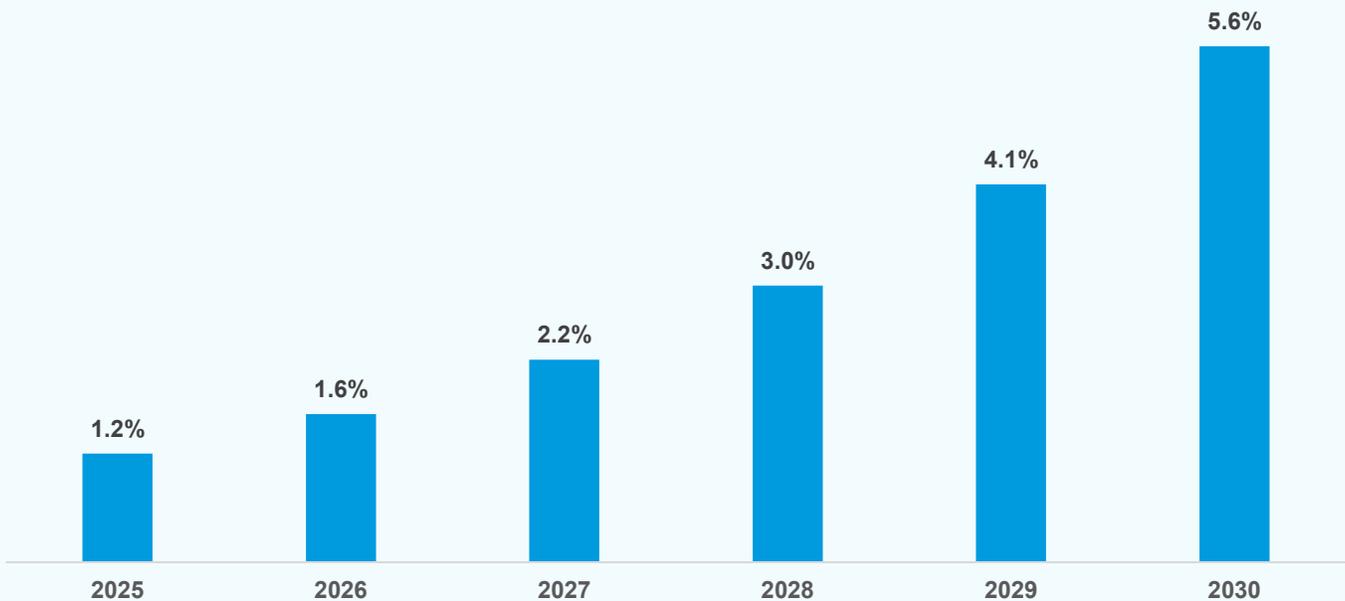


# Alger On The Money

## Wartime Scale with Peacetime Goals

The scale of investments in artificial intelligence (AI) today is staggering—and historic. From semiconductors to building materials, the capital flowing into AI is reshaping industries and redefining productivity. Is AI the next great industrial mobilization?

### Projected U.S. Spending on AI as a % of U.S. GDP



Source: FactSet, U.S. Bureau of Economic Analysis, and Nvidia Fiscal 2Q26 Earnings Call on August 27, 2025.

- The projected build-out of U.S. AI infrastructure can be compared with America's wartime mobilization during World War II—not for its circumstances, but for its scale and diffusion of innovation. By the end of World War II, the United States had spent about \$330 billion in 1945 dollars—roughly \$6 trillion in today's dollars.<sup>1</sup>
- As shown in the chart above, AI spending in the U.S. is projected to rise from about 1.2% of GDP in 2025 to roughly 5.6% by 2030, implying a cumulative total of approximately \$6 trillion by the end of the decade. Much of this enterprise and government spending on AI includes data center construction, advanced semiconductor capacity, high-bandwidth memory, and networking. While WWII spending was massive on its own, the enduring impact flowed from innovations it accelerated—jet engines, microwave electronics (which later enabled microwave ovens), radar, and early computing. That precedent may be helpful for thinking about AI's potential to raise productivity across our economy.
- In our view, companies within the AI infrastructure ecosystem may be well positioned for long-term growth due to the scale, urgency, and transformative nature of this investment cycle. Just as WWII catalyzed the rise of industrial America, AI may be laying the foundation for a new era of digital productivity and economic leadership.

<sup>1</sup> U.S. Bureau of Economic Analysis. Historical Consumer Price Index from 1945 through August 2025.

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