Entry-Level Hiring in the AI Era

What Employers Are Thinking (and Doing)

strada

INSTITUTE FOR THE FUTURE OF WORK

INSTITUTE FOR THE
FUTURE OF WORK

Entry-Level Hiring in the AI Era: What Employers Are Thinking (and Doing)

Written by Andrew R. Hanson
Graphics by Molly Cook Escobar

Printed May 2026

Entry-level jobs have long represented the first step on the career ladder toward economic stability and mobility. But today's world, with its constantly changing job market and the rapid rise of artificial intelligence, is making their role in launching a career feel more uncertain. As AI automates some of the tasks historically done by entry-level workers, are those jobs starting to disappear?

To understand better how entry-level hiring is evolving in the early AI era — and to help inform how learners, educators, and policymakers prepare for a changing job market — Strada Institute for the Future of Work surveyed nearly 1,500 executives and senior talent leaders across the country, representing the full range of industries and firm sizes. We asked them key questions relevant to people starting their careers: Is AI increasing or decreasing entry-level hiring? How is it changing the skills and qualifications employers expect? And which credentials, skills, and experience matter most for success in an entry-level job?

Key Findings

We found that:

- **Employers indicate that AI tools are more likely to increase than reduce entry-level hiring in their organization.** Nearly three times (2.7 times) as many senior talent leaders expect AI use to increase entry-level hiring in 2026 as to decrease it, indicating a mixed and often positive near-term outlook.

- **Greater use of AI is the most frequently cited significant positive driver of increased entry-level hiring.** Among firms that reported at least one factor as significantly increasing entry-level hiring, 27 percent said greater use of AI in their organization was the most significant factor.

- **AI appears to be shifting entry-level work away from routine and administrative tasks toward more complex responsibilities.** More than 40 percent of employers report that AI has increased the analytical responsibilities assigned to entry-level employees, while a nearly identical share say it has reduced routine administrative tasks.

- **Critical thinking and communication are valued more highly in entry-level hires than AI literacy.** Employers rate AI literacy as the least important skill evaluated, while critical thinking and communication rank as the most important.

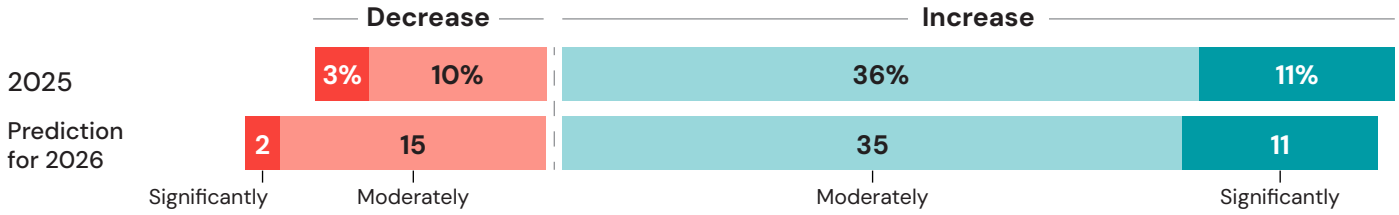
- **Work experience is the most valued indicator of career readiness.** When evaluating candidate profiles, employers that hire recent college graduates rank those with related work experience — such as internships or project-based learning — as most desirable, while a candidate with a 4.0 GPA and academic awards, but no formal work experience, is least preferred.

AI and Entry-Level Hiring:
A Net Positive (So Far)

Employers indicate that AI tools are more likely to increase than reduce entry-level hiring in their organizations. When asked about the impact of AI on entry-level hiring volume at their organization in 2025, 46 percent of employers that have at least explored using AI reported an overall increase, compared to 13 percent reporting a decrease, a ratio of nearly 4-to-1. While the outlook for 2026 remains optimistic, expectations are somewhat more measured, with 46 percent of employers anticipating a positive impact and 17 percent anticipating a negative impact, a ratio of nearly 3-to-1. These patterns hold across industries and employer sizes, though the magnitude of the ratios varies.

