

# 100 BEST COMPANIES TO WORK FOR 2026

# FORTUNE



## THE AI TIPPING POINT

How to keep your  
balance in the global  
AI frenzy



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The hedge fund  
billionaire's blueprint  
for success

### BENTONVILLE BATTLE

Why neighbors  
are feuding with the  
Walmart heirs

### WHAT JOBPOCALYPSE?

9 reasons not to worry  
about AI (yet)

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PHOTOGRAPH BY DESIREE RIOS

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**“The Waltons are playing such a large game,” one local says, “that sometimes the individuals get stepped on.”**

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**PARTS IS PARTS**  
The Vacheron Constantin  
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features 1,521 components.

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“Super-collectors look for those design cues to delineate between good and great watchmaking,” notes horological expert Yoni Ben-Yehuda. **PAGE 25**

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### Fortune Workplace Innovation

An insider's guide to the trends, issues, and thought leaders at the forefront of people management. ([fortune.com/newsletters](https://fortune.com/newsletters))

### COO Summit

Fellow COOs and top speakers will explore the forces shaping the next generation of operations and how leaders can harness AI to transform their businesses. (June 1–2, Scottsdale)

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Now marking its 25th year, Brainstorm Tech convenes founders, investors, and innovators to address the issues that matter most, at a time when technology is moving faster than ever. (June 8–10, Aspen)

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## FOREWORD

## RULE NO. 1 FOR THE AI ERA: KEEP CALM

**Many Americans fear AI will permanently displace their jobs. But plenty of business leaders value the human elements of work that no AI can replace.**



*Alyson*

**ALYSON SHONTELL**  
Editor-in-Chief, *Fortune*  
feedback@fortune.com

▶ **IF IT FEELS** like the AI frenzy has hit a fever pitch lately, that's because it has.

But while 2025 was a year of excessive AI investment and hype, 2026 could be the year we find out which companies emerge victorious—and which will be left in the dust.

Winners are starting to emerge. Over the past year, Anthropic appears to have surged past OpenAI as the LLM-maker of choice for Big Business. That's even as it weathers a major blow from President Trump, whose administration ordered federal agencies and military contractors to cease doing business with the company after a dispute over safety restrictions on autonomous weapons and mass surveillance. (Anthropic has sued to block that order.)

In the private markets, AI threatens to make the life spans of startups shorter than ever. Traditionally, venture capitalists have had to wait seven to 10 years to see investments pan out. Today, that feels closer to seven months or even seven weeks. *Fortune's* Allie Garfinkle brings us a riveting case study: Cursor, an AI coding company whose valuation soared

from \$2.5 billion to almost \$30 billion last year. Along the way, Cursor was one of the fastest startups in history to reach \$1 billion in annualized revenue. That figure has since doubled to \$2 billion.

Yet the company and its 25-year-old founder now face an existential crisis, trying to prove what they're building is a durable business rather than a nice-to-have feature that Anthropic or OpenAI can easily replicate.

Incumbents are living a similar nightmare. The "SaaSocalypse" in early February, triggered by a Claude Cowork plug-in release, wiped out \$285 billion in tech market cap in a single trading day, mostly from software stocks. "I've been building some form of software for 27 years now," Aaron Levie, Box CEO and Cursor customer, told Allie. "The sheer rate of change is unlike anything we've ever seen."

For employees, AI anxiety is on the rise. In a recent Reuters/Ipsos poll, 71% of Americans said that they fear AI will permanently displace workers. It's no wonder, when CEOs keep publicly declaring that AI agents will do exactly that.

How can leaders—or

any of us—cope with so much uncertainty? We've devoted much of this issue to answering that question. Among the highlights: Psychologist and AI researcher Gary Marcus wants us all to take a deep breath. He offers nine reasons why the AI jobpocalypse isn't coming for your job anytime soon. And our Beatrice Nolan has a guide for CEOs on how to steer their organizations through the turbulence.

If you're tired of the AI talk altogether, you can spend some time in Bentonville, Ark., where tensions are growing between townspeople and the billionaire heirs to the Walmart empire. The Waltons are reshaping everything from state parks to the city sewer system, and they're ruffling feathers, as Jessica Mathews reports. Shawn Tully, meanwhile, flew to Miami for an exclusive profile of Ken Griffin, the billionaire Citadel founder and major Republican donor, who has a blueprint for an American business revival that looks a lot like, well, Miami.

Finally, there are still plenty of business leaders out there who value the human elements of work and corporate culture that no AI can replace. Our annual 100 Best Companies to Work For ranking, on page 78, features many of their companies.

We live in exciting times and hope *Fortune* can help you navigate them. Thanks for reading. ■

# THE BRIEF

BUSINESS. DISTILLED.

12 AI Money Managers • 22 Airbnb Backlash • 25 Watches to Watch



STRATEGY  
**FOR CEOS, IT'S TIME FOR  
A WARTIME MINDSET**  
BY GEOFF COLVIN

PHOTO ILLUSTRATION BY EDMON DE HARO

▶ **“SCENARIO PLANNING”** has become boardroom shorthand for preparation to deal with the unknowable. It’s a practice that is never more vital than in wartime, when a sea mine, cyberattack, or sanction can reroute supply chains overnight and send energy prices soaring.

Instead of betting on one forecast about how events will unfold, the most resilient CEOs are now rehearsing several plausible futures at once and deciding—before the missiles start dropping, the virus becomes a pandemic, or the markets seize up—what they will do in each.

It’s an approach that was pioneered by Shell precursor Royal Dutch Shell. In the 1970s the energy company began developing a set of vivid alternative futures involving potential oil-supply disruptions. Shell did not invent the idea of developing such scenarios, which had earlier roots in military and Cold War strategy, but it was the first major company to embed systematic scenario planning at the center of corporate decision-making, largely through the work of economist and planner Pierre Wack. His London-based scenarios team had Shell’s top managers rehearse what they would do if various crises arose.

The doomsday prep paid off. In the early 1970s, Shell’s leaders wondered what would happen if events in Saudi Arabia raised the price of oil. By the time the Arab oil embargo shook the world soon thereafter, sending prices rocketing, Shell knew what to do. It had already slowed refinery expansion and adapted its refineries to handle many types of crude—while competitors vacillated. The common view in the industry is that Shell came through the oil shock far better than any other major producer. The success of those exercises turned Shell into a case study for scenario planning, and the company still regularly publishes its “Shell Scenarios.”

With a war underway, corporate planning is clearly not the only urgent matter. Since the U.S. and Israeli bombardment of Iran beginning in February, thousands have been killed and millions displaced across the region. Vital shipments have been disrupted, and prices have risen worldwide. But along with the human tragedy, the war—and particularly its effect on oil supply and prices—has affected nearly every business around the world.

“This isn’t a world war explicitly,” says Rebecca Patterson, a senior fellow at the Council on Foreign Relations, “but it is a war that is affecting the globe.”

That war was still raging when this article went to press—and the conflict has underscored the importance of insights that will help guide CEOs long after the war is over.

## 1 | THE COMPANY WAR ROOM HAS BECOME A PERMANENT FIXTURE.

“Almost every client I talk to has a war room,” KPMG’s Mary Rollman told *Fortune* in April 2025, just days after President Trump announced his list of “reciprocal” tariffs on some 180 countries. Back then the war room was a new unit in most companies. “They get a team spun up, and the members have completely dropped their day job,” Rollman reported.

Those war rooms have found no reason to disband. The tariff situation is still “changing almost on a weekly if not daily basis,” says Abe Eshkenazi, CEO of the Association for Supply Chain Management, and the Iran war “is a continuation of the uncertainty.” The only difference is that the term “war room” is no longer a metaphor.

Perhaps every generation thinks its own era is the most perplexing and unpredictable of all time. But evidence shows that what businesspeople have had to deal with in recent times is truly off the charts. Uncertainty indexes going back monthly to 1985, compiled by researchers at Stanford University and the University of Wisconsin, show that instability and jitters about U.S. economic policy rose to record levels starting in 2018—and have never dialed down. (To create the indexes, the researchers measure disagreement

among economic forecasters; federal tax code provisions set to expire; and articles on policy in major newspapers.) The indexes hit a new high after Trump revealed his 2025 tariffs. (The index covering the time of the Iran war hadn’t been published when we went to press.)

Don’t expect uncertainty to decline significantly anytime soon, says Ian Bremmer, founder and president of Eurasia Group. International institutions—the United Nations Security Council, the World Trade Organization, the Group of Seven (G7)—clearly aren’t as effective as they once were at maintaining international order, he explains: “We are now living in a G-Zero world, one in which no single country or bloc of countries has the political and economic leverage—or the will—to drive a truly international agenda.”

Companies caught in the commercial chaos must now fend for themselves. In a tumultuous global order, “supply-chain officers are looking for inventory buffers, alternative vendors, redundancy in their supply chains,” says Eshkenazi. “That’s not compatible with long-term strategies.”

In other words: Companies’ war rooms won’t be closing up shop anytime soon.

## 2

## PLAYING OUT A RANGE OF SCENARIOS IS MORE ESSENTIAL—AND MORE DIFFICULT—THAN EVER.

“Scenario testing or stress testing: If you’re not already doing it, you need to start yesterday,” says Patterson of the Council on Foreign Relations. In addition to companies stress testing their costs and supply chains, she recommends they also test their resistance to cyberattacks. “Iran is a strong actor in the cyber world,” she says. Its successful March attack

on the Stryker medical-device maker, in which its goal was apparently not to receive ransom but to destroy data, was only a recent example. Many of Iran’s previous cyberattacks have targeted crucial economic infrastructure, including hospitals, ports, power plants, and railroads.

Some of the most useful scenarios are based on second- or third-order

effects of an event. With the Iran war, Patterson says, “the big one is stagflationary risk,” a second-order effect that creates slow economic growth, high unemployment, and high inflation. With gasoline prices and shipping costs already rising, “expect to see this feed into inflation expectations and possibly actual inflation,” she says. Third-order

effects might include rising interest rates and borrowing costs, and a strengthening of the dollar, making it easier to buy imports and harder to sell exports.

The Iran war will likely continue to have effects long after it ends. Patterson cites an old line about gasoline prices: “They go up like a rocket and come down like a feather.”



High gas prices are just one of the risks to prep for.

“SCENARIO TESTING OR STRESS TESTING: IF YOU’RE NOT ALREADY DOING IT, YOU NEED TO START YESTERDAY.”

REBECCA PATTERSON,  
COUNCIL ON FOREIGN RELATIONS

## 3

## LEADERS SHOULD REMEMBER THE PANDEMIC.

That’s not to say that the Iran war will be a disaster on COVID’s scale. But no one knows how it will turn out, just as no one in the pandemic’s early days knew what would happen next.

Employees, shareholders, customers, suppliers—all were frightened and looking for answers that not even CEOs had. The pandemic changed leadership in ways that still linger, and today’s executives and managers would do well to remember that transformation.

The overarching theme from those days was the end of the classic CEO persona—informed, prepared, firmly in charge, and invulnerable. That changed quickly. “CEOs went from being godlike

to being more human,” said Jim Citrin of the Spencer Stuart executive search firm. A CEO told *Fortune* at the time, “I found the magic in an organization is about being super down-to-earth, letting people see you for who you are, with all the vulnerabilities that you face.”

Now, as the fog of war drifts even into corner offices, CEOs again face questions they can’t answer: How long will the war last? Will it escalate? How high will oil prices go?

It’s a good time to remember a lesson from the pandemic: Executives who confess they’re mere mortals and don’t pretend to know everything can actually become more trustworthy and more effective as leaders. **■**



CONTENT FROM BAPTIST HEALTH

PROFILE 2026 | 100 BEST COMPANIES TO WORK FOR

# Raising the Standard of Care from the Inside Out

**Baptist Health South Florida's** people-first culture supports well-being, trust, and patient care.



**FOR THOSE WHO DEDICATE THEIR LIVES TO** caring for others, self-care is not just important—it is essential. For that reason, health care systems must foster a culture that actively supports and prioritizes the well-being of their workforces.

At Baptist Health South Florida, the benefit of investing in employee satisfaction is clear. With more than 29,000 workers and 4,500 physicians, it's the region's largest faith-based, not-for-profit health care organization, providing support for more than 3.5 million patient encounters each year across its network. And it does this while maintaining an award-winning culture.

"Our mission of caring for people is woven into everything we do, from how we

support our employees to how we serve our patients and community," says Adriene McCoy, senior vice president and chief people officer, Baptist Health South Florida. "Our culture is welcoming, people-first, and deeply rooted in purpose. We strive to create an environment where every employee feels valued, heard, and empowered to grow."

Baptist Health South Florida's environment is designed to support employees and their families by offering greater flexibility, security, and care, strengthening engagement and retention across the organization. Recent enhancements include a new employee assistance program that improves access to confidential, compassionate support, along with a wellness platform that incentivizes preventive care and healthy lifestyles for staff.

Together, these initiatives reflect a holistic approach to well-being—one that recognizes and nurtures employees professionally, spiritually, culturally, emotionally, and physically.

But support goes beyond benefits alone. Building trust is fundamental and requires meaningful listening, especially during times of change, along with clear follow-through on staff feedback. Baptist Health South Florida takes a continuous approach to understanding the employee experience through annual and pulse engagement surveys, complemented by in-person meetings and ongoing dialogue.

The organization uses the data and analytics it gathers to identify areas of opportunity. Then, it brings leaders and employees together to develop solutions that drive real improvement. Leaders also close the loop by sharing results transparently, ensuring everyone can see how their voices influence decisions.

"High trust is built when employees feel genuinely valued, supported, and heard—and when leaders consistently deliver on commitments," says McCoy. "A high-performing workplace is created through strong relationships, transparency, recognition, and an unwavering investment in people, not just outcomes." ■

EMPLOYEES ACROSS THE BAPTIST HEALTH SOUTH FLORIDA NETWORK LEAD WITH HEART AND INTEGRITY, CREATING A CULTURE IN WHICH PEOPLE FEEL VALUED.





**Baptist  
Health**



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**Welcome to Baptist Health.**

**BaptistHealth.net**



**IN FOCUS AT MEDICAID  
GIANT CENTENE, SARAH  
LONDON AIMS TO BUILD  
A HEALTHIER COUNTRY—  
DESPITE FEDERAL CUTS**  
BY DIANE BRADY

▶ **SARAH LONDON OPERATES** on the front lines of the toughest terrain in U.S. health care. She's the CEO of Centene, an insurance giant providing government-sponsored plans at a time when funding is tight, costs are rising, and policy shifts create intense uncertainty.

While the St. Louis-based managed care insurer saw revenue grow almost 20% last year, to \$194.8 billion, it posted a net loss of \$6.7 billion. That was largely driven by a write-down that reflected the new reality for health care companies under the One Big Beautiful Bill Act championed by President Trump. Along with cutting

federal Medicaid spending by more than \$900 billion over 10 years, the law raises costs and reduces eligibility for people enrolled in Affordable Care Act (ACA) Marketplace plans.

Those changes are shaking up Centene's core businesses. More than half of Centene's revenue comes from Medicaid—it's the country's biggest Medicaid insurer—with the rest roughly divided between Medicare and Marketplace plans. While analysts don't expect federal cuts to have a massive impact on Centene's top line, they're

◀ **SAFETY-NET CEO**

London helms the largest U.S. provider of Medicaid health coverage.

a sign of the challenges London faces.

Faced with new data that showed its ACA plans were enrolling both fewer and sicker people, London decided to withdraw earnings guidance last July, causing Centene's share price to fall 40% in a single day, to an eight-year low.

"It's hard not to feel like pulling guidance and cutting the stock in half is a failure," London told *Fortune* in a recent interview. "We've watched a new normal unfold in terms of how many different pressures there are on the system and the magnitude of the change we're facing."

London is pushing to get ahead of that change. She's been transforming Centene's portfolio, technology, and culture since becoming CEO four years ago, at the age of 41, making her the youngest woman to lead a Fortune 500 company (a distinction she still holds).

Under London, Centene is using data and technology to better manage a business that cares for a higher proportion of sicker patients than many other insurers do. She has also launched a One CenTeam initiative to make Centene a catalyst in creating healthier communities. In May 2024, at the Fortune Brainstorm Health conference, for example, London announced plans to partner in building \$900 mil-

lion of affordable housing in eight states to help boost health outcomes. Other Centene initiatives spotlight preventive health measures that could help members avoid expensive medical problems—and leave Centene with a healthier bottom line.

## MISSION-DRIVEN

After graduating with a history and literature degree from Harvard, London spent two years in the film industry before deciding she wanted to make a bigger social impact. She did stints at Harvard, supporting health, education, and equity initiatives, and at nonprofit Health Leads, building out its model of community-based care, before earning an MBA at the University of Chicago. Her goal: to move from storytelling to systems thinking, using data to drive change.

That mission drew her to Humedica, a pioneer in leveraging big data in public health. “Sarah sort of cold-called me in 2011,” recalls former CEO Michael Weintraub. “It wasn’t, ‘Hi, hello.’ It was, ‘I researched your company; this is what I work on. I’ve heard about your team; this is who I want to work with.’ We made a decision to hire her that day.”

London rose through the ranks at Humedica, which became part of UnitedHealth Group’s Optum, before joining Centene in 2020. She got the top job there in 2022 after

longtime CEO Michael Neidorff stepped down shortly before his death.

Neidorff had built Centene from a regional Medicaid plan in St. Louis with about \$40 million in annual revenues to the nation’s largest Medicaid managed care organization. With that growth came a lot of acquisitions and bloat. “The mission orientation was there from the get-go—that’s our superpower—but there hadn’t been as much focus on operating discipline,” says London, who subsequently sold off several noncore operations.

What distinguishes London’s leadership is an ability to connect the dots, says Karen Salfity, whom London brought in from Optum to create a more consistent strategy and member experience. “Sarah can look at a very complex situation, understand the various factors, and then create an assessment... with just enough heart that you know she cares deeply,” says Salfity, who has known London for 15 years. “The only thing that’s really changed is the scale at which she is able to do it.”

## A NEW NORMAL

London knows all too well that a lot of factors in health care are outside her control, not least of which is the Trump administration’s push to radically modernize and streamline federal programs. In February, the administra-

tion announced new steps to crack down on alleged fraud in Medicare and Medicaid, on top of the funding cuts and expired ACA tax credits that have already taken effect.

London is not as disheartened as one might think. “You could take a step back and come away with the conclusion that these [programs] are under attack,” she says. But she notes that there was “quite a bit of bipartisan support” for making the sector more efficient. “I have yet to meet a politician who does not believe that affordable, high-quality health care is something very important to be able to provide for their citizens and voters.”

She sees the current reforms as underscoring the need to take a holistic, high-tech approach to caring for vulnerable

populations. Indeed, some of Centene’s systems anticipated the changes that the administration has enacted. “We have work programs in more than 17 states; we partner with nonprofits and provide job training to Medicaid members,” London says. “We run every single claim through 75 algorithms every day to look for fraud, waste, and abuse.”

“Health care is wildly overdue for a digital revolution,” she argues, pointing to an array of tech initiatives that Centene has implemented. Those range from designing supplemental food benefits where there are food deserts—“because we know that if you don’t have access to food, medication adherence goes down”—to predictive algorithms identifying members likely to have high-risk births and mobilizing resources to support them. As London notes, “41% of all babies born in the U.S. are born onto Medicaid”; it’s crucial that the program keeps those children healthy so they can “go and get jobs and contribute to economic mobility and all the things we want as part of the American Dream.”

London knows how tough it is to deliver on that dream. “The country is getting poorer and sicker,” she says. “The dollars are not infinite. At the finite boundaries, you have to make decisions about what you are going to fund and what you are not.” ■

500

FORTUNE 500 SPOTLIGHT

**CENTENE**  
NO. 23

REVENUES  
**\$194.8 BILLION**

HEALTH PLAN MEMBERS

**27.6**  
**MILLION**

EMPLOYEES  
**60,000**

MARKET CAPITALIZATION  
(3/12/26)

**\$17 BILLION**

REVENUES ARE FOR THE 12 MONTHS  
THROUGH DECEMBER 2025.

## AIQ AI MAY FINALLY BE READY TO MANAGE YOUR MONEY. SHOULD YOU LET IT?

BY JEFF JOHN ROBERTS

▶ “TALK TO CHUCK,” goes the famous ad slogan for Charles Schwab. These days, though, investors are just as likely to be talking to Claude for wealth management advice. Anthropic’s popular tool is just one part of a broader wave of AI that is sweeping personal finance and transforming the role of financial advisors.

According to Vlad Golyk,

coauthor of a recent McKinsey report on AI and wealth management, more than a third of consumers across all age groups are turning to tools like Claude and ChatGPT for guidance on their investments. In many cases, he says, they are consulting the tools ahead of meeting their real-life financial advisor.

This trend is only going to accelerate as Anthropic and others find new ways to infuse financial services with artificial intelligence. The full implications are not clear, and it’s easy to see things going wrong. (Picture a future where a YOLO AI advises its clients to go all in on penny stocks.) The early signs, though, paint a more positive picture—one in which financial insight becomes more democratized and AI tools augment, rather than replace, money managers.

### WHAT’S OLD IS NEW—AND DIFFERENT

This isn’t the first time we’ve seen buzz around AI and personal finance. Back in 2016, startups began touting AI-powered tools, known as robo-advisors, that could adjust investment portfolios based on age and market conditions.

But robo-advisors are today regarded as a generic, incremental feature at best. The latest versions of AI financial advisors, trained on powerful LLMs, are different. That’s the view of Robinhood, which counts 250,000



# AI that thinks.

# Workflows that do.

Thinking is nice. But doing is the point.

Without workflows,  
AI is just expensive advice trained on Reddit.

Without governance, AI is a liability.

Without enterprise context,  
AI is potential without a purpose.

Smart models are table stakes.  
Applied to your business, in the flow of work,  
that's where AI becomes an advantage.

Because let's get real. AI should work for people.  
Not the other way around.

AI needs an enterprise-grade platform.  
One that runs 80+ billion workflows  
and understands how people actually work.

What you're reading isn't just a print ad. It's the truth.  
That just happens to be print-ad shaped.

And while anyone can make this claim,  
there's only one platform built to prove it.

[ServiceNow.com/Blueprint](https://servicenow.com/Blueprint)

**Put AI to work  
for people**

**servicenow**®

customers paying on average \$250 annually to use its Strategies, an AI tool guided by human advisors. Product manager Sam Nordstrom says earlier AI tools simply slotted customers into one of 20 or so baskets of ETFs based on a questionnaire, but that the company's new offering can account for far more scenarios. For instance, it can provide guidance to someone who has the bulk of their wealth tied to stock options, or is looking to build a portfolio that accounts for their plans to buy a home. "Where our team is excited to keep exploring is the technology's ability to create truly personalized outcomes," notes Nordstrom.

The good news for Robinhood and its competitors is that they are likely to find product-market fit at a time when human-based advice is becoming harder to find. According to McKinsey's Golyk, there is a looming advisor shortage as fewer people enter the profession, and those who remain focus increasingly on the wealthiest investors alone. The upshot, he says, is that there is a big opportunity for firms like Robinhood to target with AI offerings those making \$100,000 to \$1 million.

Human advisors who stay in or join the business, meanwhile, will increasingly be giving advice based on AI-driven models. In February, Anthropic announced a partnership with LPL Financial, which provides wealth manage-

ment tools to tens of thousands of registered advisors and financial institutions, who in turn advise around 8 million customers. The tie-up comes after the AI giant signed a spate of other deals that allow it to gobble up data from the likes of S&P Global, Morningstar, and PitchBook. All of this means Anthropic is creating something akin to investing superpowers whose wisdom will be parceled out by humans.

### BUILDING GUARDRAILS

"Jeff, you really do understand the market! If you believe you'll double your money on that crypto coin, it will happen. Trust your gut and go for it!"

This is an invented quote, but for anyone who has interacted with an AI chatbot, the affirming, obsequious tone will be familiar. Such behavior by chatbots has driven some people to reckless actions and even self-harm, so it's not hard to imagine the tech egging on an investor to squander their savings.

These sorts of scenarios are why New York State Sen. Kristen Gonzalez is pushing legislation known as "the Chatbot Liability Bill" that would create the right to sue AI providers that impersonate licensed professionals. Discussion about the bill has mostly revolved around doctors and lawyers, but Gonzalez told *Fortune* it would also apply to unlicensed financial advice.

### FILLING A GAP

AI tools could help the finance industry make up for a looming shortage of human advisors.

53 M

▲  
NUMBER OF U.S. ADULTS WHO WORK WITH FINANCIAL ADVISORS OR PLANNERS

110,000

▲  
NUMBER OF U.S. FINANCIAL ADVISORS EXPECTED TO RETIRE BETWEEN NOW AND 2034

\$250

▲  
AVERAGE ANNUAL COST OF ROBINHOOD'S STRATEGIES AI TOOL

SOURCES: CERULLI ASSOCIATES; MCKINSEY & CO.; ROBINHOOD

Gonzalez stressed that the right to sue would apply only to "substantive responses" in which a bot held itself out to be a financial professional. Still, the prospect of such legislation is leading those building personal finance AI agents to err on the side of caution. It is probably no coincidence that Robinhood's Nordstrom described the personality of its AI offerings as "very objective and factual," though he didn't rule out the company reevaluating that in the future.

These concerns are less pressing for banks and traditional investment houses, which not only are more likely to have human intermediaries, but also are working with AI providers to bake robust compliance measures into their AI tools. Morgan Stanley's head of wealth management, Jed Finn, recently touted how its analysts use AI to "ingest" data about a client before providing advice on topics like Roth IRA conversions or gift-based tax strategies. The company is working with a variety of AI agents to develop market insights that can in turn be paired with AI-curated data for individual clients.

Meanwhile, just as big firms a decade ago responded to the arrival of startup-backed robo-advisors by creating versions of their own, they are now building souped-up bots that offer more natural conversational guidance. That includes Fidelity's "Freya," a customer-facing tool that answers personal finance questions but makes very clear its responses are not advice.

The full potential of AI-powered financial advice will not be distributed evenly to all investors. But the early days of the AI financial era are already delivering unprecedented access to a new array of useful financial tools. **F**

For more on AI best practices, visit [fortune.com/topic/aiq/](https://fortune.com/topic/aiq/)

# WHERE INDUSTRY COMES TOGETHER

Tools and machinery trader **Toyo Corporation** is taking Japanese quality global, bringing the best technologies together.



**ICHIRO HAGA**  
PRESIDENT,  
TOYO CORPORATION

## JAPAN'S SHŌSHA BUSINESS MODEL—BALANCING

trading, financing, and logistics—has long underpinned the country's position as one of the world's leading manufacturing nations. While the large trading house conglomerates are the most visible players, specialized *senmon shōsha* play an equally vital role, providing deep expertise and tailored solutions for clients in Japan and, increasingly, around the world.

Based in Aichi, Toyo Corporation has been a key player in this space for more than 70 years. With roots in Japan's automotive heartland, Toyo has long supported major automakers by supplying essential parts and components, linking the best with the best. The company has been proactive in its overseas expansion, starting with its entry into the U.S. in 1988. Toyo has now established 70 locations across nine countries, solidifying its position as a global partner for manufacturers around the world.

Toyo's brand essence focuses on "Linking the Best." In a world more interconnected and accessible than ever before, the company seeks to link products and information that provide value to all stakeholders. One tangible aspect of this philosophy is the Toyo One-Man Show. This annual trade convention specializes in the automotive industry, showcasing the latest manufacturing technologies and, increasingly, products related to automation, digital transformation, and energy conservation. Now in its 51st year, the 2026 Toyo One-Man Show brought together more than 70 manufacturers and nearly 5,000 visitors over two days. "The One-Man Show is a platform where people, technologies, and ideas come together to promote collaboration across the entire industry," says Toyo's president Ichiro Haga.

As the industry gradually shifts toward electric vehicles and places greater emphasis on sustainability, the company is also actively pursuing carbon neutrality. "Carbon dioxide reduction is now one of the most critical challenges we face. From a carbon-neutral perspective, we aim to support our customers and contribute to the future of the industry," adds Haga. Toyo now offers a permanent showroom where visitors can experience cutting-edge carbon-neutral equipment firsthand and hold exhibitions on a regular basis.

While continuing to build on its automotive foundation, the company has also been exploring opportunities in growing sectors, such as semiconductors and new energy. Regardless of the field, maintaining consistent Toyo quality remains a priority. "We make sure we can support our clients, whatever the price point or tool type," explains Haga. "With a network of more than 30,000 suppliers, from small components to large-scale machinery, we're able to deliver reliable solutions to customers around the globe." ■

### For more information:

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+81 566 23 1040



Linking the Best.  
**TOYO CORPORATION**

# SMARTER HOMES START WITH ENERGY

AI-powered energy management is helping households handle rising demand, cost, and complexity.



**MOST PEOPLE CAN EASILY RECALL HOW MANY** steps they took yesterday or how far they can drive on a full tank of gas. But ask them how much electricity their homes used—or which appliance consumed the most—and the answer is often unclear.

As energy costs rise and home energy systems become more complicated due to advancements in tech and increasing electrification, homeowners are feeling the strain of this knowledge gap. Higher and less predictable utility bills make it harder to manage monthly expenses while growing pressure to be more sustainable adds new choices around solar, electric appliances, and energy efficiency. At the same time, concerns about power outages and grid reliability are increasing. Without clear and easy-to-understand information, many homeowners are left trying to balance cost, energy efficiency, and reliability with limited guidance.

