# United States faces critical AI literacy and safety challenges amid global competition



The rapid advancement of artificial intelligence (AI) technology worldwide presents both significant opportunities and challenges for the United States, according to a recent analysis published by Fortune. With global AI investments topping $150 billion in 2023 and China’s AI industry valued at $70 billion, the competition extends beyond technological supremacy to encompass economic security and geopolitical influence.

Asia, led by Chinese firms developing models such as DeepSeek and Baichuan—dubbed China’s “AI Tigers”—demonstrates rapid AI progress, intensifying the competitive landscape for the U.S. Despite America’s early initiatives, such as executive orders during the Trump administration aimed at maintaining AI leadership, the country faces two critical hurdles: low AI literacy among its population and a lack of effective, systematic AI incident reporting mechanisms.

AI literacy is defined not by technical expertise but by the ability to recognise, understand, and interact effectively with AI systems in everyday life. Currently, only about 30% of U.S. adults report understanding how AI influences their daily interactions, a considerable knowledge gap that threatens to impair economic competitiveness. Increasing AI literacy is seen as essential for workers to harness AI for productivity gains, allowing companies to detect and manage risks proactively. Fortune highlights existing efforts like the Consumers LEARN AI Act, which proposes government-supported AI education programmes aimed at fostering this literacy at scale.

Equally important is the establishment of incident reporting systems akin to those in the aviation and healthcare sectors. In aviation, for example, mandatory and voluntary reporting of safety incidents enables continuous learning and improvement, cultivating public trust despite the inevitable risks associated with complex technologies. A comparable AI ‘black box’ system would record critical data during AI failures, enabling the entire industry to learn and adapt, reducing the likelihood of repeat errors. Encouraging such transparency requires careful regulation to avoid inhibiting innovation, possibly through safe harbour protections, threat intelligence sharing, and tax incentives, all developed in collaboration between federal and state governments and industry stakeholders.

The article draws parallels with historic technological revolutions, noting that just as electricity and commercial aviation transformed economies and daily life over several decades, AI too promises substantial economic growth. Economic projections vary, with some forecasts predicting that AI could add up to $4.9 trillion to the global economy by 2030, representing 3.5% of global GDP. In the U.S., the aviation industry currently contributes $1.8 trillion annually, underscoring the scale of economic transformation AI could generate.

Fortune emphasises that AI safety is a business imperative, warning companies that underinvesting in safety and governance risk reputational damage, litigation, and financial losses. Drawing from the aviation industry’s experience, where safety investment underpins consumer trust despite limited public technical knowledge, policymakers and business leaders must work together to embed safety as a core component of AI deployment.

To realise AI’s full potential, the analysis urges two primary actions: launching a nationwide AI literacy initiative and implementing incident reporting mechanisms to support continuous improvement and risk mitigation. A coordinated approach involving government, industry, and educational institutions is necessary to navigate the complex balance between fostering innovation and protecting the public.

As technology continues to evolve rapidly, the next four years are identified as critical for the United States to secure its economic standing and leadership in AI. By addressing literacy and safety systematically, the nation can maximise AI’s benefits, fostering innovation and competitiveness on a global scale. The article concludes that countries and companies embracing these principles will emerge as enduring leaders in the AI era.

Source: [Noah Wire Services](https://www.noahwire.com)

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