Location: Rawls 3058

Date/Time: January 11, 2019, 9:30 – 11:00 am

Speaker: Avi Goldfarb, Professor of Business and Operations Management, University of Texas at Austin

Title: The Simple Economics of Artificial Intelligence

Abstract: Artificial intelligence does the seemingly impossible, magically bringing machines to life--driving cars, trading stocks, and teaching children. But facing the sea change that AI will bring can be paralyzing. How should companies set strategies, governments design policies, and people plan their lives for a world so different from what we know? To understand this, it is important to recognize that recent advances in AI do not bring us true intelligence, but a particular aspect of intelligence—prediction. AI should be recast as a drop in the cost of prediction. When AI is framed as cheap prediction, its extraordinary potential becomes clear:

- Prediction is at the heart of making decisions under uncertainty. Our businesses and personal lives are riddled with such decisions.

- Prediction tools increate productivity--operating machines, handling documents, communicating with patients and customers.

- Uncertainty constrains strategy. Better prediction creates opportunities for new business structures and strategies to compete.

Speaker Bio: Avi Goldfarb is the Rotman Chair in Artificial Intelligence and Healthcare, and

Professor of Marketing, at the Rotman School of Management, University of Toronto. Avi is also Chief Data Scientist at the Creative Destruction Lab, Senior Editor at Marketing Science, and a Research Associate at the National Bureau of Economic Research. His research on the economics of technology has been discussed in Congressional testimony, European Commission documents, the Economist, the New York Times, and elsewhere. Along with Ajay Agrawal and Joshua Gans, Avi is the author of the Globe & Mail bestselling book Prediction Machines: The Simple Economics of Artificial Intelligence.