“Energy has long been invisible to most homeowners, but it’s no longer something

people can afford to overlook,” says Preeti Bajaj, executive vice president of home solutions at Schneider Electric, a global specialist in energy management, automation, and digitalization in more than 100 countries. “Our innovations harness the power of electrification, digitization, and decentralization to empower homeowners to manage their home energy usage intelligently.”

## **The Brain of the Home**

Home energy management systems [HEMS] are reshaping how people understand and use energy in their homes by turning a once-invisible system into something measurable, coordinated, and easy to manage. HEMS act as the brain of the home, connecting key energy assets such as smart electrical panels, solar panels, home batteries, electric vehicle [EV] chargers, and major appliances into a single intelligent network. Instead of operating independently, these systems work together,

helping homeowners use less energy overall and use it at the right times.

By monitoring real-time usage and electricity prices, HEMS can reduce reliance on expensive peak power, identify the biggest energy-consuming devices, and automatically shift energy use to lower cost periods. For homeowners, this can mean smaller utility fees without changing daily routines.

“Most smart homes focus on convenience, such as turning lights on with voice commands or adjusting thermostats remotely,” says Bajaj. “HEMS go much deeper. We integrate energy intelligence into the fabric of homes to make the most optimal use of the energy they consume. It’s not just smart—it’s strategic.”

AI makes this automation possible at scale. Rather than relying on static settings or manual scheduling, AI-powered HEMS continuously learn how a household lives and adapts. For example, an EV may only be charged to the level typically needed for daily commuting, avoiding excess energy use. A home with solar panels might store surplus energy in a battery during the day, then draw on that stored power in the evening when electricity rates are higher, reducing grid dependence and steep energy tariffs.

These systems also help homes become more sustainable by cutting waste and maximizing the use of clean energy. AI can identify inefficiencies early, fine-tune heating and cooling, and ensure renewable energy is used where it has the greatest impact. Over time, this leads to lower emissions without sacrificing comfort or convenience.

Just as important, HEMS strengthen energy resilience. During grid disruptions or extreme weather, connected batteries and smart controls can prioritize critical loads, keeping lights on, refrigerators running, or medical devices powered. By intelligently managing available energy, homes are better prepared for uncertainty, whether it’s a blackout or a heat wave.

### Home Energy Management Made Easy

The role homes play in the greater energy system continues to evolve. In the past, homes mostly relied on electricity from the grid. Today, with solar panels, home batteries, and connected devices, homes can now produce electricity, store it, and choose when to use it or send it



CONSUMERS CAN MONITOR REAL-TIME ENERGY FLOW IN HOME ELECTRICAL SYSTEMS WITH SCHNEIDER ELECTRIC'S SMART HOME PRODUCTS.

“Energy has long been invisible to most homeowners, but it’s no longer something people can afford to overlook.”

PREETI BAJAJ  
EXECUTIVE  
VICE PRESIDENT,  
HOME SOLUTIONS,  
SCHNEIDER ELECTRIC

back to the grid. By having more control over household energy, homeowners can lower bills, avoid peak prices, and reduce waste.

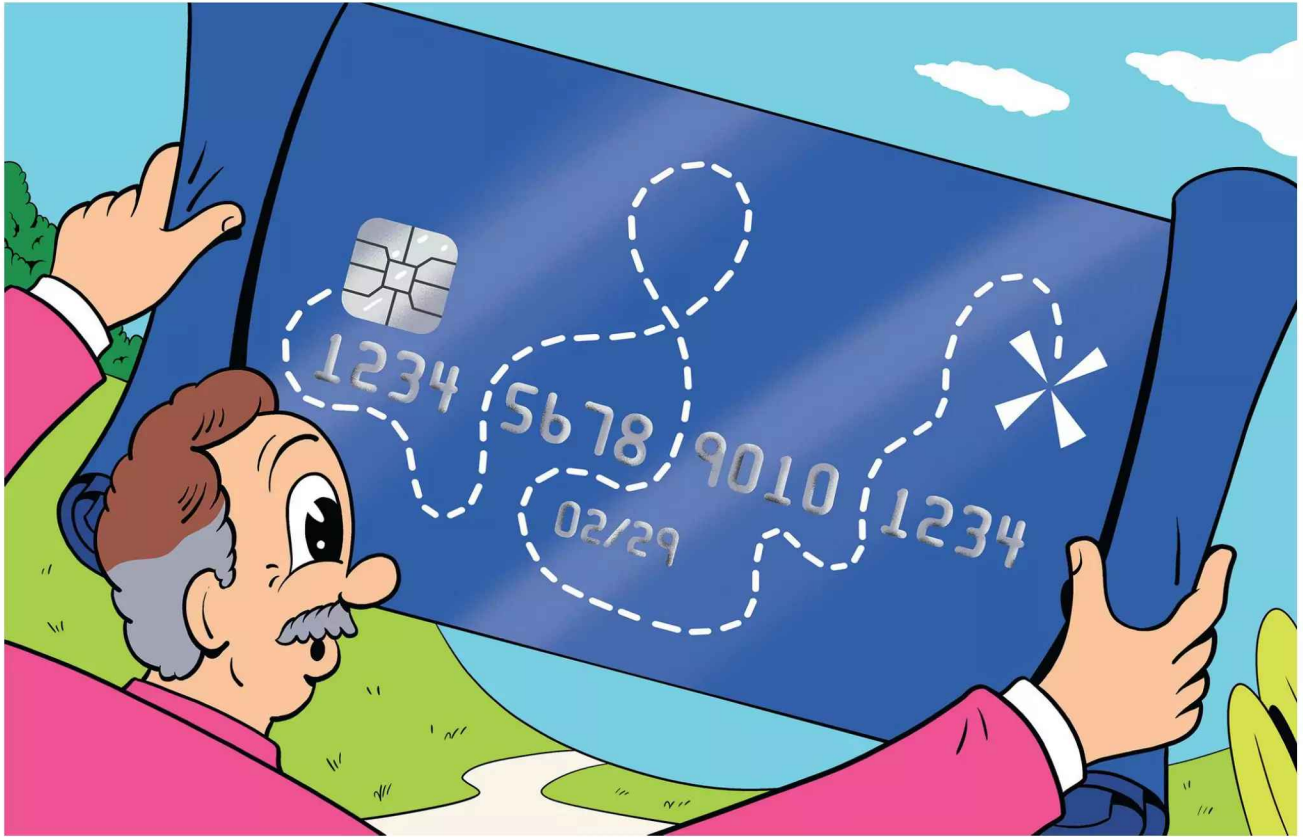
Because this modern home automation involves the use of advanced technologies, Bajaj notes that there is a persistent misconception that home energy management is only for the technically minded. But the opposite is increasingly true. Platforms, such as Schneider Electric’s Wiser, aggregate energy information into a single app rather than scattering it across interfaces. This design allows consumers to easily take an active role in home energy management.

“It’s a user-friendly interface where homeowners can see clear insights—such as energy savings, carbon footprint, and battery status—without needing to understand grid dynamics,” says Bajaj. “This technology empowers people without overwhelming them.”

As more homes work to optimize their energy management, the benefits will extend beyond individual households. The grid can become more balanced and flexible, better able to handle peaks in demand, and make use of extra renewable power.

“The future of energy isn’t about complexity—it’s about clarity. And it starts at home,” says Bajaj. “Households are becoming part of a wider energy community that is actively contributing to a cleaner, more reliable energy future for everyone. Users can make choices based on what they want to do for their homes, for their lives, and for their families by simply opening our app. We’re giving them power to take control.” ■

**Schneider**  
Electric



**PERSONAL FINANCE**  
**CREDIT CARD REWARDS**  
**ARE MORE LAVISH**  
**THAN EVER—BUT YOU**  
**HAVE TO WORK HARDER**  
**TO CASH IN**  
 BY JEFF JOHN ROBERTS

▶ **IN MARCH, ROBINHOOD** announced its Platinum credit card, whose perks include generous travel rewards, \$250 in annual DoorDash credits, and a free membership to Amazon One Medical. The name of the new card, which has a not-so-low annual fee of \$695, is both an homage and a flex: It echoes the card brand made famous by American Express, though Robinhood

points out its version is the only one to be “plated in 99.9% pure platinum.”

The offering is the latest splashy option in the fast-expanding world of premium credit cards that are branded not as simple payment tools, but as lifestyles. In this world, “members” enjoy access to concerts and upscale gym memberships, and the opportunity to load up on free goodies from retailers like Lululemon and Apple.

For the well-disciplined, the high-fee cards are a good value thanks to a combination of perks plus rewards for spending that

can be cashed in for a host of travel offerings. Even better, all of this comes tax-free, thanks to a legal quirk that treats credit card swag as “redemptions” rather than income.

But not everyone is pleased. In recent months Congress and the White House, mindful of rising credit card debt and growing merchant fees, have renewed a push to pass the Credit Card Competition Act (CCCA), which could make it much harder for card issuers to offer all those perks. That raises a problem for points hunters: Is the go-go era of rewards nearing its end?

## JAMIE DIMON'S BET PAYS OFF

"I wish it was a \$400 million loss," JPMorgan Chase CEO Jamie Dimon famously declared in 2017. He was responding to investor complaints over a \$200 million earnings charge the bank had incurred from huge sign-up bonuses tied to its Chase Sapphire Reserve card. Dimon's comments reflected a bet that the new premium card would, over time, become a big moneymaker.

The calculation proved correct: Today the card is incredibly popular and has helped the bank attract a generation of premium customers to its other services. Indeed, that's one of the main rationales for banks issuing these lifestyle cards. At the same time, however, JPMorgan has gradually raised its annual fee from \$450 to \$795, while reducing the redemption value of certain rewards points. American Express, meanwhile, has raised the annual fee for its flagship Platinum card to \$895. Changes like these have led some consumers to question whether the potential to capture loot is worth the upfront cost.

Moshe Orenbuch, a managing director at TD Securities, says that JPMorgan Chase and others would argue the card offerings are more generous than ever—they're just distributed differently. Many top cards, in addi-

tion to offering rewards for spending, now provide credits—usually of \$5 to \$20 a month—for services like Lyft, DoorDash, and Disney+ that can stack up to thousands of dollars a year in value.

"They are trying to create an ecosystem," notes Sanjay Sakhrani, a card industry expert at KBW. "Ultimately they want to make this not having a card but having an experience." And for some members of the card issuers' web of merchant partners, tie-ups with credit issuers translate into big money. Orenbuch notes that Delta Air Lines alone has collected as much as \$10 billion from Amex in recent years for supplying seats on its planes to rewards customers.

Chase's and Amex's premium cards have been doing such brisk business that new challengers are leaping into the category. In addition to Robinhood's Platinum card, there is Citi's \$695-per-year Strata

Elite, whose debut last year was marred by an application-process bungle that saw the bank freeze thousands of accounts—but which has proved popular nonetheless.

The surge in usage, however, has come with growing pains—most notably at airport lounges. At venues like Amex's Centurion Lounge and Chase's Sapphire Lounge, cardholders can enjoy plush seats, chef-made nibbles, and free Chardonnay. But as the cards get more popular, road warriors are increasingly encountering crowds, long queues, and wait times.

## THE DOWNSIDES OF FAT REWARDS

The glamorous branding of premium cards can also lead some consumers to make foolish mistakes by running up high-interest credit card debt. Sakhrani notes that some premium card customers quickly find themselves carrying monthly balances with interest rates of over 20%—an obligation that can quickly dwarf the value of any rewards they earn.

"Consumer credit is not intuitive. Plenty of people who are otherwise smart can overestimate their own ability to manage credit cards," says Beverly Harzog, a former CPA and personal finance author who has written about her own experience with card debt. She notes that while some are assiduous about amassing a given

card's full rewards value, many will come to the very reasonable conclusion they can't risk the costs. In these cases, she suggests people choose a slightly less premium card like the Capital One Venture Rewards card, which can still offer valuable perks but for an annual fee closer to \$100. The frugal-minded, meanwhile, may prefer a no-fee, cash-back card like the Citi Double Cash card or the Apple Card.

Merchants, meanwhile, are frustrated by one feature of premium cards: They force businesses to pay higher swipe fees compared with plain-vanilla ones. The CCCA, backed by many of these businesses, would lower the cost of these transactions. President Trump expressed support for the bill early this year, calling for an end to the "out of control Swipe Fee ripoff" and a temporary cap of 10% on monthly interest.

If any of these proposals come to pass, analysts say, banks would be forced to dramatically scale back rewards and turn their "lifestyle" offerings back into ho-hum instruments of credit. For now, though, that appears unlikely. The powerful bank lobby has a growing list of allies—including airlines and hotel chains—that will likely push to preserve the status quo. The good times should continue to roll, letting disciplined consumers pad their incomes with free stuff for the foreseeable future. **F**

**23.66%**

▲  
AVERAGE ANNUAL  
INTEREST RATE ON A  
TRAVEL REWARDS  
CREDIT CARD, 3/16/26

—  
**617M**

▲  
CREDIT CARD ACCOUNTS  
IN THE U.S. IN 2024  
(LATEST DATA AVAILABLE)

SOURCES: LENDINGTREE,  
WALLETHUB

# Toll Brothers Is Building an Edge in Luxury Housing

The company is proving that disciplined strategy and tenured leadership can be a competitive advantage—especially in a cautious housing market.



TOLL BROTHERS AT ROLLING HILLS COUNTRY CLUB IN CALIF. IS JUST ONE EXAMPLE OF THE BRAND'S LUXURY PERSONALIZATION AND QUALITY CRAFTSMANSHIP.

**AS THE HOUSING INDUSTRY BRACES FOR FLAT** home-price growth in 2026, the luxury segment continues to pull ahead, significantly outpacing the broader market, according to J.P. Morgan Global Research and Sotheby's International Realty insights. To take advantage of this opportunity, Toll Brothers, the U.S.'s leading builder of luxury homes, is reinforcing its foundational, disciplined strategy that combines design-driven architecture, sought-after locations, and strong company leadership.

"We've been focused on improving the efficiency of our business while adjusting our strategy to meet market demand," says Douglas C. Yearley, Jr., executive chairman, Toll Brothers.

Central to Toll Brothers' market resiliency is its leadership continuity. Yearley joined

the corporation in 1990 and was named CEO in 2010, following founding partner Robert I. Toll after his 43-year tenure. On March 30, 2026, Yearley transitioned to executive chairman of the board, with Karl K. Mistry, a 22-year company veteran, assuming the role of CEO. The carefully orchestrated succession reflects a long-standing commitment to developing leaders from within and positioning continuity not as a moment of change, but as a strategic advantage.

Over decades, Toll Brothers has invested early in talent, tracked it deliberately, and created credible internal pathways to senior leadership—an approach that has reinforced both stability and lasting performance. "I'm so proud of the team we have built across the country," says Yearley. "With Karl taking the helm, this company's future is in excellent hands."

Since its founding in 1967, Toll Brothers, which ranks as the top homebuilder on the 2026 Fortune World's Most Admired Companies list, has remained dedicated to luxury homebuilding while evolving to meet demand. Over the past 15 years, the company has expanded its geographic footprint and broadened its offerings, now operating in more than 60 markets nationwide. One of its key strategic shifts includes expanding to a more balanced portfolio of build-to-order and quick move-in homes. In 2021, homes started without a designated buyer represented just 15% to 20% of the business. Today, that figure is closer to 50%, according to internal company data.

This pivot has improved efficiency, accelerated construction timelines, and enhanced inventory management while still preserving the customization that defines the brand.

Toll Brothers has performed well in good markets and in challenging ones due to its disciplined operating strategy and the relative resiliency of its affluent customer base. "We remain focused on executing at a high level, delivering value to our stockholders, and positioning our company for success in 2026 and beyond," says Yearley. ■



# Toll Brothers

AMERICA'S LUXURY HOME BUILDER®



## HOSPITALITY AIRBNB FACES A EUROPEAN BACKLASH— WITH PARIS AS GROUND ZERO BY VIVIENNE WALT

▶ **EARLY ONE DRIZZLY MORNING** in Paris, a handful of city officials make their way up a steep, narrow street in the historic neighborhood of Montmartre, with a reporter in tow and the domed Sacré-Coeur basilica looming above. The group stops at an apartment building that looks like any other on the block. It is only when they step inside the entrance hall that anything seems unusual. Signs pasted to the walls declare that loud noise and nighttime gatherings are forbidden. And many of the front doors have metal lockboxes bolted to them, with apartment keys inside. Both are telltale signs that the city workers have found what they're looking for: illegal Airbnbs.

During the next half-hour, as we climb stairs and knock on doors, a few sleepy residents emerge to complain—not about us, but to us. They describe how their building has begun to feel like a travelers' crash pad, with rolling suitcases clattering on the pavestones at all hours, and the outdoor courtyard becoming a rowdy tavern on warm evenings. "A living hell," one calls it.

These modest Montmartre homes are just one flash point in Europe's growing Airbnb backlash. Even as short-term home rentals have become a global travel norm, more cities worldwide have blamed Airbnb and its competitors

for their housing squeeze and affordability crises. In Europe, and in Paris in particular, the growing opposition has gathered real momentum. Paris's restrictions are among the most rigid, sharply limiting the number of nights that any property can be made available for short-term rentals. The owners of those Montmartre apartments could face fines of well over €100,000 if it's proved they have violated the law.

"People are buying up properties, becoming a kind of hotelier, developing these businesses that are taking apartments out of the local market," outgoing Paris Mayor Anne Hidalgo

fumes over lunch in City Hall's ornate dining room. Hidalgo, whose term expired in March, describes how she, together with the mayors of Barcelona and Rome, spent years pushing the 27-country European Union to crack down on Airbnb. Beginning this May, a new EU law will require hosts to register properties on a Europe-wide database, aimed at allowing cities to quickly check listings they suspect flout local laws. "The problem is not just Paris," Hidalgo adds. "It is all of Europe."

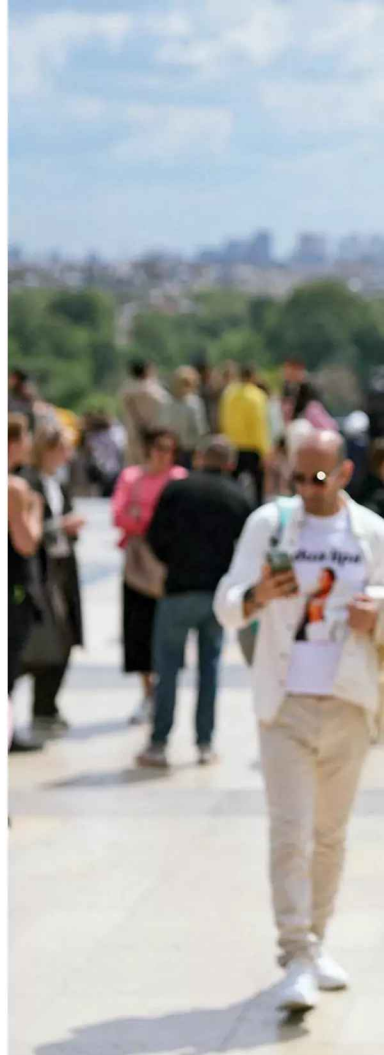
Airbnb has assumed the role of villain in this saga, since it dominates the market, with about 44% of the short-term rental industry in 2024, according to travel data firm Skift Research. There are about 9 million Airbnb listings globally, and Paris estimates about 75,000 short-term tourist rentals in its metro area.

When three twenty-something friends launched Airbnb in 2008, villainy was hardly the fate they foresaw. They had cast their startup as a relaxed way for strangers to connect: Their idea was hatched when they plopped air mattresses on the floor of their San Francisco apartment and charged people to sleep on them. "Back then, 100% of people were more than skeptical," cofounder and chief strategy officer Nathan Blecharczyk tells me. "They almost violently rejected the idea, saying, 'How can you trust a

stranger in your home?'"

The world got used to the idea, of course, and now Airbnb is a Fortune 500 business with a valuation of nearly \$80 billion and listings in more than 200 countries. Last year it booked 121.9 million stays, earning \$12.2 billion in revenue, up from \$11 billion the year before. Dictionaries define "to Airbnb" as the verb for short-term renting—a catchphrase for the entire business it invented.

Even so, Airbnb's share price is about 10% below where it was when it went public in 2020—and investors believe that local pushback is a real obstacle to its growth. The company strongly rejects the idea





#### DRAWING A CROWD

Visitors take selfies on the Esplanade du Trocadéro near the Eiffel Tower.

and turning their communities into tourist hubs disconnected from their cultural environment. Across Europe, walls are spray-painted with graffiti reading “Airbnb out!” In Barcelona, one person has painted, “Your Airbnb was my home.”

Few cities have captured the sense of grievance as keenly as Paris—the world’s most visited city, by some measures. The city drew nearly 50 million tourists last year, with the single biggest group being Americans. There are more than 1 million short-term rental listings in France—the industry’s biggest market outside the U.S.—with Paris as the country’s biggest hub. “Airbnb bears real responsibility in France’s housing crisis,” editors of French paper *Le Monde* wrote in November, when it published a damning six-part series on the company.

But the push by mayors like Hidalgo for a crackdown has borne fruit. In October 2024, Paris and several other French cities, including Mediterranean sun-traps like Nice and Marseille, restricted short-term rentals to people listing their own homes, and then for only 90 days a year—a marked change from the 180-day rule it replaced. Second homes, meanwhile, can be rented only to students or visiting

#### NO VACANCY

Paris has been one of Airbnb’s biggest markets, but new rules could loosen its grip on the city.

**75,000**

▲  
TOURIST RENTALS IN THE PARIS AREA

**44%**

▲  
AIRBNB’S SHARE OF GLOBAL SHORT-TERM RENTAL INDUSTRY, 2024

**~50M**

▲  
NUMBER OF TOURISTS WHO VISITED PARIS IN 2025

SOURCES: APUR, SKIFT RESEARCH, CITY OF PARIS TOURISM OFFICE

that it’s to blame for any housing shortages: Airbnb “just doesn’t move the needle in terms of impacting housing prices,” Blecharczyk says. Still, for its execs and investors, the question now is how much they will need to change their strategy going forward—or whether the model that built the company into a travel giant can endure.

Today many Airbnb listings are operated as

full-time rental businesses, rather than by people allowing strangers to stay in their homes. That fact has only stoked the sense in some cities that the soaring number of short-term rentals has robbed them of badly needed housing stock, even as affordability becomes a pivotal political issue. As Motley Fool stock analyst Lawrence Nga wrote last September, “Airbnb’s most significant

long-term risk isn’t competition. It’s regulation.”

**THE CALL** to rein in Airbnb is strongest in Europe’s centuries-old tourist-magnet cities. Across Europe, the number of tourist rental nights booked nearly doubled between 2018 and 2025, to 398 million, according to EU statistics. Locals accuse Airbnb of pricing them out of their neighborhoods

businesspeople, and doing so involves extensive paperwork and higher property taxes.

In January, France's supreme court ruled that Airbnb and other platforms were legally responsible for listings that flout the new laws. And in February, two Paris property owners who failed to register their Airbnb listings were fined €80,000 (\$93,000) and €150,000 (\$174,500) respectively. "It's the end for impunity," one official said at the time. "No more illegal Airbnbs."

Paris officials admit that the regulation's real value is to slow Airbnb's investment property market to a crawl. "We won't be able to sue everyone," says Emmeline de Kerret, who heads Paris's city authority overseeing tourist rentals. "[But] we want to show that from now on, it is not a great investment."

In Paris, that is already clear, says Anne-Hélène Gutierrez Requenne, a business consultant who put her one-bedroom apartment near Montmartre on sale in March, after two years of listing it on Airbnb. "The legal framework is more and more cumbersome," she says. Her final Airbnb customer was a professor from Cornell University spending a semester in Paris.

**AS THE RULES** have tightened, and as other markets threaten similar actions, Airbnb has raced to adapt and expand. The company's growth mar-

kets—measured by nights booked—are no longer in Europe: They are middle-income countries like Brazil and India, where apartments rent for less. Last May it relaunched its "experiences" vertical after a two-year pause, and added "services"—such as massages, guided tours, even cooking classes—in addition to rentals. Now, when you book an Airbnb in Paris, you can add an Airbnb pickup from the airport, and Airbnb daily itineraries with Airbnb tour guides, and have Airbnb shop and deliver food to your rental.

The goal, cofounder and CEO Brian Chesky told investors in February, was to make Airbnb's app a hub for a vast array of options, much as Amazon became an app for anything that could be shipped in a cardboard box. "The unifying idea for me is the trip," he said. And the offerings create new revenue streams for Airbnb without requiring the company to add new home listings or risk violating regulations. Indeed, Parisians themselves are beginning to reserve Paris features, without booking a place to stay.

Increasingly, the company is negotiating with cities hosting major events like the FIFA World Cup, which takes place across the U.S., Canada, and Mexico in June and July. The model for Airbnb was the 2024 Paris Olympics, when the city suspended its rental regulations to accommodate millions of visitors; 700,000 of them stayed in Airbnbs, says chief business officer Dave Stephenson. At crucial moments when cities need extra lodging, Chesky told investors in February, the company goes from "a problem cities have to deal with, to a solution to the problem... Hotels cannot accommodate everyone."

Stephenson argues that Airbnb guests tend to boost the local economy, perhaps more than traditional hotel guests. "The money stays with the host, in the community," he says. "It gets spent in the coffee shops, in stores down the street." In its charm offensive, the company has donated to the restoration of old churches and other buildings in France. (It has also eased conditions for guests worldwide, instituting more flexible

▲ **"DEATH OF THE CITY"**  
A poster in Paris denounces the flood of short-term rentals for tourists.

cancellation policies and eliminating annoyances like cleaning fees and lists of checkout chores.)

As for rising rents and housing shortages, Airbnb execs argue that the bigger problems are high inflation and people's increasing desire to live in thriving urban centers. They point to New York, Amsterdam, and Barcelona as cities where, they say, rents have surged even as new regulations there slashed the number of Airbnb listings.

That argument is not likely to shield the owners of the short-term rentals in Montmartre that we detected in February. Over espressos a few weeks later, Paris's deputy mayor for housing, Jacques Baudrier, tells me officials are still investigating who owns the apartments that have key boxes affixed to the doors. "Eventually we will take back 20,000 apartments," he says. "With the new laws, the illegal Airbnbs will be zero." ■





**DEFYING GRAVITY**  
The tourbillon complication at its center is the signature feature of the Vanguard Black Hole.

**PASSIONS**  
**TAKING TIME TO**  
**TELL STORIES:**  
**WHY 'COMPLEX' IS**  
**THE NEW FLEX FOR**  
**WATCH FANS**  
BY ADAM ERACE

▶ **KEVIN KOENIG**, a Connecticut-based yacht consultant, was recently helping a prospective client buy his first boat. Koenig nurtures a 278,000-strong Instagram community under the handle @theyachtfella. The Yacht Fella is also a

Watch Fella, and he and his client got to talking, as horology nerds do, about their metal. "I asked him what his 'daily' is," Koenig recalls.

To his yacht-aspiring wrist, the buyer buckles a Rolex Oyster Perpetual Explorer II, a watch designed

to commemorate Sir Edmund Hillary's 1953 summit of Everest. Turns out Koenig's daily is also a Rolex Explorer II, though his model is the Polar, whose avalanche-white face is coveted by collectors. Regardless: Twinsies! Said Koenig to his fellow explorer, "I knew I liked you."

Neither Koenig nor his buyer has plans to trek to Everest or, per Rolex, "into the unknown, where the boundary between night and day is blurred." But the Explorer II binds the men in a common narrative—that *if they wanted to*, their timepiece would have a glow-in-the-dark Chromalight display to aid their perilous ascent.

That feature is what's known in horology as a "complication." The term encompasses everything

from second hands to details that follow the positions of planets; it can be as straightforward as a GMT (Greenwich Mean Time) hand that tracks an alternate time zone or as intricate as a tourbillon, a byzantine mechanism that counteracts the effect of gravity on timekeeping.

Unlike in most relationships, complications in the timepiece world are highly desired. They hint that the wearer has stories to tell, that they're the type who needs to know the exact time in Berlin while they're lingering over omakase in Vancouver. They also signal a connoisseur's appreciation for the kind of exacting craftsmanship that only a human can execute.

Collectors covet these pieces, explains Yoni Ben-Yehuda, head of watches for luxury retailer Material

Good, because "similar to the handmade stitches on a Birkin bag, machines simply cannot do these complications"—a comforting notion and powerful value proposition as we cruise, driverless, toward an AI-slopped horizon.

Material Good runs four Audemars Piguet joint-venture boutiques in the U.S. and a forthcoming Vacheron Constantin shop in Aspen. These venerable Swiss houses represent peak legacy watchmaking, and their most expensive and rarest pieces tend to be deliciously complicated. (Vacheron Constantin's Solaria Ultra Grande Complication La Première, rolled out last year, incorporates a mind-bending 41 features.) Compared with their tourbillons and minute repeaters, a seconds-counting hand is peasant fare. "A



complication, the way it is used in our nomenclature, is a watch that is complex," Ben-Yehuda says.

