



---

THE DANA VIEWPOINT

---

*February 19, 2026*

*Dow: 49,395*

## **AI Freakout**

This is certainly what has been happening at an accelerating pace over the last few months. Many are assuming that AI is not only coming for our white-collar jobs, but for some of our largest enterprise software companies as well. Let's try and take a few steps back and look at how the landscape might evolve over the next few years.

Every technological innovation increases productivity. But we don't work less, or have fewer people employed, for the same amount of output or production; we produce more – at a lower marginal cost! This is the definition of progress for the human race. It raises living standards. Don't think of AI as replacing thinking jobs, think of it as enabling you to focus and think better. AI lowers the "cost" of cognition. It will allow you to concentrate on the most important aspects of the task.

On a simplistic basis, an increase in productivity levels will increase the value and utility of capital. This is an economist's fancy schmancy way of saying it will allow for a greater increase in stock prices. Hooray for us investors! AI should set GDP growth on an upward trajectory.

Another benefit is lowering the price of a service increases demand for that service. Software, data, and formulated output still needs to be managed, stored, categorized, redeployed, interpreted, etc. Additionally, lower costs lead to an increase in the effective and expected uses of that service, and this may very well demand another layer, or layers, of software. Humans will still be in the loop, and each one of them will have equal or greater value and productivity than they did before AI. Some of us are old enough to remember fax machines, typewriters, white out, and carbon paper. Look at how far we have come in a generation — imagine how far we will progress in the next.

The danger, and opportunity, lies in the speed of the transition. Structural unemployment may spike in specific white-collar hubs, and we may need private-public partnerships for retraining. There will be far greater demands on our educational system, which unfortunately has not risen to the task in the past. There will be an increasing gap between the AI-literate and the AI-illiterate workforce, and this may push greater wage inequality. This wage gap between the skilled and unskilled has already been expanding for a few decades and is responsible for a squeezed middle class in the United States.

So far in the market, the winners have been companies directly involved in supplying the AI buildout, mainly semiconductor companies. The tech big boys, like Amazon, Google, NVIDIA, and Amazon, have had fair-to-poor stock performance so far this year. Companies related to data center infrastructure have done well. Our equity strategies strive to diversify by having exposure to different aspects of AI development and build out.

Efficiency is coming along with disruption. Imagine a property and casualty insurance company that could use AI to evaluate claims, assess risk, and feed this data back into pricing in real time. All of these non-tech companies

(CONTINUED ON REVERSE SIDE)

are secondary or tertiary beneficiaries of AI development. Virtually every public company will be affected to a material degree.

There will be potholes and concerns as AI is utilized more widely. The first concern being faced now is: will revenue and profits follow the current multi-trillion dollar buildout undertaken by the largest companies in the United States? They are the only companies in the world that have the financial strength to make these huge investments over such a short period of time. We should be thankful that they are companies here in the U.S.

Regulation is another concern. How should AI be regulated? Will regulation be structured to stifle or encourage future development? Will non-U.S. regulators take a vastly different approach to the U.S. regulators? Will regulators have the competence and understanding to evaluate and make the proper decisions?

Property law is also an unknown. Will intellectual property rights stifle development? Will they limit access to useful data sets? Will effort be put into proprietary development if the rights cannot be sufficiently protected?

All of these issues are exciting, stressful, and a bit scary at the same time. We suspect the emotions are not different than at times in the past when society was on the cusp of great advancements.

As an individual, the most important action you can take is to begin to experiment with AI tools. Expose yourself to the possibilities. Be curious. Look for potential uses. It is early. A little effort will put you ahead of the vast majority of the population in understanding the possibilities and the issues with AI. An educated citizen is the best asset a country can have.

**Random Thought:** “Could you tell that this Viewpoint was created with the assistance of the Google Gemini AI tool?”

\*BEFORE INVESTING YOU SHOULD CAREFULLY CONSIDER THE FUND'S INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES. THIS AND OTHER INFORMATION IS IN THE PROSPECTUS, A COPY OF WHICH MAY BE OBTAINED FROM [TELEPHONE NUMBER OR FUND WEBSITE]. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE YOU INVEST.

APPROVED FOR DISTRIBUTION TO CLIENTS. *Dana Investment Advisors welcomes any comments to their newsletter and is more than willing to discuss or explain any aspect of the letter. This newsletter is provided for general information only and is not intended to provide specific advice or recommendations for any individual or entity. This is not an offer, solicitation, or recommendation to purchase any security or the services of any organization. The foregoing reflects the opinions of Dana Investment Advisors.*