Presenters: Professor Erik Brynjolfsson and Andrew McAfee

Talk Title: “Racing Against the Machine: How the Digital Revolution is Transforming Employment and the Economy”

Abstract: Digital technologies have advanced rapidly, and the good news is that this has radically increased the economy’s productive capacity. However, technological progress does not automatically benefit everyone in a society. In particular, incomes have become more uneven, as have employment opportunities. Recent technological advances have favored some skill groups over others, particularly “superstars” in many fields, and increased the overall share of GDP accruing to capital relative to labor. This talk will present evidence of how digital technologies create the seeming paradox of growing total wealth, but stagnant median income and employment in recent years, and will discuss the causes and implications.

Biography: Erik Brynjolfsson explores how advances in information technology contribute to business performance and organizational change. He directs the MIT Center for Digital Business, a research initiative that analyzes the business uses of the Internet and other digital Technologies. His projects include a study of information worker productivity, a valuation method for intangible organizational capital, calibration of increased product variety online (a.k.a. the "long tail"). and an analysis of optimal pricing strategies for digital goods. In a related work, Brynjolfsson is assessing how investments in computers and networks alter economic growth, industry structure, and labor demand. Erik is a graduate of Harvard (AB and SM in Applied Math) and MIT (PhD in Managerial Economics).