

What a Third of Employees Did at Work Last Week

They used AI to do their jobs. Three in four had not been told the plan.

Micah Laughlin, Chief Strategy Officer · September 13, 2026

In short. A third of the U.S. workforce used generative AI at work last week, and three in four employees say their organization has not communicated a plan for it, per Gallup, 2026. Stratos Edge Research finds the gap runs through three leaks: unsanctioned use, stalled pilots, and no signed plan. This issue prices each one, by industry and by segment.

35%

of the U.S. workforce used generative AI at work at least once in the prior week.

Source: REAL-TIME POPULATION SURVEY, NOV 2025, VIA THE FEDERAL RESERVE BOARD

3 in 4

employees say their organization has not communicated a clear plan for AI.

Source: GALLUP, MAY 2026

A third of the U.S. workforce used generative AI at work at least once last week, and more than half of employees use it at least occasionally. Organizations trail their own people: fewer than half say they've integrated AI at all, 30% of employees say their organization has guidelines or a written policy for it, and 25% say it has communicated a plan.

The tools work. The gap is in how organizations take them on, and it leaks in three places: people using AI nobody sanctioned, pilots that never reach the people they

were built for, and a plan that exists in conversation but not on paper. Three different leaders manage those leaks, from three different reports, out of three different budgets. No one in the building sees them on one page, so no one owns the whole picture. A problem without an owner produces numbers without a decision, which is why leaks this well documented persist in organizations full of people who know about them.

The three leaks, as Stratos Edge Research names them, draw from separate pools, so their costs add rather than double-count. This issue prices each one. It does not total them, for a reason explained under "The layers add."

THE FRAMEWORK

Three leaks. Three different pools.

01

Unwritten rules

People using AI nobody sanctioned.

Breach exposure ↗

02

Stalled pilots

Pilots that never reach the people they were built for.

Hours never returned ↗

03

Unsigned plan

A plan that exists in conversation but not on paper.

Decisions never made ↗

Figure 1. The framework used in this issue. The pools are distinct; a combined total requires measurement inside your organization.

The pressure arrived before the plan did.

Employees moved first. Statutes moved second. Most organizations are still deciding whether to move.

Use of AI at work rose from 21% of U.S. employees in 2023 to 52% in 2026.

Organizations reporting they've integrated AI reached 47% in the second quarter of 2026, up from 41% the quarter before. Gallup calls the distance between those two numbers the integration-adoption lag: close to half of organizations have begun integrating AI, and 30% of employees use it regularly. Implementation doesn't guarantee use.

At the firm level the picture thins further. In the Census Bureau's survey of U.S. businesses, 17% to 20% report using AI in any business function, 37% among firms with 250 or more employees, and 20% to 23% expect to within six months. The same survey finds the diffusion running both ways: at some firms, workers use AI in their tasks with no formal adoption, and some firms report adoption with no worker task use.

The Federal Reserve put three surveys side by side in April and got three different answers to the same question: 18% of firms use AI (Census), 41% of workers use generative AI at work (the Real-Time Population Survey), and 78% of the labor force works at a firm that has adopted it (the Atlanta Fed's survey of executives). Same country, same quarter. Each survey asks someone different, and the distance between what the firm reports and what its people report is the first leak in this issue.

READING THE EVIDENCE

The answer changes with the question.



Figure 2. Three surveys, three populations—not like-for-like adoption rates. Figures reported together by the Federal Reserve Board, April 2026. [Source 16.](#)

The statute side now has dates, and the dates have moved twice this year. Most of the obligations below apply by where your employees, customers, and applicants are, whatever industry you're in.

DATE	WHAT TAKES EFFECT
January 1, 2026	Illinois HB 3773 (Public Act 103-0804) in effect: employers must notify employees and applicants when AI is used in employment decisions and may not use it in ways that discriminate.
January 1, 2026	Texas HB 149, the Responsible Artificial Intelligence Governance Act, in effect: prohibited uses and disclosure duties reaching private employers.
January 1, 2026	California Privacy Protection Agency regulations on automated decision-making technology in effect, with significant-decision obligations phasing in on January 1, 2027.
May 14, 2026	Colorado repeals its 2024 AI Act and replaces it with SB 26-189, an automated decision-making framework covering employment, housing, lending, insurance, education, and health decisions, with obligations beginning January 1, 2027. A federal court has stayed enforcement, and the attorney general has said he won't enforce until rulemaking concludes.
July 27, 2026	The EU's Digital Omnibus (Regulation 2026/1744) takes effect, deferring the AI Act's high-risk obligations from August 2, 2026 to December 2, 2027 for stand-alone systems and August 2, 2028 for AI embedded in regulated products. The Article 50 transparency duties took effect August 2, 2026 as scheduled.

State lawmakers introduced 1,561 AI-related bills across 45 states in the first quarter of 2026 (MultiState), and a December 2025 federal executive order directs agencies to challenge state laws that conflict with a national framework. Underneath the calendar sits the rule set that already applied: anti-discrimination law, privacy law, and sector regulation carry no AI exemption. The new statutes name AI. The old ones never had to.

The workforce set the demand. The statutes set the clock. Leadership controls one thing: **whether the organization has a plan that answers both.**

The segment board.

Same three leaks, different depths. One table, so you can find your row.

Firms is the share of firms in the sector using AI in any business function (Census Bureau, May 2026, with the Federal Reserve's year-end 2025 figures where the Bureau's story didn't break a sector out). Workers is the share of the sector's workers using generative AI at work (Real-Time Population Survey, November 2025, as reported by the Federal Reserve Board). Breach cost is IBM's 2025 global average for the industry. The general statutes in the calendar reach every row; the last two columns list what reaches the row specifically, and our read of it. National: 19.8% of firms, 41% of workers.

