



2026 HR Leadership Conference

Session 4A: Myth or Fact: AI will Significantly Impact Headcount

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Today's Presenter: Ethan McCue



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Experience

Senior Management Consulting Analyst

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Education

B.A. with Distinction

University of Virginia

Everyone Has an Opinion on AI & Headcount



Goldman Sachs

<https://www.goldmansachs.com> › insights › articles › h... ⋮

How Will AI Affect the US Labor Market?

Mar 18, 2026 — There will be an increase in demand for workers with AI knowledge and associated skills. AI will also create new, specialized occupations—in, ... [Read more](#)



Anthropic

<https://www.anthropic.com> › research › labor-market-i... ⋮

Labor market impacts of AI: A new measure and early ...

by T Claude — Most harmful labor market developments of AI should arguably include a period of increased unemployment, as displaced workers search for ... [Read more](#)



The Budget Lab

<https://budgetlab.yale.edu> › Research ⋮

Evaluating the Impact of AI on the Labor Market: Current State ...

Oct 1, 2025 — AI-driven displacement might suggest a growth in the proportion of exposed tasks amongst recently unemployed workers. Irrespective of the ... [Read more](#)



International Economic Development Council (IEDC)

<https://www.iedconline.org> › clientuploads › AI... PDF ⋮

Artificial Intelligence Impact on Labor Markets

Mar 13, 2025 — One of the primary concerns surrounding AI's impact on the labor market is the **potential for widespread job displacement** and automation. A ... [Read more](#)

10 pages



Benton Institute for Broadband & Society

<https://www.benton.org> › headlines › ais-impact-job-mar... ⋮

AI's impact on the job market is starting to show up in the data

Apr 7, 2026 — Overall, AI raised the unemployment rate by just 0.1 percentage point, they find. Morgan Stanley did a similar analysis—separating jobs by AI ... [Read more](#)



ADP Research

<https://www.adpresearch.com> › Data Lab ⋮

Yes, AI is affecting employment. Here's the data.

Aug 26, 2025 — They found a **substantial decline in employment** for early-career workers in occupations most exposed to AI, such as software development and ... [Read more](#)



Boston Consulting Group

<https://www.bcg.com> › publications › ai-will-reshape-m... ⋮

AI Will Reshape More Jobs Than It Replaces

Apr 3, 2026 — Over the next two to three years, 50% to 55% of jobs in the US will be reshaped by AI. For many employees, this will mean that they retain ... [Read more](#)



"AI will Significantly Impact Headcount"
What comes to mind?

Employee Usage of AI Has Increased Meaningfully



Source: 2024 EFCG CEO Survey; 2025 EFCG CEO Survey

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Dimensions of AI Impact

Efficiency Gains

"Is AI saving time or reducing operational burden?"



Core Efficiency KPIs

- Time saved per task or workflow
- Automation success rates
- Reduction in revision cycles or rework
- Administrative hours per role (PMs, marketing, technical staff)
- Manual steps eliminated through automation



Measurement Methods

- Monitoring tool usage
- Baseline surveys or time studies (pre-AI)
- Quarterly pulse surveys estimating time saved
- Sampling exercises (1–2 weeks per quarter)
- SharePoint document timestamps and version history

Value Creation

"Is AI improving outcomes or enabling growth?"



Core Value Creation KPIs

- Revenue per FTE
- Proposal win rate and proposal throughput
- Client satisfaction / NPS / quality feedback
- Consistency and quality of deliverables
- New services, offerings, or differentiated approaches enabled by AI



Measurement Methods

- Monitoring tool usage
- ROI and other financial metrics (EBITDA)
- CRM and proposal metrics
- Client surveys and post-project reviews
- Internal QA/QC scoring
- Leadership interviews and qualitative assessment

Measuring success by time saved or speed gained without monetization creates the illusion of ROI.

Examples of **false** ROI:

"We produce reports faster."

...but don't increase production volume.

"People are more productive."

...but headcount and revenue don't change.

Efficiency should always lead to one of three questions:



Did we sell more?



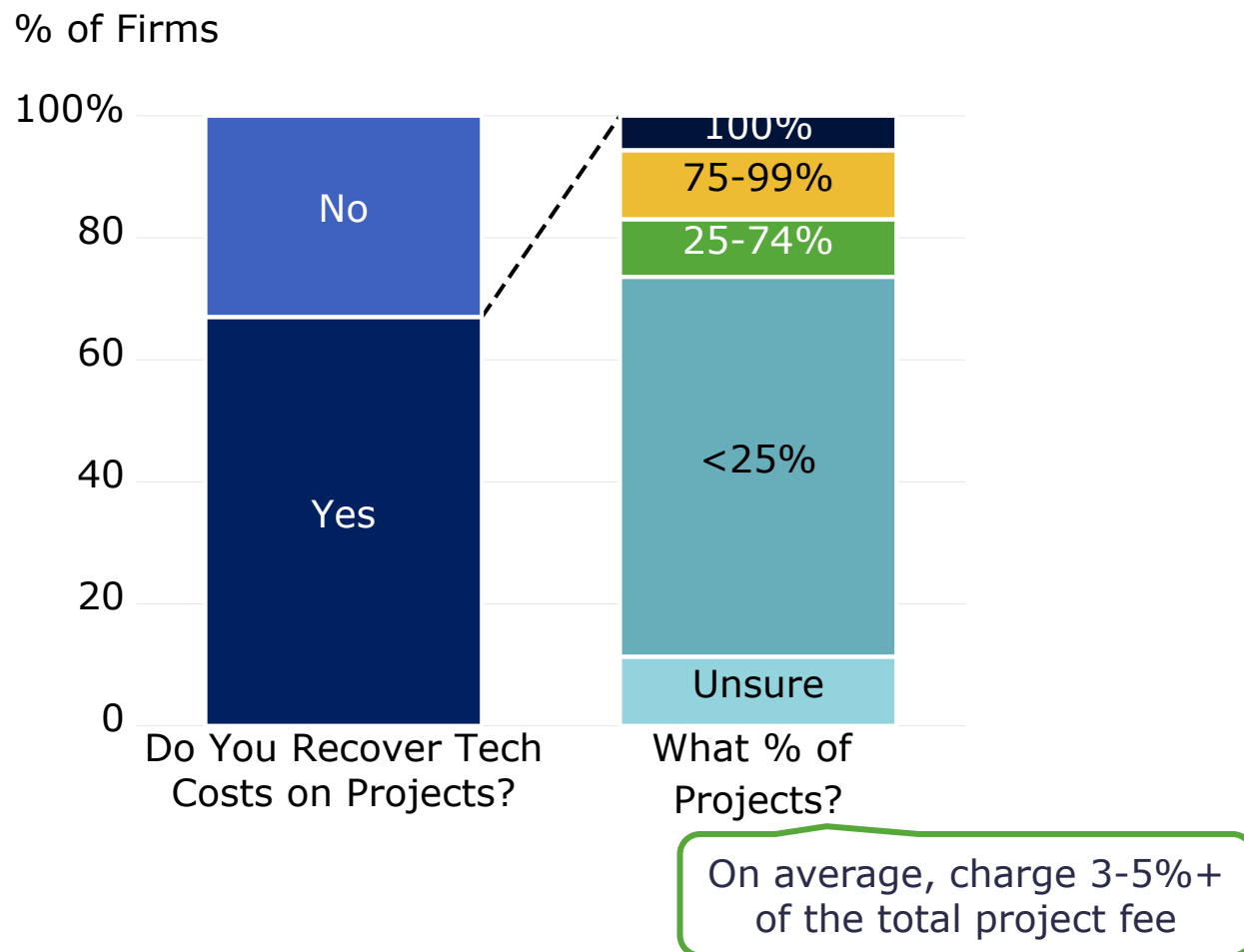
Did we deliver a higher-value product?



