

Market Commentary

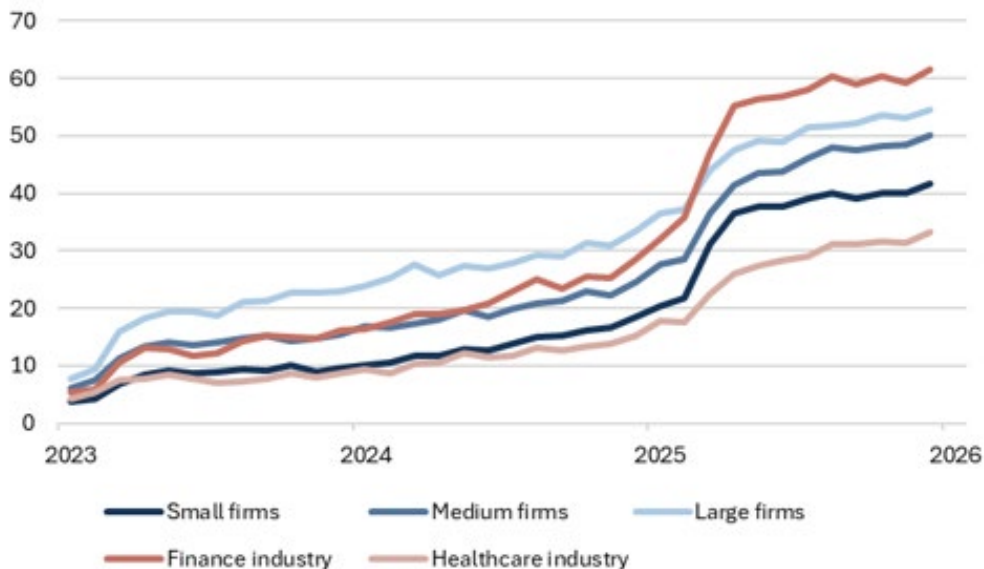
Firms Are Investing in AI, but the Impact Is Uncertain Thus Far

By Michael Crook, CAIA, Chief Investment Officer

Our Year Ahead publication, [A Minsky Moment](#), discussed the WW2-scale artificial intelligence (AI) investment that is currently underway. As we start 2026, business leaders are optimistic and are planning to invest in AI, but widespread tangible results have yet to show up in company financials.

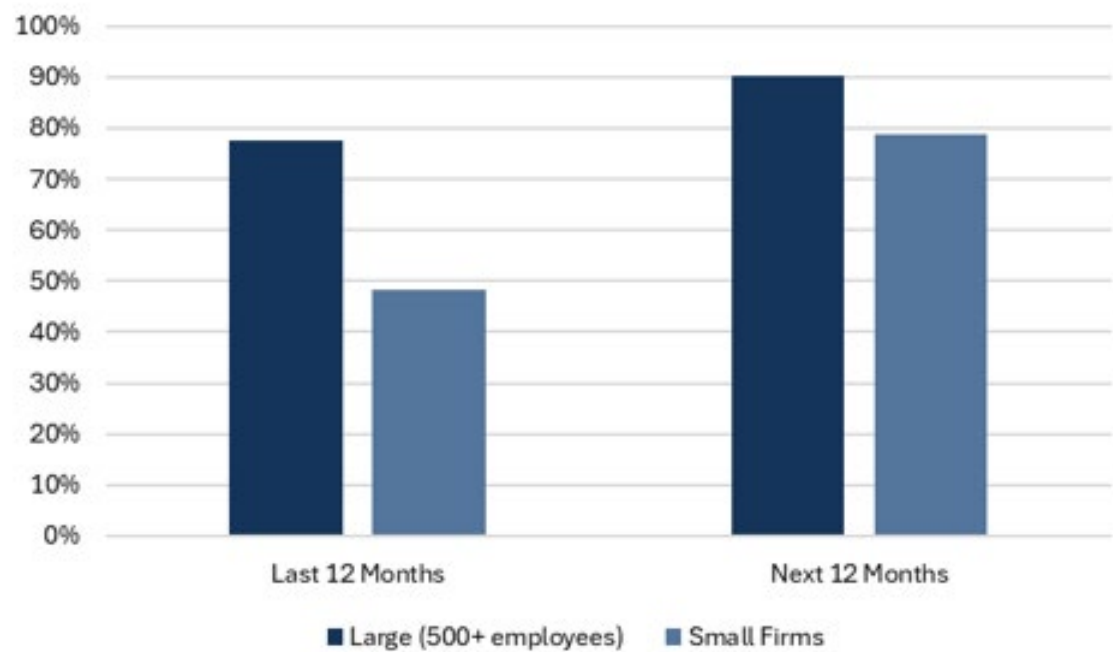
- AI adoption rates have slowed and remain highly varied across industries (Fig. 1).
- A substantial majority of firms, large and small, plan to invest in AI in 2026 (Fig. 2).
- Chief Financial Officers (CFOs) report that AI has had little impact on their employment and operating costs thus far (Fig. 3), but
- Are optimistic that over the next 12 months AI will improve labor productivity, help with customer retention, and allow employees to spend more time on high value tasks (Fig. 4)