SEGMENT	FIRMS	WORKERS	BREACH COST	REACHES YOU SPECIFICALLY	OUR READ
Information	39.7%	70%	\$4.79M (technology)	Calendar only	The ceiling other sectors are measured against; still six in ten firms not using AI.
Finance and insurance	33.9%	63%	\$5.56M	Colorado lending and insurance decisions; NAIC model bulletin, adopted state by state; CFPB adverse-action circulars; SR 11-7 model risk	Adopts fastest, regulated first. The question is whether the policy covers models already in production.
Professional services	33%	62%	\$4.56M (services)	ABA Formal Opinion 512 for law firms	High use, uneven governance, and more client data than own data.
Real estate	24%	58%	No IBM category	Colorado housing decisions	Above the national rate on both counts; the tools came in through screening and leasing vendors.
Health care	~20% (hospitals 71%; physicians 81%)	Not published	\$7.42M	HHS Section 1557 decision-support rule; California SB 1120 and AB 3030; state AI-therapy statutes in behavioral health	The deepest adoption and the most owners: a quarter of hospitals name four or more entities as accountable.
Retail	14%	Not published (wholesale 48%)	\$3.54M (rose in 2025)	FTC facial-recognition order; FTC reviews rule; BIPA	Adoption arrives through vendors; no inventory of where AI is making decisions.
Manufacturing	~12%	Not published; up 58% in a year	\$5.00M (industrial)	EU AI Act for machinery placed on the EU market, from 2028	Front office first, plant last; the workers are ahead of the firm.
Transportation and logistics	<10%	Not published	\$3.98M	Calendar only	Frontline workforce; back-office tasks are where AI lands first.
Construction	<10%	Not published	No IBM category	Calendar only	Lowest adoption; exposure is a vendor's screening or pricing tool.
Accommodation and food	8%	21%	\$4.03M (rose in 2025)	BIPA; FTC reviews rule	A vendor's roadmap makes the AI decisions unless you make them first.
Education	Not published	Not published	\$3.80M (rose in 2025)	FERPA; Colorado education decisions	Long-lived protected data and, in most institutions, no written rule.

"Not published" means none of the sources in this issue reports the figure; the cell stays empty rather than borrowed. Thirteen segment pages with full sourcing follow the main issue.

PROBLEM 1

The work got adopted. The organization didn't.

Half the building is using AI. Under a third of organizations have written down the rules, and the ones that haven't are paying for it in breaches.

52%

of employees use AI
at work.

Source: GALLUP, MAY 2026

30%

of organizations have
guidelines or a policy
for it.

Source: GALLUP, 2025

\$670,000

added to a breach where
shadow AI runs high.

Source: IBM /
PONEMON, 2025

In 2025, 44% of employees told Gallup their organization had begun integrating AI, and 30% said their organization had guidelines or a formal policy for using it. That 14-point gap is the population of people using sanctioned tools with no written rule, before you count anyone using tools nobody sanctioned.

The security research says the same thing from the other side. Among 600 breached organizations the Ponemon Institute studied for IBM's 2025 Cost of a Data Breach report, 63% had no AI governance policy. One in five had suffered a breach involving shadow AI, the unapproved tools employees adopt on their own. Where shadow AI was high, the breach cost \$670,000 more than where it was low or absent. Those incidents exposed customer personal information 65% of the time and intellectual property 40% of the time. Of the organizations that suffered any AI-related breach, 97% lacked access controls for AI.

The U.S. average breach now costs \$10.22 million, the highest figure for any region in the report's twenty years.

The answer is not to lock the tools away. Gallup's data shows employees who use AI across seven or more kinds of task report productivity gains 90% of the time; employees using it for one or two kinds report gains 45% of the time. The organizations at the 90% end decided where the technology belonged and told people.

WORKED EXAMPLE A — A 3,000-EMPLOYEE ORGANIZATION AT NATIONAL CONSTANTS

- Step 1.** 52% of employees use AI at work: about 1,560 people.

- Step 2.** 30% of organizations have guidelines or a policy. The typical organization in this band has 1,560 users and no written rule for them.

- Step 3.** 63% of breached organizations had no AI governance policy. Where shadow AI is high, a breach costs \$670,000 more than the baseline, on top of a U.S. average of \$10.22 million.

- Step 4.** The constants above are national. Your user count, your policy, and your data classes set the real number.

How many of your employees used AI for work last week, and how many did it inside a tool you sanctioned?

PROBLEM 2

The pilot that never ships.

Close to half of AI proofs of concept never reach production. The hours they were supposed to return never arrive, and the next pilot starts from zero.

42%

of companies abandoned most of their AI initiatives in 2025.

Source: S&P GLOBAL MARKET INTELLIGENCE

46%

of proofs of concept scrapped before production.

Source: S&P GLOBAL MARKET INTELLIGENCE

12%

of employees strongly agree AI has changed how work gets done.

Source: GALLUP, 2026

In 2025, 42% of companies abandoned most of their AI initiatives, up from 17% the year before. The average organization scrapped 46% of its proofs of concept before they reached production. S&P Global Market Intelligence surveyed more than 1,000 enterprises in North America and Europe for those figures, and respondents blamed cost, data privacy, and security risk, with model quality well down the list. Gartner had forecast the direction a year earlier: at least 30% of generative AI projects abandoned after proof of concept by the end of 2025, for poor data quality, weak risk controls, rising cost, and unclear business value. RAND's 2024 study of why AI projects fail opens with the estimate that more than 80% do, twice the rate of IT projects without AI; of the 65 practitioners RAND interviewed, 84% named a leadership-driven root cause first.

A stalled pilot costs time, and the time has been measured. Employees who use generative AI at work report saving about 2.2 hours a week, a figure that applies to people using the tools, not headcount (Federal Reserve Bank of St. Louis). The finding that should worry a board is the distance between individual gains and organizational gains: 65% of employees at organizations that adopted AI say it

improved their own productivity, and 12% strongly agree it has changed how work gets done in their organization (Gallup, 2026). An NBER survey of about 6,000 executives found 89% reporting no effect on labor productivity over the past three years.

People are faster. The operation isn't, because the pilots that would connect the two die between proof of concept and production.