Did we charge more?

Who Is Paying for These Investments?

Most firms are passing through some tech fees and generating some incremental value, but few firms are truly monetizing tech at this point (or know the degree).



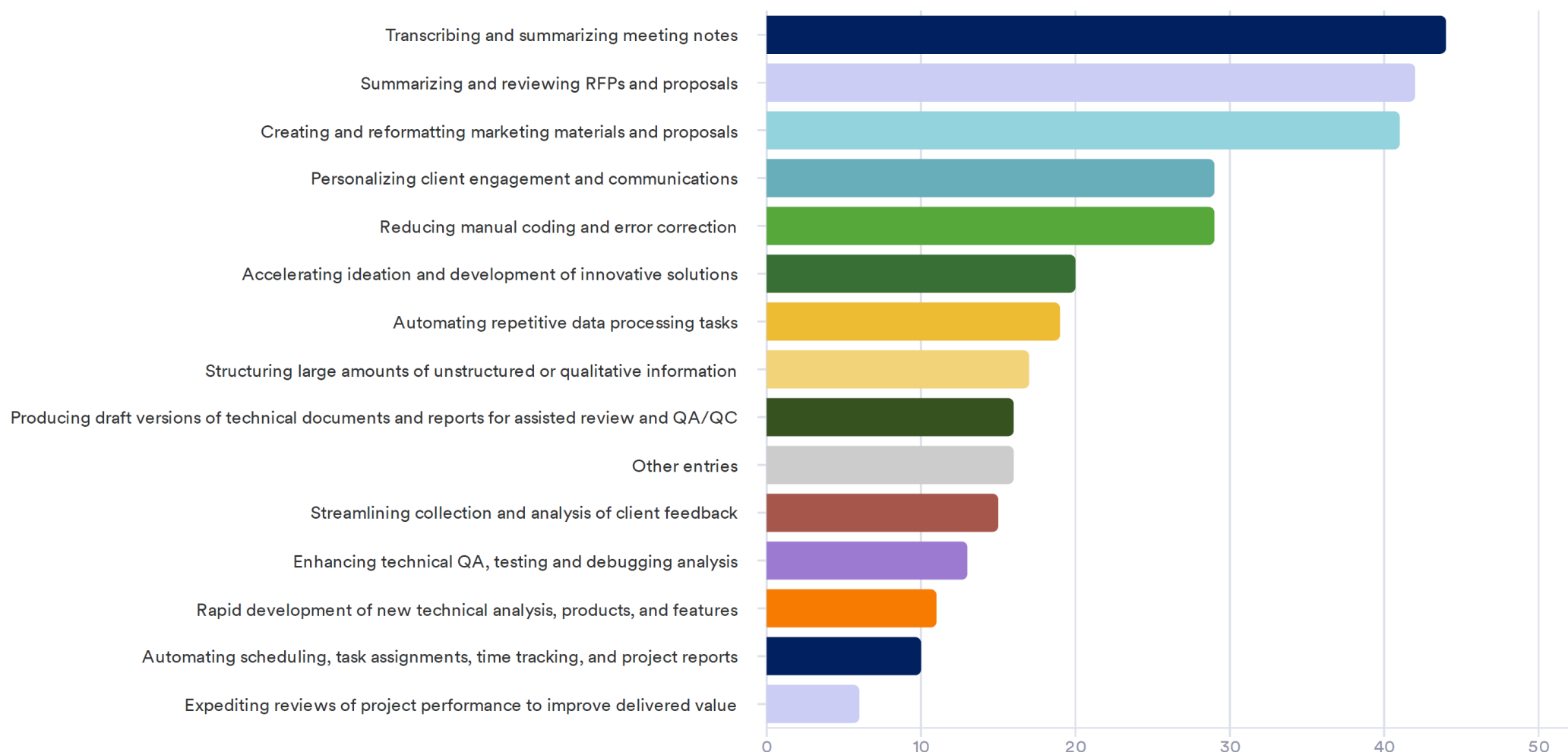
Where are Firms Actively Using Generative AI Today?

				
	Proposals, Marketing & Business Development	Project Management & Resource Planning	Technical Analysis & Deliverable Production	Coding & Workflow Optimization
Creating Value	Summarizing and reviewing RFPs and proposals	Expediting reviews of project performance to improve delivered value	Structuring large amounts of unstructured or qualitative information	Rapid development of new technical analysis, products, and features
Driving Efficiency	Creating and reformatting marketing materials and proposals	Transcribing and summarizing meeting notes	Automating repetitive data processing tasks	Reducing manual coding and error correction

Many firms are finding value by upskilling staff to use generalist models and existing data rather than building custom solutions. Many are also finding value in COTS AI solutions in the near-term.

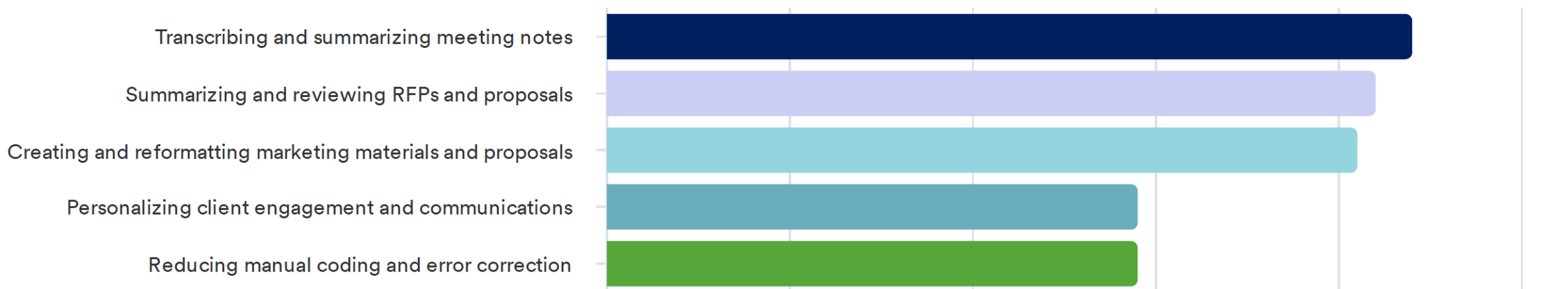
A Look at the Current Use Case Data...