Fig. 1: AI adoption rates (% of firms), 2023 – 2025



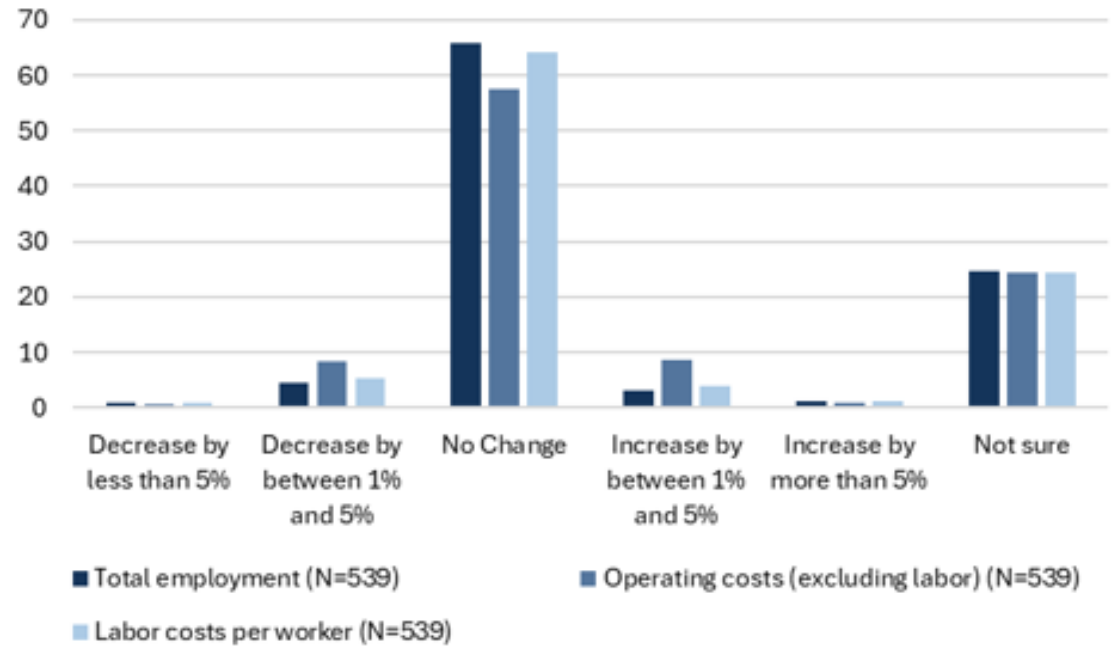
Source: Bloomberg, Mill Creek. As of 12/31/2025.

Fig. 2: Percent of firms investing in AI



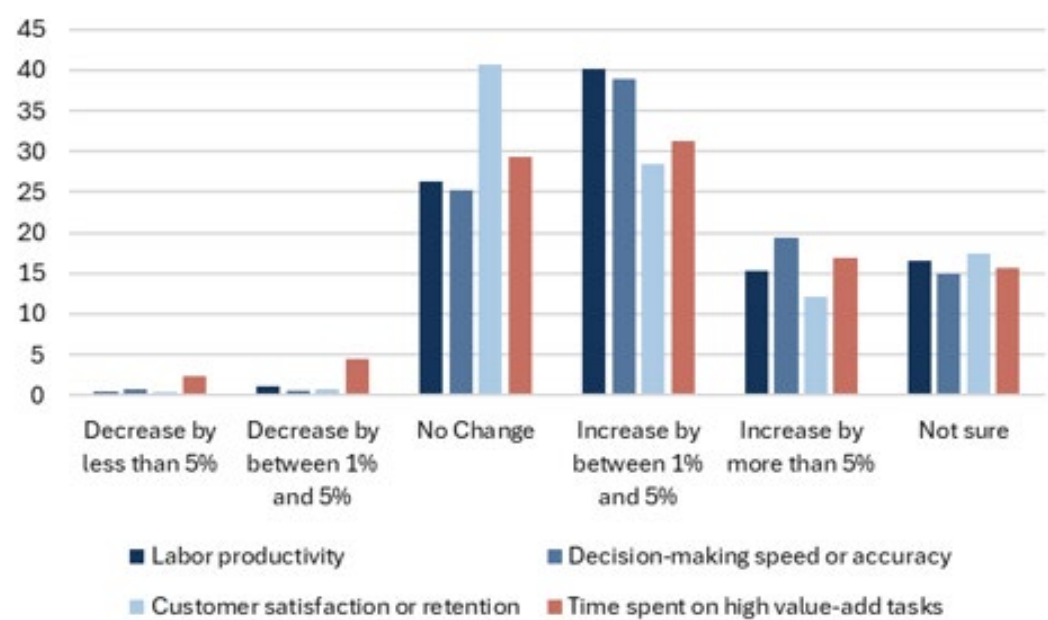
Source: Federal Reserve Bank of Richmond, Mill Creek. As of 12/17/2025.

Fig. 3: Muted AI impact over last 12 months (% of responses)



Source: Federal Reserve Bank of Richmond, Mill Creek. As of 12/17/2025.

Fig. 4: CFOs are optimistic about the future of AI (% of responses)



Source: Federal Reserve Bank of Richmond, Mill Creek. As of 12/17/2025.

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