WORKED EXAMPLE B — WHAT A QUARTER OF DELAY COSTS, IN HOURS

- Step 1.** A scoped use case touches 200 people.
- Step 2.** At 2.2 hours a week per user, that is 440 hours a week.
- Step 3.** Thirteen weeks in pilot is about 5,700 hours not returned.
- Step 4.** At the average abandonment rate, 46% of scoped work returns no hours at all.
- Step 5.** Your headcount on the use case and your wage rates set the real figure. Run the same arithmetic in two organizations and it lands in two places.

Of the AI initiatives started in the last eighteen months, how many are in production today, and who owns the next one?

PROBLEM 3

Nobody signed the plan.

The board is asking. Leadership is talking. In most organizations, no document exists that finance, IT, and operations would all put their name on.

25%

of employees say their organization has communicated an AI plan.

Source: GALLUP, MAY 2026

16%

of users strongly agree the tools provided are useful for their work.

Source: GALLUP, 2025

3x

as likely to feel prepared where leadership communicated a plan.

Source: GALLUP, 2025

In 2025, 44% of employees told Gallup their organization had begun integrating AI, and 22% said it had communicated a plan or strategy for doing so. A year later integration had reached 47% and the plan figure had reached 25%. Three in four employees work somewhere with no communicated plan. Asked what stands in the way of using AI, employees most often answered "unclear use case or value proposition." Among people who use the tools their organization provides, 16% strongly agree those tools are useful for their work.

The plan does work when it exists. Where leadership has communicated one, employees are three times as likely to feel prepared to work with AI and 2.6 times as likely to feel comfortable using it in their role (Gallup, 2025). The breadth finding under Problem 1 shows the same mechanism: handing out licenses produces the 45% experience, enabling people across their workflows produces the 90% experience, and somebody deciding where the technology belongs is the difference between them.

The Census data shows what the absence of a plan looks like from inside. Among firms using AI, 57% have it in three or fewer business functions, most often sales and marketing, strategy, and IT, and 65% limit worker use to three or fewer tasks. Adoption arrives one function at a time, wherever the first buyer sat.

At the top of the organization the returns are thin. In PwC's survey of 4,454 chief executives published in January 2026, 56% said AI had brought their company neither higher revenue nor lower cost in the past year; 12% reported both. By early summer, in a follow-up with 351 of the same CEOs, 39% reported a revenue or cost effect. PwC's own reading of its data is that isolated, tactical projects don't deliver measurable value and that returns come with a defined roadmap and formal governance. That is the plan, described by the firm that measured its absence.

WORKED EXAMPLE C — THE BOARD QUESTION

Picture a 3,000-employee organization the week after a board meeting. A director asked for the AI plan. The CEO answered from the conversation everyone has been having. Now someone has to send the document.

The CIO has a vendor shortlist and two pilots. Finance has a line item for licenses and no view of what they returned. Operations has three teams using tools nobody approved and one that stopped. HR has a draft policy. Each of those is real work. None of them is the plan, and no two of them were built to reconcile. A plan passes one test: the board hands it back with a question and gets the same answer from three offices.

If the board asked for the plan tomorrow, what would you hand them, and who signed it?

What organizations that measured it are finding.

Breadth beats licenses. Reinvestment beats reduction. Each has a number behind it.

Breadth.

Gallup's Q2 2026 data draws the steepest line in this research. Among workers applying AI to one or two kinds of task, 45% report productivity gains. At three or four kinds, 66%. At five or six, 78%. At seven or more, 90%. Frequent users are close to three times as likely as infrequent users to apply AI to coding, automation, and task management. Breadth comes from someone mapping where the technology fits, and that map is a plan.

BREADTH OF USE

More kinds of work. More reported gains.

Share of AI users reporting productivity gains, by number of task types.

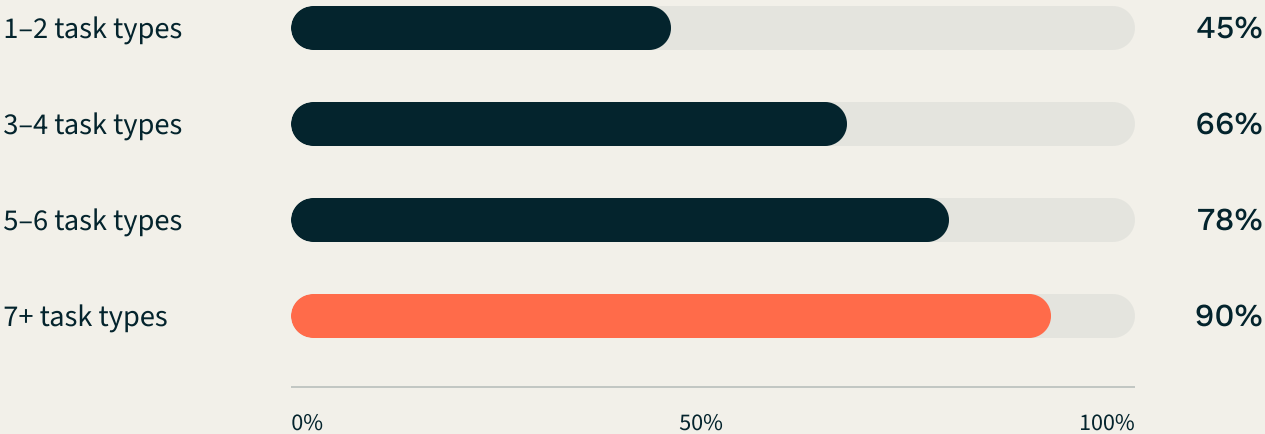


Figure 3. Gallup, Q2 2026, as reported in this issue. Self-reported gains; the comparison does not establish causation. [Source 1.](#)

Direction.

Gallup's indicator on workplace AI puts it in one line: having AI tools at work doesn't guarantee use, and adoption depends on manager support, workflow fit, and whether workers see value in the tools. The Census Bureau's regression work finds a robust positive correlation between a firm's commercial performance and the breadth of its AI integration across functions, tasks, and operational investment.

Reinvestment.

