CarbonArc

Insights exchange for the model-driven economy

Economic Spotlight

AI Risks to the SMB Workforce

Part II: Impact on Incomes

March 5, 2026

Carbon Arc Data Assets:
SMB Workforce, Job Movements

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Executive Summary

In Part I of AI Risks in the SMB Workforce, we focused on jobs at risk within occupations having high AI applicability, according to a report from Microsoft Research[1]. In this Part II we will translate those jobs at risk into dollars at risk and dig into the demographics of who is currently earning those dollars, where they live and primarily spend those dollars.

There is no implication that these risks are near-term, nor that they are inevitable. This is Carbon Arc using Insights from our data assets and platform to pull on the thread of risk and seeing how it could unravel. The goal is to provide an understanding of how to use Insights from Carbon Arc to understand risks facing your business.

Carbon Arc Data Assets Used

- **The Carbon Arc SMB Workforce data asset can quantify risks to SMB jobs from AI substitution,** including how much those jobs pay, along with the age, household size, and zip-level locations of those job holders**.**
- **The Carbon Arc Job Movements data asset can similarly identify at-risk jobs,** determine if they are currently ongoing, along with the industry, function and title, and city-level granularity to understand risks within the broader workforce.

Key Takeaways

- **Slightly less than one-quarter of wages earned within the SMB Workforce lie within at-risk jobs to AI substitution.**
- **Data/technology roles have the highest salaries within at-risk roles,** followed by creative/media positions.
- **Small to mid-sized families and young to middle-aged earners have the highest exposure to at-risk positions.** These at-risk incomes are more highly concentrated within Middle Atlantic states in the SMB workforce but have different regional demographics within the broader workforce.

AI Substitution Risks to Employee Wages in the SMB Workforce

Exhibit 1: SMB job role families, highlighted to show segments at elevated risk from generative AI adoption

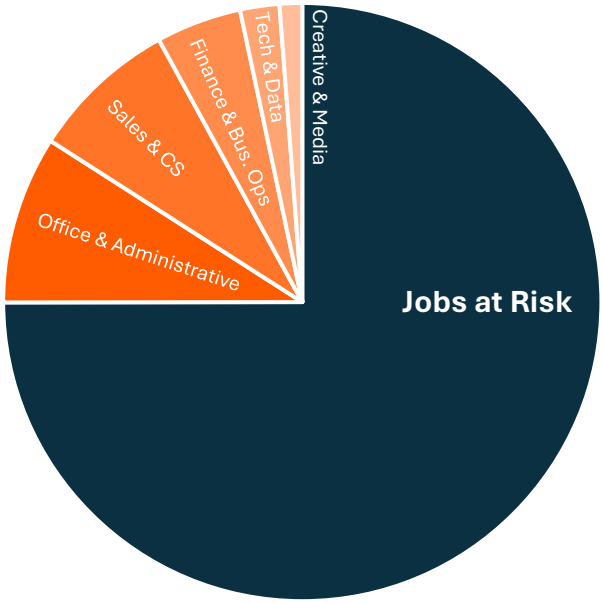


Exhibit 2: Breakdown of dollars earned across SMB job role families, at-risk segments highlighted

How to interpret this page:

- ~25% of both SMB jobs and employee dollars earned lie within roles classified as most at-risk from AI substitution.
- Office & Admin jobs tend to pay less, putting a smaller proportion of overall dollars at-risk.
- Technology/Data and Creative/Media jobs are a much smaller proportion of the SMB workforce, but tend to earn much more, shifting the actual dollars at-risk to AI substitution toward those demographics.
- The employee demographics within these role families are available within the Carbon Arc SMB Workforce data asset.

Exhibit 3: Average salary by SMB employee role families

Sources: Carbon Arc SMB Workforce – CA0055
Price: requires row-level bulk data access, available on request

Demographics of Dollars Within At-Risk Role Families

Implications:

- AI replacement would impact couples and small families most, single household earners least.
- Balance sheets of Gen-X and Millennials are currently most at-risk, but the dollars at-risk are likely more tied to task embeddedness than age, meaning Gen Z is not immune as they expect to progress.
- Regionally, Middle Atlantic states' economies have the largest exposure to at-risk roles and an even larger exposure via income. The West South Central has moderate job exposure, but low dollars at-risk.