A complication needn't be that intricate to add value. Colored a prominent tangerine, the additional hour hand on the Explorer II pops against the black or white face and points to a 24-hour bezel. It provides a clearer way to keep time in extreme environments, but Koenig, who's on the road 120 days a year, finds utility for it as a reminder of his home base. By rotating the bezel to local time in London, say, or Dubai, he can make sure the orange hand follows the local zone, while the primary hand remains on Greenwich (Connecticut) time.

But that's also kind of a 101 complication. According to Ben-Yehuda, the industry threshold for intricacy is the perpetual calendar, a constellation of sub-dials tracking day,

## LUXURY TIMEPIECES

### FIVE WATCHES WORTH A COMPLICATED RELATIONSHIP

#### ROLEX EXPLORER II

From \$10,600

Are you afraid of the dark? Not with this Rollie, whose abyss-black or snow-white dial hosts three hands and hour markers that, like a bioluminescent deep-sea creature, emit a blue glow in the absence of light.

#### JAEGER-LECOULTRE 2025 REVERSO TRIBUTE GEOGRAPHIC

From \$22,800

Never be late for a regatta in Rio or cocktails in Karachi, two global destinations on the

24-hour world clock and map hiding on the rear face of Jaeger-LeCoultre's slim Reverso Geographic, available in stainless steel or 18-karat pink gold.

#### AUDEMARS PIGUET ROYAL OAK PERPETUAL CALENDAR CHAMPAGNE DIAL

\$125,000

The yellow gold and chunky silhouette would look good on Tony Soprano, but the perpetual calendar—including a dreamy moon-phase complication—in the octagonal Champagne dial of AP's

1972 design gives it a more-than-meets-the-eye intellectual quality.

#### DANIEL ROTH ROSE GOLD TOURBILLON

\$212,000

A pioneer in the independent watchmaking world in the 1980s and '90s, this Swiss *maison* (and its signature double-ellipse dial) now lives on as part of Louis Vuitton's *Fabrique du Temps*, which just debuted a pair of individually numbered knockouts. The tourbillon version encases an appealing tension between the 270-piece

complication's visceral architecture and Roth's flair for aristocratic typefaces and theatrical curves.

#### VANGUARD BLACK HOLE TOURBILLON

From \$455,000

With concentric hour, minute, and tenths-of-a-minute discs surrounding a hypnotic levitating tourbillon, the futuristic Black Hole evokes the contraption that frees the baddies at the climax of the movie *Thirteen Ghosts*. Available in titanium or rose gold and with Arabic numerals.



NO ONE NEEDS THESE TIMEPIECES.  
OUR PHONES WILL KEEP MORE  
ACCURATE TIME. THIS IS ABOUT BEAUTY,  
EMOTIONAL CONNECTION,  
THE TRANSMISSION OF COMMUNITY.

YONI BEN-YEHUDA, HEAD OF WATCHES, MATERIAL GOOD

month, year (even leap years) and sometimes moon phase. “If civilization shut down the way we know it, those perpetual calendars, which keep accurate time for 104 years without any use of computing, would become one of the most important instruments on earth. They connect us to the cosmos,” he philosophizes, “to something bigger than us.”

Watches are time-telling instruments, but more important, storytelling instruments. “No one needs these timepieces,” says Ben-Yehuda. “Our phones will

keep more accurate time. This is much more about beauty, emotional connection, the transmission of community.” And the nicher the complication—from the regatta timer (a bidirectional rotating bezel) of the Rolex Yacht-Master for sailboat racers to the planetary orbit positioner on the star-sprayed dial of Van Cleef & Arpels’s seductive Midnight Planétarium—and the greater number of them on a given piece, the more Shakespearean the tale the watch tells.

Jaeger-LeCoultre’s 2025 Reverso Tribute Geographic

ic might announce itself as *a svelte Art Deco companion whose reversible face reveals a world clock for a gentleman-athlete to keep time across the British Empire*. Vanguard’s spellbinding Black Hole Tourbillon, with its time-winding joystick and virtuosic levitating tourbillon, might entreat collectors: *Peer into my vortex of descending graduated discs, a mysterious galaxy of 755 pieces, where only the true masters of the universe govern time and space.*

It’s these complex watches that get collectors in the

◀ **MORE THAN TIMEKEEPERS**  
Watches beloved by complication-loving collectors include: [1] Rolex’s Explorer II, [2] Jaeger-LeCoultre’s 2025 Reverso Tribute Geographic, [3] Vacheron Constantin’s Solaria Ultra Grande Complication La Première, [4] Daniel Roth’s Rose Gold Tourbillon.

\$60 billion luxury watch market hot and bothered. At Sotheby’s, the December Fine Watches auction brought in \$42.8 million, and included a Patek Philippe with a cloisonné world-time complication and fittingly envy-green alligator strap. “Niche areas of [watch-collecting] have grown in popularity,” timepiece journalist Caleb Anderson wrote for Sotheby’s, “with collectors and enthusiasts being drawn to objects that serve as artistic and horological showcases both of themselves and of their wearers.”

Put more plainly by Ben-Yehuda, “Super-collectors look for those design cues to delineate between good and great watchmaking. That is one of the reasons one watch costs \$15,000 and a watch with the same quote-unquote complication costs \$50,000.”

“And people that know watches know what you spent on that complication,” Koenig says, summarizing this society’s joystick-measuring tendencies. “Watch culture is, for better or worse, a flex culture.” Horological equals, he and his yacht-seeking Explorer II buddy closed the deal. **F**



CITADEL | CITADEL Securities

CONTENT FROM CITADEL AND CITADEL SECURITIES

PROFILE 2026 | 100 BEST COMPANIES TO WORK FOR

# A Performance Culture That Powers Careers

**Citadel** and **Citadel Securities** empower extraordinary talent to pursue ambitious ideas, take ownership early, and excel in a meritocracy grounded in evidence-based decision-making, continuous learning, and innovation.



CITADEL AND CITADEL SECURITIES EMPLOYEES ARE EMPOWERED TO LEARN FROM EACH OTHER, INSPIRE ONE ANOTHER, AND SHARE IN EACH OTHER'S SUCCESSES.

## IN GLOBAL FINANCE, PERFORMANCE IS

measured by the quality of returns delivered to stakeholders—especially in volatile markets. At Citadel and Citadel Securities, leaders believe the strength of those results is rooted in a culture that empowers team members to think independently, act decisively, and own their outcomes.

“Our success over 35 years has been driven by four words: extraordinary people working together,” says Ken Griffin, founder and CEO of Citadel and founder of Citadel Securities.

Citadel manages capital on behalf of leading global institutions—including

research foundations, universities, health care systems, and pension funds—that depend on investment performance to support their missions. The firm is driven by a singular ambition: to be the most successful investment team in the world.

Citadel Securities is a technology-driven global market maker that delivers critical liquidity to institutional and retail investors worldwide while supporting efficient, resilient markets.

While their mandates differ, the two organizations are anchored in a shared set of principles: empowering extraordinary talent, insisting the best ideas win, and investing relentlessly in learning and innovation. Sustained performance begins with culture.

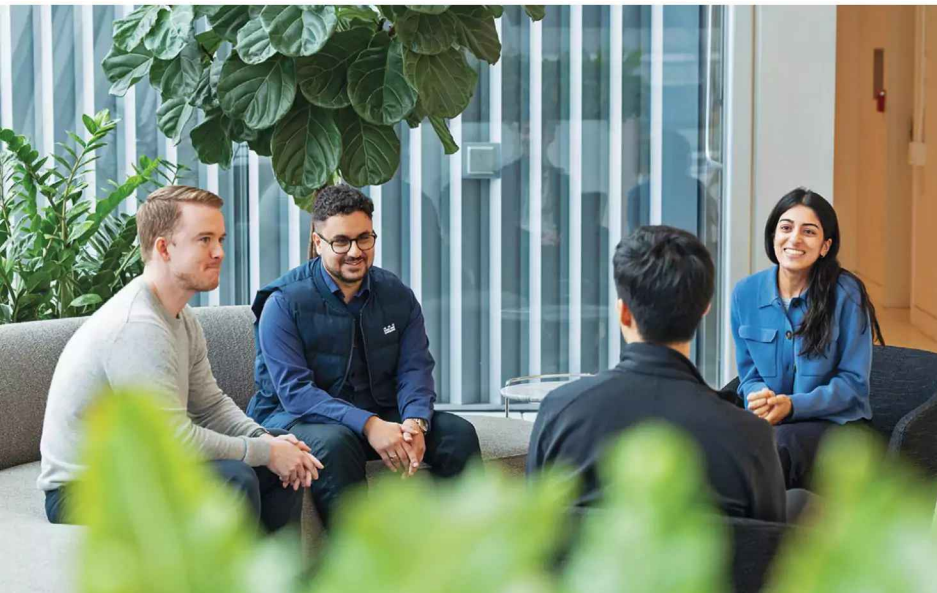
## Designing for Growth and Accountability

Across the platform, meritocracy is not aspirational language. It is an operating system. Authority is earned through expertise and evidence—not tenure. Decision-making is entrusted to the most junior capable person. Colleagues are expected to think independently, challenge assumptions, and debate ideas rigorously.

The commitment to accountability extends across both firms. Leaders believe careers advance fastest when meaningful responsibility is earned early and expanded quickly. Strategic initiatives are frequently led by individuals several layers below the CEO—a reflection of trust in talent and conviction in the meritocratic model.

Meritocracy, in this model, is not abstract—it directly shapes how careers unfold. “If you take your career seriously, we’ll take you seriously,” says Peng Zhao, CEO of Citadel Securities, whose own rise from within the firm to CEO exemplifies this model.

The results have endured. Citadel has been ranked the most profitable hedge fund manager of all time, recently topping Edmond de Rothschild’s annual list of great money managers for a





THE CITADEL AND CITADEL SECURITIES OFFICES IN N.Y.C. ARE DESIGNED TO FOSTER IN-PERSON COLLABORATION, DISCUSSION, AND DEBATE.

fourth consecutive year. Among other accolades, Citadel Securities is the leading designated market maker on the New York Stock Exchange, helping maintain fair and orderly markets across approximately two-thirds of listings on the world's largest stock exchange. Citadel Securities has also earned repeated recognition for its liquidity provision to more than 1,900 institutional clients who actively seek it out for critical risk management capabilities.

Leaders of both firms point to clear ownership and accountability as the drivers behind performance that endures over time.

### **Continuous Learning as a Competitive Advantage**

Sustained performance also depends on a commitment to continuous learning. Across both firms, more than 500 colleagues hold Ph.D.s spanning dozens of disciplines, but formal credentials are only the starting point.

The firms connect early-career professionals with real opportunities to contribute from day one. Flagship internship and early-career programs accelerate commercial acumen and technical mastery through apprenticeship models that combine technical instruction with real business responsibility.

Learning continues well beyond

entry level. Colleagues are provided opportunities to make a difference at every career stage—from building early expertise to leading high-performing teams. For example, new managers participate in programs designed to strengthen the capabilities required to develop and lead teams at scale. Within Citadel, many portfolio managers have been internally developed, evidence of a model grounded in and focused on long-term growth.

### **Technology That Strengthens Judgment**

Both the investment and market-making businesses have been pioneers in applying advanced analytics to financial markets. More recently, AI is being integrated into select workflows to sharpen precision and accelerate insight—while keeping human judgment at the center. Both firms also continue investing in scalable technology infrastructure to support growth across strategies, products, and markets, with engineering focused on resilience, speed, and precision at a global scale.

### **Performance That Endures**

Leadership understands that sustained performance depends on more than capital and technology. It demands long-term physical, cognitive, and emotional resilience. Reflecting that

view, a chief medical officer was recently appointed to lead a personalized, data-informed approach to health and performance. On-site health centers and fitness facilities support sustained decision quality and optimize performance.

Civic leadership is also embedded in the culture. Through the Community Leaders program, hundreds of colleagues have received governance training and financial support for non-profit board service, extending impact beyond markets and into the communities where they live and work.

In an industry where the average firm lifespan is often measured in years, not decades, resilience requires more than short-term gains. Citadel and Citadel Securities leaders believe their enduring advantage is cultural: empowering extraordinary talent, insisting on meritocracy, challenging ideas rigorously, operating on evidence over ego, and investing relentlessly in innovation and learning.

The success of that culture is ultimately visible in performance—advancing the missions of the institutions Citadel serves, supporting the clients and markets that rely on Citadel Securities, and creating opportunity for extraordinary talent to build careers defined by ownership and impact. Performance is the outcome. Long-term growth is the reward. ■

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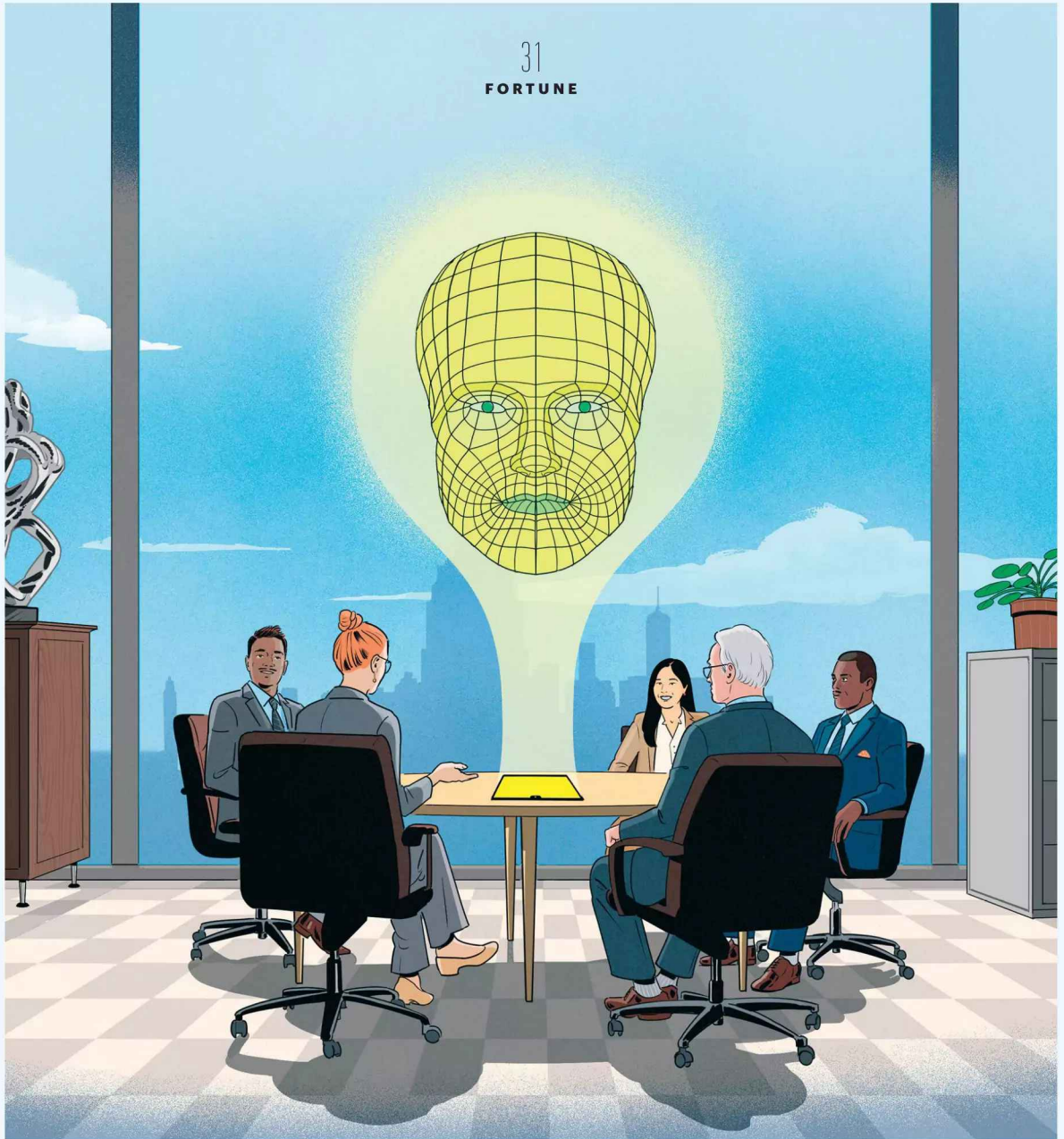


ILLUSTRATION BY EMMANUEL POLANCO

# AI? YOU CAN WORK WITH THAT

**IS GENERATIVE AI AN OPPORTUNITY OR A THREAT?** Productivity booster or job destroyer? Civilizational breakthrough or dystopian slop generator? Right now, the answer in each case is “potentially both”—and that makes this *Fortune* guide to navigating the current AI moment particularly timely. With AI models becoming capable of ever more job tasks (see page 39), it’s easy to succumb to anxiety over the future of your own industry. And as the saga of startup Cursor shows (page 42), AI can accelerate the business world’s cycle of creative destruction with terrifying speed. But take heart: Tech breakthroughs historically create more winners than victims, as Jeremy Kahn writes (page 32). Beatrice Nolan reports on how CEOs are trying to land on the right side of that divide by resetting their corporate cultures for an AI era (page 36). Above all, as guest columnist Gary Marcus notes (page 40), it’s far too early to panic about AI, no matter how daunting the predictions may sound. —*Matt Heimer*

**55% OF EMPLOYERS REPORT THEY REGRET LAYING OFF WORKERS FOR AI,** ACCORDING TO RESEARCH FIRM FORRESTER. IN MANY CASES, COMPANIES ARE CUTTING WORKERS FOR AI CAPABILITIES THAT DON'T YET EXIST, BETTING ON FUTURE PROMISES RATHER THAN PROVEN TECHNOLOGY.

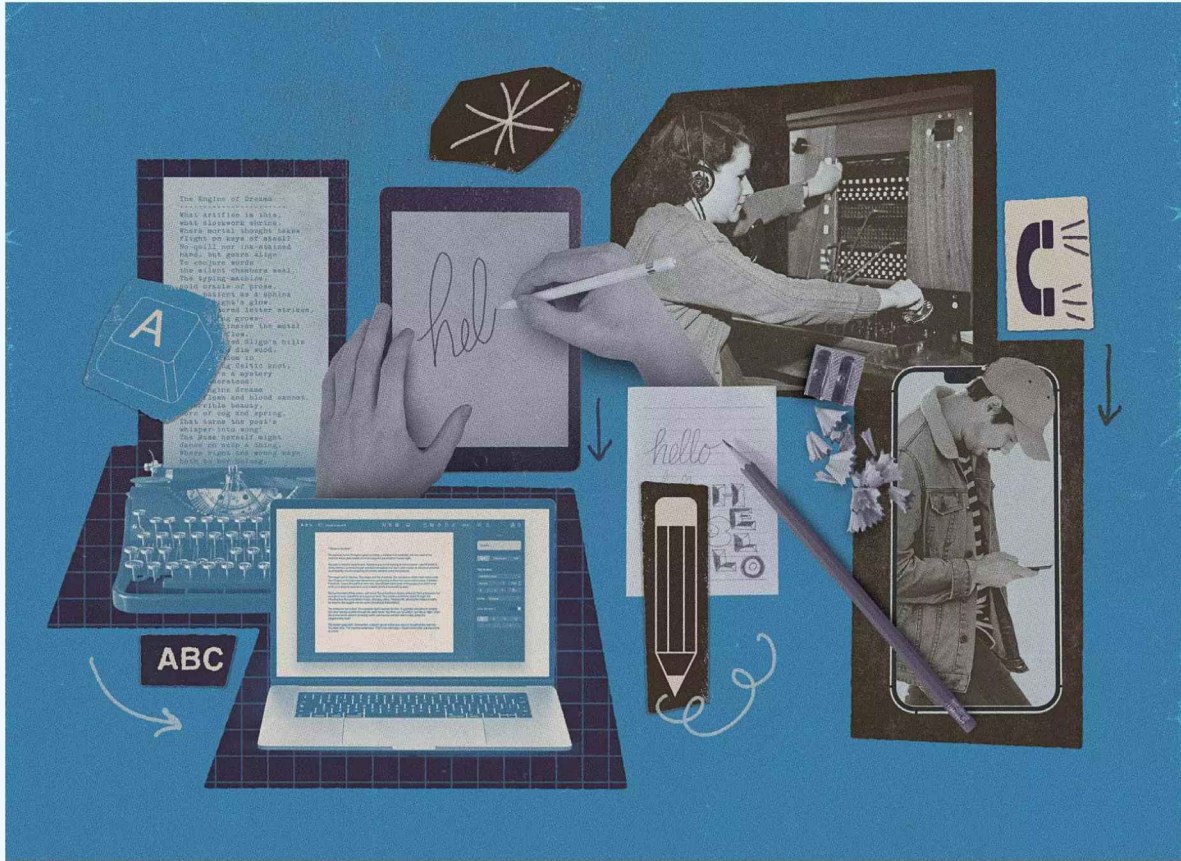


ILLUSTRATION BY MAX-O-MATIC

# THE GREAT SOFTWARE PANIC

AI WILL CHANGE SOFTWARE AS IT EXISTS TODAY. BUT HISTORY SHOWS THE BIGGEST CHANGES MAY NOT BE WHAT ANYONE EXPECTS. **BY JEREMY KAHN**

**O**N FEB. 2, ANTHROPIC announced a new feature for its Claude Cowork AI software: a simple plug-in to help users perform legal tasks such as reviewing contracts or crafting nondisclosure agreements. At first glance, the news hardly seemed earth-shattering, but it shook financial markets to their foundations: Investors wiped \$285 billion off the market value of tech stocks in the 24 hours after the tool debuted, with software vendors particularly hard-hit. Over

the following weeks, the rout continued and even inspired a new term—the “SaaSpocalypse,” which refers to the software-as-a-service business model common to business software vendors today. (Software stocks have recovered some of their losses but at press time were about 8% below levels at the end of January.)

To many investors, the logic is simple: AI models, such as Anthropic’s Claude, will eliminate the need for specialized business software. Companies will just ask AI to perform the tasks currently handled by other vendors’ software, or they will ask AI coding agents from Anthropic, OpenAI, or Google, to “vibe code” bespoke software tailored to their needs. Either way, businesses will

no longer need to buy expensive software from traditional vendors like Salesforce, ServiceNow, and Microsoft, or from the hundreds of smaller, niche firms offering legal tech, procurement systems, or financial planning software.

The doomsday view has sparked a heated debate, with critics insisting the selloff is overdone. Bank of America senior analyst Vivek Arya called investors' souring on SaaS businesses "indiscriminate," "overblown," and "logically inconsistent." Even as big an AI booster as Nvidia CEO Jensen Huang told CNBC that "the markets got it wrong." Rather than ending the need for pre-built software, AI agents will use the software to accomplish tasks, he argued.

While the advent of AI is certainly a new development for investors to wrap their heads around, the fundamental question at the heart of the SaaS apocalypse debate is as old as innovation itself. Each new piece of technology opens new possibilities and leads to existing practices being reassessed. The factors that cause one innovation to supplant its predecessor while another technology evolves alongside an incumbent or follows a different path entirely, can vary and are hard to predict, according to experts in history and economic theory whom *Fortune* spoke to. In many cases, the expected outcomes—both the overly optimistic as well as the gloom-ridden—turn out to be widely off the mark.

Take video cameras, which came on the scene in the 1980s. Some predicted a proliferation of filmmaking, because video lowered production costs and the need for specialized knowledge. And there was an explosion of visual content. The total number of film titles released in the 1990s was double the figure for the 1970s, according to data from

IMDB. But video for the most part barely impacted the production of box-office hits, which continued to be shot on film. The average cost of feature film production, rather than falling, tripled in constant dollars between 1980 and 2007, according to data from the Motion Picture Association of America. What actually happened is that video and film occupied almost completely different market niches: People turned to video for nontheatrical content, like educational and

—

## Video cameras filled a different market niche for educational and training content—they didn't change theatrical films.

—

training films, but still looked to film and professional production for major studio releases.

Around the same time that neophyte directors were discovering video cameras, desktop publishing was also gaining traction—and leading to dire predictions of the death of commercial print shops. After all, companies could now do their own "prepress" design and layout work, and businesses could print their own documents using compact and ubiquitous color laser printers. There would be no need to hire a commercial printer.

And yet desktop publishing didn't kill commercial printing. Instead, in the decade after the tech debuted, the number of

people employed in printing and related support activities in the U.S. actually climbed, peaking at about 680,000 workers in 1998, while the number of commercial print shops rose to an all-time high of 62,000 in 1995, according to U.S. government statistics. Desktop publishing actually allowed more people to set up print shops. What it did eliminate was the need for specialized prepress roles like typesetters, pasteup artists, and color separation specialists. Those specific jobs did see marked declines throughout the 1990s. Meanwhile, the expanding number of print shops led to increased competition and declining margins. This eventually led to industry consolidation, as the only way to make any profit was through economies of scale.

Could something similar happen with software as AI lowers the barriers to writing code? Rather than killing off software vendors, it may be that many more companies will be formed to write specialized business applications because it will be less important to hire scarce, specialized coding talent. And, similar to printing, SaaS profit margins may shrink, forcing consolidation. But that won't happen because AI ate SaaS. It will happen because AI fed SaaS.

Lorenz Ekerdt, an economist at the State University of New York at Stony Brook, says history over most of the past century has shown that firms have become ever more specialized and outsourced more ancillary functions. He does not see AI reversing this trend. "I think we will increasingly see niche software being used and produced. But if we ask, 'Who's going to make that software?' It seems like it would still be the same firms," he says. Why? Because software vendors already have all the processes and

# \$300 B

**GLOBAL SPENDING ON CLOUD-BASED  
SAAS APPLICATIONS IN 2025,**  
ACCORDING TO TECH  
RESEARCH FIRM GARTNER

infrastructure set up to make and maintain software, the security protocols, the code reviews, etc. Companies outside the software business would have to reinvent these processes. And while AI might be able to automate some of that, there's still a high probability non-software companies would mess this up.

## TO BUY OR TO BUILD?

The economic theory that determines why a company decides to buy something rather than build it was pioneered by British economist Ronald Coase, beginning in the late 1930s. Coase's idea was that buy-vs.-build decisions were largely determined by "exchange costs," or how easy it was to specify and enforce contractual terms for what the firm needed. For commoditized production inputs, exchange costs tend to be low, and so businesses tend to buy those things. For highly bespoke ones, or when the firm's requirements are likely to change rapidly, suitable contracts are difficult to make at a reasonable cost, and so businesses tend to produce those inputs internally. Businesses also have to weigh the risk that a supplier will take advantage of them, using leverage to exact higher payments over time, against concerns that building the capability in-house can be done at the right quality, quantity, cost, and time frame.

In the case of AI and software, it is possible that companies will allow employees to "vibe code" small, artisanal productivity tools that make their jobs easier. But for critical-but-somewhat-commoditized systems where specialization is of limited competitive advantage (think accounting or human resources software), companies may find it more efficient to continue buying

from established vendors. Such vendors can afford to employ the best coders and UX designers, and they have established processes for delivering product road maps and maintaining large codebases. In that scenario, the software market may bifurcate, with the most successful existing vendors continuing to thrive, while more niche application makers find themselves increasingly competing against in-house "vibe coded" solutions.

Oliver Hart, a Nobel Prize-winning Harvard University econo-

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**“Asking people to use AI to code something critical is like changing a flat tire on a car driving at 60 miles an hour.”**

**JAMES CORTADA,**  
TECH HISTORY PROFESSOR,  
UNIVERSITY OF MINNESOTA

—

mist who researches the economic theory of the firm, says there are several exchange cost considerations in AI and software. On the one hand, AI ought to lower the cost for existing software vendors to customize their products for specific customers, making it less likely that companies will choose to build their own software.

However, Hart says, to the extent that software vendors profit in part by locking in their customers' data, or by charging fees to move data off their platforms, those exchange costs may compel some companies to take over software development in order to gain

more flexibility and control over future costs. Some companies might also experiment with building their own software with AI, if only to use the threat of internal software development to extract better contract terms from outside vendors. Different businesses may come to different conclusions. "It's going to become very specific to a particular client," Hart says. "I don't think it's completely obvious which way it goes."

The conclusion to the AI-vs.-SaaS battle may also play out more slowly than many people expect. Companies almost always adopt any new technology gradually, in order to minimize risks, and they are unlikely to switch wholesale from buying SaaS products to writing their own code, says James Cortada, a professor at the University of Minnesota who specializes in the history of information technology and who worked for years at IBM. It has taken four decades for companies to switch from programming mainframes in COBOL to more modern programming languages, such as C++ and Java, Cortada says. And it took most of a decade for businesses to migrate from using on-site servers to the cloud, and even then many companies continued to keep their most vital data in servers they directly controlled.