Among U.S. firms using AI, 66% rely on it solely to augment existing work, and AI-related employment decreases occur in 2% of firms (U.S. Census Bureau, 2026 AI supplement). Organizations that measured before and after report hours returned to the work.

Every result above is an association from survey data. The sources say "associated with," and so does this issue.

The bridge.

MEASURED

Unclear use case is the top barrier to adoption.

MEASURED

A communicated plan triples preparedness.

PRICED

Each quarter in pilot costs the hours under Problem 2.

The layers add. The total belongs to your organization.

Any one leak looks like a project. Run the three together and the arithmetic changes, because they draw from different pools: breach exposure, hours never returned, and decisions never made. No dollar in one pool appears in another, so the impacts add.

This issue will not publish a combined total. A stacked figure built from national averages is a projection about an organization nobody has examined. It reads as a promise and invites a discount. The only total that matters comes from your user count, your plan, and producing it is measurement work inside your organization.

From the outside you can see the magnitude. At national constants, one stalled use case touching 200 people leaves five figures of hours on the table each quarter, and a single breach where shadow AI runs high costs six figures more than one where it doesn't, on top of a U.S. average measured in millions.

From the outside you can also see the direction and the clock. All three leaks are running now. Use grows each quarter Gallup measures it. The governance calendar adds dates and moves the ones it has. Each pilot that stalls restarts the next one from zero, and each quarter without a written plan is a quarter of decisions made by default. A quarter without one signed view of the three leaks locks in another quarter at today's rate.

Every other analysis of this problem publishes a big number. **The number does not exist until it is yours.**

What a plan is.

Our position, and the evidence each part rests on.

The word "plan" carries most of this issue, so it should be defined. A plan for AI adoption, in our view, has five properties. Each one answers a leak the data shows.

It's a ranked list, not a portfolio.

Among firms using AI, 57% have it in three or fewer functions, wherever the first buyer sat (Census). Ranking is the difference between adoption by accident and adoption by decision, and a board can fund a ranked list. It cannot fund an inventory.

Each item carries a range.

89% of executives in the NBER survey can't see a productivity effect. A number without a range is a promise; a range is something finance can evaluate and defend a year later.

Each item has one owner.

A quarter of hospitals name four or more entities as accountable for evaluating their AI (ASTP). 84% of the practitioners RAND interviewed named a leadership cause of failure first. Four owners for one question is another way of having none.

It's sequenced, and the second step is scheduled before the first one ends.

46% of proofs of concept die before production (S&P Global). Most of them die in the handoff, where the first pilot had a sponsor and the follow-on had a committee.

People know what's sanctioned.

30% of employees say their organization has a written rule (Gallup); 63% of breached organizations had none (IBM). A plan nobody can find is a policy nobody follows.

Twelve months on, an organization that has done this hasn't transformed anything yet. It has measured, ranked, and written it down. The board packet holds the list. People know which tools they may use and who to ask. The second initiative is on the calendar. Nobody hired a chief AI officer and nobody stood up a transformation office; the pieces stayed with the leaders who already run them.

Know the shape of your own problem
before anyone shows you a product.

Three questions, all answerable, none of them from a standard report.

How many of your employees used AI for work last week, and how many did it inside a tool you sanctioned?

Of the AI initiatives started in the last eighteen months, how many are in production today, and who owns the next one?

If the board asked for the plan tomorrow, what would you hand them, and who signed it?

You can answer each with information your organization holds today. The more revealing test is organizational. Who would own each answer? Would IT, finance, operations, and HR agree on them? And if they did agree, which decision would you make from them?

One version of the test costs nothing: send the three questions down the org chart and watch what comes back. If the answers arrive from one desk, or arrive from four desks and don't reconcile, you've watched the ownership problem show itself in your organization.

That test is where this work usually stalls. Someone builds a slide, three functions dispute the numbers, and the question waits for the next planning cycle. Six months

later the user count is higher, the pilot count is the same, and the plan is still a conversation. The risk was never missing data. It was a picture nobody trusted enough to act on, aging while the leaks compound.

Two patterns.

Licenses arrive before use cases. Someone buys the tool, distributes it, and announces it, and whoever picks it up first decides what it's for. Gallup's top barrier to adoption, "unclear use case or value proposition," is the national version of that pattern, and the breadth data is what it costs. The organizations at the 90% end decided where the technology belonged before they handed it out.

The second initiative has no owner. The first pilot had a sponsor, a budget, and a vendor. The follow-on has a committee. Close to half of proofs of concept die in that handoff (S&P Global).

What closing each leak requires.

The first leak takes a written rule and a named owner before the next license ships. The rule says which tools, which data, and who to ask. The owner is one person.

The second leak takes scoping before the demo: the use case, the people it touches, the hours it should return, the owner, and the second step, written down before a vendor is in the room. A pilot with those five things on paper has somewhere to go when it works.

The third leak takes a document three offices sign. Ranked, ranged, owned, sequenced, and findable. Whoever deploys the work is a separate decision, and it should not be made by whoever pitched first.

Segment pages.

Thirteen segment pages with full sourcing. Find yours.

MANUFACTURING

Twelve percent of manufacturers use AI, and the plant is the last place it reaches.

~12%

of manufacturing firms report using AI, against 19.8% nationally.

Source: FEDERAL RESERVE BANK OF MINNEAPOLIS, FROM CENSUS BTOS, 2026

58%

one-year growth in manufacturing workers' use of generative AI at work, the fastest of the five largest sectors.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$5.00M

average cost of a breach in the industrial sector.

Source: IBM / PONEMON, 2025

Adoption.

About 12% of manufacturing firms report using AI, against 19.8% nationally and 39.7% in Information. Use in the sector more than doubled between 2023 and 2025. Workers are moving faster than firms: generative AI use among manufacturing workers grew 58% in a year, 14.5 points, the strongest growth of the five largest sectors the Federal Reserve tracks. Federal Reserve Bank of Minneapolis, May 2026; Federal Reserve Board FEDS Note, April 2026.

Where it's used.

