



The Economic Club of New York

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Ruth Porat
President and Chief Investment Officer
Alphabet & Google

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Moderator: Arvind Krishna
Chair and Chief Executive Officer, IBM
Vice Chair, The Economic Club of New York

Introduction

Chair Robert K. Steel

Good afternoon everyone and welcome to the 853rd meeting of The Economic Club of New York. My name is Bob Steel, Partner and Vice Chair of Perella Weinberg Partners, and also privileged to be the Chairman of our Club. Thank you all for being here today for what's going to be an extraordinarily interesting and exciting event I'm convinced.

Let me also, before we start, offer a warm welcome to the students of Syracuse University who are joining us online. It's great to have them tune in for what will be a great conversation. We also want to recognize our New York Economic Club Fellows, a diverse group of young business leaders who also are joining online.

The Economic Club of New York is proud to serve as the nation's leading nonpartisan platform for discussions on economic, social, and political matters. For more than a century, for more than 100 years, the Club has hosted over 1,000 preeminent speakers contributing to an amazing tradition of excellence which today only continues.

Today, with Ruth Porat speaking, being interviewed, we're quite excited that this will be a special event. Ruth has been President and Chief Investment Officer of Alphabet and Google since 2023. In this role, she is responsible for the company's corporate

investments and investment vehicles, including GV and CapG, the Other Bets investment portfolio, Real Estate and Workplace Services, and all of the infrastructure of the company. Ruth also oversees the company's philanthropic efforts, including work to expand digital access and infrastructure, support education and workforce development through initiatives all around the world.

Before assuming the role of President and Chief Investment Officer, Ruth served as Alphabet and Google's Senior Vice President and Chief Financial Officer from 2015 until 2024. Ruth started her career as a banker at Morgan Stanley, where she worked in the Financial Institutions Group before becoming CFO.

Ruth is a member of the Board of Directors of Blackstone, the Council on Foreign Relations, Bloomberg Philanthropies, and the Board of Trustees of Memorial Sloan Kettering. She previously spent ten years on Stanford University's Board of Trustees and on the Board of Stanford Management Company.

Ruth holds a BA from Stanford and an MSc from The London School of Economics and an MBA from Wharton.

Today's format, which is our standard, will be a conversation moderated by the Club's Vice Chair Arvind Krishna. Arvind is the Chair and CEO of IBM, and we're honored that

he's with us today leading this discussion. Our program will stop promptly at 1:00. And as a reminder, this discussion is on the record. There are journalists in the room and online. And so now, with no further ado, let me welcome Ruth and Arvind to the stage. Thank you.

Conversation with Ruth Porat

ARVIND KRISHNA: Good afternoon everyone. So Bob did a great job, but let's just think about all that we're thinking about nowadays. We're thinking about technology. We think about AI. We think about capital. We think about jobs. And if you look at Ruth's background, who better to sort of have this conversation with around this topic. And there's a lot being written nowadays about both AI and about technology, the outsized role that these are playing in almost every industry. So Ruth, can I begin with why should we have optimism around these topics?

RUTH PORAT: Great. Well, first, it's so wonderful to be back here. I always love coming to New York, but looking around this room and seeing so many old friends, it's an absolute treat, and great to be with you always, Arvind.

So the upside from AI when we look at it, I think, at a high level there are four really profound areas that should lead to optimism. Number one is the economic upside. In

the U.S. alone, it's estimated that the upside is about \$4 trillion to GDP over the next several years. And we're already seeing with small businesses, for those small businesses that are applying AI, to whether it's how they reach out to customers, how they engage with customers, how they manage supply chain, etc., they're seeing, 80% of them are saying they're seeing an uplift in revenue and profitability.

The second that I think is really exciting is advancing science, a place you and I spend a host of time. And probably one of the best examples of that is colleagues of mine who won the Nobel Prize for something hopefully many have already heard about, AlphaFold, protein folding. It has been described as one of the greatest contributions to drug discovery in our lifetime. What they did is they said they wanted to take on a 50-year grand challenge on protein folding, which is sort of the insight to life.