What are currently the primary AI use cases for the firm?



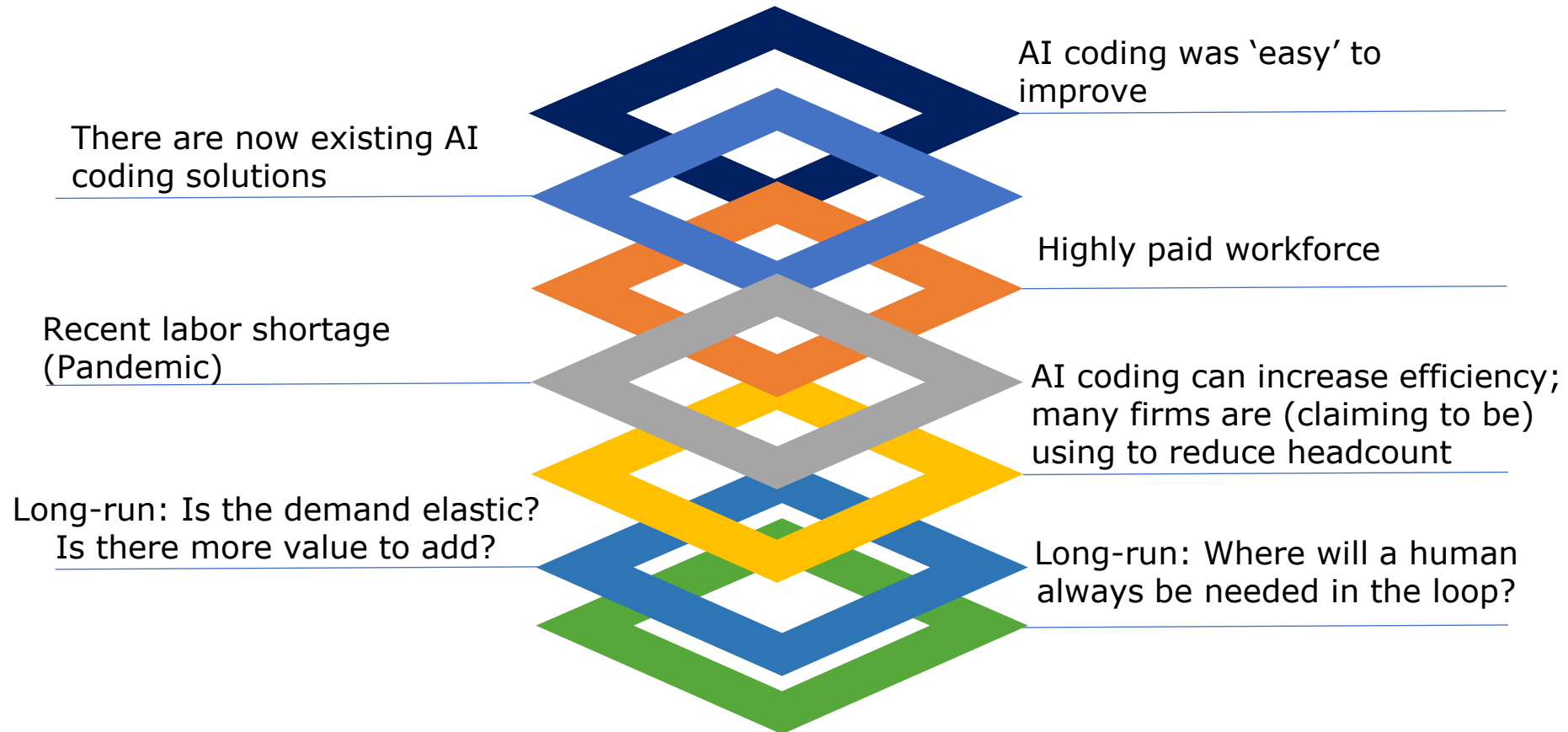
Source: 2025 EFCG TLC Survey

What are currently the primary AI use cases for the firm?



These activities augment, rather than automate, core AEC labor functions

How Might Headcount & Roles Change? Software Engineering as a Case Study



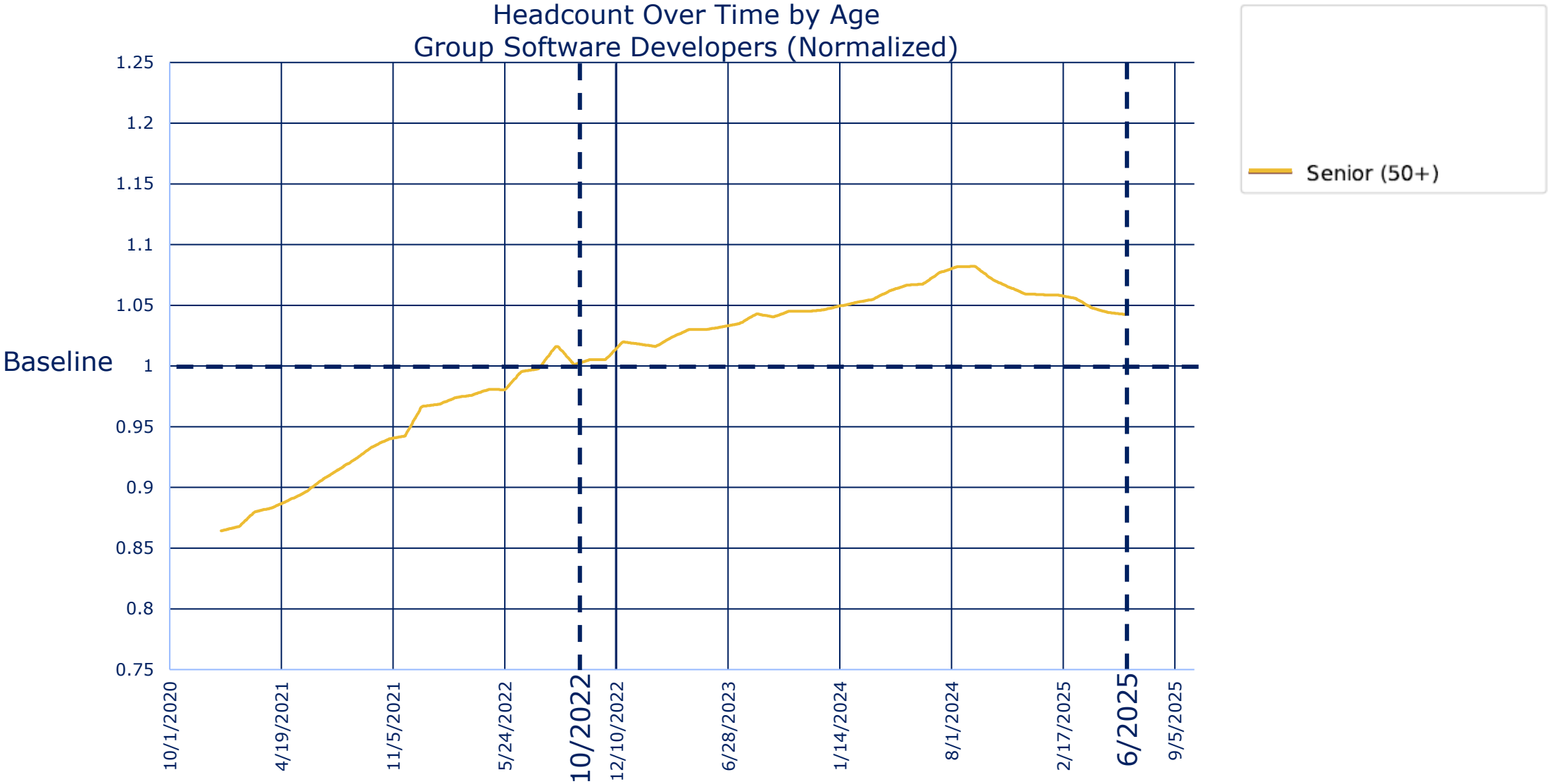
Software Engineering: The Picture is Murky