Across all adopting firms, the most common function is sales and marketing (52%), then strategy and business development (45%) and IT (41%); 57% of adopters have AI in three or fewer functions. U.S. Census Bureau, CES-26-25. Adoption reaches the front office first and the plant last.

Breach cost.

Industrial: \$5.00 million, third-highest of seventeen sectors, down from \$5.56 million in 2024.

Statutes that reach you.

Illinois HB 3773, Texas HB 149, and California's automated decision-making regulations wherever you employ or hire; Colorado SB 26-189 from January 1, 2027. The EU AI Act's transparency duties since August 2, 2026, and its high-risk obligations for AI embedded in machinery from August 2, 2028, if you place product on the EU market.

Pattern.

The plant's administrative load, scheduling, quality documentation, and maintenance records, holds the hours, and adoption hasn't reached it. Your workers are already using the tools; the growth number says so. The plan gap is that nobody has told them where.

How many people on your floor and in your back office used AI last week, and did the number come from IT or from a guess?

FINANCIAL SERVICES AND INSURANCE

The sector that adopts fastest is the one an examiner will ask about first.

33.9%

of finance and insurance firms report using AI, second only to Information.

Source: U.S. CENSUS BUREAU, BTOS, MAY 2026

63%

of workers in the financial sector use generative AI at work, the highest of any sector measured.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$5.56M

average cost of a breach in financial services, second-highest of seventeen sectors.

Source: IBM / PONEMON, 2025

Adoption.

33.9% of finance and insurance firms report using AI; about 39% expect to within six months. The sector kept growing through 2025 when others slowed, up 127% in the year to September under the survey's original question. 63% of financial-sector workers use generative AI at work. U.S. Census Bureau, May 2026; Federal Reserve Board FEDS Note, April 2026.

Breach cost.

Financial: \$5.56 million, second-highest of seventeen sectors, down from \$6.08 million in 2024.

Statutes and standards that reach you.

This is the most-named sector in the calendar. Colorado SB 26-189 lists lending and insurance among its covered decisions from January 1, 2027. The NAIC

Model Bulletin on the Use of Artificial Intelligence Systems by Insurers (December 2023) is being adopted state by state by insurance departments. CFPB Circulars 2022-03 and 2023-03 hold that adverse-action notice requirements apply in full to credit decisions made with complex models. Federal model-risk guidance (SR 11-7) has applied to models of every kind since 2011.

Pattern.

The sector adopts fastest and gets regulated first, and the two collide in one place: a model makes a decision and no one can explain it to an examiner. Gallup's 30% policy figure is national. In this sector, ask whether the policy covers the models already in production.

Of the AI in use in your organization today, how much touches a credit, underwriting, claims, or employment decision, and who signed off on each?

PROFESSIONAL SERVICES

A third of firms and two-thirds of workers, and the exposure is the client's data.

33%

of professional, scientific, and technical services firms report using AI.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (BTOS DATA)

62%

of workers in the sector use generative AI at work.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$4.56M

average cost of a breach in services.

Source: IBM / PONEMON, 2025

Adoption.

About 33% of professional, scientific, and technical services firms report using AI, with the largest firms in the sector at 50% to 60%. 62% of the sector's workers use generative AI at work. The sector started from the highest base, so its growth is the slowest of the five the Federal Reserve tracks. Federal Reserve Board FEDS Note, April 2026; U.S. Census Bureau, CES-26-25.

Breach cost.

Services: \$4.56 million, down from \$5.08 million in 2024. Most of your exposure is your clients' data, subject to your clients' regulators.

Statutes and standards that reach you.

The employment statutes, wherever you hire. For law firms, ABA Formal Opinion 512 (July 29, 2024): competence, confidentiality, supervision, and client-communication duties apply to generative AI use.

Pattern.

High adoption, uneven governance, and more client data than own data. IBM found 65% of shadow-AI incidents exposed customer PII; here that means a client's PII in a tool the engagement letter never mentioned.

How many of your billable staff used AI on client work last week, and does any engagement letter say they may?

LOGISTICS AND TRANSPORTATION

Fewer than one in ten firms use AI, and the back office is where it will land first.

<10%

of transportation firms report using AI, among the lowest sectors.

Source: FEDERAL RESERVE BANK OF MINNEAPOLIS, FROM CENSUS BTOS, 2026

41%

of the U.S. workforce uses generative AI at work, across all sectors.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$3.98M

average cost of a breach in transportation.

Source: IBM / PONEMON, 2025

Adoption.

Fewer than 10% of transportation firms report using AI, among the lowest sectors, against 19.8% nationally. No worker-level figure is published for the sector; nationally, 41% of the workforce uses generative AI at work. Federal

Reserve Bank of Minneapolis, May 2026; Federal Reserve Board FEDS Note, April 2026.

Breach cost.

Transportation: \$3.98 million, down from \$4.43 million in 2024.

Statutes that reach you.

The employment statutes, wherever you hire and schedule. EU AI Act transparency duties if you operate customer-facing AI in the EU.

Pattern.

The Census Bureau finds AI diffusion is task-oriented rather than industry-oriented: the leading uses are writing, document analysis, and information search. Most of your workforce is frontline, and those tasks sit in dispatch, billing, claims, and customer service, so that is where adoption lands first whether or not anyone plans it.

Where in your operation did AI get used last week: the yard, the dispatch desk, or a personal phone?

Adoption comes in through vendors, and nobody keeps the inventory.

14%

of retail trade firms report using AI, below the 19.8% national rate.

Source: U.S. CENSUS BUREAU, BTOS, MAY 2026

17%

expect to within six months.

Source: U.S. CENSUS BUREAU, BTOS, MAY 2026

\$3.54M

average cost of a breach in retail, up in 2025 while most sectors fell.

Source: IBM / PONEMON, 2025

Adoption.

About 14% of retail trade firms report using AI and about 17% expect to within six months, both below the national rate. Wholesale trade sits at 13% of firms and 48% of workers. U.S. Census Bureau, May 2026; Federal Reserve Board FEDS Note, April 2026.