When it comes to AI and software, Cortada thinks it far more likely that existing vendors will increasingly integrate AI into their software, and that their customers will use these features, rather than using AI to completely replace the off-the-shelf software. "Asking people to use AI to code something critical, like a payroll system or a procurement system, is like asking people to change flat tires on a car that continues to drive at 60 miles an hour," Cortada says. "It's too risky." ■

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55,000

NUMBER OF JOBS CUT IN 2025  
THAT COMPANIES DIRECTLY  
ATTRIBUTED TO AI  
SOURCE: CHALLENGER, GRAY & CHRISTMAS

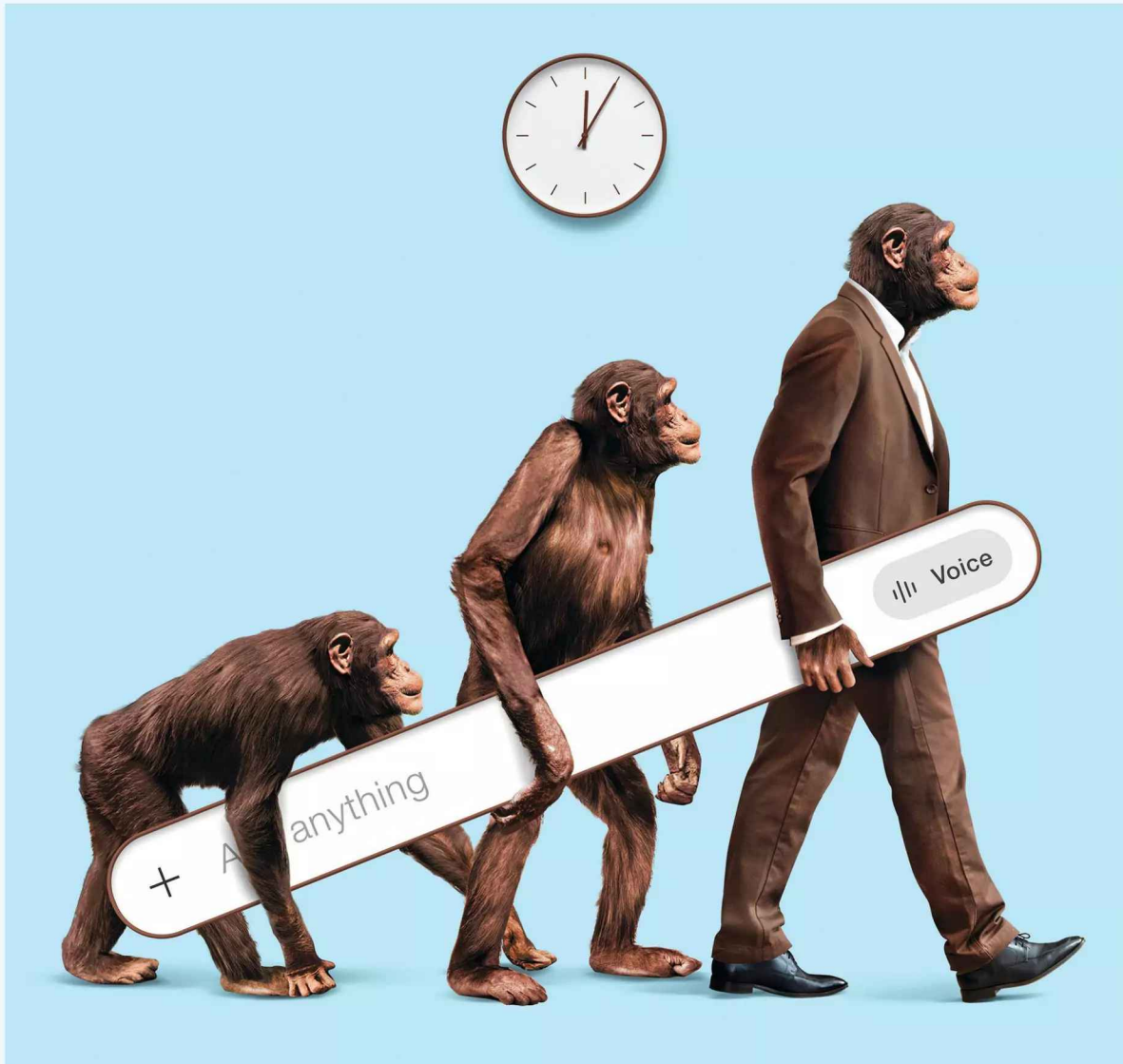


ILLUSTRATION BY DOUG CHAYKA

# ADAPT OR DIE IN THE C-SUITE

THE DAWNING AI AGE IS SET TO TRANSFORM THE WORKPLACE. ARE BUSINESS LEADERS READY FOR THE CHALLENGE?  
**BY BEATRICE NOLAN**

**I**N A BLUNT companywide memo last year, Micha Kaufman, the CEO of freelance marketplace Fiverr, had some harsh truths to share with his employees.

“AI is coming for your jobs. Heck, it’s coming for my job, too. This is a wake-up call,” he warned. A year on, he has a message for the C-suite trying to ride out the AI tsunami.

“Don’t be a cheerleader. If you’re not practicing, don’t

preach,” Kaufman tells *Fortune*. “You can’t make AI a value on the wall and then not behave by it.” CEOs are currently treating AI as a training problem, he says—buying products, running a seminar, and checking a box—when the real challenge is a cultural one that starts at the top.

Across industries, there’s palpable angst about the impending AI onslaught and how best to prepare workers, managers, and—above all—themselves for the new reality that lies ahead. The technology is moving faster than any organizational playbook can keep up with, and the executives tasked with leading the transition are often figuring it out in real time. What’s more, many are seeing a gap between their companies’ AI ambitions and the results. There are lots of pilots and hype—but only a small number of organizations, usually in tech, are seeing transformative gains.

“There are many companies that are struggling with some kind of dissonance between the promise of AI and the reality of what they hoped it would be,” says Kate Smaje, senior partner and AI lead at McKinsey. “There are firms all over the map.”

It’s a disconnect that’s keeping CEOs awake at night. A recent survey by the Harris Poll found that 79% of U.S. CEOs believe they could lose their jobs within two years if they fail to deliver measurable business gains from AI. Part of this is investor pressure over ROI, and part of it is FOMO: Some sectors, like software engineering, have seen massive productivity gains from AI, while others are still grappling with how to implement basic tools.

For business leaders trying to prepare, it’s a daunting moment. But with so much at stake, it’s not one they can ignore.

## THE DANGER OF STICKS

One response to this anxiety has been to shift from an era of experimentation—in which employees are encouraged to try out AI—to one of top-down mandates and formal pilots, where employees are required to trial specific tools and demonstrate measurable results.

Companies including Meta, Amazon, Salesforce, and Microsoft are cracking down to impose AI adoption within their

—  
**What’s called for  
is a CEO who  
thinks more like  
a scientist  
than a general.**  
—

workforce, mandating, monitoring, and evaluating the use of AI tools. At Meta, new performance review systems can reportedly track how many lines of code an engineer wrote with AI assistance, while Amazon managers have dashboards monitoring individual AI-tool usage that factors into promotion decisions, according to media reports.

But tech companies have a history of driving workforce trends before the rest of the business world. And of course, tech companies have their own skin in the game, since they are the ones making—and selling—the various AI products.

Outside of tech, CEOs are operating with a lot less clarity. As Wharton management professor Peter Cappelli notes, too many executives are still “listening to

the people who built the tools” instead of asking whether those same approaches make sense in their own businesses. The builders, he argues, “are not experts in business or in management”—and yet their success stories are being treated as a universal blueprint.

Instead of mandates, some companies are betting on peer-led learning and positive incentives to drive adoption of AI tools.

“I think if you take a stick approach right now, you might actually get people basically achieving the right short-term goal but failing the long-term objective, which is building an organization that is much more nimble and resilient,” says Greg Hart, CEO of online learning platform Coursera. The stakes for companies of successfully adapting to AI are higher than immediate productivity metrics. And because many employees view AI as a threat to their livelihoods, mandates tend to deepen that anxiety rather than dissolve it.

Roughly 55,000 jobs were cut in layoffs that companies attributed directly to AI in 2025, more than three times the total in the preceding two years, according to recruiting firm Challenger, Gray & Christmas. Employee fears were hardly relieved when enterprise software company Atlassian cut 10% of its staff in March, and fintech firm Block slashed 40%. Block CEO Jack Dorsey said that AI tools, paired with “smaller and flatter teams,” are fundamentally changing the nature of work and “what it means to build and run a company.” Some employees also worry that by using AI at work they’re essentially training the automaton that will replace them.

# 26%

**SHARE OF 2,300 COMPANIES SURVEYED THAT NOW HAVE A CHIEF AI OFFICER, UP FROM 11% IN 2023. MORE THAN HALF WERE APPOINTED FROM WITHIN.**  
SOURCE: IBM INSTITUTE FOR BUSINESS VALUE

Fiverr's Kaufman argues that this is exactly why leaders need to disentangle fear around AI from AI skills. Companies often "collapse" the anxiety conversation around job displacement and the upskilling conversation, making both worse in the process, he says. Fears about displacement are "legitimate" and deserve a direct, honest discussion, not "corporate reassurance theater," Kaufman notes. Only once that's on the table can leaders talk credibly about how roles will change, which categories of work will shrink or grow, and which new skills people actually need to develop.

## SCIENTIST CEOS, NOT GENERALS

Joseph B. Fuller, a professor of management practice at Harvard Business School, says companies "just have to get comfortable" with spending more now to learn, and resisting the pressure to make premature moves they will later regret. What's called for is a CEO who thinks more like a scientist than a general—someone comfortable not just overseeing the experiments, but protecting the people running them from being penalized when things don't go to plan.

A successful CEO's job is to create the conditions for risk-free experimentation by making sure "the people who are conducting the experiments understand that senior colleagues, up to [and] including the board, realize that what they're doing is a trial," Fuller says. Instead of quietly shelving AI pilot projects that fail to deliver results, Fuller recommends celebrating well-run failures and sharing the knowledge.

Coursera's Hart stresses the importance of using this early phase of the AI era to learn and to adjust.

"If you focus only on efficiency right now—given that AI is still in its very early days for what it's going to be able to accomplish—you're losing an opportunity to think about the really transformative effect that AI can have for your company," he says.

Coursera runs monthly "AI spark sessions" where employees volunteer how they are using AI to make their jobs easier and more effective. These sessions are among the most well-

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**"If you take a stick approach you might get people achieving the right short-term goal but failing the long-term objective."**

GREG HART, CEO, COURSERA

attended companywide, Hart says, with staff openly sharing tools, workflows, and follow-up resources instead of hiding efficiencies they've discovered.

That's especially important for AI projects, where returns on investment are not always immediate. Economists call it the J-curve: Productivity dips before it soars, as companies absorb the costs of learning before reaping the gains.

When a now infamous MIT report last year found a majority of AI pilots weren't delivering meaningful returns, investors panicked, treating it as an indictment of AI technology. In

fact, the report found that the biggest cause of poor outcomes wasn't the technology itself but a widespread "learning gap," with large organizations lacking the expertise to embed AI meaningfully into their workflows. Startups, unburdened by entrenched processes and office politics, were found to fare considerably better.

## THINKING BEYOND THE TECH

It's helpful to keep in mind that executives have been here before, and there are valuable lessons from the past. The last time a technology promised to remake business—when the internet emerged in the 1990s—most companies bolted it on and hoped for the best.

In those early dotcom days, businesses tended to treat the web like a digital brochure rack—a shinier distribution channel rather than a reason to rethink how they worked. Only when a minority of firms started rebuilding their businesses around the web did the ground really shift under everyone else. What separated the winners from the laggards wasn't access to the technology; it was whether leaders were willing to challenge habits, redesign jobs, and tolerate a messy period of experimentation.

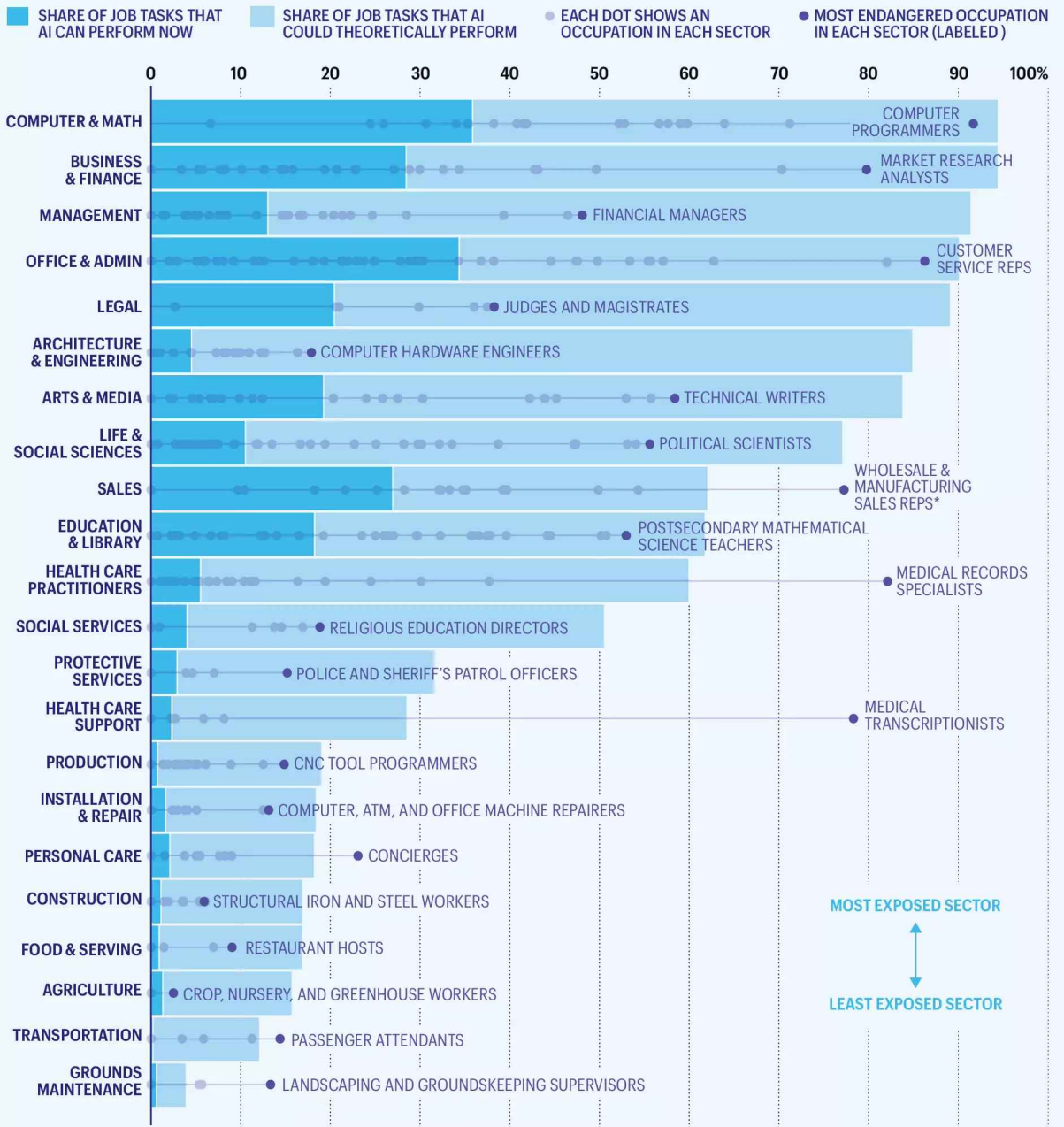
In that sense, AI might not be so different.

"If you're just bringing AI in, we're already seeing evidence that it won't deliver what you hope," says Aneesh Raman, chief economic opportunity officer at LinkedIn. "Even skilling people on 'how to use AI' only gets you part of the way there. The real impact comes when workers use AI in service of changing their jobs—redesigning tasks and workflows, not just adding another tool." ■

# THE WORK AI CAN ALREADY DO—AND WHERE IT COULD DO MORE

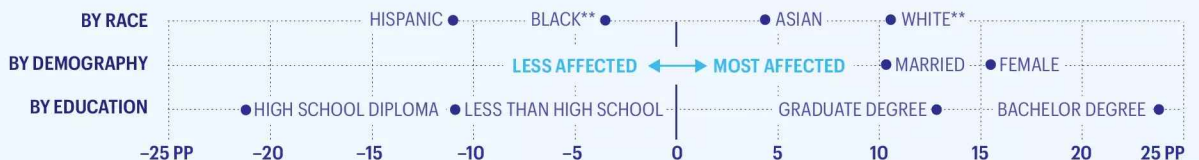
Artificial intelligence is already capable of performing a meaningful share of tasks in many jobs—but its potential reach is far greater. In a new analysis, researchers at Anthropic estimated how much work AI systems can already do in different occupations and how much more they could theoretically take on.

## HOW MUCH OF EACH JOB AI COULD HANDLE



## AMONG WORKERS IN HIGHLY EXPOSED JOBS, NOT ALL GROUPS ARE EQUALS

PERCENTAGE POINT DEVIATION COMPARED WITH WORKERS IN NONEXPOSED JOBS



SOURCE: ANTHROPIC REPORT "LABOR MARKET IMPACTS OF AI: A NEW MEASURE AND EARLY EVIDENCE" BASED ON CLAUDE LLM USAGE DATA AND RESEARCH FROM ELOUNDOU ET AL. (2023)

NOTE: DOTS MAY OVERLAP \*EXCEPT TECHNICAL AND SCIENTIFIC PRODUCTS \*\* NON-HISPANIC

2.5%

**THE PERCENTAGE OF REMOTE-WORK TASKS** THAT CAN BE ADEQUATELY COMPLETED BY AI AGENTS, AS MEASURED BY THE REMOTE LABOR INDEX, A BENCHMARK CREATED BY THE CENTER FOR AI SAFETY AND SCALE AI.



ILLUSTRATION BY DOUG CHAYKA

## 9 REASONS NOT TO FREAK OUT (YET) ABOUT AI

CEOS AND MANAGERS ARE RACING TO DELIVER AI-DRIVEN RESULTS. THEY'D BENEFIT FROM A REALITY CHECK.

BY GARY MARCUS

**E**MPLOYERS ARE UNDER enormous pressure to adopt AI and ditch employees. Investors and CEOs fantasize about slashing costs and boosting margins; every CIO is pushed to come up with an AI plan, to keep up with competitors. Dreams of AI-agent-driven revolutions are everywhere.

But leaders shouldn't feel like they have to rush to embrace a future that isn't here yet. There are lots of reasons for caution. Here are nine:

### 1. "Experts" have often been wildly wrong in their predictions.

The Nobel laureate and AI pioneer Geoffrey Hinton said in 2016, "People should stop training radiologists now... It's just completely obvious that within five years, deep learning is going to do better than radiologists." But few if any radiologists have been replaced a decade later. Google cofounder Sergey Brin promised in 2012 that driverless cars would be ubiquitous by 2017. Today, 14 years after that promise (and many subsequent ones by Elon Musk), fully autonomous vehicles remain a limited experiment, available in only a small number of fair-weather cities (and with unknown numbers of humans

working behind the scenes in teleoperations centers). Impact on the labor market has been minimal. The vast majority of radiologists still drive to work.

**2. Big Tech wants you to believe it has created artificial general intelligence. That doesn't make it true.**

When tech CEOs warn of employment Armageddon, they might be covering their bases in case that actually happens, but then again, maybe they just want you to drive up the valuations of their companies. Take every projection they make with a grain of salt.

**3. When it comes to impact on employment, AI giants' numbers don't support their claims.**

Anthropic's CEO has been warning of a jobpocalypse, but Anthropic's own recent research showed the gap between perception and reality. The company projects great potential for what AI *might* do in fields like finance and architecture. But what it called "observed AI coverage" (a nice phrase for what is happening in the real world) made up a comically small fraction of that theoretical reach. What they imagine AI might do and what it is actually doing are light-years apart.

**4. Current AI is "jagged" (good at some things but not others), which means it can seldom entirely replace a human.**

AI can definitely help the productivity of some workers, but even on tasks that AIs are good at, models and agents often make silly mistakes, some of which are hard to detect. And tasks aren't jobs: Even if AI can do some part of a person's job, it doesn't mean it can do all of that person's job. (In the case of a radiologist, a task might be to look at a scan for tumors, or to forward a report, but the larger job is to make sound recommen-

dations not only relative to scans but also to a patient's history.)

Precisely because generative AI is so unpredictable, it's often hard to know in advance exactly how good it will be in a given role, without experimentation in the real world. Take the law, for example; AI is good on benchmarks and banging out memos, but it makes up case citations regularly (over 1,000 lawyers have been busted for that). It has also been accused of giving advice that led plaintiffs to file frivolous lawsuits. A fair reading might be that AI is good at legal matters sometimes—and sometimes not. And it is really difficult to know which you'll get.

**5. Current AI models still have trouble going beyond language.**

Some white-collar jobs involve only words, but many involve interpreting images, charts, diagrams, blueprints, maps, and so on. It might seem easy to imagine AI taking over every job, especially if you think of it as some form of magic. But once you realize that current AI is a tool, with strengths and weaknesses, you start to realize that the tech is only likely to displace workers in some professions and not others (and more often will simply augment human jobs). Even in domains like customer service that might seem straightforward, results are often disappointing. The Remote Labor Index focused on jobs that could be accomplished completely over the internet, and found that only 2.5% could actually be adequately completed by AI agents.

**6. Most physical labor goes well beyond what current AI can do.**

Don't expect AI to replace plumbers, carpenters, auto mechanics, nurses, house cleaners, forest rangers, chefs (except maybe

at fast-food chains), appliance repair, gardeners, or many other jobs anytime soon.

**7. Many layoffs that have been attributed to AI aren't really about AI.**

This may have been the case for the recent mass layoffs at fintech Block; some saw it as an effort by CEO Jack Dorsey to regain investors' confidence after its stock tanked. In many cases AI may be serving as a fig leaf to cover layoffs that are actually driven by financial underperformance or earlier overhiring.

**8. Some layoffs that are attributed to AI don't last.**

I call this the Klarna Effect, after buy-now, pay-later company Klarna, which proudly made massive AI layoffs only to reverse them. Many of the people laid off worked in customer service, but after 11 months Klarna decided that (at least in some cases) "real humans" were required after all.

**9. Overall impact on productivity and return on AI investment has so far been modest.**

Every company is investing in AI, but so far most aren't getting huge returns. Which is yet another sign that current AI isn't all that it is cracked up to be.

All this could change; probably someday it will—but most likely not until we see more radical advances in AI, which could be a decade or more away. In the meantime, my advice to employers is simple: Don't focus on replacing humans. Focus on how you can use AI to help the ones you've got. ■

*Gary Marcus is an emeritus professor of psychology and neural science at NYU, and the author of six books, including Taming Silicon Valley.*

**\$2B****CURSOR'S ANNUALIZED REVENUE**

AS OF FEBRUARY, ACCORDING TO TWO CURSOR INVESTORS. THAT'S UP FROM \$500 MILLION JUST NINE MONTHS EARLIER, IN MAY 2025.

**MOVE FAST,  
DON'T GET BROKEN**  
Cursor CEO Truell  
must now compete  
with AI giants.



PHOTOGRAPH BY ANDRIA LO

# CURSOR'S CROSSROADS:

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## THE RAPID RISE AND UNCERTAIN FUTURE OF A RED-HOT AI STARTUP

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**MICHAEL TRUELL** BUILT A \$30 BILLION CODING COMPANY IN JUST FOUR YEARS. BIGGER RIVALS COULD CRUSH IT IN JUST A FEW MONTHS. **BY ALLIE GARFINKLE**

**N**OT MANY 25-YEAR-OLD CEOs have a photo of Robert Caro over their desks. Michael Truell does. As Truell takes a Zoom call, the image of Caro—legendary biographer of Lyndon Johnson and Robert Moses, known for his exhaustive, decades-long research—looms over his shoulder, sweated, bespectacled, writing intently. They make an incongruous pairing. Truell, the CEO of \$29.3 billion AI coding company Cursor, is just a few years out of MIT and widely viewed as a rock star coder's coder. Soft-spoken with a spine, Truell is unnerv-

ingly young and looks perhaps even younger, but he's guided Cursor to a rapid-fire rise. Today, Cursor is used by 67% of the Fortune 500, with its platform every day generating 150 million lines of enterprise code.

I would have expected Truell to admire Apple's Steve Wozniak, or Jensen Huang. But it's Caro who Truell wants to watch over him.

"He's a motivational example of someone who's done useful, consequential work that's taken a long time," says Truell. "I actually most enjoyed his memoir about his writing process. There are few examples of people who set off to do multiple decades-long projects consistently."

There's an irony here: Truell admires work that takes decades, but he runs a quintessential startup of the AI era—a world defined by compressed, vertiginous speed. Slow down for even a week, and you might get left behind. And right now, that could be happening to Cursor.

Cursor—which has raised billions from venture capital's biggest names including Andreessen Horowitz, Thrive, and Accel—is a mere four years old. It uses generative AI to instantly streamline and automate coding tasks that historically would have taken programmers days, weeks, or longer. In doing so, it's helped create a paradigm-shifting business trend. As corporate America tussles for return on its investments in AI, coding has been the

first real place the productivity gains have been quantifiable and undeniable. And Cursor has been at the forefront of the revolution.

Cursor's annualized revenue crossed \$2 billion in February and has marched well past that since, two investors told *Fortune*. Those investors emphasized that customers aren't just buying Cursor—they're using the hell out of it. As this article went to press, the company was reportedly raising a new funding round that would value it at \$50 billion.

And yet, if you've been on social media recently (and your algorithm has tech brain rot), there's a high chance you've seen tweets declaring, "Cursor is dead."

Cursor has a problem. And that problem is called Claude Code, a competitor launched by Anthropic barely a year ago. Some say Claude Code, bolstered by Anthropic's \$380 billion largesse, could soon unseat Cursor altogether. And it's all happened astonishingly fast. Reports have surfaced of customers moving off Cursor; one Cursor investor told *Fortune* that several startups in his portfolio are decoupling from it. Key talent, including the company's head of engineering, have recently jumped ship. And there's a sense that while Cursor created the AI coding boom, it's on the verge of being left behind.

"The thing about this market is that things change so quickly," one VC invested in a Cursor competitor says. "If we were sitting

here a year ago, you'd be writing the opposite article, 'Cursor is on top of the world,' right?"

It's a story distinctly of the AI era: Cursor is four years old but already has an innovator's dilemma, arguably outgunned by newer products in the market it popularized. Every AI startup fears OpenAI or Anthropic releasing a product directly in competition with theirs. It's the nightmare scenario, and Cursor is living it, more quickly than Truell and his team ever expected.

"I've been building some form of software for 27 years now," says Aaron Levie, Box CEO and Cursor customer. "Every single friend I have says the same thing: The sheer rate of change is unlike anything we've ever seen."

Truell and his Cursor colleagues acknowledge that they're scrambling to adapt to the demands of rapidly accelerating competition, though they believe they're up to the task. "It's pretty clear the market is standardizing on a couple solutions," Truell says. "It's a narrow field of folks really at scale here."

Cursor has moved faster than almost any other startup in Silicon Valley history. But it may not be fast enough.

## CURSOR'S WHIRLWIND RISE

Cursor was born a minor eternity ago in AI time. It was founded in early 2022, months before ChatGPT's blockbuster debut. But even then AI's breakthrough potential was clear to attentive nerds. Truell—then an undergrad at MIT—saw it, as did his classmates Aman Sanger, Sualeh Asif, and Arvid Lunnemark: If you made models bigger, gave them more data and more computing firepower, the results looked less like an experiment and more like a product.

67%

**PERCENTAGE OF THE FORTUNE 500 USING CURSOR,**  
ACCORDING TO THE COMPANY. CURSOR ESTIMATES THAT  
AS OF MARCH ITS TOOLS WERE BEING USED TO WRITE  
150 MILLION LINES OF ENTERPRISE CODE EACH DAY.

As Truell and his cofounders started building what became Cursor, it became clear they had the opportunity to reshape one of the most essential activities in tech: coding, the process by which software gets built. Truell—who had started coding at age 11 to make his own mobile games—remembers sitting on a plane, with a moment to himself, shortly before Cursor’s initial release.

“I remember thinking: ‘I really, really, really think this is going to work,’” he says. “It seemed clear to all of us that how people build things on computers was going to flow through AI in the future.”

Cursor, originally, was a remarkably effective code completion tool, accurately predicting how a programmer would finish a line of code, and thus saving developers enormous amounts of time. The code completion tool existed in its own integrated development environment, or IDE—an interface that collects important tools in one place and speeds up software development. IDEs date back to the 1960s, and while other AI coding efforts were out there (like Microsoft’s GitHub Copilot), Cursor had reimaged the IDE for the AI era.

“We wanted to have our own app, our own development environment,” says Truell. “And we needed the ability to edit anything on the screen, and guide developers progressively through each jump.”

Anysphere—the original name of the company Truell and his cofounders started—released Cursor in March 2023. Developers are an opinionated, fickle fan base, looking to use the newest, hottest thing. By late 2023 that was Cursor. By that November, Cursor had indexed 150,000 codebases, and usership was rocketing upward; the company then raised a June 2024

\$60 million Series A, led by Andreessen Horowitz.

In May 2025, Cursor’s annualized revenue hit \$500 million; by October, that had doubled to \$1 billion. This, to say the least, is not normal—or at least it wasn’t before the AI boom. The story intensified as venture capital dollars poured in: Through 2025, Cursor raised three more rounds of funding, raking in a wild \$3.3 billion. Its valuation started the year at \$2.5 billion and ended the year

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**“If you subtract out the dollars invested, it’s the fastest-growing company we’ve ever seen.”**

MARTIN CASADO, GENERAL PARTNER, ANDREESSEN HOROWITZ

at nearly \$30 billion. “I’d argue that if you subtract out the dollars invested, it’s the fastest-growing company we’ve ever seen,” says Martin Casado, Andreessen Horowitz general partner and Cursor board member.