- BLS predicts +17.9% change in Software Development jobs from 2023-2033 – faster than most other professions
- But: Current research is showing these jobs are not equal

Source: BLS, Stanford (Brynjolfsson et. al), Draup

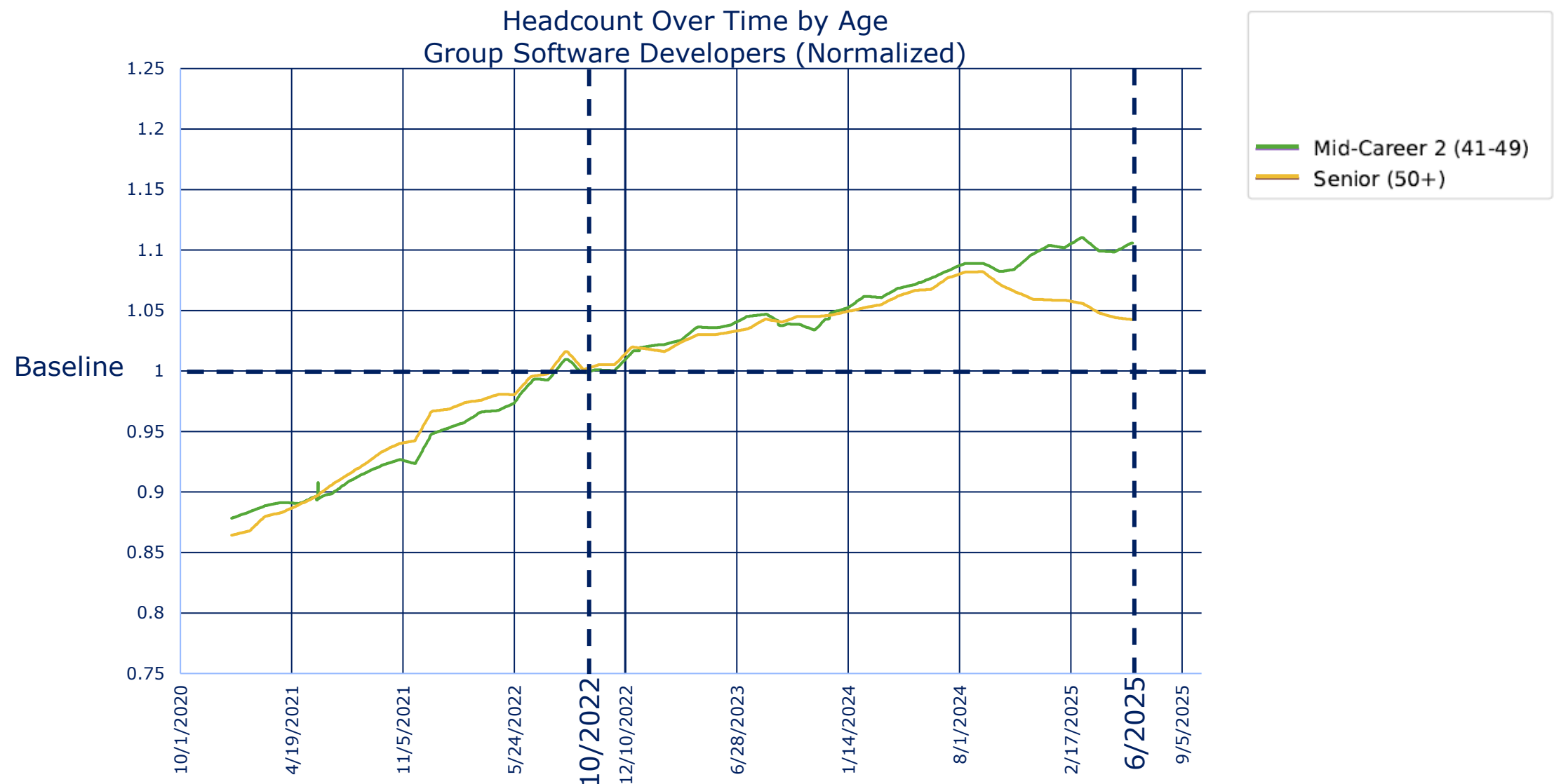
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Software Engineering: The Picture is Murky