Breach cost.

Retail: \$3.54 million, up from \$3.48 million in 2024, one of the few sectors that rose. Consumer: \$3.72 million, down from \$3.91 million.

Statutes that reach you.

The employment statutes for hiring and scheduling. The FTC's December 2023 order against a national pharmacy chain over facial-recognition use in stores, which imposed a five-year ban on the technology and set the agency's standard for AI-driven surveillance of customers. The FTC's rule on fake and AI-generated reviews and testimonials (16 CFR Part 465), effective October 21,

2024. State privacy regulation on automated decision-making, and Illinois BIPA for any biometric use.

Pattern.

Adoption comes in through vendors. Pricing, loss prevention, marketing, and service tools each carry their own AI, and different buyers purchased each one. You end up with AI in production and no inventory of where.

How many of your vendor systems are making automated decisions about customers or staff today, and could you list them?

CONSTRUCTION AND REAL ESTATE

Construction adopts least; real estate adopts above the national rate; both inherit the risk from a vendor.

<10%

of construction firms report using AI, among the lowest sectors.

Source: FEDERAL RESERVE BANK OF MINNEAPOLIS, FROM CENSUS BTOS, 2026

24%

of real estate, rental, and leasing firms report using AI, above the 18% national rate at year-end 2025.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (BTOS DATA)

58%

of real estate workers use generative AI at work.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

Adoption.

The two halves of this segment sit at opposite ends. Fewer than 10% of construction firms report using AI, among the lowest sectors. Real estate, rental, and leasing firms report 24%, above the national rate, and 58% of the sector's workers use generative AI at work. Federal Reserve Bank of Minneapolis, May 2026; Federal Reserve Board FEDS Note, April 2026.

Breach cost.

IBM reports no construction or real estate category. No figure shown; the nearest category is not yours.

Statutes that reach you.

Colorado SB 26-189 names housing decisions among its covered uses from January 1, 2027. The employment statutes for hiring.

Pattern.

In construction the administrative load of bids, submittals, permitting, and compliance sits untouched. In real estate the tools are already in the building through screening, pricing, and leasing vendors, and 58% of the workforce is using generative AI on its own. Both halves share the exposure: a decision a vendor's tool made about a tenant, a buyer, or a hire, with no one inside the company who chose it.

Where does AI touch a bid, a lease, a tenant, or a hire in your organization today, and who knows?

HOSPITALITY

Eight percent of firms and twenty-one percent of workers, and the vendors are ahead of both.

8%

of accommodation and food services firms report using AI, the lowest of the major sectors.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (BTOS DATA)

21%

of the sector's workers use generative AI at work.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$4.03M

average cost of a breach in hospitality, up in 2025 while most sectors fell.

Source: IBM / PONEMON, 2025

Adoption.

8% of accommodation and food services firms report using AI, the lowest of the major sectors, and 21% of the sector's workers use generative AI at work, the lowest worker rate the Federal Reserve reports. Federal Reserve Board FEDS Note, April 2026.

Breach cost.

Hospitality: \$4.03 million, up from \$3.82 million in 2024, one of the few sectors that rose.

Statutes that reach you.

The employment statutes for hiring and scheduling. Illinois BIPA for biometric timekeeping or guest identification. The FTC's rule on fake and AI-generated reviews, effective October 21, 2024.

Pattern.

You hold guest data and payment data with a frontline workforce. Adoption comes in through property-management, revenue-management, and reservation vendors, so a vendor's roadmap makes your AI decisions unless you make them first.

Which of your systems is already using AI on guest or pricing decisions, and did you choose that or inherit it?

EDUCATION

Long-lived protected data, and in most institutions no written rule.

\$3.80M

average cost of a breach in education, up in 2025 while most sectors fell.

Source: IBM /
PONEMON, 2025

63%

of breached organizations had no AI governance policy.

Source: IBM /
PONEMON, 2025

25%

of employees nationally say their organization has communicated an AI plan.

Source: GALLUP, MAY 2026

Adoption.

None of the sources in this issue publishes a firm-level AI use rate for educational services, so this page shows none. That absence is itself a finding, and the segment is first on the list for the measured layer in Issue 1.

Breach cost.

Education: \$3.80 million, up from \$3.50 million in 2024, one of the few sectors that rose.

Statutes that reach you.

FERPA, unchanged and without an AI exemption. Colorado SB 26-189 names education decisions among its covered uses from January 1, 2027. The employment statutes for hiring.

Pattern.

The data at stake is long-lived and legally protected. IBM found 63% of breached organizations had no AI governance policy; in a school that is a classroom with no rules.

How many of your staff used AI on student records or communications last week, and under what policy?

Seventy-one percent run predictive AI. A quarter have four or more owners for it.

71%

of acute care hospitals run EHR-integrated predictive AI, up from 66% in 2023.

Source: ASTP/ONC DATA
BRIEF NO. 80, 2025

86% / 37%

system-affiliated against independent hospitals.

Source: ASTP/ONC DATA
BRIEF NO. 80, 2025

1 in 4

hospitals name four or more entities accountable for evaluating AI.

Source: ASTP/ONC DATA
BRIEF NO. 80, 2025

Adoption.

71% of non-federal acute care hospitals used predictive AI integrated into their EHR in 2024, up from 66% in 2023. Adoption splits hard by structure: 86% of system-affiliated hospitals against 37% of independents; 81% urban against 56% rural; 80% of non-critical-access hospitals against 50% of critical access hospitals. ASTP/ONC Data Brief No. 80, September 2025, from the AHA IT Supplement (n = 2,253 hospitals, 51% response).

Governance.

Among hospitals using predictive AI, 82% evaluated it for accuracy, 74% for bias, and 79% conducted post-implementation monitoring. Three-quarters said multiple entities were accountable for evaluating it, and one in four named four or more. That last number is the ownership problem measured: a quarter of hospitals have four or more owners for one question, which is another way of having none.

Breach cost.