Exhibit 4: Proportion of SMB employee income within at-risk role families by household size

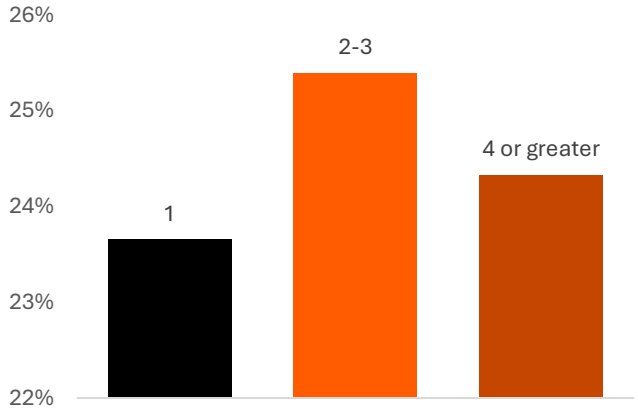


Exhibit 5: Proportion of SMB employee income within at-risk role families by employee generation

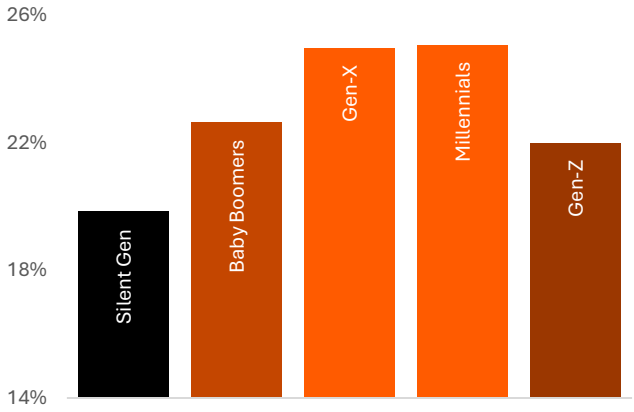
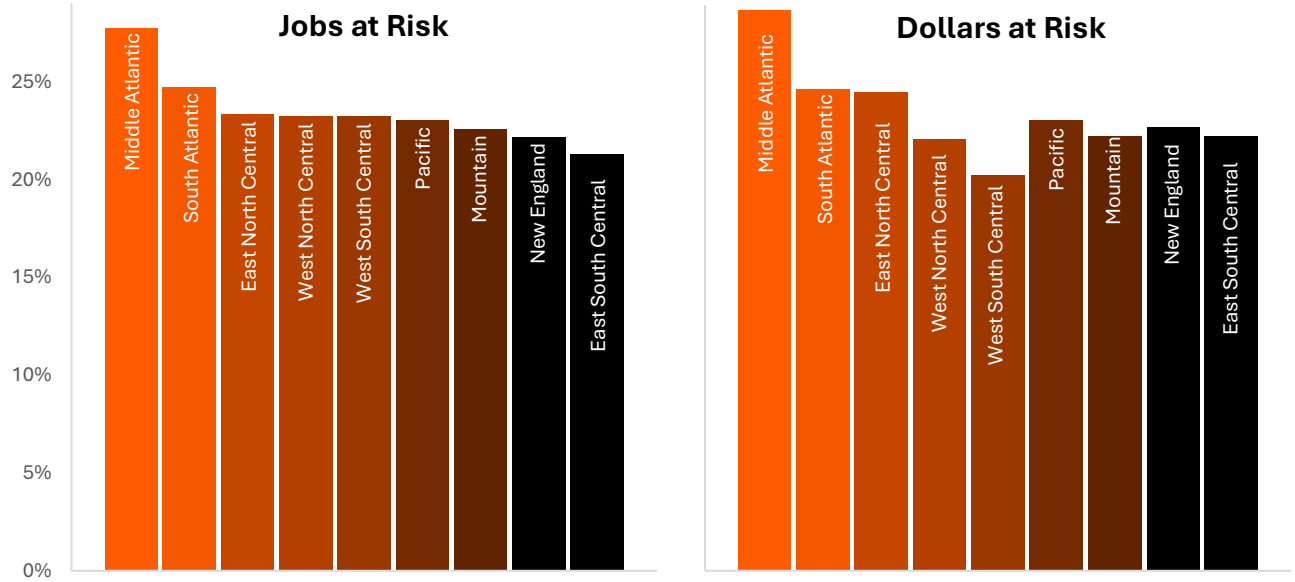


Exhibit 6: Proportion of SMB workforce in at-risk jobs (left) and the dollars at risk (right) within those jobs, by census division



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Sources: Carbon Arc SMB Workforce – CA0055
Price: requires row-level bulk data access, available on request