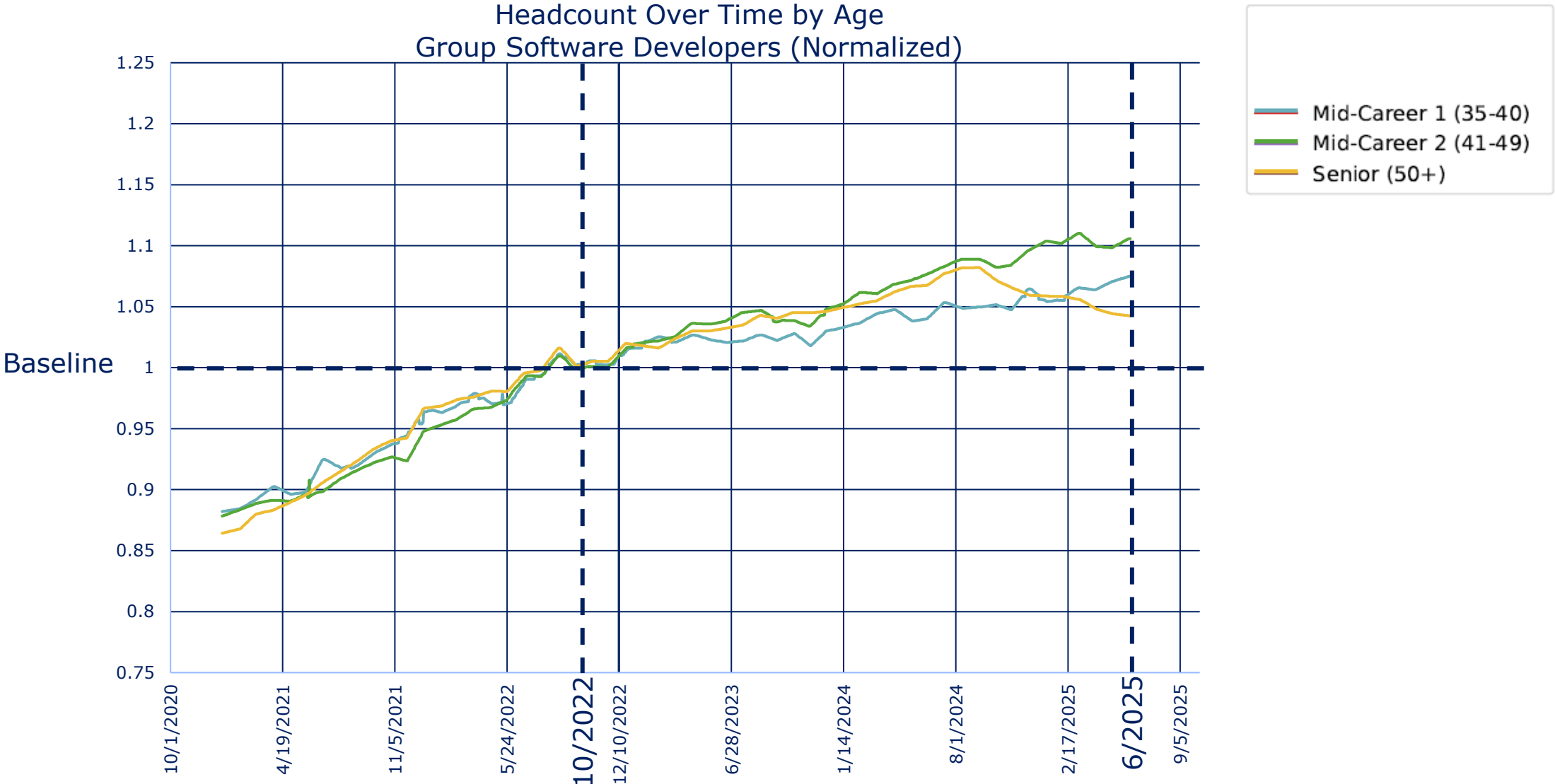
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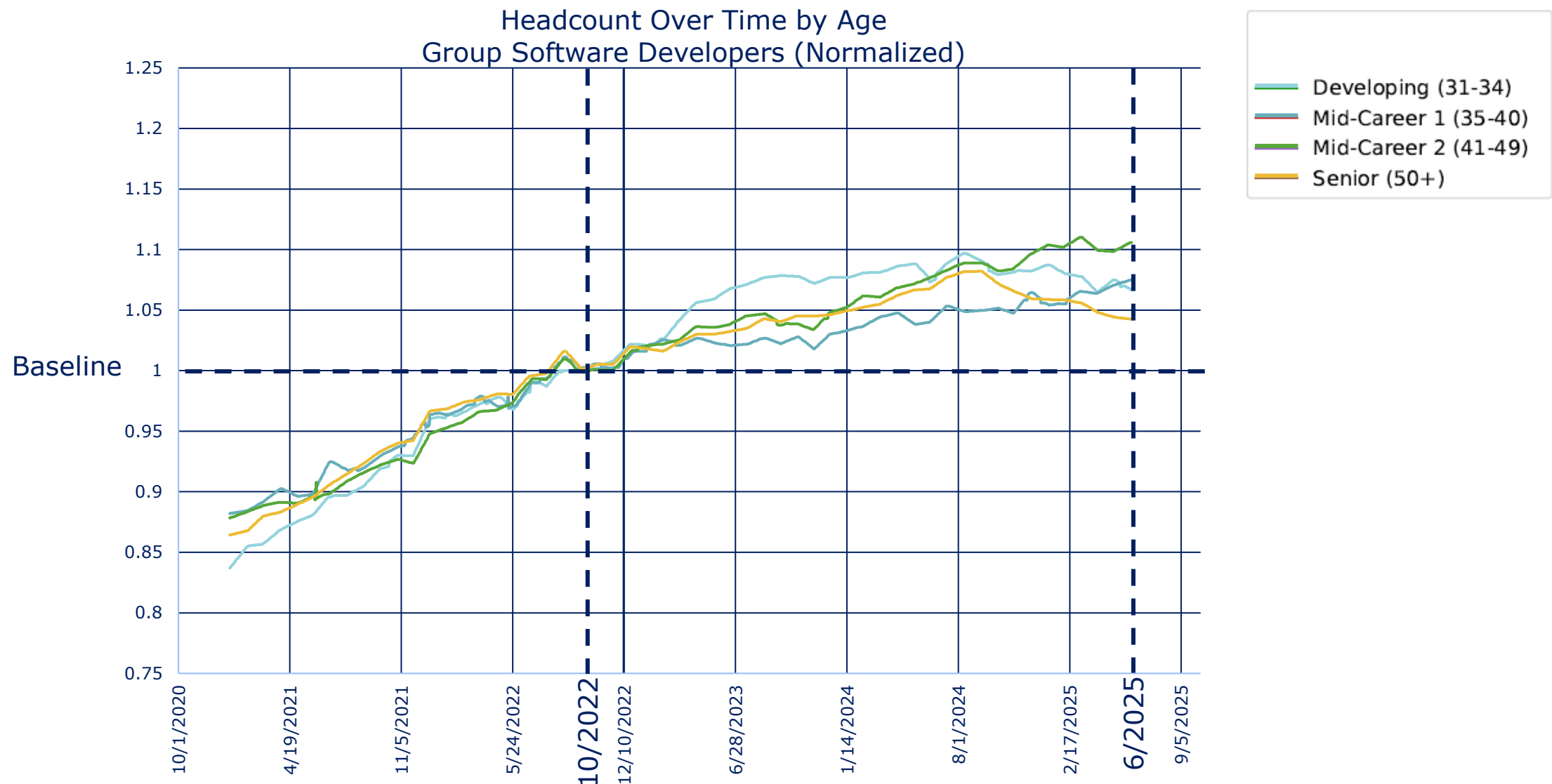
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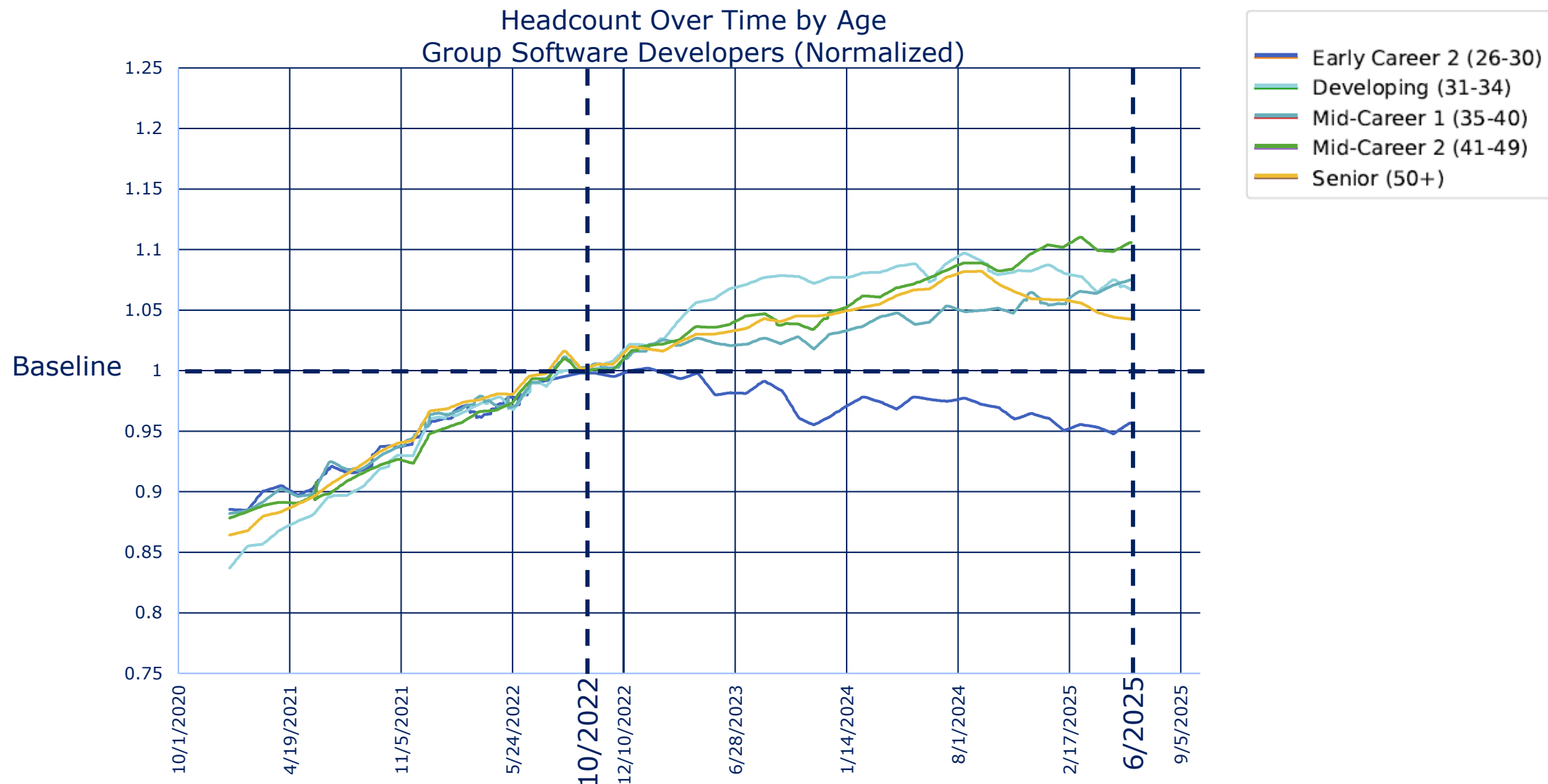