And when they started on that journey, somebody challenged the head of our AI lab, Demis Hassabis, and said, "How can you take on this challenge?" It takes four years for a PhD student just to diagram one protein, just one, and there are 200 million out there. How is it possible? And his answer was "why not?" And they went on that journey and within four years not only had they cracked the code, but won the Nobel Prize on this. And if there's one thing, I think, I would want to leave anybody with that I quote a lot at Google, it's with AI, that question, why not? is something we should each be asking ourselves about anything that to date has been intractable because it lets you break

through it.

The other is obviously around cybersecurity where we both spend a lot of time. And the final area is really better delivery of healthcare, education, addressing food security. We were talking about a whole host of really important social issues that we can now address as a result of AI. That aggregate portfolio, to me, is the reason we should be optimistic about what AI, responsibly executed, can deliver for society.

ARVIND KRISHNA: I do think that people should note what Ruth began with – \$4.5 trillion, even if out there in a few years, let's call it GDP here is 40. A 10-point increase, which you can reinvest back in the country and in an individual company or into the citizens, it's massive. If you go look at developmental economics, that 10 points is all the difference between breakaway and kind of not breakaway.

RUTH PORAT: Exactly.

ARVIND KRISHNA: So while there is a lot of optimism, there's also people out there that are worried about some of the downsides of AI. One of the big ones that gets talked about all the time is, hey, is this causing my energy bills to go up? Are all the data centers a fundamental cause of this? Could you help demystify that a little bit, Ruth, because I know you guys do a lot of work on this topic and have made a lot of

investments?

RUTH PORAT: Well, I like that you started with the upside because if the upside is not worth fighting for, I think we all just go back into our corner. And I think the upside is worth fighting for and we can responsibly protect against the downside.

And to your question, we can't have the upside of AI without the energy to power it. I think there are a couple of pretty critical issues. When I was in New York as a banker, one of the core things we all learned is if you really want to address a risk issue, you have to go at the root cause of the risk issue. And with respect to energy, it's that our country is underinvested in energy infrastructure for far too long and it's caught up with us.

That being said, data centers are in the spotlight and appropriately because of the growth and the expected growth. But today, just to put some numbers around it, data centers use about 4% of the grid, expected to go to ballpark, 12%, but just to scale it. Now, I find really important also for context, and I'll get to how do we mitigate against it, Lawrence Berkeley National Labs did a study a number of years ago, and they said for states that have data centers, electricity prices actually go up more slowly than for states without data centers. Why? Because data centers and the large workloads help amortize the fixed costs over a larger base. So data centers through 2024 have actually helped keep electricity prices growing at a slower rate.

What we have done, because of this very important question and wanting to make it clear that when we show up it's a net benefit to the community, it's a couple of things. One, we're committed to adding capacity, energy capacity wherever we invest. So you probably hopefully have seen a lot of announcements. We're investing in nuclear batteries, solar, wind, etc. so that we're bringing additional capacity online.

Second, with technology we've done something where on really hot or cold days we can move our workloads out of the way. It's called demand response. Across the country, we've created the equivalent of one gigawatt of incremental capacity by saying we'll get out of the way when the community needs it. We then say not only are we paying for the energy we use but we'll pay for any infrastructure investment needed to support that growth whether or not we use it. And on top of that, we build an energy affordability fund in the communities we go into, which works with local organizations. And they go into homes and help weatherize homes. So all of that leakage that would otherwise show up as an energy cost on your bill drops immediately.

And then we were just talking about this, to build this energy infrastructure is actually a job creator. There are hundreds of thousands of jobs that are unfilled and will continue to be unfilled if we're not training. So a year and a half ago, we started an electrician training program. And whenever I show up in a town and we're going to start a data center, one of the really important elements is we have the IBW or the Electrician

Training Alliance with us. We have somebody who is talking about the jobs that are created.

