Justin Charles:

Welcome to *Live with Living Cities*—where we spotlight the people, the ideas, and the innovations reshaping our cities to create equitable futures for everyone. Today, we're exploring a transformative force that's no longer the stuff of science fiction.

That's right: artificial intelligence.

Once confined to futuristic novels and blockbuster films, AI has now entered the mainstream, reshaping industries, societies, and economies.

In recent years, AI has evolved from a distant dream into a practical tool—an everyday reality. It powers our search engines, curates the content we consume, and even recommends what we should buy, watch, or read.

But as with any tool of immense power, the sudden emergence of AI raises pressing questions. Questions about its benefits, its flaws, and, most importantly, its future impact on our world.

Al offers extraordinary potential. It can process massive amounts of data faster than any human ever could. It can detect patterns, anticipate needs, and automate tasks, freeing up time and resources for more complex and creative work. In advocacy and racial equity work, this could mean identifying and addressing systemic disparities with unprecedented precision.

Al could help identify overlooked communities, track the impact of policies in real-time, or even design innovative financial tools to close wealth gaps. It holds the promise of leveling playing fields and amplifying efforts to create a just and equitable society.

But AI is far from perfect. Its algorithms, while powerful, are not impartial. They're trained on data that often reflects the biases and inequities of our human systems. And when these biases are baked into AI, the technology can reinforce and even deepen existing disparities.

Take, for instance, algorithms used in hiring, lending, or policing—fields where AI has already shown promise but also caused harm. Without intentional safeguards, AI risks perpetuating the very inequalities we seek to dismantle.

There's also the question of access. Who gets to design, control, and benefit from AI? If marginalized communities are excluded from these conversations, the technology could widen wealth gaps rather than close them.

But here's where the conversation gets even more compelling. The intersection of AI and racial equity isn't just about algorithms or data—it's also about the economic opportunities being created by advancements in technology.

Federal policies like the CHIPS and Science Act are revitalizing industries that have been offshored for decades. In 2022, the U.S. produced none of the world's most advanced chips.

Today, we're home to all five of the world's leading-edge chip providers. By 2032, we're projected to produce nearly 30% of the global supply of advanced chips.

This shift isn't just about chips—it's about jobs. High-wage roles in microchip manufacturing and supporting industries are being created across the country. For communities of color, this represents an unprecedented chance to bridge opportunity gaps and build generational wealth.

The future of AI, technology, and reducing income and wealth gaps in the U.S. is interconnected. The choices we make now—whether in designing fair algorithms or creating equitable access to emerging industries—will determine whether these tools close these gaps or widen them.

That's where our work comes in. At Living Cities, we're exploring how AI and industrial shifts like onshoring can be harnessed to create a more inclusive economy.

To help us unpack these questions, we're joined by someone who's been thinking deeply about these issues: **Dr. Ahmed Whitt, Director of the Center for Wealth Equity**.

Justin Charles:

Hi, Ahmed. Thank you for being here. Appreciate you being on the podcast. Let's start with the big question. With AI moving so fast, what are some of the red flags or issues you think we should be paying more attention to?

Dr. Ahmed Whitt:

Great to be here, Justin. Really, there's two concerns that consistently come up in my work. One is automation's impact on employment. In the past five years, I've done a lot of research and infrastructure building in the workforce development space. And even with its challenges, we started to see a positive impact on connecting individuals to jobs with positive or perpetual income advancement.

And recently with AI, we've seen similar disparities to maybe 10 or 15 years ago, where there were clusters of job types that overlapped with demographic features that were more likely to impact one group of people over the other. So this risk of automation and the idea that jobs that we perceive to be positive or strong trajectory jobs five years ago may not exist in 10 years.

So that risk is really top of mind for me. The other one is really more about AI development and the systems themselves and how they're trained, specifically the historical data that we know is already somewhat baked in with the inequalities and inequities that we've seen over the past 20 years in healthcare, in lending and again in hiring.

And these are the systems that Living Cities is more directly trying to counteract. So both understanding how the systems work and specifically understand how risk is being amplified. I would say the number two thing or in some days number one thing that I'm concerned about right now.