Demographics of Dollars Within At-Risk Role Families

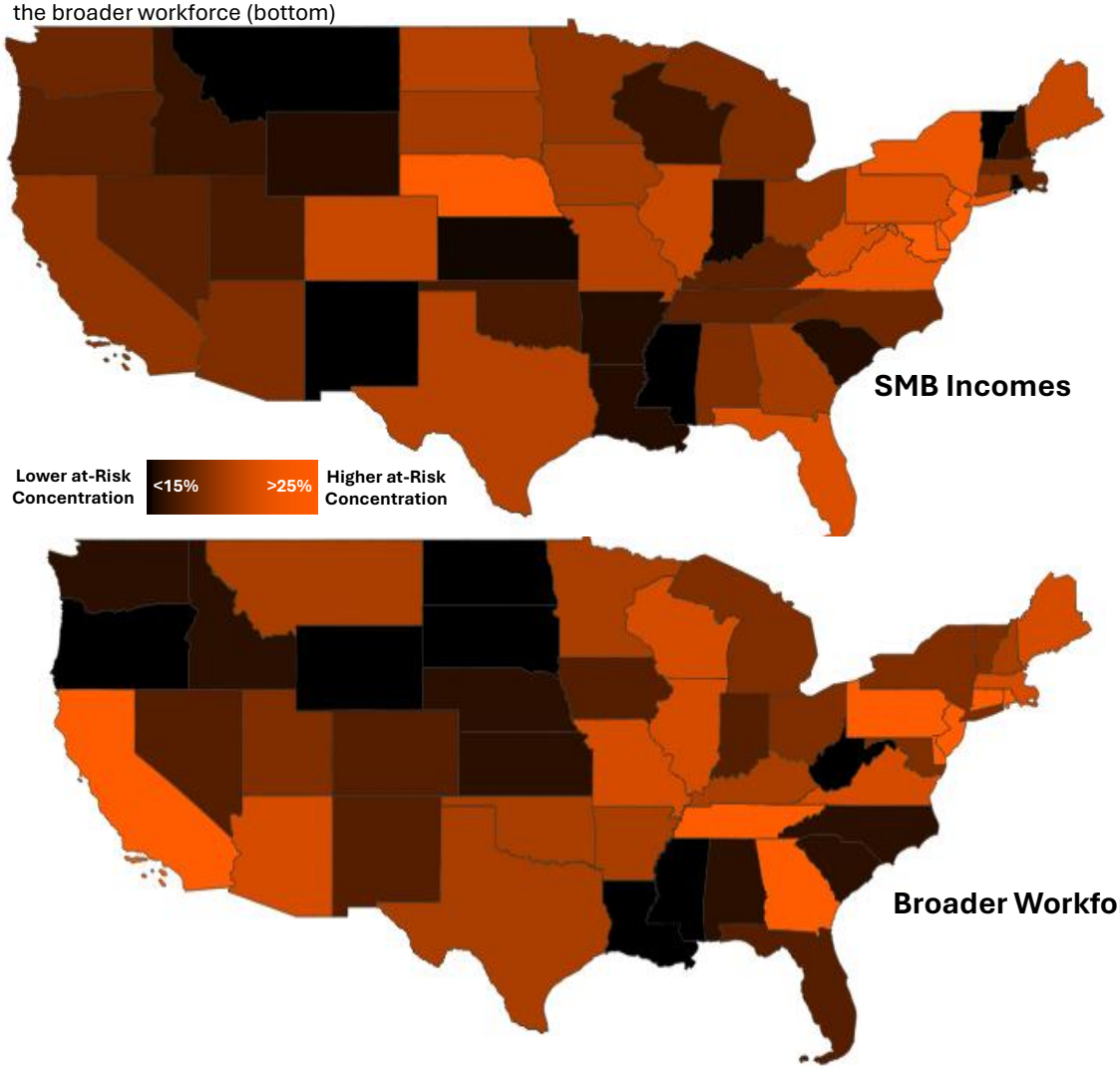
How to interpret this page:

- Keeping the demographics from the prior page in mind, the spending habits of young-to-middle-aged couples and small families primarily in New York, New Jersey, Delaware, Virginia and Nebraska (Midwest financial hub) are most at-risk due to AI substitution, from an SMB employment perspective.
- Within the broader job market (using the Job Movements data asset), California, Georgia, Connecticut, Delaware, and Pennsylvania each have high concentrations of wages falling into at-risk categories.

Implications:

- Businesses dependent on these markets, targeting these demographics, need to maintain awareness of increases in job losses and the degree to which they may impact consumer behavior.

Exhibit 7: States color-coded by proportion of at-risk role family within the SMB workforce (top) and the broader workforce (bottom)



Source: Carbon Arc SMB Workforce – CA0055
Price: requires row-level bulk data access, available on request

References

1. https://www.microsoft.com/en-us/research/publication/working-with-ai-measuring-the-occupational-implications-of-generative-ai/

CarbonArc

Founded in 2021, Carbon Arc transforms the world's unusable, siloed data into monetizable, ready-to-use insights.

The platform supports 2.5+ petabytes in data assets, that empower global enterprises to make faster, data-driven decisions.

Carbon Arc operates as a two-sided exchange — data owners list assets, and customers consume insights on a pay-as-you-go basis, enabling tokenized monetization over bulk licensing. Unlike traditional marketplaces, users query what they need and pay for what they use, turning data from CAPEX into OPEX.

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