And I was in Missouri a couple of weeks ago. And one of the many beautiful stories, I was talking to a woman who was going through the training program, I'll never forget. Her name is Danielle and her husband had recently passed away. She has two children. And she said being a bartender, which is what she had been doing, can't cover the costs for kids and it doesn't provide the security. This is a secure job. It's a career, and it's enabling people to stay in their communities and have careers that they're really proud of.

As you were saying, when we show up and do any kind of build, or you do, the multiplier effects in the community is profound. For every job we create, third parties have said there are nine additional jobs created in the community. And so it's a job creator as well. So when we're protecting on the downside, it goes into capacity, affordability, and investments in the community.

ARVIND KRISHNA: We'll come back to jobs. Let's talk a little bit more about the capacity point because the point you were making is for probably two or three decades there hasn't been very much investment in the grid. I live in the Northeast. I can tell you that electricity prices here have very little to do with data centers and they're outrageous

mostly because the supply isn't there.

And so I do think that now that there is attention on the topic because there is a demand, if we get more capacity, to the point you were making a little bit about states with more data centers, it all comes down to, if there is more capacity, people are going to figure out more productive ways to build the capacity. They're going to get it out there. And as long as you have the fixed load, because that's what a data center gives you, then that takes away a certain amount of the fixed cost, and so there is then more supply in the community. I mean, like you do see this play out.

RUTH PORAT: Well, I absolutely agree. And there's another element of it which is we've underinvested across the country collectively in the grid. There's 100...according to the Department of Energy, 100 gigawatts of energy that is available if our country just modernizes our grid. There is a substantial amount of capacity waiting to get on the grid, but we as a country have not built the transmission lines.

China has built 80 times more transmission capacity in the last ten years than the United States, 80 times. China has a clear focus that to win in technology, the U.S. may be ahead in chips and in models, and we at Google believe we will continue to be ahead in chips and models, but you can't deliver that without the energy that's needed. And China has been focused and relentless, adding sources of energy, as you just said,

and this energy infrastructure, the transmission capacity. And I think collectively as a national security matter we should be concerned about that.

Now, the good news is there's more focus on things like permitting reform to actually accelerate construction. There's bipartisan interest. It just needs to land. Like it's here but not done. But you're absolutely right, the capacity can make a difference, and Econ-101, more capacity also goes right to the affordability point.

ARVIND KRISHNA: More supply, that means prices come down. By the way, you should all look, if you look at energy consumption over decades, not necessarily year by year, and GDP, the correlation may surprise you. Energy consumption and GDP in our country are pretty much one to one for the last 150 years.

RUTH PORAT: Well, there's another point, since we're on energy, one of my favorite topics, I made the comment that to date data centers are only using about 4% of the grid. It goes up to 12%. That still means 88% of the consumers are outside of the data center realm. And what's really exciting is if you think about applying AI to every other industry, the ability to improve their energy efficiency is profound, and we have a bunch of research folks who saw that as well.

ARVIND KRISHNA: We actually looked at something Google did almost, probably

fifteen years ago on data centers and buildings. And we said, okay, that sounds like a smart idea. I'll be clear, I have no pride when it comes to good ideas. I mean I happily copy it.

RUTH PORAT: Happy to share.

ARVIND KRISHNA: And we managed to cut down office building electricity consumption by 30% by using techniques on automation and AI.

RUTH PORAT: Well, an obvious one is in logistics. We've had a number of players, who whether it's trucking or airlines, if you can route-optimize, not only do you save fuel and you save carbon emissions, but you save money. Like this is a triple win. And so using AI to actually do the route optimization is one of many examples.

ARVIND KRISHNA: So let's come back to the workforce point you were making. So somebody who was, I think he still is at Google, Jeff Hinton, no longer, right?

RUTH PORAT: No longer, but I still know where you're going.

ARVIND KRISHNA: He made a claim that in another ten years, this was back in the 2015 era, we are not going to need radiologists. You know, to some extent every time a

new tech is coming, people make this claim that all these jobs are going to go away and we are not going to need anything. How do you react to that, Ruth? Because I think there's more radiologists today.