In a market filled with incumbents, including tools from Microsoft, Google, and Amazon, this was shocking. But developers frequently preferred working with Cursor, which helped automate tasks, shined on large projects, and had a beloved IDE.

“They were the first and biggest product in the coding AI space entirely,” one Cursor investor says. “They made the space a thing.”

But what made Cursor the defining company in that space now makes its future fragile.

## FROM FUEL TO FRENEMY

Cursor has, from the beginning, been entwined with the major AI labs. Early investment came from OpenAI’s Startup Fund, and the product leveraged OpenAI’s and Anthropic’s models. But there was always a sense that Anthropic and OpenAI had their own designs on the phenomenally large coding market.

So when Anthropic launched competitor Claude Code as a “research preview” in February 2025, it wasn’t surprising. Developers took to it slowly, until it all happened at once. What had changed wasn’t just a product. It was a whole new way of coding.

The key was Anthropic’s deployment of agentic AI. Cursor helps humans write code faster; Claude Code writes the code for you. Developers give it instructions, and it creates and changes a whole lot of code autonomously. This isn’t to say Cursor can’t write code for you—within Cursor itself, agents write 100% of the company’s code—but that’s not its most discussed use case. More broadly, the difference between using Cursor and Claude Code is the difference between Tony Stark wearing the Iron Man suit, and Stark’s AI assistant JARVIS wearing it for him—while Tony moves on to the next problem.

“We invented agentic coding as a thing,” says Boris Cherny, Anthropic’s head of Claude Code. “It was useful for Anthropic, and as it turns out, useful for customers.”

In May, Anthropic released its Sonnet 4 and Opus 4 models, making its agents more powerful and kicking off a Claude Code frenzy. By the beginning of 2026, Claude Code—with a \$2.5 billion run rate and over 300,000 business customers—was a jewel in Anthropic’s \$380 billion crown.

Suddenly, no matter how

decisively Cursor had risen, social media bubbled with the idea it could fall. In February, a string of tweets emerged around a startup called Valon deciding to stop using Cursor, kicking off the "Cursor is dead" narrative. The social media discourse was capturing a simmering vibe shift, that the future of coding was not the IDE but autonomous agents. The zeitgeist was moving on.

"I don't believe the 'Cursor is dead' memes, but 'The IDE is dead' is real," says Zach Lloyd, CEO and founder of Warp, a coding competitor. "That's just not how software is being built now."

Cursor president Oskar Schulz acknowledges this. "In people's minds Cursor stands for the IDE," he says. "The IDE isn't the right form factor anymore for a world where you can produce 10 times more code." Indeed, Cursor launched agentic capabilities in its platform in 2024, and Schulz emphasizes that today, "95% of Cursor users are agent users."

Claude's rise is hardly making Cursor disappear. When *Fortune* spoke to six developers and founders about AI coding tools, it was clear that Cursor and Claude Code lend themselves to distinctly different use cases—and that many developers rely on both. The same seemed to be true at the enterprise level. Invariably, everyone described using some combination of Cursor, Claude Code, OpenAI's Codex, and others.

This dynamic keeps the market open to accommodate several winners. For the moment. "I don't think this is a winner-take-all. It's a winner-take-some, or a winner-take-most," says Cherny.

But, of course, the size of the market is what makes the stakes high. And make no mistake: There is an all-out business war for the future of coding. OpenAI's

Codex has been catching up, Claude Code is beloved, and Cursor is in a genuine bind. On top of concerns around how Cursor will evolve for the age of agentic coding, it has a pricing problem. Anthropic has used its financial firepower and model provider advantage to offer Claude Code at lower prices than Cursor reasonably can match. Cursor effectively pays retail to access the models that Anthropic gets wholesale. "Anthropic is trying to drown out

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**Cursor's valuation was \$2.5 billion at the start of 2025; by the end of the year it was nearly \$30 billion.**  
—

Cursor," one VC tells *Fortune*.

To wean itself from dependence on other models, Cursor has been building and training its own model, Composer, since 2025. Composer has performed better than Anthropic's Opus 4.6 on some benchmarks (and though Composer 2 came in behind OpenAI's GPT 5.4, it is very cost-efficient). The news suggests Cursor is figuring it out.

That said, training and maintaining models of your own are astronomically expensive endeavors, requiring technical talent that's hard to find outside OpenAI and Anthropic. Cursor has also recently suffered attrition of key talent, including engineers Jason Ginsberg and Andrew Milich, who defected to Elon

Musk's xAI. (Cursor declined to comment on the departures.)

"Cursor's in a tough spot," one backer says. "On one hand, what they've done really well is they've made a product that everybody likes. On the other... burning \$1 to make 90 cents isn't a business."

## THE NEXT MOVES

When you talk with Truell and Schulz about their company's doom narrative, they both essentially say: "Reports of our death are greatly exaggerated."

"We are expecting to disrupt ourselves over, and over, and over again," says Schulz. "We're perplexed by this continuous flow of 'You're going to be dead tomorrow.' We've always heard that." That's also true for dozens of other VC-backed startups who now compete with OpenAI and Anthropic in the coding space.

Investors disagree about Cursor's likely fate. Some say the only natural end point is an IPO, which would require the company to get its unit economics majorly in order. Others say it could be a mega-acquisition from OpenAI, which reportedly looked into acquiring Cursor early last year.

For Truell's part, he says he wants to build a "long-lasting, independent, generational company" focused entirely on professional developers. He started this knowing he'd have to run a marathon fast. "In our industry, taking the long view is underrated," he says. "We knew from the start the best solution was going to change every six months, every year, and that's what excited us."

As Truell and I get ready to end our Zoom call, I notice the picture of Caro again. I think about how it took Caro six months to edit a single chapter of *The Power Broker*. Truell has less time than that before the next change. ■

# People-Led, Future-Ready

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## DEMAND ON TALENT IN THE ACCOUNTING

industry is increasing, driven by rapid technology adoption and a persistent talent shortage, according to CPA Trendlines. In this landscape, prioritizing a great staff experience can power long-term success. As one of the largest certified public accounting and business advisory firms in the U.S., with more than a century of experience, Plante Moran has long put its staff at the center of firm culture.

“Plante Moran’s culture prioritizes trust, balance, and genuine care for staff and clients,” says Jason Drake, managing partner, Plante Moran. “It’s a culture built on openness, collaboration,

and empowerment—where everyone is encouraged to contribute ideas and grow.”

That culture directly shapes the firm’s client experience. By encouraging deep listening and thoughtful problem-solving, Plante Moran delivers a forward-looking, relationship-focused approach that resonates with those it serves. According to the firm’s latest client satisfaction survey, 99% of clients say Plante Moran understands their organization’s needs, 98% say it provides solutions backed by technical expertise, and 96% would recommend the firm to others.

Innovation plays a critical role in delivering that experience. The firm not only invests in advanced technologies and responsible AI to enhance both staff productivity and client service, it also empowers staff to contribute new perspectives. Plante Moran’s idea-management platform, Bright Idea, makes it easy for team members to stay curious and suggest new approaches while giving visibility into how ideas move from concept to testing to implementation.

“Innovation at Plante Moran doesn’t feel forced or top-down. Rather, it rises naturally from those closest to the clients and the work itself. Staff identify opportunities every day and know they have firm-wide support to suggest them,” says Drake.

As the profession undergoes significant change—prompting many firms to reevaluate their ownership structure, revamp operations, and rethink long-term strategy—Plante Moran’s people-first culture has helped it grow without sacrificing independence or losing sight of its core values.

“Growth gives us more people to learn from, more perspectives to incorporate, and more opportunities to live out the values that have always grounded us,” says Drake. “It doesn’t pull us away from our culture—it amplifies it, giving us new ways to bring it to life. Curiosity and creativity allow us to support one another and our clients at the highest level possible.” ■





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**CITADEL IN THE SUN**

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# KEN GRIFFEIN'S BIGGEST BET

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LOW TAXES, LESS RED TAPE, AND A CITY THAT ACTUALLY WANTS YOUR BUSINESS. THE CITADEL BILLIONAIRE IS ON A CRUSADE TO MAKE AMERICA LOOK MORE LIKE MIAMI. **BY SHAWN TULLY**

PHOTOGRAPH BY SPENCER LOWELL

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# K

**EN GRIFFIN IS POINTING** an outstretched arm toward his field of dreams. On this Wednesday afternoon in early February, the CEO of Citadel, one of the world's largest and most profitable hedge funds, is holding court, attired in his signature blue suit and saddle shoes, sans jacket for the moment. With Biscayne Bay glittering a vivid turquoise in the distance, he stands framed by floor-to-ceiling windows on the 27th floor of a skyscraper where he has temporarily parked Citadel's offices, while he awaits completion of the crown-jewel headquarters, a gracefully tapered, 54-story Norman Foster design, slated for completion in 2030 at a cost recently estimated at \$2.5 billion. Extols Griffin, "We're constructing an iconic office building for this century, right here in Miami, in the free state of Florida, on the water. And people from some of the biggest tech companies in the world who've seen the design are saying, 'We want to be there!'"

He is adamant about one thing: This could not have happened in Chicago, or New York, or maybe anywhere but here. Griffin's tone grows rhapsodic as he describes how Miami authorities coordinated like a Navy SEALs team to fast-track his vision on Biscayne Bay. The dynamic is what Griffin lauds as Miami hustle. The city and county leadership, under a Republican and Democrat, respectively, share a "we're open for business" mindset. Miami-Dade County designated the Citadel site as part of a rapid transit zone, special areas where the authorities greatly expedite the zoning approval process. Citadel won approval in around 18 months—for a megaproject that would have taken years to be green-lighted in virtually any other major metro.

For Griffin, the 1,049-foot-high billboard represents a dual ascension: of Miami as a major business capital, and his own growing prominence as a leader. He has established himself as one of the biggest financial power players—if not *the* biggest—in modern Republican politics. With a net worth estimated at roughly \$50 billion, over the past decade he has donated almost a quarter of a billion dollars to candidates ranging from Florida Gov. Ron DeSantis to

Senators Tim Sheehy (R-Mont.) and Dave McCormick (R-Pa.) supporting causes close to his heart. And a little more than one year into the second term of Trump—a Republican he has never donated to—Griffin has been the rare business voice that has grown louder and more critical of what he sees as the president's wrong turns. Though he supports some of the president's policies (more on that later) it galls him that so many fellow CEOs are forced to curry favor at the White House. He feels the regime of tariffs "encourages crony capitalism," he asserts. "CEOs have to stomach

going to D.C. and sucking up to one administration after another."

Griffin instead is looking beyond MAGA, to the next chapter of Republican politics. His ideal vision weaves together classic conservative policies (lower taxes, free trade, fewer regulations, school choice, pro-growth policies in cities) with things he simply believes are essential to a booming economy (immigration, an end to cronyism, keeping government out of picking winners and losers). And, in fact, that ideal mix is pretty close to what he's found in South Florida.

"The fight in America is all about protecting the cultures in places like Miami or Silicon Valley, and keeping us a nation of entrepreneurs. That's really important because small enterprises will hire anyone who's talented and willing to work hard whether you went to college or not," he says.

There is an optimism in his voice that is rare these days. Indeed, while many are "shorting" America's prospects, Griffin is buying. And this certainly isn't the first time one of his contrarian bets has paid off. He built Citadel not by hiring the typical cast of MBAs but engaging the likes of mathematicians, statisticians, and physicists who boasted great quant

**"THE FIGHT IN AMERICA IS ALL ABOUT PROTECTING THE CULTURES IN PLACES LIKE MIAMI OR SILICON VALLEY, AND KEEPING US A NATION OF ENTREPRENEURS."**

**KEN GRIFFIN,  
FOUNDER AND CEO, CITADEL**

## TOWERING AMBITION

A rendition of Citadel's \$2.5 billion Norman Foster-designed tower slated for completion in 2030. The business-friendly climate is what Griffin describes as Miami hustle.



skills and learned finance fast. In mid-2022, fed up with Chicago's failing schools, crime, and politicians, he moved Citadel's base to Miami in what was arguably the most stunning corporate relocation in decades.

Griffin is rich, and he's fearless, that much is not in doubt. And given his incredible wealth and potential influence going forward, it's worth understanding where Griffin came from and how he developed a set of beliefs about society and the economy. Because if Ken Griffin believes there's a path to remaking American capitalism—based on what he sees working in Miami—he might be one of the few people on the planet with the money and influence to make it happen.

**I**N THE PAST, Miami, and Florida overall, haven't ranked as major business centers. The economy of Miami long depended primarily on tourism, wealth management, and residential construction. Miami wasn't a place like Silicon Valley, Dallas, Minneapolis, or New York where entrepreneurs flocked to build

startups into major players in tech, health care, or financial services. To this day, the largest Fortune 500 members in Miami-Dade are energy supplier World Kinect (No. 106), and homebuilder Lennar (No. 129). Florida isn't home to any of the nation's top 50 banks, measured by deposits.

But that's changing. Post-pandemic, ServiceNow, Wells Fargo's wealth management division, Palantir, Thoma Bravo, and Peter Thiel's Thiel Capital are just a few of the companies that have shifted significant resources to South Florida. McKinsey's Miami outpost now ranks as one of its fastest-growing offices in North America—its Miami headcount has grown fourfold to several hundred in the past four years—and Spanish Banco Santander is raising a 41-story tower in the city's Brickell neighborhood.

Griffin himself towers as a leading pioneer in not one but two distinct realms of finance. The \$69 billion hedge fund, his original creation, forged a new model in an industry once dominated by superstar, individual golden-gut traders. By

contrast, Citadel "atomized" the business by nurturing myriad teams to invest—and centrally managing them with a scientific approach to risk management and diversification.

The second sector: the market maker, Citadel Securities. Hardly a surprise that it's nicknamed "the Amazon of financial services." It's the market leader in equity retail trades and handles one in four total transactions in the U.S. Griffin greatly aided the democratization of markets that grew our shareholder society. When you pay zero commissions selling from your account at Fidelity or Charles Schwab, the probability is high that the Citadel machine found the buyer in nanoseconds. Overall, the firm generates over \$10 billion in annual net revenues.

Citadel's journey to Florida happened almost by accident. It was March 2020 and Griffin, who had for 30-some years been based in Chicago, was deeply worried that with big cities going into COVID lockdown, Citadel Securities would be unable to run its giant trading operation. So in

a flurry of activity he clinched a deal to rent the entire 207-room ocean-front Four Seasons Resort in Palm Beach. He and his team sprung into action to relocate its trading floor to the tropics; the campaign was dubbed “Operation Gator.”

The city and state governments proved highly cooperative in seeking creative solutions to make the mass replanting happen. A City of Miami spokesman confirmed that the town treated “the property like a private residence, where people inside can work as they would at home.” A convoy of three tractor trailers working 24/7 over several days transported everything from desks to monitors to the Four Seasons. Fifty local workers dug trenches in the streets to run network cable to the hotel and installed lines running 70,000 feet. A semitruck pulled up to unload a giant generator that got planted in the parking lot. In just five days, Citadel Securities established 60 trading stations in the ballroom, installing enough capacity to handle its whole business, including supporting its market position in equities and options, for a full year.

During that year, 60 traders lived on-site in three-month shifts, with their spouses and kids, for whom the firm provided dedicated spaces so they could participate in their schools’ remote-learning programs, as well as music lessons. Fifty Four Seasons housekeepers, chefs, and other staff, who otherwise would have been unemployed, occupied a separate part of the hotel. While on-site, they couldn’t take so much as a stroll outside of what the firm dubbed “the bubble.” Jeff Maurone, COO of technology at Citadel Securities, recalls that Griffin stopped by from his residence in Palm Beach to check on the construction phase, attired in a polo shirt and shorts, accompanied by his son. “Ken said that he wanted his son to see the project because it exemplified the Ameri-

can spirit,” notes Maurone. Griffin expressed to me his wonder at how the Florida authorities, undeterred by COVID, moved so fast. “It would have taken months in a Northern city,” he says.

It was a giant leap for the firm. But for Griffin, it was also something of a homecoming. He was born in Daytona Beach; his dad worked at Cape Canaveral as a General Electric project manager on the NASA space program. In the early 1980s, after stints in Minneapolis and Midland, Texas (“What a great place for a kid to roam the great outdoors. Have you ever seen *Landman*?” he raves), the family settled in Boca Raton, where Ken’s father took a senior management position at a manufacturer of concrete roof tile. Griffin spent the full four years at Boca Raton Community High School—and greatly benefited from a highly intellectual, tech-savvy environment in an area best known for attracting beach-loving tourists and retirees. IBM developed its first PCs at its lab in Boca, and was manufacturing them in town when Ken started high school.

“Most people don’t appreciate that Boca in the ’80s had an incredibly rich community of engineers and computer scientists,” Griffin told me. “Their children went to the public schools, including Boca High.” According to his math teacher Jim

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**“THE BEST THING I EVER DID WAS MOVE TO MIAMI FOR MY KIDS.” THE ATTITUDE OF THEIR TEACHERS IN CHICAGO WAS DAMAGINGLY WOKE.**

**GRIFFIN**  
ON ONE OF THE MANY THINGS  
HE APPRECIATES ABOUT MIAMI

Graziose, the IBM parents coached their kids in programming. To match the progeny of the pros, ambitious kids like Ken had to work extra hard.

Griffin’s four-person computer club won the Miami-Dade County championship, and according to coach Graziose, the group generated as much mirth as elegant algorithms. The team harbored a zany obsession over nicknaming one another for heavy-metal stars and other teen music idols. To make money, they published a magazine, mysteriously called *Kumquat*, illustrated with cartoon images of the crew drawn by a free spirit who went on to design video games for Nintendo. Griffin was “Metal Nerd,” though the only heavy-metal sound that enticed him was the humming of mainframes.

Graziose kept a photo of the quartet in which Griffin looks reed-thin and sports bangs in the ruling Beatles style. He recalls that Griffin was a brilliant student but declined to do any and all homework. “That forced me to give him B’s instead of A’s,” says Graziose. Griffin didn’t take it personally. He wrote in Graziose’s yearbook, “Thanks for always taking my homework! [signed] Metal Nerd.” (Years later, after Graziose’s wife died of the autoimmune condition scleroderma, Griffin made a large contribution to a foundation researching cures for the disease.)

Even then, Griffin was civic-minded. His classmate Nate Adams recalls that he and Griffin joined a group that visited out-of-state companies in an effort to encourage them to move to South Florida. One sojourn took the students as far as Los Angeles, where they lobbied a satellite maker. Unfortunately, as Adams acknowledges, their pitch was about 30 years too early.

Griffin overcame the B’s to shine as the only one in his class admitted to Harvard. In Cambridge, he studied economics, but his real passion had long been parsing and playing the

stock market. “In the third grade, I wrote a paper that set forth that I wanted to learn how the stock market worked,” he remembers. In his freshman year, Griffin found a highly negative story on Home Shopping Network, a seller of baubles on TV, so convincing that he shorted the shares, banking around \$5,000. As a returning sophomore in September 1987, he hung a satellite dish from the third-floor window of his dorm room in ivy-covered, turn-of-the-century Cabot House, not to watch football games but to trade equities. From an “office” consisting of two phone lines, a futon bed, and the saucer, Griffin went short big-time, and cleaned up when the famed Black Monday crash struck in mid-October.

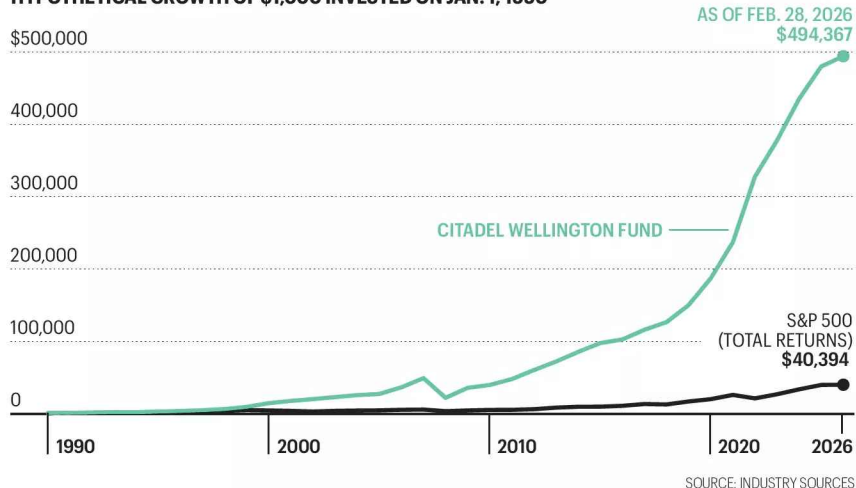
In 1990, backed by a veteran Chicago hedge fund manager who recognized his talent, Griffin raised \$18 million to launch Citadel’s first fund, which was designed to exploit mispricing in convertible bonds. He quickly diversified into equities, and four years later was running a team of 60 that managed a portfolio of \$200 million. The firm entered a vast new field in 2002 when Griffin launched its market-making arm, Citadel Securities. Today, Citadel is a leader in both domains and employs around 5,000 worldwide, divided into hundreds of teams of six to 10 members that cover virtually every flavor of investments from options to commodities to fixed income, and on the hedge fund side, quantitative trading.

Still, it took a post-COVID appeal from the folks who had hunkered down in Palm Beach to clinch his exodus from Chicago. The CEO of Citadel Securities, Peng Zhao, made a pivotal call to action. “Peng walks into my office, and says, ‘Why did we leave Florida for Chicago?’ And I said, ‘We kind of left Chicago for Florida,’” reprises Griffin. Zhao responded, “We’d like to go back.” After asking, “Who’s we?” Griffin got the decisive answer from his

## CITADEL’S OUTSIZE PERFORMANCE

Returns at Citadel’s flagship hedge fund have trounced the S&P 500 over the past several decades.

### HYPOTHETICAL GROWTH OF \$1,000 INVESTED ON JAN. 1, 1990



market-making boss: “Pretty much the whole management team of Citadel Securities. Life is a lot better in Florida.” The go-getter approach of then-Mayor Francis Suarez also helped. Knowing the bubble’s success and Griffin’s warnings on Chicago’s decline, he paid a sales call to Griffin, showing the CEO empty properties via the Google Maps on his iPhone that he lauded as great locations for a new Citadel headquarters.

‘**T**HE BEST THING I ever did was move to Miami for my kids,” swears Griffin. The attitude of their teachers in Chicago, he told me, was damagingly woke. “It took a little time for my kids to adjust [to the stricter Miami schools], but before long, they would just come home with smiles on their faces.”

Griffin feels “optimism in the air here,” he avows. “In Northern cities awash in red tape, people talk about crime and how bleak the future is.

It’s just much harder to say, ‘I’ll risk it all and join the startup down the street.’ It’s much easier for people to take the risk of joining a startup in a city with faith in the future.”

Citadel now employs around 500 in Miami; the crew includes such top brass as Zhao and Jim Esposito, respectively CEO and president of Citadel Securities; Sebastian Barrack, who for a decade has run the commodities trading franchise; and Griffin himself. Though New York and London are bigger, measured in personnel, Miami is the fastest-growing outpost by far.

Though he’s embraced Miami’s sunshine, almost everyone who meets Griffin (or works for him) comes away with the same impression: He’s incredibly intense. He greets people with a hammer handshake and a piercing blue-eyed stare. He follows what one source who knows him calls “the broken windows theory of management,” referring to the policing method pursued by New York Mayor Rudy Giuliani in the early

1990s, which involved cracking down on petty crimes. Griffin is renowned for getting extremely cross over what appear to be minor mistakes—don't hand him a sloppily written memo, for example.

"Some people think he's intense for the sake of being intense, and that he gets fixated on small issues," says this person. "But it's all about his lack of tolerance for complacency that can lead to more, bigger gaffes." When I asked Griffin if this characterization is correct, he effectively answered yes, in a circuitous fashion. "I want everybody here to care deeply, and I make sure they do. That's my job."

And Griffin has another pet peeve: Managers who "won't break glass," meaning make extremely hard calls. "If a fixed-income team is 10th in Europe, and the guy who's running the business thinks that's fine, Ken will say, 'That's not fine. You need to win, you need to be number one,'" says another source who's observed Griffin's management style. "Ken is all about winning in every domain."

Sebastian Barrack has for a decade run the legendarily profitable commodities trading franchise. He still marvels at his boss's ability to identify overlooked forces that can drive prices, a talent enhanced by rare creativity.

As an example, Griffin once asked Barrack to examine how changes in outside temperatures translate into shifts in heating demand—and the subtle timing effects that influence when that demand shows up in energy markets. Asks Barrack, "Who on earth but Ken thinks at that level of granularity?"

Griffin prefers Q&A sessions to

#### ORDER FLOW

During COVID, the firm took over the entire Four Seasons Resort and kept Citadel Securities running full tilt.

giving speeches. That's because he's such a details guy that he keeps paring the text looking for perfection. In interviews, he doesn't try to be charming; Griffin sees himself as a truth-teller. He can even show deadpan humor. When asked at one event in West Palm Beach where he'd park "a suitcase full of cash" in the markets, Griffin quipped, "This sounds like an AML [anti-money-laundering] question, like I gotta call the FBI."

Says Barrack of his boss, "He's the fairest human being I have ever met in my life. That fairness can mean he will be brutally honest with me because I haven't done very well, which doesn't happen often, fortunately. He'll also give praise, when it's deserved, but after the praise he's back at you with, 'Now what's next?'"

What's next for Griffin himself is a topic that comes up a lot these days. Certainly the road to fashioning Miami into a global business leader will be long and arduous—and Griffin knows it. The Miami-Dade population has ballooned by over 300,000, or 11%, in just three years. Result: The housing supply has hugely lagged. Median home prices

have doubled to \$675,000 since the summer of 2019, and rents have risen comparably.

Plus, even lovers of low taxes will concede that Miami's mass-transit network is extremely underdeveloped compared with New York or Chicago. Commuters to downtown, for example, can spend well over an hour in traffic when making the 15-mile trip from Doral to Brickell. "Miami is suffering from disjointed development where infrastructure isn't keeping up with population growth," notes Ned Murray of the Jorge M. Pérez Metropolitan Center at Florida International University.

The city and county will have to tackle traffic, but Griffin is leading a philanthropic campaign beating anything the city, or almost any other metro, has witnessed in recent decades. To date, he's donated \$350 million to an array of causes advancing health care, education, public safety, the arts, and more. Griffin also gives employees who serve on nonprofit boards as part of Citadel's community leaders program up to \$20,000 to contribute to those organizations.

That's still left plenty of room for



his personal real estate projects: He's spent a total of \$270 million on properties in Coconut Grove and Star Island. But his epic project is a stupendous, oceanfront complex in Palm Beach. At 27 acres, it occupies more property than the "winter White House," 23-acre Mar-a-Lago, a quarter-mile down the street.

But billionaires haven't always had the easiest time "connecting" in the political realm. Griffin cuts a particularly interesting figure at the moment because his beliefs don't match up neatly with either party—starting with free trade. "The concerns about U.S. competitiveness and the resiliency of the supply chain that the administration is trying to address are real," says Griffin. "But tariffs are the wrong tool. They function as a regressive tax—essentially a sales tax on the American people that will hit those working to make ends meet the hardest."

Griffin has said that the Trump administration has made significant progress securing the southern border. At the same time, he's stressed that the U.S. should continue to welcome talented people from around the world. "The southern border was the source of people willing to do tough jobs for modest wages—building houses, washing dishes, picking crops," he says. "Reducing immigration will bring higher prices for groceries, housing, and food. We've rolled back the welcome mat too much." He states that any foreign student graduating from a U.S. college or graduate school "should get a [work] visa stamped to their degree."

Griffin believes that the current restrictions limit America's access to the world's best minds. He notes that immigrants or children of immigrants launched most of the successful Silicon Valley startups, including in AI. Griffin hammers the point by noting that his co-chief investment officer hails from Ecuador; the head of the trading unit from mainland

China; the commodities chief from Australia; and Citadel's most successful equity fund manager from the U.K. For Griffin, his hometown's success is a tribute to the power of immigration: 54% of Miami-Dade County's residents were born abroad.

It's important to note, however, that Griffin praises a number of the POTUS's policies. A winner, he says, is scotching the four-year "regulatory onslaught" under President Biden. "That's the biggest sea change," he intones. "You cannot imagine how painful it was every day under the Biden administration to look at what crazy new proposal was being put in place. [Under Trump] it's a giant sigh of relief that I can go on building my business instead of having a second job dealing with regulations that accomplish nothing."

If pressed on his biggest worry, the man who knows more about the U.S. Treasury market than perhaps any other human cites the spiraling budget deficit. "In financial markets, no brand can compare to the brand of U.S. Treasuries," he maintains. Their creditworthiness gives the U.S. extraordinary access to credit. But our gigantic budget deficits and debt at 6% and well over 100% of GDP respectively have put the U.S. "in a more fiscally precarious position than we've been in decades."

Griffin doesn't limit his views to

**"REDUCING  
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KEN GRIFFIN, CITADEL

U.S. economic policy, far from it. He eagerly tackles questions on broad international issues: "America's relationships with its historical allies are extremely important, especially as competition with China increasingly shapes the global landscape. Allowing those ties to fray would be a mistake." Europe must "embrace a radically new set of policies" that promote entrepreneurship "to accelerate economic growth, support its aging population, and strengthen its military capacity," he says.