FIGURE 1:

Impact of AI Use on Entry-Level Hiring Volume: 2025 and Expected 2026

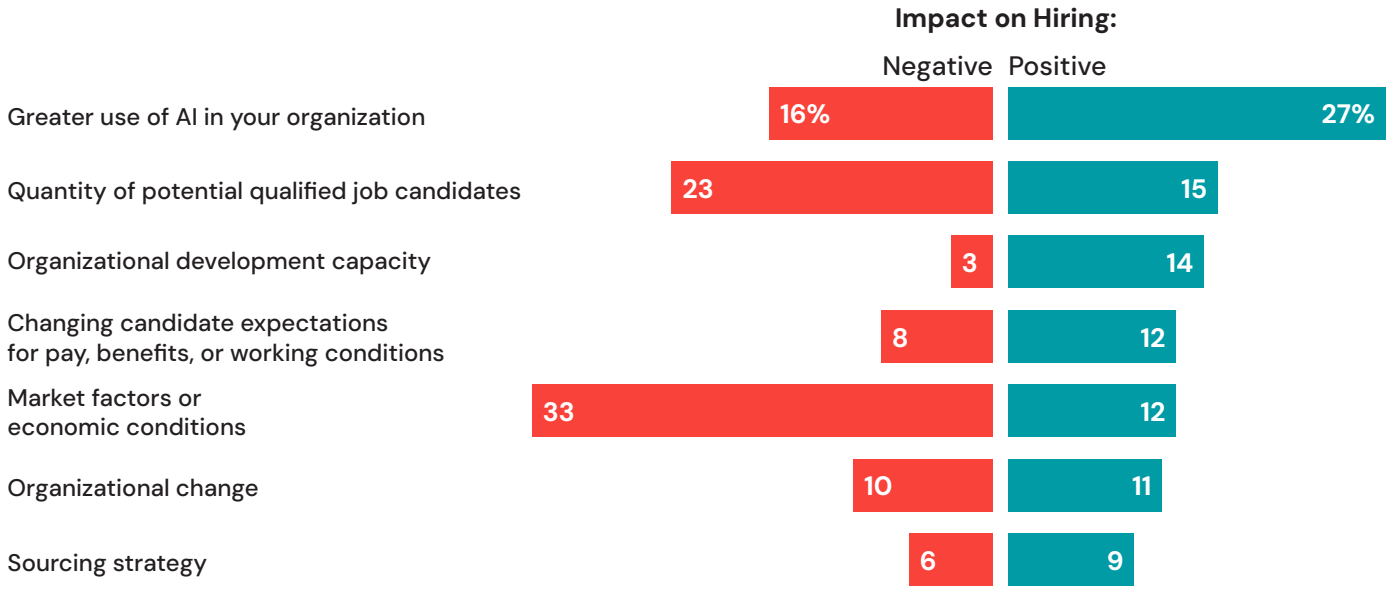


Base: Employers that have at least explored using AI and hire entry-level employees (N=1,387).
Employers that answered "no significant change" are not represented.

Employers most commonly cite their organization's increased use of AI as the most significant factor having a positive impact on entry-level hiring and economic conditions as the most significant factor having a negative impact. More than five times as many employers named at least one factor as having a positive impact on entry-level hiring than a negative impact.[1] Among employers that say at least one factor is having a significant positive impact, 27 percent point to the greater use of AI as the single-most important positive driver, the most frequently cited positive factor. By comparison, 33 percent of employers that say at least one factor is having a significant negative impact on entry-level hiring point to broader economic conditions as the single-most important factor, the highest among negative factors. The second-most common negative threat to entry-level hiring is the available pool of qualified candidates (23 percent), followed by greater use of AI by the organization (16 percent).