RUTH PORAT: There are more radiologists, so he made that prediction ten years ago, there are more radiologists today, and there's actually a shortage and compensation is up given the acute need. He's a fantastic computer scientist, Nobel Prize winner, fantastic computer scientist. I think what we're seeing too much of are forecasts about what might happen to the future of work that actually are not anchored in history and labor economics. And I want to go beyond what Jeff had said.

In the instance of radiology, what you're seeing are a host of other factors that need to be considered in answering the question, what happens to work with AI? Demographics are such that with an aging population there's a need for more scans. Then there's obviously demand elasticity, when you can have availability of it, more people may end up using services.

So when we look at the future of work, we'll go back to what have you seen throughout history with profound technology changes? The nature of work has changed, augmentation. There are new industries that are created that typically people don't see when they're in this kind of moment, and jobs are displaced. And I think one of the most

exciting areas is actually augmentation.

So what we're seeing with radiologists is you have radiologists who are also working with AI. And I think one of the very important things, going back to your first question, not everyone across the country is privileged like the people in this room to have extraordinary doctors in New York. And in many areas, you don't have radiologists who are able to actually have the cutting-edge equipment or are at the level that we're seeing.

And so what I think is really incomprehensible and it's something that's on all of us to address is the disparity in outcomes in healthcare should not differ based on your zip code. Not in America, not anywhere. And if you can use technology to augment and actually supplement the radiologists, we can start addressing across America, outcomes. I've had cancer a couple of times. I'm fine. But I always go back to my oncologist and he said the only way to democratize the quality of healthcare in America is with AI. So that, you know, augmentation is important.

Actually thinking about this lunch, I was thinking, I look around and I see so many old friends from finance. When I started in finance in 1987, I showed up and it was amazing to have an IBM PC. That was like the magic of the day. And the young people won't remember what that is because you've done a great job continuing to transform IBM.

But it was an island. It was a little island, and you had to have your floppy disk and you had to manually input data.

And if you fast-forward to 2000 and we could download whatever you needed to download and then you could, you know, you could analyze it, my job went from what I thought was magic, but was still a lot of processing, to a lot more thinking. And that's what augmentation with technology does. So there's a whole area there.

Then there's jobs that are created that we don't even see today. I've talked about some. You do see them building the infrastructure required to deliver this. Areas like computational oncology or data analytics, we don't even see today what will come, but jobs will be destroyed. And I think what's absolutely critical is to make that J-curve as shallow and tight as possible with job skilling efforts, and we're doing some. I know a number, I see a lot of people around the room who are engaged in it. We need to get people the skills they need to get on the curve so that they actually are benefiting from what those jobs are of the future.

ARVIND KRISHNA: We'll come back to the jobs. To your point on the PC and the nature of your job changed in that 10 to 15-year period, I think that's been the nature of our, I'll call it the word "tools." If instead of using the word technology, you use the word tools, and if the tools do more of the rote work and the mundane work, it actually frees

you up to do higher order cognitive work, which then creates a lot more value for society and for wherever you happen to work. I think we've seen this movie play out again and again.

RUTH PORAT: Can I jump in there? I absolutely agree. And two points from that, all of the analysis of what is changing, tasks are changing, but not careers. Tasks are changing. And then very much, Arvind, to your point, we're being able to up-level and think more rather than process, which I think is one of the exciting areas.

I called our Chief Medical Officer when I saw the breakthrough that was announced a couple of weeks ago, a super-exciting breakthrough in pancreatic cancer. And I said, why are we not hearing more about AI on things that are landing today? And his comment was people appropriately should talk about the impact to humanity, not the tool that got you there. And so this AI is a tool, very much to your comment, that enables us to be the best we can be. It helps us crunch more data, see things more rapidly. But I still firmly believe that it is the human and bringing people together, humanity is a critical part, and so what do you want to do about it?

ARVIND KRISHNA: And to the point of democratizing healthcare, here is one example in the country which you talked about. But if I go out to the developing world, the country where I was born, India, there's 900 million people still in rural India. They're in villages.