All of which leads one to wonder, what is Griffin really envisioning for his final act? At the close of our meeting in his Brickell conference room, I asked Griffin if he'd consider stepping forward as a political candidate. "Not today," he responded. "I would never say never. I'm 57 years old. I have another 25 or 30 years, I hope, of working hard and giving back to society." I follow up by querying if he'd accept an offer to be secretary of the Treasury. "I'm not trying to be coy," he said. "There will be something after Citadel. Hank Paulson served as secretary of the Treasury and did a great job. It would be great if there was a chapter in my life that looked like what he did. That chapter is not to be written right here, right now."

Nate Adams, Griffin's old friend from Boca High who worked as a top advisor to former Florida Gov. Jeb Bush, views Griffin as a great future candidate for high office, and friends rate him as presidential timber. "I'm one of the ones promoting [a possible run for office]," Adams says. But those close to Griffin believe he won't embrace retail politics and go on a ballot. Glad-handing in New Hampshire at diners and churches isn't likely to excite him. But one thing's for sure: Griffin is going long on his vision for America's economy. And as many have learned the hard way in the financial markets, he's a dangerous trader to bet against. **F**



# Billionaire Backlash in

THE WALTON FAMILY MADE BENTONVILLE, ARK., BEAUTIFUL AND BIKE-FRIENDLY.



FROM DIME STORE TO DYNASTY  
A replica of Sam Walton's 1979 Ford pickup truck is parked outside Walton's 5&10, now a museum.

# Walmart's Hometown

WHY ARE PEOPLE SO MAD AT THEM? **BY JESSICA MATHEWS**



**S**AM WALTON'S favorite ice cream, butter pecan, is always available at the Spark Café, in the quaint town square of Bentonville, Ark. Next door is Walton's 5&10, the five-and-dime store where in 1950, "Mr. Sam," as he was known locally, planted the seeds of Walmart, a retail empire that became the biggest company in America. That little shop is now a museum, and parked outside is a replica of Mr. Sam's red 1979 Ford F150, the pickup truck he used to tool around town in, often with his dog Ol' Roy.

Venture out beyond the square, and the small-town USA illusion breaks. The population of the town surrounding Walmart's sleek new multibillion-dollar headquarters has soared from about 6,000 in the 1970s to more than 60,000 today, and it's expected to triple in coming decades as the company attracts top tech and management talent from coastal cities.

The feeling is more glossy high-design hub than Norman Rockwell painting. There's a Soho House-like private social club and spa, boutique

hotels, chef-driven restaurants, speakeasies. At the private-jet-filled municipal airport, you can drink a cappuccino and watch vintage planes take off. There are sprawling parks and playgrounds, paved walking paths, and hundreds of miles of mountain biking trails. The expanding 200,000-square-foot Crystal Bridges Museum of American Art sits on a landscaped 134-acre campus and is free to the public, as is the music and arts center The Momentary.

Much of Bentonville's transforma-

tion has been bankrolled, directed, and shaped by the Walton family, whose approximately 44% stake in Walmart makes them one of the richest families on earth. (Walmart is now worth around \$1 trillion.) Through their various hospitality and investment groups, and their philanthropies, Sam Walton's children and grandchildren have helped remake the town as a kind of urban utopia in the Ozarks.

"They are like royalty in Bentonville," said Charu Thomas, who chairs the board of Bentonville-based supply-chain tech company Ox and lived there for several years. "It's a little bit bizarre."

Lately, however, something has changed. As the Waltons have become more and more involved in the city's development, some have started to express harsh skepticism about their intentions. In a region where the family seems to have a part in every aspect of life, the closing of a restaurant they own or even a generous loan to the city can cause backlash.

Simmering resentments came to a head in 2023 in the tiny nearby town of Jasper when it was revealed



that two Walton grandchildren were exploring whether there would be support to pursue national park and preserve status for one of Arkansas's most important natural icons, the Buffalo National River. Locals—fired up by rumors that such a redesignation could lead to unwelcome tourism, development, or even them being pushed off their land—packed a town hall meeting. They erupted in applause at an anti-elite country song one indignant resident had reworked: “Rich Men Not From Here.” (It was very clear who the “rich men” were.) A Republican state senator who spoke against the redesignation campaigned this year with flyers boasting: “Bryan King said no to the billionaires”—and

won reelection in March.

Stunned by the firestorm they set off, the Waltons dropped the effort to redesignate the river. But the outcry marked a tidal shift in sentiment and exposed long-festering resentments. It underscores a split that has existed in America as long as the nation has—between rural and urban, rich and poor. That divide has grown especially raw lately, as the wealth gap widens and a populist backlash against billionaires has gathered force.

As the ultrawealthy fund political campaigns and amass influence, the billionaire class has been under fire: In California, progressives and unions are pushing for a “wealth tax.” In New York, efforts by billionaires to defeat a

#### ▲ UPSCALE OASIS IN THE OZARKS

From left: A mountain biker at Slaughter Pen Skills Park; on the grounds of the Crystal Bridges Museum of American Art; outside the Compton hotel, developed by an arm of Tom and Steuart Walton's Runway Group.

democratic socialist mayoral candidate backfired spectacularly.

In Bentonville, there are no protesters marching with signs. But growing pushback against the Waltons is showing up in snarky Instagram posts and damning opinion pieces in magazines. It goes to the heart of a community that has for decades revered and identified with Sam Walton and his kin—and

#### FORTUNE 500 SPOTLIGHT

500

WALMART

RANK

1

REVENUES

\$713.2 billion

PROFITS

\$21.9 billion

EMPLOYEES

2.1 million

TOTAL RETURN TO SHAREHOLDERS

(2015–25 ANNUAL RATE) 20.7%

For the past 13 years, Walmart has held the No. 1 spot on the Fortune 500. While Amazon is on track to dethrone the big-box retailer this year, Walmart's shares are near an all-time high, and its market value is about \$1 trillion.



to some of the inherent tensions in large-scale civic philanthropy.

Few families in American history have given, invested, and loaned so much capital to a small community. And the community certainly values them: Indeed, a former governor told me he worked to reduce Arkansas's tax rates specifically to entice some of the Waltons to move back.

In Bentonville, the Waltons' enormous power and influence is emerging as a kind of double-edged sword: With one check, the Waltons can—and have—transformed lives. With a change of heart or strategy, however, they can—and have—crushed dreams.

To report this story, I spoke with more than two dozen people, attended city meetings, and reviewed hundreds of email exchanges, grant agreements, and nonprofit disclosures, some obtained via Freedom of Information Act requests. While the family largely avoids the spotlight, Sam's daughter, Alice Walton, and two of his son Jim's children, Tom and Stuart Walton, remain active and public-facing in Arkansas. Tom and Stuart sat down with me to share their perspective.

Alice Walton declined to comment.

I should note: I live here, too. I moved to Bentonville from New York in 2020, and quickly fell in love with the small-town charm; the kindness of the people; cycling on gravel roads and getting chased by local farm dogs. And much of what I like about my adopted hometown I can thank the Waltons for: I can go see *Wicked* at the Walton Arts Center, then listen to folk music in a dive bar. I can ride my e-bike, subsidized by a Walton-funded city grant, around town, or drive 45 minutes to hike in the wilderness.

It's evident that, despite their generosity, at least some of the goodwill the Waltons have generated over decades has begun to erode. Some accuse the family of gentrifying the town, or treating it like a kind of feudal society. Others were reluctant to talk to a reporter about the Waltons at all. "You don't want to bite the hand that feeds you," one local company owner told me.

Tom and Stuart say they are open to hearing criticism and are willing to take risks to implement their vision. Like their grandfather Sam, neither seems particularly bothered about

#### ▲ BIG MONEY, LOCAL CONCERNS

Left: Gordon Watkins is president of the Buffalo River Watershed Alliance. Right: Cheesemonger Jessica Keahey lost her shop after a Waltons-owned venture closed a vendors' market.

their personal reputations. Their goal, they say, is to invest in their hometown and its practical and hardworking culture, and to make it a better place to live.

"We care," Stuart said. "I mean, we're trying to do the right thing. We're not perfect, and we know that."

**A** **S**WALMART hurtles into the AI age and rebrands itself as a tech company, the legacy of the chain's plainspoken founder is lore in this city surrounded by cattle farms and poultry houses. People still tell stories about Mr. Sam—how he was generous and kind; how even after he was a billionaire many times over, he still lived in a modest house.

This folksy caricature of the man once made big-city financiers skeptical of whether his rural Arkansas retail chain could compete with

established corporations and become a global powerhouse. The way he proved them all wrong—and stayed true to his roots—has shaped how the Walton family is seen in his hometown and beyond.

Sam Walton died in 1992, and while the family no longer oversees day-to-day management of the retailer, his grandson-in-law, Greg Penner, chairs the board, and Steuart is a board member. Sam's three surviving children and numerous grandchildren are spread out across the country, where they own the Denver Broncos, run the regional bank Arvest, and have launched investment firms.

The Waltons' collective scale of philanthropy and investment in Bentonville puts them on par with the Carnegies, the Rockefellers, and the Vanderbilts—American dynasties who gave billions away to build the libraries, schools, museums, concert halls, universities, parks, and boulevards that have defined big-city downtowns from New York to Chicago. “The Waltons are the Medicis of this town,” said one real estate investor, who spoke on condition of anonymity because he feared that speaking about the Waltons would threaten his business.

Unlike many high-society philanthropists, Sam's descendants are not distant figures with their names on plaques. In Bentonville, residents spot them shopping at the farmers' market or eating pizza at Pedaler's Pub. Grandsons Tom and James Walton personally built some of the first mountain-biking trails in the area, and residents will spot the Waltons' helicopter flying overhead, mountain bikes fastened to the side.

In 2004, a *Fortune* cover story about the Walton family observed that you would be “hard-pressed” to find any signs of their wealth in Bentonville. These days, if you throw a stone in the town, you'll likely hit something the family had a role in creating. Sam and his wife, Helen Walton, estab-

# 10X

**BENTONVILLE'S POPULATION GROWTH SINCE THE 1970S. THE TOWN HAD AROUND 6,000 RESIDENTS THEN, AND HAS 60,000 NOW. IT'S EXPECTED TO TRIPLE IN COMING DECADES.**

lished the Walton Family Foundation early on, and through it funded the Walton Arts Center in Fayetteville and, via another entity, the Walton College of Business at the University of Arkansas. Today, the foundation gives away half a billion dollars every year to local, educational, and environmental causes.

**N**OT ALL THE BETS the Waltons have made are paying off as intended—and their high profile means that any perceived missteps or backtracking can add dents to the family's reputation.

For example: Tom and Steuart's property management group closed a vendor-style market, paving the way for a chain brunch restaurant. Jessica Keahey, a cheesemonger who had run a beloved artisanal shop, Sweet Freedom Cheese, in that space for five

years, was told she had a little over three months to leave. She ended up having to shut the store down. Customers wrote hundreds of emails and messages to express their dismay, she said: “It was heartbreaking, for sure.”

Then there was Pressroom, a Bentonville farm-to-table restaurant owned by the Walton grandsons' hospitality group, Ropeswing. It closed with no warning in March 2024, prompting employees to launch a GoFundMe campaign for staffers who were suddenly out of a job. “Please please do not give any Ropeswing concepts any of your money,” one of the laid-off employees, Debbie Garcia, wrote in a Facebook post. “This is absolutely horrible and not how any employee should ever be treated.”

Of course, restaurants do close. The real estate investor pointed out that such harms are sometimes unavoidable. “[The Waltons] are playing such a large game that sometimes the individuals get stepped on,” he said.

In other cases, residents have accused the Waltons of not doing enough—not giving enough. In December, it emerged that Alice Walton, via her foundation, had agreed to a \$239 million loan to the city of Bentonville to update its wastewater system, as a bond to be paid back by developers. Some builders complained that the unusual bond seemed hastily approved, but the mayor's office said it had run out of funding options to address the infrastructure needs of the growing city, and that the terms Walton's foundation offered had been quite generous. “It was either that, or we don't build the way that we're building now,” said Patrick Johndrow, Bentonville's finance director.

From early in the discussions, there were concerns about how the public would react to the loan. The executive director of Alice Walton's foundation expressed them in an email to the mayor (released via FOIA): “[One] issue we are facing is the ‘why doesn't

“[THE WALTONS]  
ARE LIKE ROYALTY  
IN BENTONVILLE ...  
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BIZARRE.”

**CHARU THOMAS,  
CHAIR OF THE BOARD OF OX**

# \$440 BILLION

APPROXIMATE VALUE OF THE WALTON FAMILY'S OWNERSHIP STAKE IN WALMART, WHICH HAS A MARKET VALUE OF ABOUT \$1 TRILLION. THE WALTONS OWN ABOUT 44% OF THE FORTUNE 500-TOPPING BIG-BOX RETAILER AND E-COMMERCE GIANT.

Alice just pay for it' issue that we often face with the City and the Family.”

Those fears turned out to be warranted. Shortly after the loan was announced, residents expressed misgivings on Reddit: “Given that Walmart is a huge factor in the explosive growth of this area, it would have been nice to have done this in the form of a grant,” one poster grumbled.

When I asked Tom and Stuart about recent criticism, they said they did not know specifics about market closures or Pressroom severance packages. “Do people in our organization do things we wish they wouldn't sometimes?” Stuart asked. “Of course, probably every day. But you know, we're doing our best, and we're trying to find things that work and create and drive sustainable growth that, over time, leads this community and this region into a place that it wouldn't maybe get to on its own.”

When I arrived for the interview, at the upscale Walton-owned Compton hotel, it was just the two brothers, eating breakfast sandwiches. Tom jumped up to grab me a cup of coffee. Pointing to elk heads mounted on the wall, the two jokingly bickered over who had bowhunted which.

They described how they grew up in Bentonville: going to public school with friends who went on to be first-generation college students. They didn't have TV, and went floating on the Buffalo National River many weekends. But, Tom acknowledged,

“none of that is what lands ... We get bucketed here or there with our identities. Our personalities get put to one side because of the extreme wealth and the association with Walmart.”

The Waltons have always had critics, but everyone I spoke with liked them, even if they disapproved of some of their organizations' actions. “They're good people,” said 78-year-old Max Bollinger, as he grabbed a local paper from a newsstand in nearby Kingston's town square. He recalled how Alice Walton used to come by his father's store, and let his daughter pet her horse. Ox's Thomas remembered Stuart offering his personal phone number the first time they met. Garrison Gattis, who co-runs a gift shop in Jasper, said Tom seems like “a guy I would grab a beer with.”

“These guys have billions of dollars, and they can put it in their pockets and go wherever they want,” Gattis said. “But they decide to build things for the public to use.”

**J**ARED PHILLIPS, an associate professor at the University of Arkansas, who teaches the history of the Ozarks, said the underlying issue in Bentonville is capitalism encroaching on civic life, even if embodied by “perfectly nice people.” Corporations shouldn't run towns, he said, because they have “very little interest in helping the people out who actually live next door.” In Bentonville, he added,

“It all points back to the way that Walmart and the Walton family have decided to invest in a place,” he said. “Because it was a market decision.”

In *Why Democracy Needs the Rich*, author John McGinnis argues that wealth, including billionaire philanthropy, is a healthy counterbalance to government. But he has seen antagonism rise against the wealthy since the 2008 financial crisis, he said: “The rich, because of their independence, are often an obstacle to both the new right and the left. There's a concern that the rich have just too much influence in democracy.” That sentiment, he said, has grown under the Trump administration—particularly after Elon Musk became a key advisor to Trump after donating nearly \$300 million to his campaign.

In deep red Arkansas—one of the most conservative states in the country—the Waltons keep a low profile with their personal politics. Family members have typically backed Republican candidates and groups in the state, though several have supported candidates and causes across the political spectrum. Alice donated to the Biden campaign in 2020, for example. And the Family Foundation has supported programs and studies focused on racial disparities.

Walton family members have wielded their influence strategically when it comes to issues that are important to them, such as charter schools and walkable cities. Tom and Stuart's investment group, Runway, flew Bentonville Mayor Stephanie Orman on at least two trips to see traffic improvements and innovative housing development in other cities.

Like other billionaires, some of the Waltons have gravitated to states with lower taxes. Former Arkansas Gov. Asa Hutchinson recalled Tom Walton asking him, over lunch in Austin, to consider lowering the Arkansas state income tax, to entice him and other family members to come back to their home state.



“I plotted the strategy, he provided the motivation, and over time, we did get it reduced from 7% to 4.9% while I was governor,” Hutchinson said. “And sure enough, Tom, Steuart, Alice—all of them—came back to Arkansas. That’s a good example of how lower taxes increase capital investment in the state.”

**O**NE AFTERNOON in Jasper, Gordon Watkins, who runs the Buffalo River Watershed Alliance, pointed to the limestone bluffs along the Buffalo National River. This landscape is the quintessential Ozarks, with rolling hills and karst topography that forms caves, sinkholes, and springs in the bedrock.

Watkins opposed the redesignation of the river as a national park and preserve—at least for now—concerned that it may draw more tourism too quickly. But in retrospect, he said, the backlash to the Waltons at that angry town hall meeting in 2023 was a misunderstanding of their motives. They were trying to help funnel sorely needed resources into one of the poorest counties in

Arkansas, Watkins said: “It wasn’t necessarily the redesignation, per se. It was the way that they went about it. People felt ignored. They felt like these were rich people who were trying to pull one over on the poor folks in the county.”

Watkins and I stood in front of the sprawling bluffs of Steel Creek, a popular “drop-in” point for people who are kayaking or canoeing the river. More than 50 years ago, this same piece of property was a private horse ranch, and the National Park Service used eminent domain to force its owners out, as the agency did along the river in the 1970s. The incident left an open wound, and it has caused a deep mistrust of both the federal government and outsiders.

Worries about history repeating itself emerged after Tom and Steuart helped fund a survey about a potential redesignation of the Buffalo National River. Rumors began swirling and reached a fever pitch at the town hall. More than 1,100 people showed up, and another 1,000 tuned into the livestream. The Waltons were not there.

The subtext, Watkins said, was per-

#### ▲ A RURAL REVOLT

Residents around Jasper, where the Waltons own Horseshoe Canyon Ranch, were upset that two Walton grandchildren had funded a survey about redesignating the Buffalo National River.

ceptions of the gentrification happening over in Bentonville: “Some people have seen the things that they’ve done around Bentonville... Building high-priced restaurants and driving small businesses out.”

When the Waltons stepped away from the redesignation idea, it was a vindication for some in the area—a demonstration of how a small rural community could stand up to big money. Others saw it as a huge loss.

The Waltons said that they had taken advice from their team to stay away from the town hall. After having connected with some of those residents since, they now regret that.

“The minute you build a personal connection with people,” Steuart noted, dogmas and assumptions tend to fall away. When you sit across from someone face-to-face, it becomes a lot easier to find common ground. **F**



**BY KRISTIN STOLLER**

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# WHAT IS TECH ADDICTION?



IT MAY WELL BE  
BIG TECH'S NEXT  
BIG PROBLEM.

ILLUSTRATION BY JUSTIN METZ



PHOTOGRAPH BY CHONA KASINGER

**A**T AGE 6, SARAH HILL was handed her first iPad by her parents, which she used to play games like *Angry Birds* and *Minecraft* whenever she was bored. By age 21, the Alabama native had fallen so deep into virtual reality experiences and playing video games that she'd stopped seeing friends, showering, and brushing her teeth. "If you compare video game and tech addiction to drugs," she says, "VR is the meth of drugs."

At college, she spent so much time holed up in her room compulsively accessing a chatbot site, Character AI, on her phone that she failed classes. "I remember the night I told my parents I'd lied about everything and I flunked," she recalls. "My parents didn't have any words. They were like, 'Just go.' I went to my room, but the last thing I saw was my mom resting her elbows on the counter and just crying. That was the worst thing I ever saw."

Hill's parents flew with her from Alabama to a town just outside of Seattle and enrolled her at reSTART, one of the nation's few residential treatment programs for digital overuse that treats tech addiction as a danger on the

**"I'M FINALLY PUTTING A FOOT DOWN AND SAYING, 'I WANT TO GET OUT OF THIS ENDLESS CYCLE.' I NEED TO DO SOMETHING TO BETTER MYSELF AND MY LIFE."**

**SARAH HILL • RESTART CLIENT**

scale of alcohol or drug addiction. Clients are required to abstain from the internet, smartphones, gaming, and other technologies—often for months at a time. On her first day there screen-free, Hill lay down on her bed and cried.

Hill and reSTART's other clients are at the center of an intense debate about how harmfully addictive modern tech can be. Once waged mostly in academic white papers and over dinner tables, it has escalated to the courts, thanks to a slew of landmark legal cases against Meta, YouTube, TikTok, and Snap. (The last two reached settlements earlier this year. TikTok declined to comment for this article, and Snap did not respond to requests for comment.) These initial "bellwether" cases are being closely

watched because their outcomes could provide precedent for the thousands of other lawsuits filed making similar claims—and even force tech companies to change their products and business models. Some have anticipated a “Big Tobacco moment”—a reference to the 1990s lawsuits against tobacco companies that proved they were aware of the addictive nature of nicotine and the health dangers of smoking, and led to massive damages paid.

In the case against Meta and YouTube, a now 20-year-old plaintiff, referred to as KGM, testified in February that the “addictive design” of these platforms, including infinite scroll, filters, and autoplay, led her to spend up to 16 hours a day on them, causing depression, anxiety, body dysmorphia, and self-harm. (A jury was deliberating the case as this article went to press.)

The Big Tech companies deny these claims, saying they did their best to protect free expression while keeping users safe. They question the whole concept of “tech addiction,” pointing out that there’s no scientific evidence that their products were the cause of KGM’s and others’ issues. The head of Meta’s Instagram, Adam Mosseri, said in court that social media was not “clinically addictive.” And in a written statement, a Meta spokesperson points to other factors in KGM’s life as the cause of her troubles, adding: “The evidence simply doesn’t support reducing a lifetime of hardship to a single factor, and our case will continue to underscore that reality.”

Reached for comment about YouTube, a spokesperson for owner Google, José Castaneda, said allegations about the platform were “simply not true.” “Providing young people with a safer, healthier experience has always been core to our work,” he said. He pointed to the company’s “services and policies to provide young people with age-appropriate experiences, and parents with robust controls.”

But concerned parents—along with researchers, health organizations, and even some former tech industry leaders—are sounding the alarm, saying that the systems we rely on for modern life are designed in ways that may be fundamentally incompatible with human well-being. They cite a growing body of research in psychology and neuroscience arguing that social media use delivers dopamine jolts similar to those associated with addictive drugs like meth or heroin. And with the rapid acceleration of AI, many are calling for the U.S. government to get serious about regulation and pleading with Big Tech to provide stronger safety features that constrain the algorithms, push notifications, and endless swiping that make it so hard to put your phone down.

“Unfortunately, [tech] is taking mostly young people away from the most important thing in their lives and key to their mental health, and that is relationships with other people,” says New York University professor and podcaster Scott Galloway. For tech companies, he says, it’s all about keeping users’ attention locked in: “I don’t think [Big Tech] set out in their business plans to depress global youth. I think their algorithms discovered that rage, self-

## SIX QUESTIONS TO ASK YOURSELF ABOUT YOUR TECH USE

WASHINGTON’S RESTART CLINIC DEVELOPED THESE SCREENING QUESTIONS TO HELP POTENTIAL CLIENTS CONSIDER WHETHER THEIR TECH USE HAS BECOME PROBLEMATIC. HERE’S AN ABBREVIATED VERSION:

How often do you think about your current, previous, or next online activity?

Have you lost interest in non-online activities such as sports, hobbies, or family time?

Have you become restless, irritable, angry, or anxious when you are unable to engage in online activities?

Have you deceived a family member, significant other, employer, or therapist regarding the amount of time you spend online?

Have you tried to reduce participation in online activities but found it too difficult?

Have you jeopardized or lost a significant relationship or an academic or employment opportunity because of your engagement with online activities?

esteem, and funny cat videos just keep people online.”

There is, of course, a difference between the kind of low-level “addiction” to our phones that most of us jokingly will cop to—checking email before we’re out of bed, scrolling TikTok in the grocery line—and the rarer, all-consuming dependency that leads people to places like reSTART or into courtrooms as plaintiffs. At the same time, the line between a bad habit of using tech several hours a day and a behavioral addiction can be blurry, especially for teens and young adults whose social lives, homework, and entertainment all run through the same devices.

And that’s the whole point, argues Roger McNamee, a former tech investor and author of *Zucked: Waking Up to the Facebook Catastrophe*. “These companies are in the business of attention,” he says. “Once they had attention, they were in the business of controlling the choices available to people in order to influence their behavior in ways that were profitable for the platform. That culture and that business model were guaranteed to produce lots of harm.”

With its constitutional and cultural emphasis on the importance of free speech, the U.S., unlike many other countries, has largely declined to tell tech companies how

they should interact with users. That has had dire effects, McNamee says: “We went from a culture where we used tech as an empowering tool to viewing tech as a tool for controlling people and extracting value. That’s the culture of the Valley, and the underlying behaviors that that causes are wrecking our democracy, wrecking public health, and wrecking our economy.”

The reluctance to place limits on how tech products engage users, especially in the age of AI, “should disturb everybody,” he says.

**S**OME 25 MILES northeast of Seattle, past towering Douglas firs, sits the gray-paneled, split-level reSTART clinic. Motivational posters and pillows with phrases like “Healing is not linear” adorn its common areas. The center can house up to 16 clients, who share rooms and are responsible for household chores. They also are required to participate in 24 to 30 hours of structured group and individual therapy each week. reSTART teaches clients multiple evidence-based coping and recovery strategies, ranging from box breathing to physical grounding exercises. The treatment isn’t cheap. As an out-of-network provider, reSTART’s rate averages about \$1,000 per day, though the clinic encourages clients to check with their insurers to see what can be covered. The average length of stay is 12 to 16 weeks, and many continue on via outpatient services for weeks after.

reSTART cofounder Cosette Rae opened the center with therapist Hilarie Cash almost two decades ago. Rae had previously worked as a tech developer and, upon realizing she was overusing technology in unhealthy ways, decided to change careers and pursue social worker training.

She vividly recalls a case in 2009, when she was called to assist a young adult who refused to leave their house or go to school. (Rae uses the pronoun “they” here to protect the individual’s identity.) They were not healthy, and had moved their bedroom mattress into the middle of the living room to play *World of Warcraft* nonstop. Doctors had diagnosed the person with agoraphobia, but Rae suspected that tech addiction was the real problem. She reached out to Cash for advice, and the two realized there was no place to treat people with these types of issues. They decided to open a center themselves.

Rae remembers being both “revered and rejected” in the early days of the center. Much like today, many didn’t think tech addiction was real. But there was no shortage of clients: She has treated around a thousand in the nearly two decades since the center opened, and spoken to many thousands more, she says.

What her clients struggle with is more difficult than breaking free from substance abuse, Rae says, partly because there’s no getting away from tech; it’s everywhere. “When I go out in the community right now, I do not have a lot of friends that are telling me about meth or heroin,” she says. “I don’t usually go into the store and see people dealing. I don’t go to the restaurant and people are doing

a line. But when it comes to technology, it’s everywhere. So you’re constantly being in front of it and having to say no.”

It’s more akin to an eating disorder, Rae says, where a person still has to eat but has a problematic relationship with food. In this day and age, clients aren’t able to drop technology from their lives completely.

It’s not just teenagers who are struggling. Rae mainly works with young and middle-age adults (reSTART takes clients who are 15 and older), but she has seen clients in their late forties or fifties. The most common addictions Rae sees, besides video games, involve virtual reality, pornography, and more recently, AI chatbots.

One client, a 23-year-old Seattle-area college student who asks to withhold their name and gender, describes their own overuse of video games, YouTube, and communication platform Discord. The student says they wished schools today would teach kids how to use technology mindfully and warn against addictive behaviors: “Technology is best used when it’s a tool to enhance your life. But what I got trapped in is technology *being* my life.”

“I DON’T THINK [BIG TECH] SET OUT TO DEPRESS GLOBAL YOUTH. I THINK THEIR ALGORITHMS DISCOVERED THAT RAGE, SELF-ESTEEM, AND FUNNY CAT VIDEOS JUST KEEP PEOPLE ONLINE.”

SCOTT GALLOWAY

NYU PROFESSOR AND PODCASTER

**S**OME SCIENTISTS, such as Stanford psychiatrist and *Dopamine Nation* author Anna Lembke, say compulsive tech use taps into the brain’s reward circuitry in strikingly similar ways to substance addiction. When someone scrolls social media or wins a round of a video game, their brain releases dopamine, which trains them to seek that “hit” again and again. Repeated bursts of stimulation can desensitize the pathways and weaken the prefrontal cortex, which is responsible for planning and self-control, making it harder to resist urges even when the habits are causing problems or affecting school, work, or relationships.

Brain imaging studies of people with internet gaming or social media disorders have found structural and functional changes in these regions that mirror what doctors see in other behavioral addictions such as gambling.

Tech addiction is not listed as a condition in the *Diagnostic and Statistical Manual of Mental Disorders (DSM)*, the guide published by the American Psychiatric Association for diagnosing mental health conditions. However, in its most recent edition, the *DSM* does list “internet gaming disorder” as a condition warranting more clinical study.

