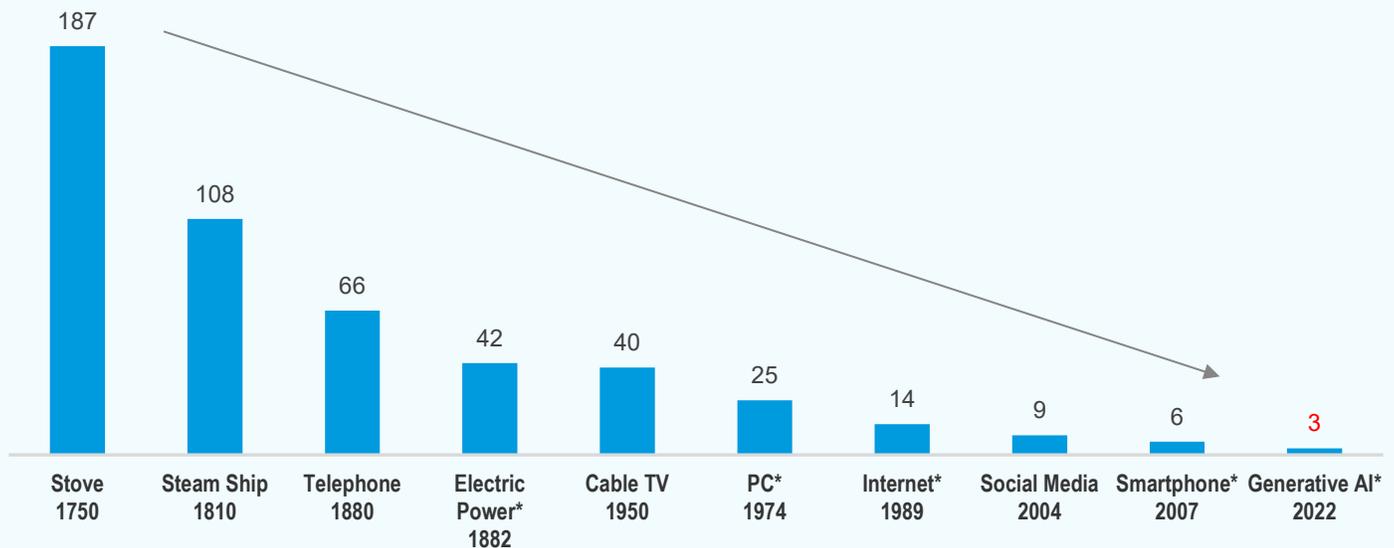


# Alger On The Money

## How Did AI Adoption Scale So Fast?

Artificial intelligence (AI) adoption is moving at warp speed. Compared to previous general-purpose technologies (i.e., innovations that reshape how people work and live), the time from market entry to mass adoption has compressed dramatically. Why has AI been adopted so quickly in the U.S., and what might that mean for investors?

### Years from U.S. Market Entry to 50% Penetration



Source: Alger, Asymco, Pew Research, and Real-Time Population Survey as of 12/31/25. \*Indicates a general-purpose technology.

- As shown in the chart above, mass adoption of major innovations is accelerating, moving from several decades to reach 50% penetration to just a few years. This acceleration reflects how recent innovations are built on one another: digital technologies can scale quickly by leveraging existing infrastructure (e.g., smartphones relied on mobile broadband and the Internet, and social media relied on smartphones and app stores). Because digital technologies can often be replicated and delivered at very low marginal cost over existing networks, distribution becomes much cheaper—and as more users join, network effects can accelerate adoption.
- Generative AI appears to be the fastest-growing general-purpose technology on record. We believe this acceleration reflects AI's ability to be deployed immediately through existing cloud and internet infrastructure. Unlike the Internet's early buildout, which was constrained by limited infrastructure and slow adoption, AI benefits from a mature digital ecosystem, enabling anyone with an internet connection to use the technology.
- In our view, rising AI adoption could position enablers like semiconductor manufacturers, power generators, and database providers for long-term demand growth, while adopters in digital advertising and genetic testing may benefit from meaningful productivity gains over time.

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