-20 years, with the majority of the resulting \$100 trillion increase in economic output flowing into a small number of globally dominant, publicly traded companies. The Exponentialists, by owning equities in these companies (through direct investment, mutual funds, or other investment vehicles), will effectively own a substantial portion of this newly created wealth, experiencing a dramatic increase in their net worth as market capitalization multiples amplify the growth of the underlying companies. They are defined not simply by their wealth, but by the source of that wealth: early investment in the companies driving the AI and robotics revolution of the 2020s.