FIGURE 2:

Single-Most Important Factor Anticipated to Impact the Number of Entry-Level Hires in 2026



Base: Employers that anticipate at least one significant negative impact (left, N=131) and those that anticipate at least one positive impact (right, N=750) on entry-level hiring in 2026.

1. Employers were asked first whether a range of factors — e.g., market conditions, the pool of qualified candidates, and greater use of AI in their organization — would have a positive or negative impact on entry-level hiring in 2026. Those that said multiple factors were having a significant positive impact on entry-level hiring in 2026 were asked which factor would have the most significant positive impact, while those that said multiple factors were having a significant negative impact on hiring were asked which factor would have the most significant negative impact on entry-level hiring in 2026.

The vast majority of employers hiring at the entry level report that they are engaging with AI in some way, ranging from small-scale testing to strategic integration. Only 8 percent of employers report that they have no current plans to use AI tools, while the vast majority of the market has moved into various stages of adoption:

- **22 percent** of firms have reached a state of **strategic integration**, meaning they have a clear, company-wide plan for using AI across all their teams to help the business succeed;
- **32 percent** of companies have **partially integrated** these tools, with most of their teams using AI to improve productivity or the quality of their work; and
- **20 percent** are in a **developing** phase, using AI sporadically or for specific tasks as needed, and 18 percent are exploring the use of AI tools.

FIGURE 3:

Level of AI Integration

Base: Employers that hire entry-level employees (N=1,498). "Not considering or relevant" refers to employers who do not currently use AI tools and have no immediate plans to implement them.

Employers expecting AI to increase entry-level hiring report these roles are becoming more complex, while those expecting to hire fewer people are using AI to automate basic tasks. Firms anticipating increases in entry-level hiring because of AI are substantially more likely to have a clear, company-wide plan for using AI across all their teams, including integrating it into their approach to sourcing and screening candidates. These firms also say AI is increasing higher-level judgment and analytical responsibilities for entry-level employees. On the other hand, those anticipating decreases in entry-level hiring due to AI are more likely to have only partially integrated AI and primarily use it to automate routine tasks. The firms anticipating growth in entry-level jobs due to AI also are substantially more satisfied with the quality of entry-level candidates than those anticipating reductions.

FIGURE 4:

Selected Characteristics of Employers Decreasing vs. Increasing Entry-Level Hiring Due to AI

Employers decreasing hiring due to AI are more likely to ...	Employers increasing hiring due to AI are more likely to ...
Have partially integrated AI tools	Have strategically integrated AI tools
Say AI has reduced routine or administrative tasks within entry-level roles	Say AI has increased analytical or judgment-based responsibilities within entry-level roles
Be dissatisfied with recent entry-level hires	Be highly satisfied with entry-level hires
Expect entry-level hiring to be more difficult in 2026	Expect entry-level hiring to be easier in 2026

Base: Employers expecting AI to lead to a decrease (left, N=230) and an increase (right, N=660) in entry-level hiring in 2026.

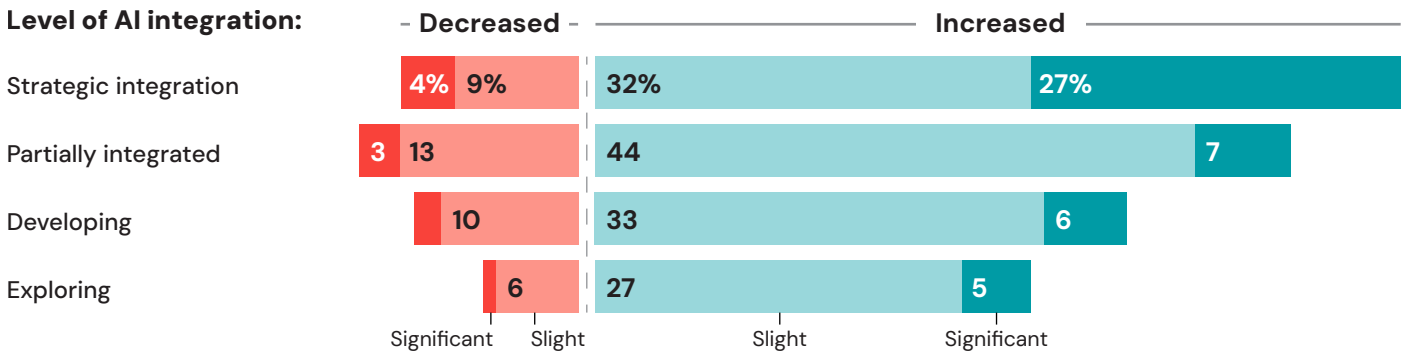
AI Adoption: Stronger Job Growth with Deeper Integration?