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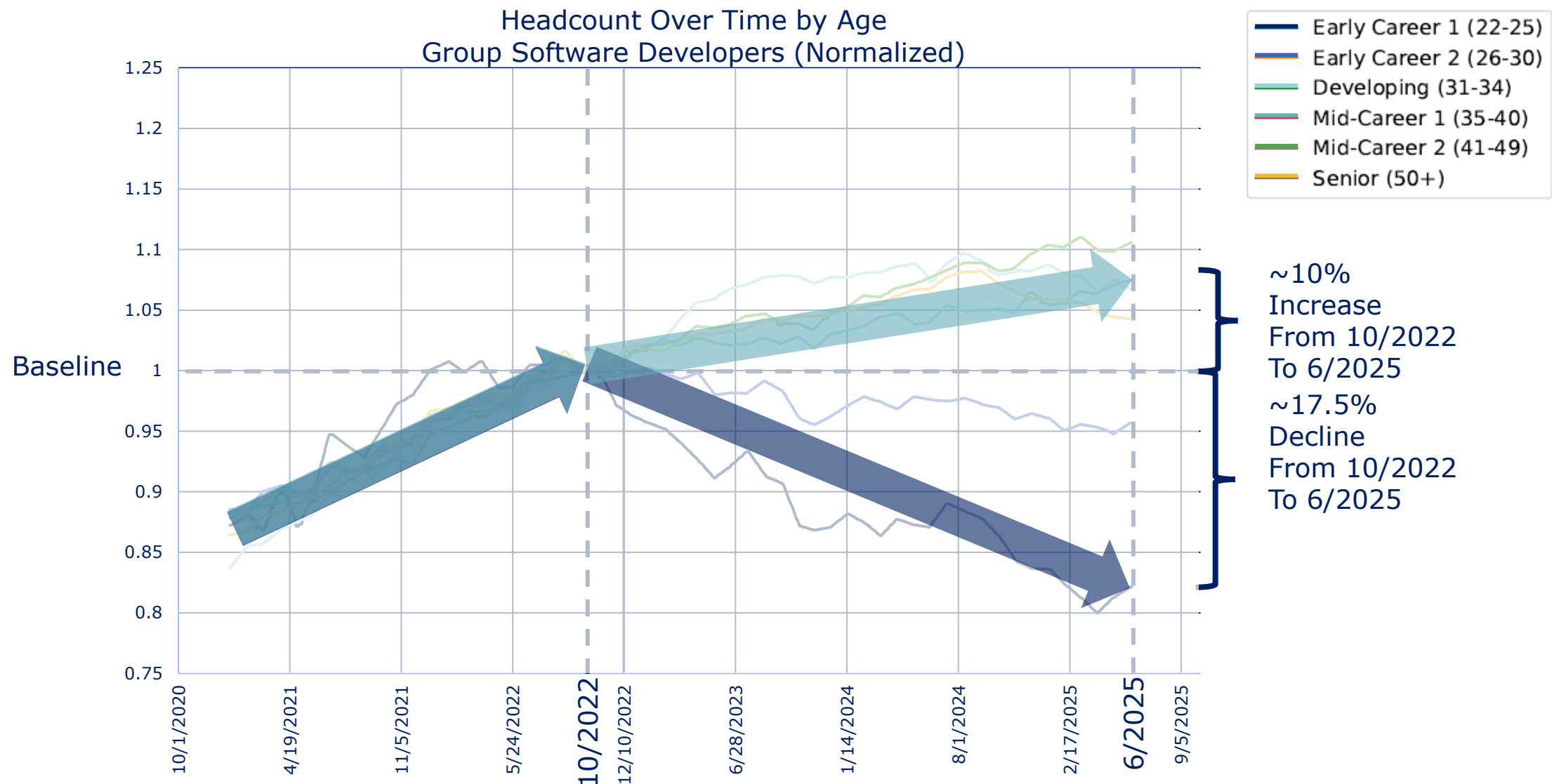
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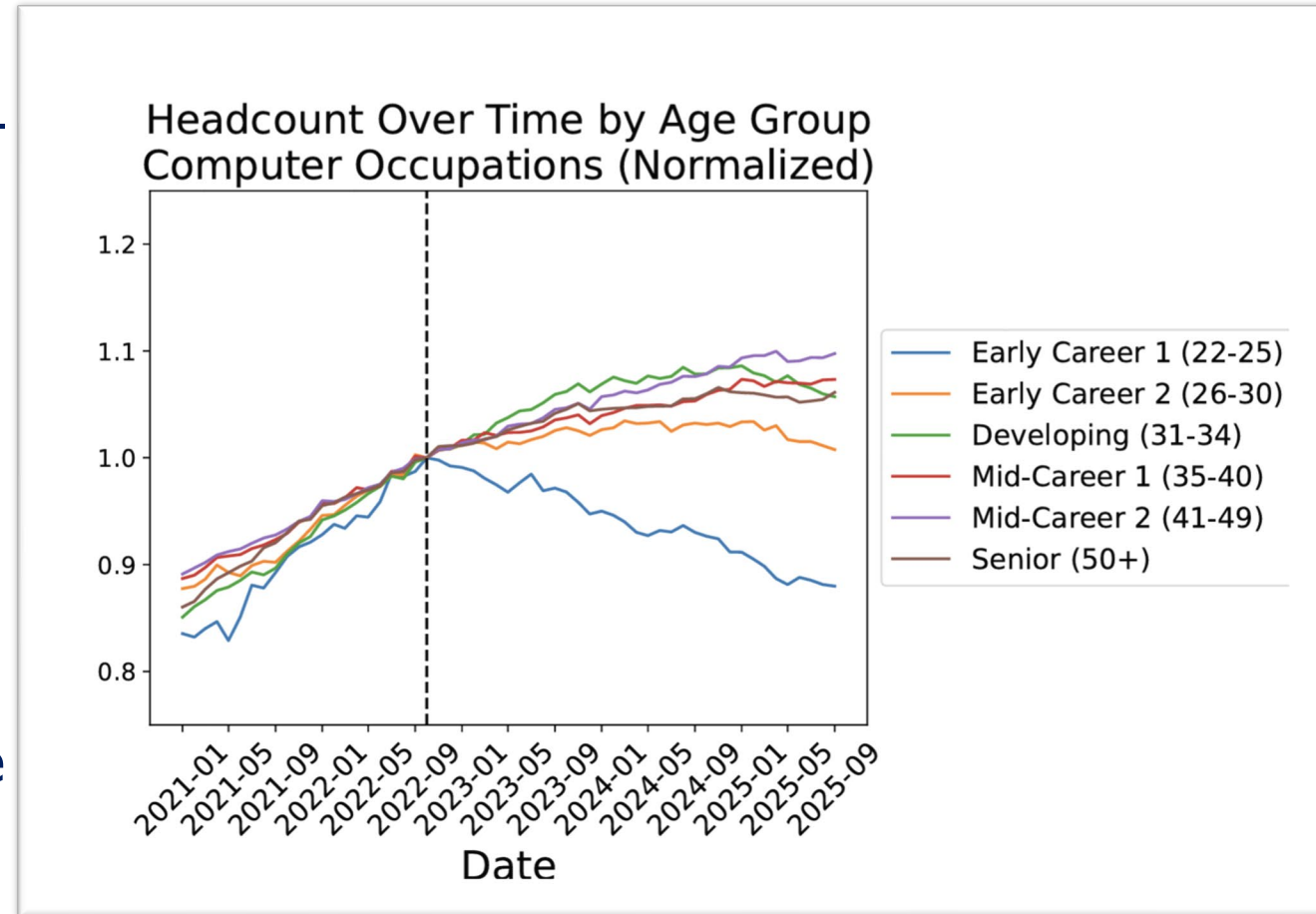