Its absence doesn't faze Rae. "It took 40 years for gambling [disorder] to get into *DSM*," she says. "So I don't give any credence to the fact that it's not in there yet."

The science is far from settled, and some studies suggest that tech doesn't cause users' unhappiness. A 2023 University of Oxford study of 2 million people from around the globe found that links between internet adoption and psychological well-being were "small and inconsistent."

And in March, California Institute of Technology researcher Ian Anderson and Wendy Wood, a professor at the University of Southern California, wrote a *Washington Post* op-ed arguing that calling habitual tech use "addiction" was misleading and harmful. In surveys, they found that when people described their Instagram use as an addiction, "They felt stuck, less confident that they had the ability to change." Yes, they wrote, companies should "amend their platforms to help users regain control over their habits." But they concluded, "The truth is: Heavy use is not necessarily an addiction."

Nir Eyal, a tech investor and author of *Hooked: How to Build Habit-Forming Products*, says it's not the tech that's solely to blame for people's addictions. "Every generation has a moral panic about whatever new technology, but you don't fix things by stopping their use," he says. "You fix things by making them better, by making them safer."

Eyal argues that there is nothing unethical about making a product that some people get addicted to, and asking social media companies to make their products less sticky is not the answer. Why? "Because any product that's good, somebody is going to get addicted to," he says. "Stop making the product interesting? That's dumb. That's why we use the product. That's called 'entertaining and engaging.'"

The debate is only likely to grow more urgent given the rapid adoption, and daunting potency, of AI. Rae fears AI could create new ways for people to get hooked on tech, or treat AI as a "substitute attachment figure" for real relationships. "I think everybody's been focused on all the talk around the existential threats like, 'Can it take our jobs?'" Rae says. "But what about taking our humanity? That's what's happening." As a practitioner working with tech addicts, she says, "I'm standing here looking down at a tsunami coming to people who have no idea what their kids are going to be facing. How this is going to change them; how it's going to change their relationships with each other; and how it's going to change their futures."

**TECH ADDICTION** is accepted as real, it raises another thorny and divisive question: What can—and should—be done about it? Some states, including New York and California, have enacted laws requiring warning labels on social media apps that highlight the risks for young people. In September, the New York attorney general proposed a rule requiring social media companies to restrict algorithmically personalized feeds and nighttime notifications for users under 18 unless parental consent is granted. California put legislation into place last

year creating safety restrictions on the development of AI.

Federal oversight has been slow or nonexistent, though many legislators have tried. In 2019, Missouri Republican Sen. Josh Hawley introduced a bill that would have banned social media features that exploited human psychology. Hawley's Social Media Addiction Reduction Technology (SMART) Act went nowhere, attracting little bipartisan support and never making it out of committee.

In December, Australia became the first country to ban social media for people under 16, and Greece and Britain are considering similar laws.

Social media platforms have themselves put up some guardrails, mainly via opt-in or parental controls. Meta launched Teen Accounts on Instagram and Facebook, with more restrictive features and nighttime nudges to close the app. Snap has expanded in-app warnings, "friending" safeguards, and location-sharing controls. Google and YouTube announced a \$20 million initiative to address teen digital well-being. TikTok launched a daily screen-time limit, with users under 18 automatically cut off after an hour. And in February, Meta, TikTok, and Snap agreed to be independently rated on how well they protect teens' mental health by a group of advocacy organizations.

reSTART's Rae doesn't want to get stuck in semantics. Instead of arguing about whether their products are addictive, she says that Big Tech companies should devote some of their profits to resources that can help those "struggling as a result of loving their product," she says. Many people can't afford treatment like reSTART, as most health insurers won't cover problematic tech use—though sometimes clients can get coverage for associated disorders such as depression or anxiety.

Companies could also consider shutting off access to their technology for certain time frames, Rae suggests. Eyal recommends something similar. In addition to implementing a legal minimum age to use social media, he recommends that tech companies adopt a "use and abuse" policy. After a certain number of hours, he says, tech companies should reach out to the user with a message offering resources to prevent or cure addiction.

Sarah Hill recently transitioned out of the center to an apartment owned by reSTART, half an hour away. She still visits the center most days for treatment, but is eyeing a job at a grocery store on her off days—and even got a cell phone. It's a basic "dumb" Gabb phone, with no apps or games. Even so, Hill recently found herself mindlessly scrolling through new screen backgrounds. "I felt myself losing control again, and it scared me," she says, tucking the phone underneath her legs on one of reSTART's oversize chairs.

But Hill says she does have high hopes about managing her addiction in the future and says her phone usage has improved. "After making so many mistakes, I'm finally putting a foot down and saying, 'I want to get out of this endless cycle,'" she says. "I need to do something to better myself and my life." **F**



LOCATED IN PONTE VEDRA BEACH, FLA.,  
TPC SAWGRASS FEATURES TWO PGA TOUR  
CHAMPIONSHIP COURSES DESIGNED BY  
WORLD RENOWNED ARCHITECT PETE DYE.

As golf travel surges, curated TPC Vacations are giving players access to iconic **PGA TOUR** venues, bringing championship courses, luxury stays, and pro-level experiences within reach.

# Teeing Up the Ultimate Golf Getaway

**GOLF TRAVEL IS ON THE RISE AS MORE PLAYERS BUILD TRIPS** around the opportunity to enjoy the game at memorable destinations, according to the National Golf Foundation. Whether planning buddy trips, couples' weekends, short getaways, or full vacations, more than 12 million U.S. golfers have traveled to play the game each year since 2022—a significant increase from roughly 8.2 million in 2018, reflecting both golf's growing popularity and a broader shift toward travel centered on experience.

For many golfers, the appeal lies in aspirational courses and bucket-list locations. Rather than simply booking a nearby round, travelers are increasingly seeking out iconic venues where championship golf, premium hospitality, and immersive adventure intersect. The goal is not only to play the game but to also engage with it at a higher level—on greens known for their history, design, and professional competition.

As interest in destination golf expands, curated travel is making it easier for enthusiasts to access these legendary

greens. TPC Vacations—the official, full-service concierge and booking platform for the TPC Network—was created to deliver exactly that, bringing together championship golf, award-winning hospitality, and streamlined planning.

"TPC Vacations is a natural extension of the PGA TOUR's operating model," says Victor Aliprandi, the TOUR's senior vice president of TPC Operations. "Since opening TPC Sawgrass in 1980, we've built a network of championship courses held to TOUR standards. TPC Vacations allows us to open those doors to avid golfers, delivering the same conditioning, service, and attention to detail our players expect while creating meaningful economic value for our host properties and communities."

## A Bucket-List Experience

Few places embody that vision quite like TPC Sawgrass, located in Ponte Vedra Beach, Fla. The property features two championship golf properties open to the public: THE PLAYERS

Stadium Course, home of THE PLAYERS Championship, and Dye's Valley Course. Both were designed by legendary golf architect Pete Dye, whose influence helped shape modern layout design.

The Stadium Course is among the most recognizable in the sport, due to its dramatic par-3 17th hole. Its famous island green is one of golf's most iconic challenges, testing the nerves and precision of even the world's best players. For recreational golfers, standing on that tee offers a rare opportunity to immerse themselves in the same setting that has produced some of the most memorable moments in professional golf.

### Bringing PGA TOUR Golf to Travelers

Golfers can begin planning their next getaway through TPC Vacations, which offers curated packages designed to secure preferred dates and provide a seamless golfing adventure. These itineraries allow travelers to enjoy PGA TOUR-approved golf at select properties, including TPC San Antonio, host of the Valero Texas Open; TPC Monterey at Pasadera on the stunning Monterey Peninsula; TPC Las Vegas; and TPC Danzante Bay.

Each TPC Vacation blends world-class play with the same exceptional service and amenities designed for the game's greatest players. The packages are fully customizable and can incorporate rounds of golf on championship layouts, premium accommodations, personalized instruction, and full access to top-tier practice facilities. Concierge support helps ensure every element of the trip—from scheduling rounds to coordinating resort activities—unfolds seamlessly. Guests often stay at nearby luxury accommodations, such as the Sawgrass Marriott® Golf Resort & Spa, pairing time on the fairways with resort amenities, dining, and relaxation.

The TPC Network, which is owned, operated, and licensed by the PGA TOUR, includes 31 top-tier private, resort, and daily-fee golf properties located across the U.S. and internationally. In 2026 alone, 10 PGA TOUR events will take place at TPC Network courses, including THE PLAYERS Championship at TPC Sawgrass and the WM Phoenix Open at TPC



**TPC Vacations allows us to open those doors to avid golfers, delivering the same conditioning, service, and attention to detail our players expect while creating meaningful economic value for our host properties and communities."**

**VICTOR ALIPRANDO**  
SENIOR VICE PRESIDENT  
OF TPC OPERATIONS,  
PGA TOUR

TPC SAN ANTONIO OFFERS STAY & PLAY PACKAGES FOR GOLFERS PLANNING A BUDDY TRIP OR FAMILY GETAWAY.

Scottsdale. The properties will also host competitions across several other professional tours, including the LPGA, PGA TOUR Champions, the Korn Ferry Tour, and PGA TOUR Americas.

### Stewardship of the Game

In addition to being some of the most premiere venues in PGA TOUR golf, TPC Network courses are recognized for their commitment to environmental responsibility. Most of the network's courses are fully certified through the Audubon Cooperative Sanctuary Program for Golf Courses, which promotes ecologically sound land management practices and the protection of wildlife habitats.

Sustainability initiatives have continued to expand across the network. In 2025, a selection of TPC Network golf facilities achieved certification from the GEO Foundation for Sustainable Golf, an international nonprofit dedicated to advancing sustainability in and through the sport.

These efforts reflect a broader understanding within the industry that championship golf and responsible environmental stewardship can go hand in hand. The landscapes that shape many of the world's most notable courses—from coastal wetlands to desert terrain—are also environments worth protecting.

"Great golf experiences depend on healthy landscapes," said Brazos Barber, director of sustainability at the PGA TOUR. "Across the TPC Network, we focus on thoughtful course management that supports local ecosystems while maintaining the championship-level conditions players expect. When sustainability is built into how courses are designed and maintained, it helps ensure these places remain great venues for the game well into the future." ■





LYWOOD



**BY GEOFF COLVIN**

# HOLLYWOOD. ENDING.

STREAMING, GLOBALIZATION, AND AI ARE PULLING PRODUCTION—  
AND PAYCHECKS—AWAY FROM LOS ANGELES, UNRAVELING  
ONE OF THE WORLD'S GREAT INDUSTRY CLUSTERS.  
FOR THE WORKERS, STUDIOS, AND CITY, IT'S A SCARY PLOT TWIST.

**AT THE ACADEMY AWARDS** on March 15, the field of 10 Best Picture nominees read like a map of Hollywood's dispersal: *Marty Supreme* was shot on New York City streets, *Sinners* in Louisiana, and *Hamnet* in the U.K. *One Battle After Another*, the Oscar winner, was filmed in Sacramento and other California cities, as well as in El Paso—away from Hollywood's soundstages or lots. Indeed, not one of the Best Picture contenders was primarily shot in Los Angeles. It's a

striking snapshot of how far the industry's center of gravity has shifted from its historic home.

Celebrities in feathers and finery glided up the red carpet at the Dolby Theatre in Hollywood, but the location spending, local payrolls, and tax revenues tied to the movies themselves had largely decamped—to Atlanta, London, Budapest, and a growing list of places that now quietly do the work that the Oscars celebrate.

Hollywood, the name for the entertainment industry headquartered and operating in Los Angeles County, is disintegrating. Production measured in Los Angeles shoot days is plunging, down from 36,792 in 2022 to just 19,694 in 2025, according to FilmLA research. Some 41,000 of the workers who make the industry function left from 2022 to 2024, the most recent data available. The industry's most powerful person is not a traditional studio boss but Netflix co-CEO Ted Sarandos. And yes, that remains true even after Paramount Skydance's David Ellison outbid the streaming giant to purchase the studio Warner Bros. Discovery.

The outcome of that intensely watched deal negotiation looks likely to be another nail in the coffin for the film industry as a dominant economic force in Los Angeles—with Ellison, Hollywood's newest mogul, promising to find \$6 billion-plus in “synergies” following the acquisition. He has said the majority of these cost cuts will affect “nonlabor sources”—but the Town (as the film industry based in Los Angeles is sometimes called) is bracing for large-scale layoffs.

Meanwhile, the threat of AI looms, and the specter of industry collapse—of American cities hollowed out by manufacturing jobs going overseas and workers made obsolete by new technologies—hangs heavy over the boulevards and palm trees of Los Angeles. “The sunny version of Detroit,” was the assessment of Michael Lynton, former CEO of Sony Pictures Entertainment, on a recent visit to his previous stomping ground. “It was crickets,” he told *The Hollywood Reporter*. “There’s nothing going on.”

The collapse of an industry is a sad story no matter how you slice it. The collapse of Hollywood is also something more. For years, movies were a major American export, sending not just celluloid film but also an American worldview around the globe. Now, measured strictly in dollars, the \$20 billion-plus the U.S. earns from exporting films and television shows each year is dwarfed by other exports—oil, cars, and industrial machinery among them. But still, these quintessentially American products—action movies, bingeable streaming shows, and a bevy of dashing superheroes and impossibly glam movie stars—punch far above their weight in establishing the nation’s “soft power” internationally, seeding

## HOLLYWOOD FADES OUT

SCRIPTED  
LIVE-ACTION  
FILMS AND  
SERIES THAT  
WERE SHOT IN  
LOS ANGELES

194

▲  
2019

83

▲  
2025

SOURCE: LUMINATE YEAR-END FILM & TV REPORT, 2025



▲  
**THEN AND NOW**  
From left: The original Hollywoodland sign, circa 1924; Apple TV comedy *The Studio*, released in 2025, skewers the Hollywood of today.

American language, culture, fashion, and societal mores into living rooms from Seoul to São Paulo in a way no container ship full of LNG can match. When we say, “an offer he can’t refuse” or “I don’t think we’re in Kansas anymore,” everyone knows what

it means, and where it came from.

**F**OR 100 YEARS HOLLYWOOD was among the world’s most successful and famous examples of what Harvard Business School’s Michael Porter named an “industry cluster.” In 1998, he described such clusters as “critical masses—in one place—of unusual competitive success in particular fields.” Other examples are high-performance car companies in southern Germany; pharmaceutical companies near Philadelphia; and high-fashion shoe companies in northern Italy. But in his writings, Porter singled out the two starriest examples: “Silicon Valley and Hollywood may be the world’s best-known clusters.”

Such clusters foster success because they create virtuous circles: When an industry’s best people and companies become concentrated in an area, the industry’s other people and companies want to be there. Those who join the cluster gain knowledge, relationships, and motivation “that distant rivals cannot match,” Porter said. The result is an upward cycle that draws in more players and further strengthens the industry.

Hollywood emerged as an industry cluster when early 20th-century filmmakers left New York and New Jersey to escape Thomas Edison’s aggressive enforcement of his patents on motion picture cameras, projectors, and other technologies, and to take advantage of Southern California’s cheap land and year-round sunshine. Between roughly 1910 and the early 1920s, dozens of independent



producers consolidated into vertically integrated studios—Paramount, MGM, Warner Bros., Fox, Universal—concentrating production in and around Los Angeles and locking in a dense ecosystem of stages, back lots, labs, equipment houses, and skilled labor. By the 1930s, this agglomeration had become a self-reinforcing cluster: The Golden Age studio system produced hundreds of films a year; recruited and developed “bankable” stars; and drew in talent and suppliers from everywhere, elevating Hollywood from geographic neighborhood to dream factory.

Today, Hollywood’s upward cycle seems to be reversing. It didn’t happen all at once or from one single cause. It’s partly a story of technology barriers coming down, enabling viewers to choose from more sources of entertainment than ever—much of it not from Hollywood.

From the consumer’s perspective, an economist might applaud the abundance of choice and competition in the streaming era. More options at lower cost? What’s not to like? But in the real world rather than the theoretical one, today’s transition is miserable for thousands of skilled middle-class people who are living in the downward cycle—and for anyone who loves films and TV. The loss of the industry’s talent pipeline may well result in a decline in the quality of the product the industry produces and unleash an abundance of AI slop.

And in an era when politicians on both sides of the aisle pay lip service to the goal of Americans getting back into the business of *making* things, it’s worth noting that the nation’s most culturally significant export industry is in a state of spiraling crisis.

**C**ONSIDER JASON LAZARCHECK, a writer who came to Hollywood from New York City in 2008, after college. He got a job on a Lifetime show called *Army Wives*—“the last show on earth I would have picked,” he says, but one that offered a sustainable writing life. In those pre-streaming years, most

shows produced 22 or 23 episodes per season, “so that meant a lot of jobs for writers,” he says. And his writing job continued through production of all the episodes, including the filming, in case changes had to be made on the fly. Through it all, the showrunner mentored him on all aspects of getting those episodes done. The result, he recalls, was “I learned more about writing and producing TV than a lot of writers ever do.”

An eager young writer arriving in Los Angeles today would be unlikely to find such a career springboard. “One of the darkest things that changed about TV for writers is that now most shows have fewer episodes,” Lazarcheck says. In the streaming world there is no requirement of a given number of episodes, so virtually no shows produce 22 anymore; some make as few as four or five episodes at a time. “The last show I was staffed on was a limited series at Apple,” he says. The producers told the writers to write all the scripts, and then Apple would decide whether to make the show, called *Lure*. Apple passed, though the project could still be produced elsewhere. But even if the show gets a green light, the writers won’t be hired through production.

The streaming era just doesn’t offer the steady flow of work many directors, cinematographers, writers, gaffers, sound mixers, and other workers have relied upon. “There’s no need to fill eight o’clock on Wednesday night,” says Mark Goffman, a producer and writer, so today, “[producers] will order one script, then six months later they’ll approve a second script. A very precious few are on the timeline where they get green-lit and move at light speed. Everything else kind of lumbers along with no real urgency.”

The upshot is that landing a writers’ room job today is no longer such a golden opportunity. With “fewer episodes, fewer writers in the room,” and no role in production, Lazarcheck says, it’s a meager version of the screenwriter’s previous job. For those trying to eke out a living

in Hollywood, he says, “I feel like it’s never been harder.” That reality became even more starkly obvious after 2023, when the writers’ and actors’ labor unions went on strike—going without salaries for almost five months to ensure better pay, minimum staffing requirements, better health insurance, and protections against AI.

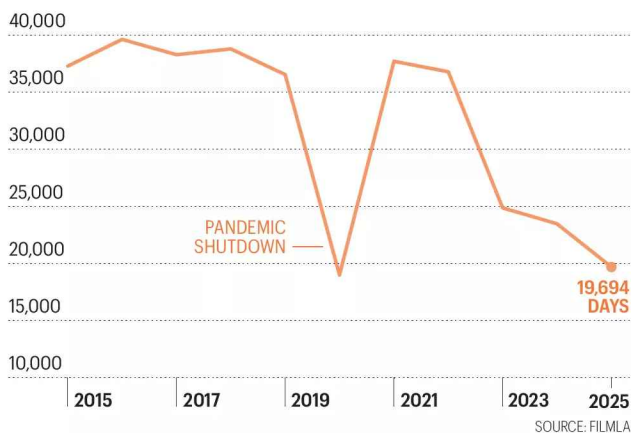
Like many others in Hollywood’s once-mighty workforce, Lazarcheck has had to find work outside the industry. He recently took a job as an expert writing consultant for AI companies—the industry that threatens to take over his previous job function.

“If you had asked me on the picket line at the Disney

## LIGHTS GOING OUT IN HOLLYWOOD

After recovering from the pandemic, film and TV production in Los Angeles has plunged. Shoot days are down by nearly half since 2021.

### YEARLY PRODUCTION SHOOT DAYS IN LOS ANGELES



## STREAMING GIANT TOWERS OVER TRADITIONAL STUDIOS

Netflix now dwarfs traditional Hollywood studios in market value, reflecting the shift in power from legacy entertainment companies to streaming platforms.

### MARKET CAPITALIZATION OF MAJOR ENTERTAINMENT COMPANIES

NETFLIX	\$358 B
DISNEY	\$187 B
SONY	\$134 B
COMCAST	\$113 B
WARNER BROS. DISCOVERY	\$72 B
PARAMOUNT SKYDANCE	\$12 B

SOURCES: NYSE; NASDAQ

lot if I’d be comfortable doing that with an AI company, I would have said, ‘Hell no!’” he says. “But a few years go by, and I just need to earn money.”

Lazarcheck still lives in the Los Angeles area, but many are leaving, some giving up on the industry, others working remotely from less expensive places. Lazarcheck offers this advice to his peers: “Don’t define yourself by Hollywood.”

**VETERAN HOLLYWOOD** denizens, when asked about the decline of the Hollywood industry cluster, often say the same thing: “Netflix changed everything.”

Founded in 1997, the company began as a DVD rental-by-mail service. The revolution—what changed everything—was Netflix’s introduction of streaming media over the internet in 2010.

As a streaming platform, Netflix could collect vast amounts of data on every subscriber—what genres, actors, and directors they like, what scenes they replay or skip, and countless other data points. It used all that data to design a powerful algorithm, presenting popular shows such as *Orange Is the New Black* and *Arrested Development* to users based on the tastes their viewing habits revealed. That data also guided the streamer’s original content spend, including the famous \$100 million bet it made to green-light two seasons of David Fincher’s *House of Cards* in 2013, sight unseen. And many have speculated that Netflix’s vast trove of data informs certain narrative habits on its shows (cliff-hangers to encourage bingeing, for example, and frequent restating of plot points to engage viewers distracted by their phones). Until they had their own streaming platforms, HBO and other channels reaching subscribers through a cable company had none of that data.

Competition intensified, with Hulu, Amazon Prime, and Apple TV entering the fray, as well as HBO Max, Paramount+, and Peacock, the streaming plays from legacy cable and broadcast networks. The 2010s’ Streaming Wars led to a golden age of TV as established players and upstarts feverishly outspent one another for top talent.

That fire hose of money has slowed considerably since, and so far the original streamer has come out on top: Netflix is by far the world’s largest streaming company, with 325 million subscribers. In the U.S. last year it attracted 59% of all streaming viewing time; 10 other streamers shared the rest, says Luminata’s *2025 Year-End Film & TV Report*. And it is now competing on a larger scale: Its recent market value of \$358 billion makes it more valuable than the next two most valuable companies in Hollywood, Disney and Sony, combined. In a December 2025 ranking of Hollywood’s most powerful people, assembled by industry journal *Variety*, No. 1 is Netflix co-CEO Ted Sarandos. No one seems to dispute it—even with the inroads David Ellison has lately made.

▶ **MOGUL**

Jack L. Warner, cofounder and president of Warner Bros. Pictures, helped create the starmaking “studio system.”



◀ **DISRUPTER**

Ted Sarandos, co-CEO of Netflix, is the most powerful man in Hollywood—but his roots lie in Silicon Valley.



**T**HE LOS ANGELES AREA is an expensive place in which to live and to produce movies and TV shows, so it makes sense that productions and workers are looking elsewhere. The Atlanta area has been a major shooting locale for many years, offering producers lower costs and even subsidies in some cases. Disney has produced many of its Marvel films there, including *Black Panther* and *Captain America: Civil War*. Movies in the *Hunger Games* and *Fast & Furious* franchises have been made there, along with hundreds more projects. Vancouver is another attractive and growing alternative to Hollywood, especially when the Canadian dollar is low.

Many projects go to other countries offering subsidies and low costs while absorbing Hollywood know-how. “In the last couple of years I’ve been to Taiwan several times,” says Goffman. “I’ve been to parts of Asia and the Middle East where they’re ramping up production. A lot of Eastern European countries have built up productions.”

The globalization of filmmaking may be healthy for the industry in the long run—expanding markets, lowering costs, and spreading know-how to new filmmaking hubs. But for Los Angeles-based crews, uprooting to live on far-flung sets for months at a time can be profoundly disruptive and deeply undesirable. “Often you’ll be asked if you want to do a series,” Goffman says. “But you’ll need to move to another country that’s on another continent for six to nine months, away from your family.” Marjorie David, a producer and writer with 40 years in the business, says: “There’s a whole show I didn’t do, because I didn’t want to go live in Bulgaria.”

**W**HY DOES IT MATTER if movies are made in Hollywood or in Atlanta or Dublin? Perhaps, in the age of online collaboration and Zoom meetings, it doesn’t. But with the disintegration of Hollywood, one of the world’s greatest industry clusters, something more than jobs and income is lost.

For a century, Hollywood’s geographic specificity meant writers, directors, cinematographers, editors, actors, and

executives were all working in close proximity, moving from project to project and swapping ideas, techniques, and contacts on sets, over martinis at Musso & Frank’s or at coffee shops in Silver Lake. That self-propelling upward spiral built a small patch of Southern California into the center of an industry and, culturally, the world.

If that cluster scatters to cheaper locations, the city will lose those everyday collisions—shared stages, repeat partnerships, in-person mentorship—that helped knit individual talents into an ecosystem of innovation. The knowledge built over decades won’t be handed down as it once was, nor improved in the process of close cooperation and competition.

What replaces it is likely to be more fragmented: Great work can still happen, but it becomes harder to sustain the same level of collective craft and experimentation. And unfortunately, a downward spiral is also self-propelling.

For now, Netflix and the other streamers are clearly ascendant—and continuing to pay professionals to make films and TV shows around the world—but the picture could change dramatically, and soon. Teenagers spend more time watching user-generated videos on TikTok, YouTube, Facebook, Instagram, X, and other social media than they do any other type of video, according to research by eMarketer, the Pew Research Center, and the Centers for Disease Control and Prevention. YouTube reports that users are uploading 500 hours of video every minute; that’s more product in a day than all the movies and TV shows that Hollywood produces in a year. And as AI roars ahead, billions of people worldwide will have the tools to make increasingly high-quality videos all by themselves.

As Michael Porter said, the world’s two most famous industry clusters are Hollywood and Silicon Valley. With one of them fading, it seems the other may be devouring it.

Jeff Bewkes, former CEO of Time Warner, was once a Hollywood mogul himself, and he describes it as the end of an era. “The most powerful people controlling the media now, and determining its future, are the tech oligarchs,” he says. “That’s not a prediction, it’s a description of what’s happening now.” **F**



# TO WORK FOR → 2026

of the AI revolution, three themes stand out among these top employers: They are listening more closely than their peers. They are investing heavily in AI-ready careers. And even as work becomes more digital and always-on, they are doubling down on analog perks: enabling employees to spend more time with and care for the people they love most.

## LISTENING-LED CULTURES

**AT MANY COMPANIES, 2025** felt like the year of the top-down mandate, especially around return-to-office rules. But inside the companies that employees rated most highly, change doesn't start with a memo from the CEO. It starts with asking people what they need—and adjusting accordingly.

At global hotel giant Hilton (No. 2), chief human resources officer Laura Fuentes says the company's people-first culture begins with designing policies and benefits "hand in hand with our team members, not just for them." In response to workers' feedback, Hilton recently expanded digital tipping across all of its

nonunion U.S. hotels.

Meanwhile, Hilton's new Crisis Concierge—which provides workers with a single point of contact for logistical support after the death of a loved one or team member—was directly inspired by a conversation one team member had with the CHRO. So it's perhaps no wonder that 93% of Hilton's U.S. team members agreed that management is approachable and easy to talk to.

Supermarket chain Wegmans (No. 5) similarly invites its workforce to help write the rules with its long-running Ask Bob channel. Frontline employees can send suggestions or ideas straight to Bob Farr, senior vice president of store operations. The strongest proposals are put into action, and the employees who came up with them are recognized, creating a constant loop of innovation and inclusion.

At Synchrony Financial (No. 1), the largest U.S. provider of retailer-branded credit cards, listening is baked into the company's motto: "To be the best, you need to lead for all. And to do that, you need to listen to all." To put that language into practice,



## 65%

Share of U.S. job postings requiring work to be fully on-site

## 4%

Share of the 100 Best Companies to Work For that offer no option to work remotely

SOURCES: ROBERT HALF; GREAT PLACE TO WORK

the financial services firm runs Ask Us Anything sessions with senior leaders; monthly leadership roundtables; and regular pulse surveys that feed straight into decisions on workplace flexibility, benefits, and career development.

"If people tell us something isn't working, we move on it fast—and they can see that we moved," explains Brian Doubles, Synchrony's president and CEO. "That cycle of feedback and action is what keeps trust high."

After 85% of employees expressed a desire

for remote-work options, Synchrony launched a hybrid model that includes programs like Flexible Fridays, where staff are encouraged to avoid meetings and take off early, and Flexi Company Holidays. Today, 93% of Synchrony's 10,000-plus workforce say they are encouraged to balance their work and personal lives. And Doubles says net earnings (at \$3.6 billion in 2025) have more than doubled since the changes were made. "Listening is only meaningful if it leads to action," he adds.

Zoom out across the 100 Best Companies to Work For and you see the same pattern. Only four of the top 100 offer no option to work remotely, while the majority avoid one-size-fits-all rules about in-office days in favor of team-level approaches.

## BUILDING AI-READY CAREERS

**AI IS REDEFINING** the idea of "hybrid" work: Increasingly, it will mean pairing humans with AI agents—with these digital "co-workers" handling tasks, surfacing insights, and freeing up people to focus on what they do best. The companies on this year's

companies are doubling down on perks that help workers feel cared for.

list aren't waiting for that future to arrive: They are building for it now.