Firms that have strategically integrated AI also are more likely than firms with lower levels of integration to perceive it as having a positive effect on the number of entry-level hires. Firms that have strategically integrated AI tools are more likely than those with lower levels of integration to say it has led to a positive impact on entry-level hiring, with 32 percent saying it has led to a slight increase and 27 percent saying it has led to a significant increase.

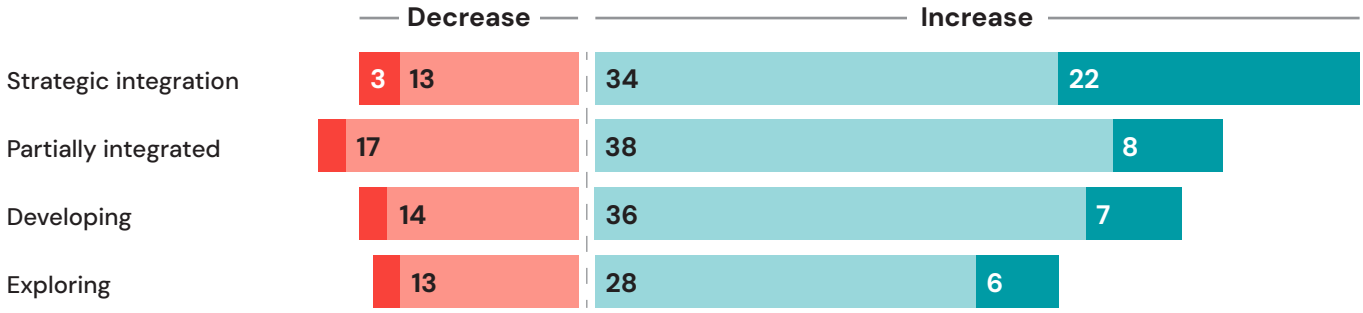
FIGURE 5:

Impact of AI on Entry-Level Hiring by Level of Integration

Due to AI, entry-level hiring in 2025 ...



Due to AI, entry-level hiring in 2026 will ...



Base: Employers that have at least explored using AI and hire entry-level employees (N=1,387).
Employers that answered "no significant change" are not represented in the chart.