Healthcare: \$7.42 million, highest of any sector for the fourteenth year; 279 days to identify and contain. IBM / Ponemon, 2025.

Statutes and standards that reach you.

HHS Section 1557 rule on patient care decision support tools (45 CFR 92.210), effective May 1, 2025: covered entities must make reasonable efforts to identify and mitigate discrimination risk in tools that use race, sex, age, and other protected inputs. ONC HTI-1 decision-support transparency requirements for certified EHRs. FDA's list of AI-enabled medical devices. California SB 1120, effective January 1, 2025: a physician, not an algorithm, makes medical-necessity determinations in utilization review. Colorado SB 26-189 from January 1, 2027. HIPAA, without an AI exemption.

Pattern.

Adoption in hospitals is high and vendor-shaped: the growth from 2023 to 2024 came from EHR-developed models, while third-party and self-developed use fell. The tools arrive inside the EHR upgrade, and the vendor's roadmap answers the question of what they're for. The August 2026 workforce briefing prices the other side: labor at 53% to 56% of operating cost against a 1.3% median margin.

Of the predictive models running inside your EHR today, how many did you choose, how many arrived with an upgrade, and who owns the list?

Four in five physicians use AI, and 85% want a seat in the decision.

81%

of physicians use AI in their practice, up from 38% in 2023.

Source: AMA PHYSICIAN SURVEY ON AUGMENTED INTELLIGENCE, MARCH 2026

2.3

AI use cases per physician on average, up from 1.1.

Source: AMA, MARCH 2026

85%

want to be consulted or responsible for AI adoption in their practice.

Source: AMA, MARCH 2026

Adoption.

81% of physicians use AI in their practice in 2026, up from 66% in 2024 and 38% in 2023, with an average of 2.3 use cases per physician. Top uses: summarizing medical research and standards of care, and documenting clinical care. AMA Physician Survey on Augmented Intelligence, March 2026 (about 1,700 physicians; median practice 26 physicians).

Sentiment.

76% believe AI improves their ability to care for patients; uncertainty fell from 18% to 9% in two years. 85% want to be consulted or responsible for AI adoption in their practice, and 92% want more education and training. Close to half never or rarely want patients using AI to interpret radiology (46%) or pathology (49%) results.

Breach cost.

Healthcare: \$7.42 million. IBM / Ponemon, 2025.

Statutes and standards that reach you.

Section 1557 decision-support rule (May 1, 2025). California AB 3030, effective January 1, 2025: disclose when generative AI writes patient clinical communications. California SB 1120 on utilization review. State medical board guidance on AI in practice, which counsel checks for your states. The employment statutes for hiring.

Pattern.

Physicians adopted faster than any workforce in this issue, and 85% want a seat in the decision. Adoption arrived through individual physicians and vendors before the practice decided anything. The prior-authorization figures in the August briefing, 13 hours of physician and staff time per physician per week, are where the hours sit.

How many of your physicians are using AI on patient care today, how many of those uses did the practice sanction, and who signed the policy?

Four states have drawn the line: AI stays out of the session and is welcome in the paperwork.

4 states

bar AI from delivering therapy: Illinois, Nevada, Maine, Rhode Island.

Source: ENACTED STATUTES, 2025-2026

\$10,000

per violation under Illinois' Wellness and Oversight for Psychological Resources Act; \$15,000 in Nevada.

Source: PUBLIC ACT 104-0054; NEVADA AB 406

\$7.42M

average cost of a healthcare breach, with 42 CFR Part 2 on top of HIPAA for these records.

Source: IBM / PONEMON, 2025

Adoption.

No source in this issue publishes an adoption rate for behavioral health providers as a segment. The Census health care rate above is the nearest available and includes social assistance. This page shows none, and the segment is first on the survey list.

Breach cost.

Healthcare: \$7.42 million. Behavioral health records carry 42 CFR Part 2 protections on top of HIPAA.

Statutes that reach you.

This is the most restricted segment in the issue. Illinois Wellness and Oversight for Psychological Resources Act (Public Act 104-0054), effective August 1, 2025: AI may not deliver therapy, make therapeutic decisions, or generate treatment

plans without licensed review, with penalties to \$10,000 per violation; scheduling, billing, and documentation with client consent are permitted. Nevada AB 406, effective July 1, 2025: AI may not provide or claim to provide mental or behavioral health care, penalties to \$15,000. Utah HB 452, effective May 7, 2025: disclosure, data-sale ban, and advertising limits for mental-health chatbots. Maine LD 2082 (2026) and Rhode Island have followed the Illinois model. New York's AI companion law (November 5, 2025) and California SB 243 (January 2026) add crisis-detection duties and private rights of action for companion chatbots. Arizona requires human review of AI-driven coverage denials.

Pattern.

The statutes draw the same line in four states: AI stays out of the session and is welcome in the paperwork. That line lands on the administrative side of the workforce, where the documentation and authorization hours in the August briefing live. A behavioral health organization's plan writes itself around that line if someone writes it.

Which of your AI uses touch a clinical decision, which touch the paperwork, and can you show a regulator the line between them?

A distributed clinical workforce, and a back office where AI arrives first.

~20%

of health care and social assistance firms report using AI, the nearest published rate.

Source: FEDERAL RESERVE BANK OF MINNEAPOLIS, FROM CENSUS BTOS, 2026

41%

of the U.S. workforce uses generative AI at work.

Source: FEDERAL RESERVE BOARD, FEDS NOTE, APRIL 2026 (RPS DATA)

\$7.42M

average cost of a healthcare breach.

Source: IBM / PONEMON, 2025

Adoption.

No source in this issue publishes an adoption rate for home health or hospice providers. The health care sector rate is the nearest available. This page shows none for the segment itself, which puts it on the survey list.

Breach cost.

Healthcare: \$7.42 million.

Statutes that reach you.

HIPAA. Section 1557 decision-support rule where clinical tools are used. The employment statutes for hiring and scheduling a distributed workforce.

Colorado SB 26-189 from January 1, 2027.

Pattern.