It is possible maybe to have a machine that costs \$10,000 out there, but there's zero chance of having a doctor or a hospital. Their only hope for getting any kind of healthcare would be through AI. Otherwise, they've got to think about moving some place for a month to go get it.

So I think this question of these tools can democratize and bring much better care than what is possible, if I think about Africa, if I think about the Middle East, these are going to be essential tools. Otherwise, you're still going to get back to spiky delivery and people have to travel across continents.

RUTH PORAT: And the stories are moving. There's an organization in Kenya that's focused on maternal health. And when you look at mortality in childbirth, just a very basically simple intervention can save lives. You say how can we not be doing that? Or I was with the Prime Minister in Southeast Asia who said, can you help me with the lowest economic strata, which are farmers. And the answer is yes, with AI you can actually, on a simple Android phone, inexpensive, around the globe, Global South, pervasive, you can provide pre-crop information and post-crop information.

We did a pilot actually in India with Ajay Banga at the World Bank. And the pilot, it was 13,000 farmers, it's small relevant to the opportunity there. But we saw a double-digit uplift in earnings. So it is making a difference today in the Global South. I think the

opportunity there is profound, which is also, back to your optimism question, why the optimism levels in the Global South are so high.

ARVIND KRISHNA: And if you can increase farmer's income by 10, 20%, effectively they're not going to fall into poverty. They're going to stay well above it. So you made a point a few minutes about the 9X multiplier. Some people say, yeah, but these are really poverty level jobs. Are we seeing that these are well-paying jobs? And I know you guys also work in some of these programs. Or are these really sort of minimum-wage jobs?

RUTH PORAT: So we, last week I think it was, expanded our program and through the consortium that's doing training, they're partnered now up with 14 unions. And one of the leaders in this area from NECA, the National Electrician's Association, was asked actually that question. And his answer on TV was starting salary is \$70,000 to \$300,000 a year. And what I'm hearing firsthand in towns throughout America, like literally, the same Missouri trip, someone said he was training at our training center, and said what's so exciting is we see the pathway to the middle class. The opportunity this is creating is profound. And in another town, they were saying this is going to keep our young people here because they actually see something, they see a path to, it's not a job. We're not training for jobs, we're training for careers, and it's building America's infrastructure. I think it is a profound opportunity.

ARVIND KRISHNA: Just to sort of make it very tangible for the room, like the jobs that Ruth just talked about, if somebody is at a data center, yes, there's a couple of thousand people who may be directly employed. Almost always the construction folks and the maintenance folks are outside the company, so they are local. The people who bring the tools and the machines in, they all have local warehouses and ability to do their engineering locally. Then you get into the restaurants, the homes, the teachers, the schools, healthcare. That's the multiplier that these towns who have been looking for what's the opportunity, and that's what they sort of benefit from. I mean if you go to these towns, you said Missouri, whether it's Missouri, it's Kansas, it's Michigan, it's Wisconsin, they're excited by these opportunities.

RUTH PORAT: So back to your energy infrastructure, your energy cost question, what you just said was so important. I said that we pay for, not only the energy we use but the infrastructure to support it. And when we struck a deal with Georgia Power, the CEO said as a result of the way we worked with them, they could hold flat costs for repairs for three years. And following that, the Secretary of Energy, Chris Wright, said, done right, done right is the critical word, what we are doing by building data centers is improving the resilience of the grid and protecting affordability.

So done right is the other thing that we keep saying. When we go in, we need to make sure responsible execution is a choice. It costs, but it's the right thing to do. And the

only way we're going to have communities saying yes when you show up, it's jobs and you've done it right so you're protecting energy costs and creating other opportunities.

ARVIND KRISHNA: Yes, there's a famous example. I'll just tell the room they should go read up what happened in Spain I think two years ago. If we don't have enough baseload, which is what data centers and actually industry creates, you can get rather startling effects. I'll just leave it at that.

So this fear of AI taking jobs. You also have the opposite, right? Some countries, like Japan, have been talking to you about Waymo, which is one of your investments. And they actually want it. It's not like they are resisting or pushing back at all. Is that a fair statement?

