

# The AI Bubble: A House Of Cards That Can Collapse

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The AI economy could collapse any minute...and yes, this is being openly discussed by economists and mainstream media alike. Think of it like a house of cards. One wrong move, one missing chip, and the entire structure topples.

And don't think to yourself, "Who cares?" You should.

If AI falters, the global economy doesn't just stumble...it will be severely crippled.

## The Dirty Secret

Basically, the big tech players are lending money to each other, buying each other's services, and boosting each other's valuations. It's like a Ponzi scheme with GPUs and cloud contracts instead of envelopes of cash.

Microsoft invests in OpenAI. OpenAI buys Microsoft's cloud services. Microsoft's money comes back as revenue. Everyone looks richer, happier, and more indispensable. Add Nvidia into the mix (supplying chips and investing in AI companies) and suddenly, your \$10 billion investment becomes \$35 billion in revenue...back to you. Circular magic.

## The Problem

Concentration is the problem. Three clients account for more than half of Nvidia's revenue. **Seven companies (Microsoft, Google, Amazon, Nvidia, Oracle, AMD, Meta) drive 64% of S&P 500 gains this year.** Without them, the U.S. economy would barely grow. Literally!

## Ugly Domino Effect

And if the AI house of cards collapses? Recession. Stock market crash. Banks in trouble. Businesses freezing investments. Layoffs. Middle-class incomes crushed. Sure, some might say, "Finally, the AI-driven white-collar job losses will slow down." But in the short term, it'll hurt far more than it helps.

This isn't just tech drama...it's financial fragility on a planetary scale. The AI economy is fueling growth, stock gains, and corporate dominance. But it's built on interdependent investments and circular funding loops that make it extremely vulnerable.

## Similar To The 2008 Housing Bubble

The AI economy is like the housing bubble 2.0...but turbocharged: it's faster and entwined with the backbone of global business. One misstep, one over-leveraged card, and this house of AI cards could tumble faster than anyone predicts. Just like the housing bubble, the AI economy has a layer of artificial growth built on internalized financial feedback loops rather than fully independent market fundamentals. One major disruption, and the domino effect could be catastrophic.

**Bottom Line:** So, should you panic? Maybe not today. But keep your eyes open, your portfolio diversified, and remember: In the AI game, one missing card could send the whole house tumbling. Because when it comes to AI...the only thing more fragile than the code is the economy depending on it.



*"Consulting innovative businesses: I optimize operations and growth strategies with my diverse experience in UX, AI, finance, and research."*

- Dr. Luther