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Software Engineering: The Picture is Murky



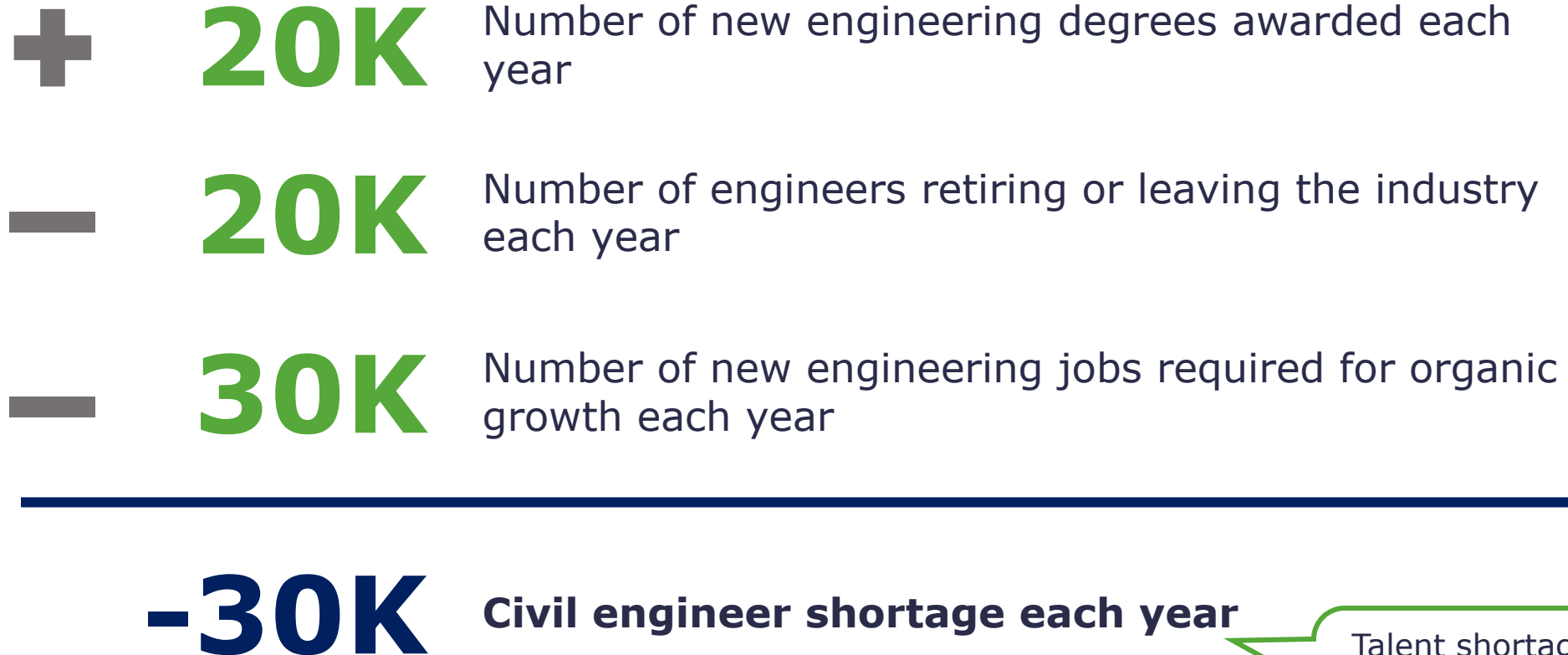
- BLS predicts +17.9% change in Software Development jobs from 2023-2033 – faster than most other professions
- But: Current research is showing these jobs are not equal
- And: Some firms (IBM) are tripling down on entry-level, others are waiting to see and relying on more productive senior engineers
- While: The job has changed, with some skills (routine programming, manual QA) declining in demand as other skills (prompt engineering, soft skills) increase in demand