Justin Charles:

Okay, thank you for that. Yeah, it's always a concern. Like when we think back to just fictional depictions of AI, we often see, yeah, people are losing their jobs to artificial intelligence in terms of, know, sorry, I'll rephrase that. Yeah, those are great points. And when we look at fictional depictions of AI and how it can impact society. Usually the first thing people go to is the loss of jobs, people having their jobs automated, people having their jobs basically taken over by a machine. Those are starting to turn into some very real concerns. So in your view, given all of that, how can AI actually help level the playing field when it comes to economic opportunity?

Dr. Ahmed Whitt:

Yeah, that's a really helpful perspective, Justin, because we spend a lot of time talking about the threats and they are real, but that economic opportunity and we've seen projections and the billions of the new wealth that AI is going to create. We really want to make sure that wealth is distributed in a way that can lead to an inclusive economy, both in the US and around the world. So I think of a couple different targets there.

I've really seen a lot of growth in the use of expanding credit access using AI, both in the private sector and the public sector, using indicators like rent payments, utility bills, cashflow stability, if we're talking about businesses. And it's really expanding the amount of people who are now eligible and able to access credit and both in home ownership and business ownership. We know two main pathways that we see of creating a more inclusive economy. There's also been government adoption. Even in this moment of uncertainty, we've seen the FHA approve new ways of looking at credit. We've seen Fannie Mae and Freddie Mac adopt new mechanisms to really expand the pool of individuals who are eligible for housing loans. And I really see that work extending.

Even though there's a lot of talk of threats, I think we're moving towards a time where we see the need in the economy to really bring more people around the table. And that's going to extend both in housing and maybe continuing housing, maybe under a different name. But we also see just the growing and scaling businesses, how AI is really cutting both the barrier of entry and the administrative and operational costs for new entrepreneurs.

Justin Charles:

OK, sounds like there's some good that comes with bad. Now, if you're talking to folks at a place like Living Cities or any nonprofit trying to make a real difference, what are some of the practical steps we should be taking with regards to AI?

Dr. Ahmed Whitt:

At Living Cities, I can think of two, but I think they have broader impacts across the social sector. One, I think we do have an opportunity to support system level strategies and rescaling the workforce. Now at Living Cities, I think our expertise is more on understanding and building inclusive systems and specifically in the workforce or education domains.

But if you think about a member collaborative and their experience, both doing place-based work and also having broader impacts on the economy, think our perspective on understanding

our power of convening our power of targeting changes to both persistent barriers, also levers of kind of sustained impact way beyond kind of capital being deployed in a particular area. I think that perspective is really helpful. And I think there are organizations out there beyond our members that we can really kind of leverage our knowledge in one space to apply here and re-skilling workers. I think of our core service areas with capital allocators. I think we're learning through our work that there's still a huge tech and resource gap with community-based capital allocators, or CDFIs, or regional banks.

And I think there's a lot of new platforms that have proven that we can both increase access to capital, but also lower costs for underwriting and lower costs for operations. I saw a really strong case study between an organization or a business actually uplink with Visa and both there was a credit loss drop for the population they were serving, but also a profitability increase for both the companies that were being served in the larger area of the small business ecosystem. So I think that type of work of linking maybe startups, but also technological solutions more broadly with our CBCA peers, I think is really something we can take advantage of right now.

And then the third thing, with our network of financial institutions, we definitely need to have a voice in ethical AI and lending. There certainly are, we see regulations, the CFB and HUD, but thinking about how our underwriting system has grown to embed kind of these indirect, we'll call them indirect inequalities.

I think that same thing projects forward in AI lending if not, if we do not take advantage of this moment and really have our voice in those conversations about how the systems are being built and which data are being used to build the systems.

Justin Charles:

You mentioned CBCAs. Can you tell the audience what that means?

Dr. Ahmed Whitt:

Those are community-based capital allocators. So you can think of them as intermediaries between maybe larger financial institutions and both small businesses, potential homeowners and nonprofits on the ground.