A distributed clinical workforce documenting from the field, with scheduling, intake, and authorization work concentrated in a back office. The Census finding that AI diffuses by task, with writing, document analysis, and information search leading, points at that back office as the first place AI arrives whether or not anyone plans it.

Where did AI touch a visit note, a schedule, or an authorization last week, and did the agency decide that or a clinician's phone?

POST-ACUTE, REHABILITATION, AND SKILLED NURSING

The thinnest margins in healthcare, and the payroll that buys paperwork instead of care.

~20%

of health care and social assistance firms report using AI, the nearest published rate.

Source: FEDERAL RESERVE BANK OF MINNEAPOLIS, FROM CENSUS BTOS, 2026

66%

of AI-using firms rely on it solely to augment existing work.

Source: U.S. CENSUS BUREAU, CES-26-25

\$7.42M

average cost of a healthcare breach.

Source: IBM / PONEMON, 2025

Adoption.

No source in this issue publishes an adoption rate for post-acute or skilled nursing providers. The health care sector rate is the nearest available. This

page shows none for the segment itself, which puts it on the survey list.

Breach cost.

Healthcare: \$7.42 million.

Statutes that reach you.

HIPAA. Section 1557 decision-support rule. CMS staffing and payment rules, which counsel checks for current status. The employment statutes for hiring and scheduling. Colorado SB 26-189 from January 1, 2027.

Pattern.

The thinnest margins in healthcare and the highest documentation load per clinician hour, with MDS, therapy minutes, and authorization work sitting in the same payroll that delivers care. The August briefing's third problem, payroll that buys administrative work instead of care, is this segment's whole problem.

What share of your clinical payroll last quarter bought documentation and authorization work rather than care, and does any report show it?

Method.

What this issue is.

A synthesis. Every number in it was measured by someone else, and every one appears in the data appendix with its population, sample size where the source reports one, publication date, and evidence tier. Nothing here is a Stratos Edge measurement. Issue 1 will carry the first: a survey of employees at 1,000+ employee organizations, designed to test the thesis below. From then on, synthesized and measured numbers are labeled as such wherever they appear.

The thesis.

Stratos Edge Research holds that most AI adoption fails on approach rather than technology. The same three leaks, unsanctioned use, stalled pilots, and no signed plan, appear across industries at different depths, and organizations whose people can describe the plan realize more from the technology than organizations that only announced one.

What would disprove it.

Measured data in which employees who can describe their organization's plan show the same breadth of use and the same second-initiative rate as employees who only know a plan was announced. Or sector data in which high adoption coincides with no governance gap. If either shows up, it gets the same page count as the finding that confirms us.

Evidence tiers, as used in the appendix.

Government statistics (Census Bureau, Federal Reserve research). Independent probability-panel surveys (Gallup). Academic surveys (NBER). Professional association surveys (AMA). Sponsored research conducted independently (IBM / Ponemon). Industry analyst surveys and forecasts (S&P Global, Gartner). Research organizations characterizing others' estimates (RAND's failure rate). Legislative

trackers (MultiState). Lower tiers are cited with their tier visible, and a lower-tier number never carries a headline alone.

Populations.

Gallup measures employees; Census measures firms; IBM measures breached organizations; S&P measures enterprises; ASTP measures hospitals; AMA measures physicians. This issue puts those populations side by side. It does not subtract one from another. Where a comparison across populations is drawn, the sentence says which population each number describes.

Rounding and n.

Percentages are reported as the source publishes them. Sample sizes appear in the appendix; where a source doesn't publish one, the cell is blank. Worked examples use national constants and say so.

Corrections.

Corrections to a published issue are logged here with the date, the original text, the corrected text, and the reason, and the corrected PDF replaces the original at the same address. Issue 0 has no corrections yet. Pre-publication verification changed three items in draft: the Colorado and EU calendar rows, which had been drafted to superseded dates, and the plan-communicated figure, updated from Gallup's 2025 value to its May 2026 value.

Data.

The appendix table is available as a CSV at stratosedge.ai/research, licensed for reuse with attribution to Stratos Edge Research and the original source of each row.

Compare yourself.

Readers can answer the three questions at stratosedge.ai/research and see where their answers sit against their segment. Responses are confidential, aggregated, and

feed the measured layer of Issue 1.

Editor.

Micah Laughlin, Chief Strategy Officer, Stratos Edge.

Corrections.

No corrections have been logged to this issue since publication. A correction is recorded here with the date, the original text, the corrected text, and the reason.

Sources.

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17. [PwC, 29th Global CEO Survey, January 2026 \(4,454 CEOs, 95 countries\), and CEO Survey Snapshot, August 2026 \(351 CEOs\).](#)
18. [Illinois Public Act 103-0804; Texas HB 149 \(2025\); California Privacy Protection Agency regulations on automated decision-making technology \(2025\); Colorado SB 26-189 \(2026\); Regulation \(EU\) 2026/1744, Official Journal, July 24, 2026; Executive Order, "Ensuring a National Policy Framework for Artificial Intelligence," December 11, 2025. \[counsel reads\] Texts: \[Illinois Public Act 103-0804\]\(#\) · \[Texas HB 149\]\(#\) · \[California CPPA regulations\]\(#\) · \[Colorado SB 26-189\]\(#\) · \[Regulation \\(EU\\) 2026/1744\]\(#\) · \[Executive Order, December 11, 2025\]\(#\)](#)

S&P Global and Gartner publish industry analyst research. IBM's report is sponsored research the Ponemon Institute conducted independently. RAND's failure rate is RAND's characterization of published estimates, not its own count. All are cited as such throughout.

Data appendix: one row per number in this issue and its segment pages, with gap, metric, value, population, n, source, date, evidence tier, and segment. Download at stratosedge.ai/research.

Cite this issue.

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Data appendix: [issue-0-data.csv](#) ([Download the PDF](#)), one row per number in this issue with metric, value, population, sample, source, URL, date and evidence tier. Series methodology and citation forms at [stratosedge.ai/research](https://www.stratosedge.ai/research).

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