AI & The Shorter Workweek: A Policy Path to Economic Stability

While AI is being cited as the cause for mass layoffs, these reductions are often driven by executive short-termism rather than technological capability. This displacement threatens the consumer demand that sustains the economy, requiring a policy shift toward graduated workweek reductions.

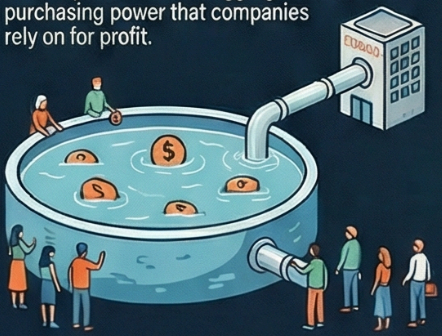
The Problem: The "Short-Termism" Trap

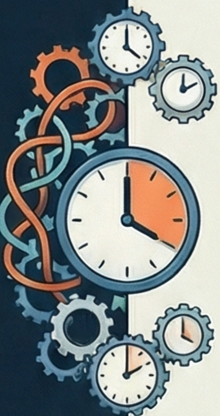
Performative Automation

Executives often cut staff prematurely to signal AI efficiency to shareholders and boost stock prices.

The Demand Paradox

Moss layetts erede the aggregate consumer purchasing power that companies rely on for profit.





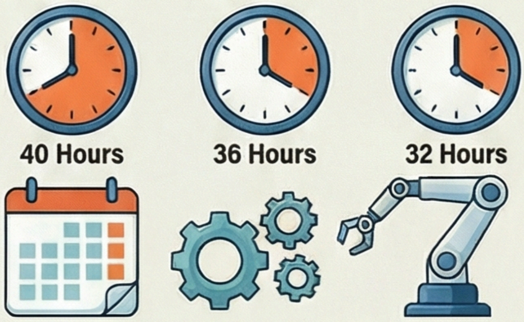
Operational Fragility

Displacing experienced workers for unproven AI creates brittle systems and loses critical institutional knowledge.

The Solution: Graduated Work-Time Reduction

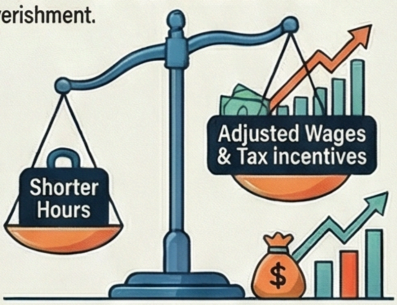
Graduated Hour Reductions

Transition the standard workweek incrementally from 40 to 38, then 32 hours as AI scales.



Maintaining Income Levels

Adjusting minimum wages and tax incentives ensures shorter hours don't lead to worker impoverishment.



Work-Time as Infrastructure

Shorter weeks act as essential economic infrastructure to distribute productivity gains across the whole population.

Historical Context: Work Hours & Economic Shifts

Late 19th Century	Post-1926 (Ford Era)	AI Transformation Era
Typical Workweek: 60+ Hours **Economic Outcome:** industrial expansion; labor unrest	**Typical Workweek:** 40-48 Hours **Economic Outcome:** Emergence of the middle class and leisure economy	**Typical Workweek:** 32-36 Hours (Proposed) **Economic Outcome:** Stabilized demand and shared automation prosperity