Justin Charles:

Thank you very much. That's quite a lot of steps and quite a lot of things that we can do in the nonprofit sector, a nonprofit space. Looking ahead, where do you see the biggest economic opportunities arising from AI and like semiconductor innovations?

Dr. Ahmed Whitt:

Yeah, I think last year, we spent a lot of time both internally and within our network thinking about the opportunities and infrastructure and manufacturing as wealth creation. And certainly in the past couple of months, there's been uncertainty, but all signs point to both the continuation of elements of the Chips and Science Act and the infrastructure bill, maybe under a different name.

But also the continuation of the private investment we're seeing specifically with chip and semiconductor manufacturing. I think so far there's been maybe about 500 billion of kind of private investment to support these efforts. I think recently there's been conversations about this concept of an investment accelerator happening in tech hubs across the US.

So I think there's a space both for wealth creation, but going back to your question about how we can be a part of it, it goes back to that convening power and the coordination between the CBCAs, the government agencies, the financial institutions to make sure one, that our community-based organizations are equipped to meet readiness milestones and hire new workers and really take advantage of these opportunities both in private and federal capital but also to make sure that the opportunities are distributed in a way that reflects the community.

And by the community, we're not just talking about demographic factors, but we know that there's been historical disinvestment in certain spaces, in rural spaces specifically. So I think our perspective on both bringing multiple voices and multiple types of stakeholders around the table to discuss the opportunity and kind of grow the pie larger but also make sure that all voices are represented, not just at the table, but when capital starts to flow, it's really the opportunity for living cities and our partners.

Justin Charles:

Excellent. Thank you very much, Ahmed. And so wrapping up with the Center for Wealth Equity doing such critical work, I'm curious, how are you all starting to think about using AI in your efforts? And where do you see it helping when it comes to actually measuring or tackling inequality?

Dr. Ahmed Whitt:

Yeah, really, really great question, Justin. Going back to what I was talking about before about the lower barrier of entry for new entrepreneurs, like we're really treating the Center for Wealth Equity as a startup. And in a way, we're taking advantage of the reduction of operational costs that AI affords us. So for our work, that really means... the way, the speed and accuracy with which we can collect and process unstructured data, both across our member collaborative at Living Cities and the larger field of capital access, of housing interventions, with the new support for entrepreneurs.

So with that data and being able to process it more quickly, we're doing more work in mapping and visualizing capital flows in real time. So we're identifying both where there's funding gaps geographically, but also maybe thematically. And we recently talked about new opportunities, for example, in the care economy across a few of our members in a few of the regions in which we touch our living cities. And the speed with which we can process both where there's market opportunities and then also where there might be either oversights or under investment across a membership is a matter of weeks when prior, it might've been a matter of months to come to that determination.

The other thing that we're doing, very much data focused and enabled by AI, is to more accurately simulate policy and investment impacts. So we're thinking through, all right, if we see

an opportunity, let's play out what happens when there's \$50 million distributed in this region from these actors.

And then when we think about how we de-risk opportunities for collaboration across our membership, we can speak more from a perspective of evidence and data than only relying on kind of our past efforts and kind of repeating what was successful in the past. So it's really kind of super charging the CWE's charge, which is the turn knowledge capital into action on the ground. And again, I don't know if that work can happen so quickly without AI. So we're learning very quickly. We're trying things out. We fail, we go back and we know exactly what to correct. If we succeed, we can more quickly scale.

Justin Charles:

Excellent. Thank you, Dr. Whitt.

Thanks Ahmed, for your time and expertise, and thank YOU for joining us on *Live with Living Cities*. We're grateful to have you with us as we explore what it takes to build a more equitable future.

If you'd like to learn more or get involved, visit <u>livingcities.org</u>. And if you found this episode meaningful, be sure to subscribe and share it with others who care about closing the wealth gap and driving change.

Organizations interested in joining our network or becoming a partner city can reach out to us at **lcinfo@livingcities.org**.

A heartfelt thank-you to all our partners and supporters—you make this work possible.

Until next time, I'm Justin Charles, and this has been Live with Living Cities.