RUTH PORAT: Yes, a very fair statement. For the United States, for Europe, for Japan, for many developed countries who are dealing with the same thing – aging population, declining birth rate – technology can play a critical role in ensuring that people are going to highest and best use, that we are able to deliver the services that people need. And Tokyo is a great example where they said we need, we have an aging population so (a) we don't have people who are necessarily filling the roles of taxi drivers, and (b) more people who want to be able to get into, demand is increasing for the service. Kind of like the radiology point.

But all of us should think about how this can be an assist, back to your great question, what does it mean when you have \$4 trillion-plus economic upside? We want to have growth. And if this can be a complement because you're protecting on the downside, then you really get that benefit.

ARVIND KRISHNA: So we can't talk about AI and technology without talking about all of the capital that's getting deployed.

RUTH PORAT: There's a tad bit...

ARVIND KRISHNA: And you've certainly been extremely innovative and (a) knowing you, which is the person, but also the discipline that actually Google has had over capital, I'm sure there's an ROI in there somewhere. So would you talk a little bit about both the sheer amount of capital getting deployed and what do you see as the potential returns?

RUTH PORAT: Absolutely. So I think there are sort of two parts to that question, which is why I lean in as heavily as we and others are, and we strongly feel that what the history of technology has shown is you can't miss platform shifts. And actually when I was still at Morgan Stanley, we had taken Google public and so I still was reading all of the founder's letters. There was a founder's letter back in 2013. And Larry Page at the

time wrote that incrementalism leads to irrelevance because change in technology is revolutionary. It's not evolutionary.

And I think it's really important for each of us, it was actually a lesson I learned early at Morgan Stanley, if you don't invest for the long run, you are sowing the seeds of your own destruction. And when you see a technology that can be this transformative for each of our businesses, I'll go back to my "why not" question, if we're each asking why not and doing something bold and profound and building for long-term growth, it makes a difference. We view it that way for our own business. So investing for long-term growth has been key. And one of the earliest sort of jokes within Google was that URL actually stood for Users First, Revenue Later. And what we found was if you focus on the consumer, you focus on creating a better experience, good things will follow, and they have.

So we start with this mindset of long-term investing. And then when you go to, okay, so what does that mean in the moment? How do you do capital allocation? And what about that model where you have to try and solve for an ROI? I think there are two parts on that one. When we were starting to build for theoretical real increases in CapEx, the phrase we used was "to what end." So you may be today trying to determine what is the big, bold idea, and what you can tell, what we can all model is if we're going to be investing at this level a number of years out, what must one assume you're going to be

able to drive in terms of revenue and profitability. And dare to be great and think about what actually you should be doing.

I think the biggest risk for everyone is when the question is asked, which it often is, how do you get to an ROI? That's going to force our teams to do something short-term and tactical. You can always do a cost cut to get something to drop to the bottom line, and that is not a way to build a great company. So I think the risk is don't be so in the moment maniacally focused on what is it, but have sort of the right mix of an engine that's continuing to drive the business, which also explains why you need to start building early for growth so that you can grow into it.

But then look at that "to what end." And the "to what end" conversations were fantastic internally with my amazing business partners on how big can it be and, therefore, how does one think about the art of the possible. And then we go back to technology platform shifts, this is true for every industry. Every single industry, as you and I have talked about, if you're not applying technology, you will be lagging behind.

ARVIND KRISHNA: Also to make the point, it's not a new thing for Alphabet and Google, if I go back to even fifteen and twenty years ago when the first boom was happening on search and automation and video, I know people outside were questioning, why does Google need five million servers? And why does it need all these

tens of millions of square feet of data space? It is an order of magnitude because in those days, spend was already in the tens of billions maybe, but it was definitely not in the hundreds. But with this technology shift and the ability to capture market share, I think, to your point, this is a moment, and if you miss it...

RUTH PORAT: You miss it.

ARVIND KRISHNA: If you fall about three years behind, would be my statement, you're never going to catch up. You could be a user, but you're not going to participate as a direct beneficiary.