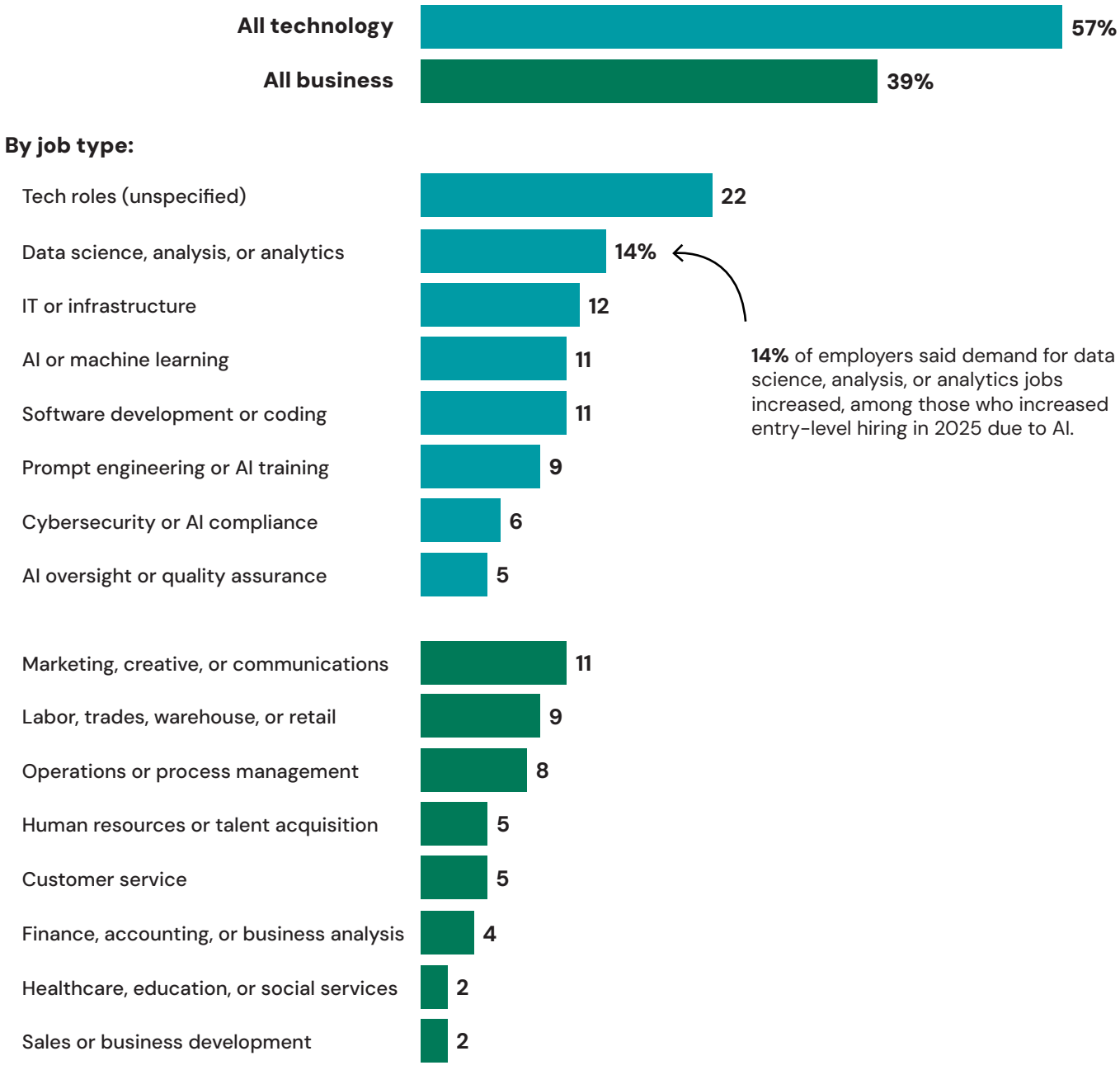
Creative Destruction:
AI-Driven Changes in the Job Mix

Employers expanding entry-level hiring due to AI report that their use of AI tools predominantly is increasing demand for entry-level technology and business roles. Among employers that report increased hiring at the entry-level due to AI, more than half report increased demand for tech-focused roles (e.g., data science, information technology, AI, software development, cybersecurity), while more than one-third report increased demand for business roles (e.g., marketing, retail, warehouse, automation, process management).