Source: BLS, Stanford (Brynjolfsson et. al), Draup

Do We Have Enough People to Deliver on Growth?

CIVIL ENGINEERING IN THE US

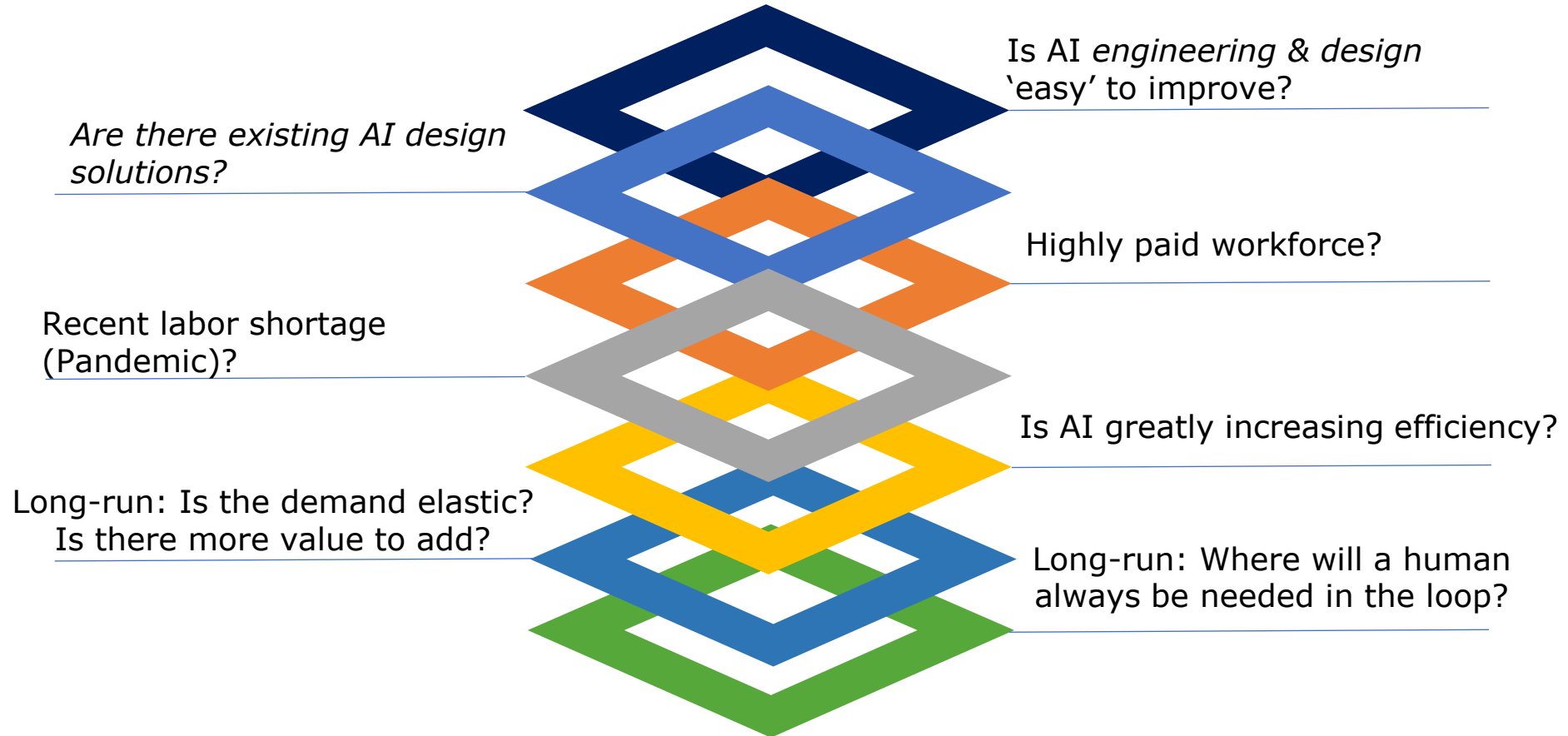


Talent shortage explains why 80% of firms say talent is the biggest constraint to growth!

Source: Bureau of Labor Statistics, Data USA, EFCG analysis

Myth or Fact: AI will Significantly Impact Headcount?

Watch for these factors:



- **Full Automation:** Race to the bottom for headcount
- **Value Expansion:** We add value and charge more; headcount stays similar or grows but jobs change
- **Efficiency Absorption:** Productivity rises, but no demand for more value/hours; headcount declines
- **Demand Saturation:** AI helps meet unmet demand (perhaps making up difference between civil engineering graduates and AEC demand); no headcount decline, but growth scales with less headcount

How do AEC firms respond?



Understand how your project model is impacted by AI efficiency gains



As these tools become more capable, reevaluate what responsibilities of roles should be



Stay current on AI capabilities; consider efficiency gains vs value creation, and gen. design



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