RUTH PORAT: I totally agree. And you went back to 2015; I joined Google in 2015. And at the time, the narrative was, okay, well, Google did pretty well on desktop, but can they make the transition to mobile? And, by the way, what is YouTube really anyway? That was sort of like, and I was excited when I got there and got to look under the hood. And I think we showed pretty clearly that you've got to embrace and shift to the new platform. It did pretty well with mobile.

In 2016, Sundar said we are now shifting to AI first, and it will be a full stack approach. And at the time, I don't think most people understood why that was so differentiated. But full stack means we're going to invest meaningfully in research, in models, in chips. We

have our proprietary TPUs. Most people know about GPUs. We also have TPUs. We also use GPUs. And what you and I have talked about, the application solutions that we can then distribute to billions of people around the globe who, today many don't even know are benefitting from AI, whether it's in Google Translate or in Search or Maps, but it's making the products better. And so that pivot was 2016.

And when people look at what we're doing today, we acquired Google DeepMind, DeepMind at the time is our leading AI lab, and then we merged in with Google Brain to have Google DeepMind. That was 2014. We started our chips program about a decade ago. You really do have to plan for the long run.

ARVIND KRISHNA: And the chips one, a lot of people are wondering why is Google investing in chips, and now how many of the other companies do you have who are becoming your customers and who are desperate to get that capacity?

RUTH PORAT: Exactly, the performance and efficiency of the chips is pretty special. Thank you for setting me up to say all the nice things about Google. I'm so grateful.

ARVIND KRISHNA: So thinking about a statement, so I am a fan of science fiction. My guess is there are some people in the room, but probably not all. And Arthur C. Clarke made the famous statement; any sufficiently advanced technology is indistinguishable

from magic. So thinking about the future benefits of AI, I know you've been hinting at some of them, any comments on that, Ruth?

RUTH PORAT: Well, I think when people get into a Waymo, oftentimes they feel like it is magic. And anyone who hasn't yet gotten in one, when you get in one, just enjoy the amazing engineering feat of left turns and what they do. It's incredible. But I think, to me, the magic that matters the most goes back to this health question. Like, you know, I mentioned I've had cancer twice. One in three Americans will have cancer in our lifetime. And for anyone going through it now, my heart is with you. I am fine.

But I think what's really stunning is that we do believe, and I've spoken to leaders across the industry, we believe cancer will be conquered in our lifetime. That's the kind of magic that I think is really important. And by conquered, we mean some will be eradicated and some will become more manageable so you can have a long, healthy quality of life. And I think one of the very, there are a couple of really concerning stats. Fastest growing cohort for cancer, 50 and under. Within that, disproportionately women. Your outcome for treatable cancers, back to my comment about democratizing healthcare, your outcome, there's a 50% differential on outcomes for people who get the kind of care we can have here in New York and for many zip codes across America.

And so my view on that is if we can close that gap and really address something like

cancer, like the kinds of breakthroughs that we're continuing to see, we must, like if we can, we must. And that, to me, is why protecting on the downside is so imperative because the anxiety around AI will slow us down as a country. People need to see what that upside magic is and it's affecting every single one of us, every family. And we do, with AI, have the ability to provide this amazing tool that can make a difference for every one of our families. So that's the science fiction.

ARVIND KRISHNA: Can I just pull on that thread a little bit, Ruth? A lot of people jump to, it's a therapy or a drug, but it's not just that. It's early diagnosis. It's new kinds of tests that were not possible or way too expensive for people. It is about prevention.

RUTH PORAT: It's about all of us having access to information about health. My same oncologist, Cliff Hudis, I love him. He's, the American Society of Clinical Oncologists, he's now the President there, but I check with him all the time. And he's like, it ups our game. Like when patients come in informed, and how many of us have actually found things ourselves and gone in. I know the second time I had cancer; I found it. And it was an amazing doctor who then said, yes, this seems odd even though it doesn't test as odd. But she was right. But we up the game of the doctors.