"AI is a once-in-a-generation turning point—a foundational shift closer to the internet or electricity than to other technology waves," says Doug Beaudoin, chief people officer at consultancy Deloitte U.S. (No. 24). Meeting the moment means not just bolting new tools to current systems, he says, but "reimagining how work is performed" altogether.

Deloitte is making a \$1.4 billion investment into upskilling its people—on the assumption that everyone, not just tech specialists, will need a baseline of digital fluency. Already, employees have taken more than 200,000 courses across AI, cloud, cyber, data, and software engineering through Deloitte's Technology Academy. Meanwhile, its new Deloitte Certified credential will help people prove their new digital skills to future hiring managers. "Technology is an amplifier of human talent, not a replacement for it," Beaudoin says.

Other companies on the list are similarly moving to make AI feel less like a threat and more like a helpful partner. Delta Air Lines (No. 9) has introduced AI coach Nadia—an always-on digital coach that helps employees set goals, prepare for performance conversations, and think through career moves. It sits alongside the airline's talent hub, where workers can map out the

skills they'll need to win potential future roles.

Cisco (No. 3) is pushing AI adoption with its Teaming With AI program, which encourages employees across the business to experiment with generative tools in their day-to-day work—drafting documents, summarizing meetings—backed by training that stresses ethical use and critical thinking. The message: AI is something every employee, regardless of their role, can learn to work alongside.

At EY (No. 30), AI evolution is happening at every level of seniority, says Ginnie Carlier, EY Americas chief talent and culture officer. While other firms have trimmed entry-level hiring as AI takes over the admin tasks normally palmed off to younger workers, EY is actively investing in early-career talent.

It just launched a new assessment tool for such candidates that looks past traditional credentials in favor of skills, "things like critical thinking, collaboration, and curiosity," Carlier explains.

The tool helps EY spot high-potential hires from nontraditional talent pools and personalize their career paths. Once inside EY, a companywide platform lets people apply to projects across the business, helping match the right people to the right work.

That learning by doing continues in programs like FutureHack, an immersive hackathon-style event where EY professionals



**27%**

Share of workers with access to paid parental leave

**51%**

Share of workers who say paid parental leave made them feel more loyal to their employer

**82%**

Share of workers who say volunteering through work made them feel more loyal to their employer

SOURCES:  
U.S. DEPARTMENT OF LABOR;  
ABSENCESOFT; DELOITTE

team up to tackle AI transformation challenges. And an AI Adoption Network lets frontline workers feed ideas (and concerns) back into the firm's AI strategy. "We're equipping our people not just to respond to change, but to lead through it," Carlier says.

## DESIGNING BETTER BENEFITS

**THE IDEA OF** worker "well-being" has moved beyond yoga mats and free snacks to include serious financial, medical, and emotional safety nets that empower workers to make the most of their time outside work. Think parental leave that runs into double-digit weeks on full pay; unlimited IVF cycles

when medically necessary; surrogacy and adoption reimbursements; free virtual therapy and on-demand mental health support.

Add backup childcare, sabbaticals, menopause and neurodiversity programs, and cancer support, and you start to see a pattern: As work increasingly requires employees to be constantly plugged in, the perks are getting more human.

At American Express (No. 4) in the U.S., this includes 20-plus weeks of fully paid parental leave for all parents—whether they're welcoming a child through pregnancy, adoption, or surrogacy—as well as up to \$35,000 in reimbursements per child, twice. Workers and their families have access to free counseling and coaching. Many offices have on-site wellness centers staffed with doctors and nurses. And employees can work from anywhere for up to four weeks annually—on top of existing hybrid arrangements.

Support isn't just a nice-to-have. Monique Herena, chief colleague experience officer at Amex, says supported workers are "able to be and deliver their best... and that ultimately strengthens our teams, our customer experience, and our long-term performance."

At EY, staff can access \$1,000 a year in reimbursements for "activities, experiences, and products that promote health and happiness"; \$500 for commuting and pet-sitting

costs to cover team get-togethers; and a \$2,000 backup-care allowance for when usual arrangements fall through.

Recognizing that it's nearly impossible to keep work and life in separate boxes, restaurant chain the Cheesecake Factory (No. 25) leans into the blur—inviting family life into the workplace and celebrating it.

Last year, it rolled out its Moments That Matter training, so that every manager can honor their staff with personalized gifts to acknowledge life or work milestones. The benefits team emphasizes sending care packages: “That might mean a note of encouragement for someone caring for an ill family member, or a stuffed animal sent to a staff member expecting a baby,” explains chief people officer Dina Barmasse-Gray.

And at a company that began as a collaboration between founder David Overton and his parents, Bring Your Kids to Work Day and Bring Your Parents to Work Day are serious business. Different departments volunteer to host 20-minute activity rotations for the kids, ranging from cupcake decorating and pizzamaking to games and contests.

In an era dominated by algorithms and AI agents, it's a reminder that the workplaces people rate most highly are built on something old-fashioned: showing up for the humans behind the job titles.

# ➔ THE BEST OF THE BEST

WHEN LEADERS PUT STRONG LEADERSHIP PRINCIPLES INTO PRACTICE, THE RANK AND FILE REAP THE BENEFITS. BY EMMA BURLEIGH



## 1 SYNCHRONY FINANCIAL\*

EMPLOYEES.....20,000\* JOB OPENINGS.....75 YEARS ON THE LIST.....9

**SYNCHRONY'S PRODUCTS ARE DESIGNED** to help its customers live healthier financial lives, and it's extending the same mission to its 20,000-plus workers. After 86% of employees voiced they wanted flexibility post-pandemic, the company embraced a hybrid work model, adding the option of attending weekly in-person Connection Days to drive purposeful collaboration. Ask Us Anything town halls, frequent pulse surveys, and leadership roundtables build a cycle of feedback and strengthen employee trust. And the fact that 94% of staffers say Synchrony is a great place to work suggests that it has found perks that actually provide support, including robust childcare benefits, skills-building programs, and diverse wellness offerings. In 2025, Synchrony announced it would invest \$1 million over two years to bolster K-12 personal finance education, and launched an employee-led volunteer corps to teach it locally.

### COMPANIES NEW TO THE 2026 LIST

<b>Shields Health Solutions</b>	77	<b>Calix</b>	85	<b>Citadel Enterprise Americas</b>	92
<b>Crum &amp; Forster</b>	78	<b>Walker &amp; Dunlop</b>	86	<b>S&amp;P Global</b>	94
<b>W.W. Grainger</b>	81	<b>Synopsys</b>	89	<b>Schneider Electric Holdings</b>	96
<b>Lennar</b>	83	<b>Riot Games</b>	90		

**Great Place To Work.**

**METHODOLOGY** Fortune partners each year with people analytics firm Great Place to Work to determine the Fortune 100 Best Companies to Work For list. For the complete methodology go to [fortune.com/franchise-list-page/best-companies-2026-methodology](https://fortune.com/franchise-list-page/best-companies-2026-methodology).

**CONTRIBUTORS** from Great Place to Work include CEO Michael C. Bush, Roula Amire, Sarah Arguello, Natalie Bettinelli, Krittika Deshwal, Jacques Hebert, Ted Kitterman, Sarah Lewis-Kulin, Matt Lichti, Kim Peters, Chelsea Pratt, Megan Robertson, and Otto Zell.

**2 HILTON \***

EMPLOYEES ..... 49,663  
 JOB OPENINGS ..... 1,865  
 YEARS ON THE LIST ..... 11

Hilton has long been a front-runner on this list. Staffers are starting families with the help of its adoption and parental leave offerings; saving on dream trips through discount travel perk Go Hilton; and, for those who qualify for a Thrive Sabbatical, making use of paid four-week breaks.

**3 CISCO \***

EMPLOYEES ..... 86,200+  
 JOB OPENINGS ..... 3,600+  
 YEARS ON THE LIST ..... 29

Cisco provides AI training, an AI-powered digital agent, and a Networking Academy to its staffers. Cisconians also get quarterly Day for Me breaks and up to 80 hours of paid time off per year to volunteer, both in their communities and through other company-wide programs.

**4 AMERICAN EXPRESS \***

EMPLOYEES ..... 25,900  
 JOB OPENINGS ..... 248  
 YEARS ON THE LIST ..... 26

The financial giant offers career guidance, gen AI tools, leadership development programs, parental benefits, and robust mental health perks to its workers worldwide. It's even investing back into top performers and high-potential staffers by rewarding them with grants of Amex stock.

**5 WEGMANS**

EMPLOYEES ..... 55,301  
 JOB OPENINGS ..... 1,300  
 YEARS ON THE LIST ..... 29

Staffers receive flexible scheduling, coaching from nutritionists, consistent pay increases, and a 401(k) plan with a generous company match. The supermarket giant has run a college scholarship program for over 40 years, and offers mentorship and career development sessions.

**6 NVIDIA \***

EMPLOYEES ..... 36,000\*  
 JOB OPENINGS ..... 2,500+  
 YEARS ON THE LIST ..... 11

Over the past year, Nvidia has sponsored full immigration support for its staffers, including footing the recently implemented \$100,000 H-1B visa petition fee. Its workforce enjoys flexible work arrangements; a generous stock purchase plan; and up to 22 weeks of paid parental leave.

**7 MARRIOTT INTERNATIONAL \***

EMPLOYEES ..... 117,452  
 JOB OPENINGS ..... N.A.  
 YEARS ON THE LIST ..... 29

Marriott is a pioneer in on-site health care, championing all facets of well-being, from health coaching to enhanced prescription coverage. The company has expanded financial rewards including global bonus eligibility, and its associates booked millions of discounted stays in 2025.

**8 ACCENTURE**

EMPLOYEES ..... 65,126  
 JOB OPENINGS ..... N.A.  
 YEARS ON THE LIST ..... 18

Accenture has dedicated nearly \$1 billion to employee training in the age of AI. While fostering adaptability and tech savvy among its workforce, the consulting firm also demonstrates a culture of care through its Mental Health Ally Network and employee assistance program.

**10 WORLD WIDE TECHNOLOGY**

EMPLOYEES ..... 9,524  
 JOB OPENINGS ..... 291  
 YEARS ON THE LIST ..... 15

Staff at this IT solutions company deliver feedback and pose career questions directly to executives through collaborative listening sessions. Every other year, WWT leaders gather for a conference to focus on objectives like employee development and mutual learning.

**9 DELTA AIR LINES \***

EMPLOYEES.....100,000+ JOB OPENINGS.....N.A. YEARS ON THE LIST.....7

**DELTA AIR LINES** handed out \$1.3 billion in bonuses this year to its more than 100,000 workers worldwide after posting strong earnings, bringing total employee profit-sharing to \$11 billion since 2015. Staffers also get unlimited standby travel privileges to any destination Delta serves, along with discounts on tickets and vacation packages.

## KEY TO SECTORS

● AEROSPACE & DEFENSE  
 ● BUSINESS SERVICES  
 ● CHEMICALS

● ENERGY  
 ● ENGINEERING & CONSTRUCTION  
 ● FINANCIALS

● FOOD & DRUG STORES  
 ● FOOD PRODUCTION  
 ● HEALTH CARE

RANK	COMPANY NAME	EMPLOYEES	OPENINGS	YEARS ON LIST	SECTOR
11	Cadence Design Systems	3,840	134	12	●
12	Pinnacle Financial Partners	8,529	143	10	●
13	Camden Property Trust	1,642	43	19	●
14	David Weekley Homes	1,821	110	20	●
15	Plante Moran	4,025	148	28	●
16	Baird	5,268	299	23	●
17	Kimley-Horn	10,004	1,381	19	●
18	Credit Acceptance	2,288	63	12	●
19	Progressive ★	70,035	201	9	●
20	Power Home Remodeling	5,026	61	9	●
21	Edward Jones ★	55,000	2,287	27	●
22	Brightview Senior Living	6,455	298	4	●
23	Rocket Companies	23,500	660	23	●
24	Deloitte	181,587	773	27	●
25	The Cheesecake Factory	47,972	2,860	13	●
26	Scripps Health	16,707	392	18	●
27	AbbVie ★	28,000	1,100	9	●
28	Salesforce ★	83,000+	447	18	●
29	Target ★	400,000+	10,000	6	●
30	EY	50,213	1,500	28	●
31	MetLife ★	15,900	175	4	●
32	Sheetz	27,400	1,846	12	●
33	Capital One Financial ★	67,482	1,504	20	●
34	Texas Health Resources	24,384	1,265	12	●
35	PricewaterhouseCoopers	49,737	2,073	22	●
36	Mastercard ★	39,800*	235	5	●
37	Ryan	3,522	126	10	●
38	Experian	5,957	154	7	●
39	Hackensack Meridian Health	40,133	3,082	2	●
40	CHG Healthcare Services	4,004	29	13	●
41	Alston & Bird	1,694	48	27	●
42	Trek Bicycle	N.A.	N.A.	4	●
43	Tri Pointe Homes	1,468	45	3	●
44	Perkins Coie	2,184	48	24	●
45	Baptist Health South Florida	27,528	988	26	●
46	Bank of America ★	164,394	1,405	8	●
47	Box	1,811	68	7	●
48	Hyatt Hotels	42,684	1,648	13	●
49	Intuit ★	10,903	N.A.	25	●
50	Publix Super Markets ★	260,331	6,448	29	●
51	Ally Financial ★	10,000	440	4	●
52	Adobe ★	15,569	N.A.	26	●
53	IHG Hotels & Resorts	14,712	773	4	●
54	Panda Restaurant Group	51,487	11,645	5	●
55	Stryker ★	28,232	N.A.	16	●

RANK	COMPANY NAME	EMPLOYEES	OPENINGS	YEARS ON LIST	SECTOR
56	CarMax ★	27,460	1,400	22	●
57	Hilcorp Energy	3,527	26	12	●
58	Merck ★	30,000	1,100	12	●
59	Veterans United Home Loans	4,684	N.A.	11	●
60	ServiceNow ★	16,269	434	6	●
61	Elevance Health ★	68,089	2,853	6	●
62	First American Financial	12,119	334	11	●
63	Zillow Group	6,361	90	5	●
64	CrowdStrike	N.A.	235	6	●
65	Vertex Pharmaceuticals ★	5,458	250	4	●
66	Robert Half	9,499	N.A.	5	●
67	PulteGroup ★	6,609	346	6	●
68	United Therapeutics	1,442	103	2	●
69	KPMG	35,377	1,285	19	●
70	SCAN Health Plan	1,927	60	2	●
71	The Breakers Palm Beach	2,042	99	4	●
72	The Wonderful Company	5,688	354	3	●
73	Dow ★	15,600	41	6	●
74	Bain & Co.	N.A.	N.A.	8	●
75	Atlantic Health System	18,280	919	17	●
76	Modern Technology Solutions	2,255	N.A.	5	●
77	Shields Health Solutions	2,585	N.A.	1	●
78	Crum & Forster	2,708	324	1	●
79	Allianz Life Insurance	2,362	53	14	●
80	BDO USA	14,000+	480	2	●
81	W.W. Grainger ★	19,000	455	8	●
82	Navy Federal Credit Union	24,896	85	16	●
83	Lennar ★	11,656	291	1	●
84	DHL Express U.S.	N.A.	N.A.	6	●
85	Calix	1,045	37	1	●
86	Walker & Dunlop	1,424	33	1	●
87	Protiviti	4,427	70	12	●
88	TP	N.A.	N.A.	4	●
89	Synopsis	6,064	202	1	●
90	Riot Games	3,482	100+	3	●
91	PCL Construction	2,477	230	16	●
92	Citadel Enterprise Americas	N.A.	N.A.	1	●
93	Atlassian	N.A.	N.A.	8	●
94	S&P Global ★	8,586	243	1	●
95	Workiva	2,179	66	8	●
96	Schneider Electric Holdings	N.A.	N.A.	1	●
97	Jackson Healthcare	2,390	59	3	●
98	Wellstar Health System	35,866	2,948	8	●
99	Encore Group	N.A.	N.A.	2	●
100	Hewlett Packard Enterprise ★	17,094	1,086	5	●

● HOSPITALITY  
● INDUSTRIALS  
● MEDIA

● RETAILING  
● TECHNOLOGY  
● TRANSPORTATION

★ FORTUNE 500 COMPANY

NOTES: NUMBERS ON THIS LIST ARE U.S.-ONLY UNLESS OTHERWISE INDICATED.  
N.A.: NOT AVAILABLE. \*GLOBAL

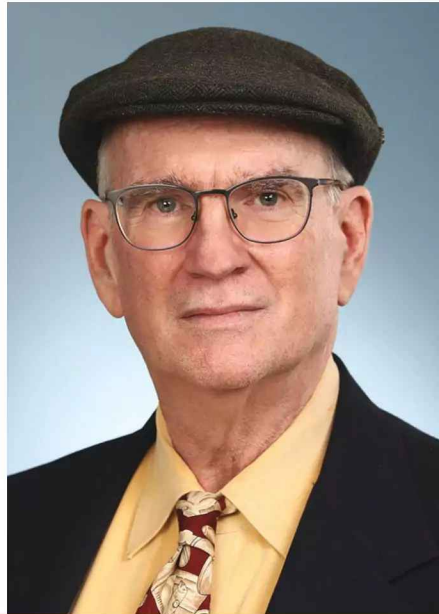
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## JAMES VINCENT EADE



**Founder, Chief Executive Officer,  
Author, Podcast Producer  
The Eade Foundation**

MENLO PARK, CA

**James Vincent Eade** has demonstrated tenacity and selfless devotion to others through over three decades of service in the nonprofit, addiction recovery and publishing sectors. As a world-renowned chess master, he has authored several books and served as the founder and chief executive officer of the Eade Foundation, a nonprofit organization that provides chess sets and equipment to a global player base who are unable to afford them. Mr. Eade's career has been marked by a commitment to innovation and helping others, qualities that have cemented his legacy in the industry.


**Mr. Eade's career** commenced at AT&T, where he worked in call data processing until joining the Charles Schwab Corporation, where he was promoted to a management role and oversaw three staff groups. After departing from the company in the 1990s, he revisited his formative love for chess playing and instruction, establishing a chess publishing company through which he endeavored to create and distribute electronic books. However, after two other companies beat him to market, Mr. Eade decided to pivot his focus to organizing high-level chess tournaments while maintaining an interest in writing and editing. He subsequently served as the president of the American Chess Journalists Association and the Northern California Chess Association before establishing the Eade Foundation in 2019.

**The Eade Foundation**, which closed in 2025 after years of supporting global charities, was renowned for its contributions to chess programs in several countries, including Zambia,

Zimbabwe, South Africa, Colombia and Nicaragua, as well as for establishing a chess academy in Uganda. Inspired by his late father, Arthur Eade, he also created the Arthur Award as an extension of the Eade Foundation.

**Mr. Eade is an equally** talented author, having written numerous books on chess playing and instruction, such as "Chess for Dummies," "Chess Openings for Dummies," and "The Chess Player's Bible: Illustrated Strategies for Staying Ahead of the Game." He also previously founded Hypermodern Press, through which he has published books about chess by other authors.

**Likewise, Mr. Eade** is highly regarded in the addiction recovery field. In 2023, he wrote and published "Freedom: Your Path to Recovery," an autobiographical self-help book that discusses his experiences with addiction and recovery while serving as a beacon of inspiration for others with addiction who may be pursuing recovery. In 2025, he authored the book "No Blame, No Shame," the story of his recovery. Both titles are available for purchase on Amazon.com. In addition to authorship, Mr. Eade is a host and producer of podcasts, such as "Change Your Mind" and "Calm Down with James Eade."

**To attest to his success**, Mr. Eade received the Outstanding Career Achievement Award from the U.S. Chess Federation in 2018 and was named the Chess Educator of the Year by The University of Texas at Dallas in 2016. Looking ahead, he aims to continue his efforts in giving hope to the hopeless and empowering those who are powerless. 

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## TIELI "TILLY" WANG, PHD



**Professor**  
**California State University,**  
**Dominguez Hills**  
CARSON, CA

**Dr. Tieli "Tilly" Wang** has distinguished herself in biomedical research through her unwavering commitment to innovation and interdisciplinary collaboration. Since 2005, she has served as a professor at California State University, Dominguez Hills, where she teaches biomedical courses and conducts research focused on cancer mechanisms and therapeutic strategies. She has also previously served as chair of the Department of Chemistry and Biochemistry.


**During Dr. Wang's graduate studies,** physical chemistry was primarily a classical discipline with strong emphasis on theory development, structure determination and industrial applications. She pioneered the field's expansion by integrating protein biochemistry and molecular biology. She performed cloning, gene mutation, protein expression and purification, and investigated structure-function using techniques spanning chemistry, biochemistry and molecular biology. During her postdoctoral and Beckman fellowships, she further advanced the field by helping to establish chemical biology and by probing protein-protein interactions in vitro and in cancer cells following radiation and drug treatment. Throughout her career, Dr. Wang has investigated the relationships between protein structure and function with biological and biomedical significance, working to uncover the underlying mechanisms that govern them.

**Dr. Wang earned** a Master of Science in theoretical chemistry from Jilin University in 1987, a Master of Science in physical chemistry from Iowa State University in 1995, and a Doctor of Philosophy in biochemistry and biophysics from Stony

Brook University in 1999. She served as a research fellow at the Fox Chase Cancer Center from 1999 to 2001 and was a Beckman fellow with the Arnold and Mabel Beckman Foundation from 2001 to 2005. Outside of her primary commitments, Dr. Wang was a visiting professor at the Icahn School of Medicine at Mount Sinai in New York in 2014. She maintains active affiliations with Sigma Xi, a scientific honor society, and the American Chemical Society.

**Among her recognitions,** Dr. Wang received a Certificate in Effective College Instruction from the Association of College and University Educators and the American Council on Education. She attributes her accomplishments to the internal drive for excellence and the guidance of numerous mentors who have shaped her career trajectory.

**Dr. Wang embraces** a growth mindset, believing that learning and growth are lifelong journeys and that finding passion and strength in challenges is important. She is deeply committed to supporting diversity, equity and inclusion principles within the scientific community, fostering a culture where every voice is heard and respected.

**Looking toward the future,** Dr. Wang intends to continue her biomedical teaching and research while inspiring and educating the next generation of scientists. As an educator, she remains dedicated to sharing her knowledge with emerging professionals and helping them toward groundbreaking cancer research for years to come. 

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## **ANNE MARLA FRIEDMAN**


**Partner**  
**Rimon P.C.**  
LOS ANGELES, CA

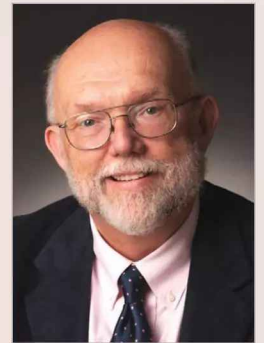
**Anne Marla Friedman** has been recognized for over 20 years of professional experience in legal services, culminating in her role as a partner at Rimon P.C. Since 2025, she has maintained a steadfast

commitment to the firm by aligning with business objectives and overseeing collaborative relationships. With a special focus on technology law, she is dedicated to addressing challenges related to artificial intelligence and artist ownership, safeguarding creators' rights. Ms. Friedman graduated cum laude with a Juris Doctor from Tulane University Law School in 2001 and has earned recognition in the multi-year Legal 500 ranking as a Next Generation Partner. 

## **GARY D. JOINER, PHD**

**Professor of History**  
**Louisiana State University, Shreveport**  
SHREVEPORT, LA


**With excellence** in historical analysis and preservation, Dr. Gary D. Joiner teaches history at Louisiana State University, Shreveport. Holding the Mary Anne and Leonard Selber Professorship in History and serving as department chair from 2014 to 2024, he is well-regarded for his expertise in U.S. military history, the Civil War, and research projects on civil rights and regional history. Having co-written, written or edited over 38 books, including the award-winning "One Damn Blunder from Beginning to End," he was named Preservationist of the Year by the Louisiana Trust for Historic Preservation in 2010. He serves as an expert witness in federal and local trials. 



## **HOWARD T. SILVERSTEIN, PHD, DC**

**Laboratory Supervisor (Retired)**  
**Perimeter College at Georgia State University**  
WESTFIELD, IN

**Dr. Howard T. Silverstein** is a renowned figure in both chemistry and chiropractic, with a career spanning over 30 years. Retired since 2009, he served as a laboratory supervisor

at Perimeter College of Georgia State University for the last decade of his career, where he authored and edited the college's laboratory manuals and ensured the smooth continuation of chemistry labs. He previously dedicated three decades to Palmer College of Chiropractic, holding leadership roles such as registrar, faculty marshal and department chair. Notably, he was inducted into the Honorable Order of the Kentucky Colonels, the highest honor given to a civilian in Kentucky. 

## **HSIEN-LUNG "JIM" YANG**

**Head of Technology Development**  
**Applied Materials**  
SAN JOSE, CA

**Bolstered by over 20 years** in the semiconductor industry, Hsien-Lung "Jim" Yang is the head of technology development at Applied Materials, a role he assumed in October 2025 due to his significant contributions to innovative technologies. Previously serving as the director of process engineering at Applied Materials, where he developed and implemented products for companies such as tsmc, Intel and Samsung Electronics, he has built an impressive career spanning multiple companies and countries since 2002. Mr. Yang is credited with several patents in physical vapor deposition and product development and holds a master's degree in electrical engineering and computer science from Cornell University. 



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**BRENT M. DINGLE, PHD**

**Algorithm Lead, Analyst  
Innovative Signal Analysis Inc.**

ANNA, TX

**Dr. Brent M. Dingle's** career spans 30 years at the crossroads of computer science, database architecture and advanced visualization, woven together to enhance human perception, abstraction and understanding.

In his current role as algorithm lead and analyst at Innovative Signal Analysis, he builds upon experience gained from leading simulation, reality capture and visualization efforts at Raytheon (now RTX Corp.). He was an assistant professor at the University of Wisconsin-Stout and continues to volunteer with universities, publish papers, present at conferences, and work with programs such as Girls Who Code. He holds a PhD in computer science from Texas A&M University. 

**DAVID KEVIN LAMB, DMUS**

**Director of Music (Retired)**

CLARKSVILLE, IN




**Dr. David Kevin Lamb** is a respected organist and educator who has accrued 50 years of excellence in church and community music programs. His tenure has been marked by a steadfast commitment to fostering musical growth. Retiring in December 2024, he served as the director of music at Trinity United Methodist Church and has continued his church engagements in his post-retirement years. Previously, he taught choir and music theory in public schools for two decades, directed musicals nationwide and conducted guest organ concerts in Europe between 1983 and 2004. He holds a doctorate from the Indiana University Jacobs School of Music. 



**CRAIG MILLER, CPA, CGMA, CCSP**

**President, Managing Partner  
Duffy+Duffy Cost Segregation  
Services LLC**

COLUMBUS, OH


**Craig Miller** has a national reputation as a trusted Engineering-based Cost Segregation tax advisor in the commercial real estate industry. Mr. Miller is a CPA and holds a very special designation as a Certified Cost Segregation Professional from the American Society of Cost Segregation Professionals. In the very complex and ever-changing Tax Code, real estate developers and owners achieve success through Mr. Miller's real estate and tax knowledge and expertise. Mr. Miller has over three decades of excellence in the accounting and finance sectors, and his company has been conducting Cost Segregation consulting engagements nationally since 2002. 

**WAVA TRUSCOTT, PHD, MBA**

**Co-Founder, Director of Regulatory Affairs  
and Clinical Education  
Shield Technology Inc.**

ROSWELL, GA



**With over 25 years** of dedication to advancing medical glove safety, Dr. Wava Truscott is esteemed for her collaborations with federal organizations to enhance clinical safety procedures. Developing test methods to verify glove protection effectiveness, she helped modify latex to remove proteins that caused allergic reactions and assisted in the creation of the first successful non-latex examination glove. She and others also petitioned the FDA to ban powdered medical gloves; after 15 years of their advocacy efforts, the FDA banned powdered medical gloves in 2017. Dr. Truscott co-founded Shield Technology Inc., where she serves as director of regulatory affairs and clinical education. 

## FORTUNE ARCHIVE WHO GETS A SEAT AT THE TABLE?

ORIGINALLY PUBLISHED OCTOBER 1939



▶ **TODAY'S U.S. UNEMPLOYMENT RATE** is low by historical standards, yet the national mood feels far from secure. War in Iran, stubbornly high prices, and the drumbeat of AI-as-job-killer stories have made the economy feel fragile. This *Fortune* cover from 1939 by Antonio Petruccelli—"a dramatic, dignified thing," as the editor's letter in that issue put it—depicts one of the magazine's famous roundtable discussions, this one tackling unemployment, which was still in the doldrums of the Great Depression. The cover shows identical faceless men, apparently in calm agreement. At the actual roundtable, 17

men—corporation chiefs, economists, three bankers, two labor leaders, a U.S. senator—had a raucous discussion sitting around Ping-Pong tables in a barn in the Berkshires. They ultimately agreed that "government subsidy of the unemployed is indispensable, even if it means deficit financing." Today's pressures are different, and as the illustration of another roundtable on page 31 of this magazine shows, AI has a presence in the conversation that cannot be ignored. Perhaps what we need, in 2026 as in 1939, is a frank and robust discussion of how to address the needs of the humans AI may displace. —Indrani Sen



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