Doctors, it's also, the other comment he made to me that I loved is he said it is helping restore the humanity in that patient-doctor relationship because I don't have to look at

my computer and input data. I'm looking at you as the patient. I mean how important is that when you're going through this journey. So there's so many elements of it. It's not just drug discovery. And early detection is a really important one.

Back to your Global South points, in the Global South there's a risk of blindness from something called diabetic retinopathy. Diabetes can lead to blindness. And with early detection you can intervene. And we, at Google, started this, again with AI. It was probably about ten years ago, but we have been working with local partners going throughout towns and you can do a simple test where, you know, we've done hundreds of thousands. I think it's north of 700,000 now targeting seven million tests for diabetic retinopathy. You can save people's eyesight. These are the kinds of things that AI can do.

ARVIND KRISHNA: So if you just look at that scope, you talked about it impacting every industry. You're talking about it impacting GDP. Done right, there is that caveat, the infrastructure in a nation can improve – electricity, roads, grid, all of that. We get the benefits into so many areas where we need it. You touched on the Japan point, but actually I think every advanced economy is going through a population decrease, if I remember my statistics right. By the way, the numbers are shocking. Korea becomes about a third over this century, not in some future time. Japan is half. Europe, I think, becomes 60% by the end of the century. So we need something to augment us.

So I think the whole goal, which you've been making so passionately and eloquently, is that we need to channel this correctly and leverage it for all the benefits, while working to make sure that you call it the J-curve. There is always some displacement. And we manage that, but given the amount of resources we have, is that fair? We can manage it.

RUTH PORAT: Well, yes, but I think very importantly this notion of done right. Investing responsibly to protect from the downside. Because we need to make sure that everything you said that could go wrong does not go wrong. And I think on job skilling, you know, when we started the electrician training program, the number of times I said, no one company can do it alone, it needs to be program upon program building. And that's what we're seeing and we're really excited about it. The same in other fields and the work that's being done here in New York, it's really important, on job skilling and beyond. But, yes, done right, we can protect on the downside.

And we have to be clear-eyed. That's not a statement. That's an investment. That's all of us working together. And there will be some public policy work that's going to be needed to protect on the downside transition to help move people into jobs, to give them that safety belt when we're going through it.

ARVIND KRISHNA: That's very well said. I mean the whole point of public policy, I

actually think that is where government can be most effective in terms of writing and then helping enforce the policies as opposed to trying to go, micro-manage what is happening out there. So I think, for the room, I think this has been a fascinating conversation. I think we all learned a lot, and we all got a lot of optimism about what's possible. So, Ruth, thank you.

CHAIR ROBERT K. STEEL: Well, listen, let me just say, thank you all for being here. And thank you, Arvind and Ruth, for an amazing conversation that you all really made it, brought to life. I think I had high expectations for today, but I think that, as Arvind said, the passion and the eloquence that Ruth brought to the table were really special.

We'll be closing this spring with more speakers. On Tuesday, June 23rd, our Club will be celebrating our country's 250th Anniversary by a Signature Lunch with Laurence Tribe the Professor of Constitutional Law at Harvard. And later that same day, in the evening, we're quite excited to have a gala celebratory dinner with the Secretary of the Treasury Scott Bessent. That will be a great evening. We have lots of people coming already. For those of you that haven't gotten your seat, please join us. It'll be an amazing evening. Secretary Bessent has planned to speak to us. It'll be a combination of him offering comments and then taking questions in a conversation. So it should be a great event. As you remember, Secretary Bessent came to our Club right after he was appointed Secretary of the Treasury for his opening speech. And so it's great to have him come

back to speak to us again to deliver some comments given everything that's going on today. Also too, then on June 30th, we'll be having the Chairman of the U.S. Securities and Exchange Commission, Paul Atkins, speak to us.

So before, as we close and move to lunch, let me say thank you to the 450 members of the Centennial Society of The Economic Club of New York. You provide additional support that allows us to fund our programs and we're appreciative of that additional support. Thank all of you who have joined us today online and in the room. For those online, we say thank you and goodbye. For those in the room, enjoy your lunch. Thank you so very much.