> "We do not use AI to replace employees, but rather to add more tasks that will increase our business revenue."
>
> *- Human resources director at mid-sized organization in healthcare*

FIGURE 6:

Entry-Level Job Types Most Often Cited as Increasing in 2025 Because of AI Tools



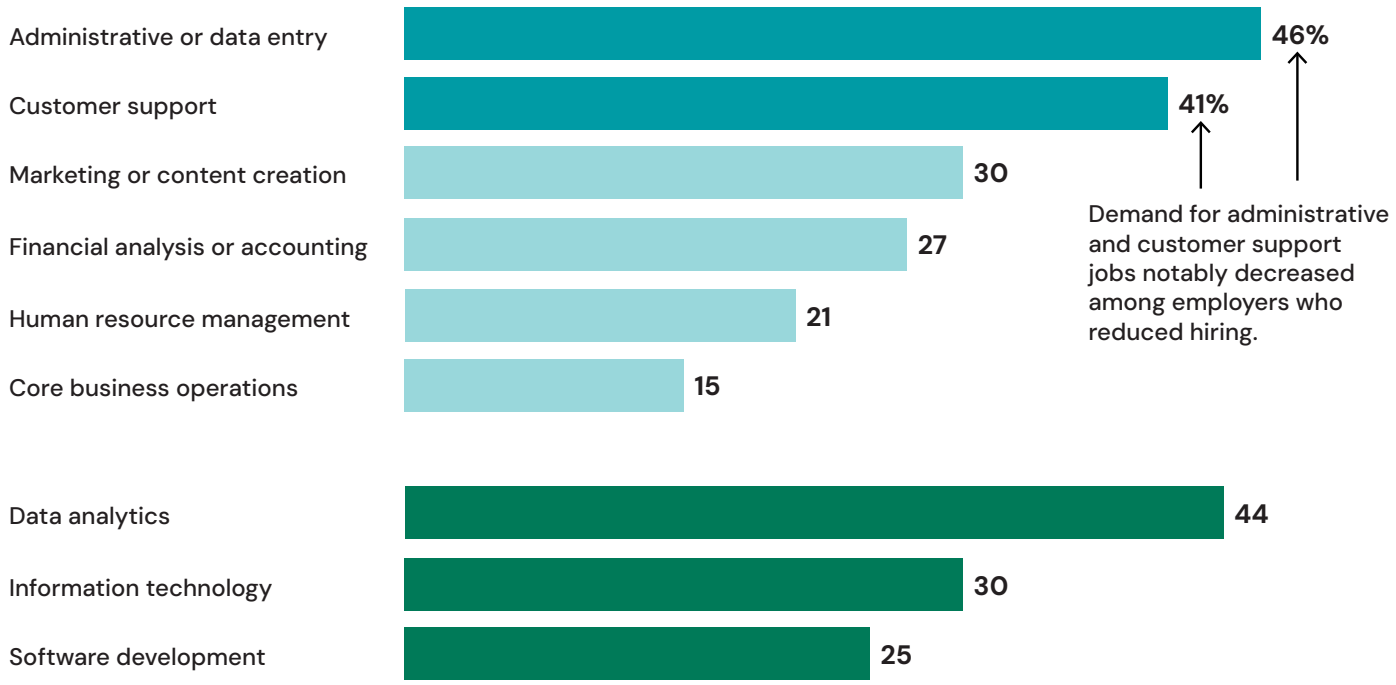
Base: Employers that said AI led to an increase in entry-level hiring in 2025 (N=674).

Employers reducing entry-level hiring due to AI report decreased demand across a range of administrative, business, operational, and technology roles. More than 40 percent of these employers report reduced demand for administrative, customer support, and data analytics roles. Other common roles include marketing or content creation, IT, financial analysis or accounting, and software development. Notably, there is considerable overlap in the entry-level roles that are increasing at some firms and decreasing at others due to AI.

> "Because the AI is doing a lot more of the work and so I don't really need humans anymore if the AI can do the job better."
>
> *– CEO of large tech firm with at least 5,000 employees*

FIGURE 7:

Entry-Level Functional Areas in Which Employers Reported Headcount Reductions Due to AI Tools in 2025



Base: Employers that said AI led to a decrease in entry-level hiring in 2025 (N=172).

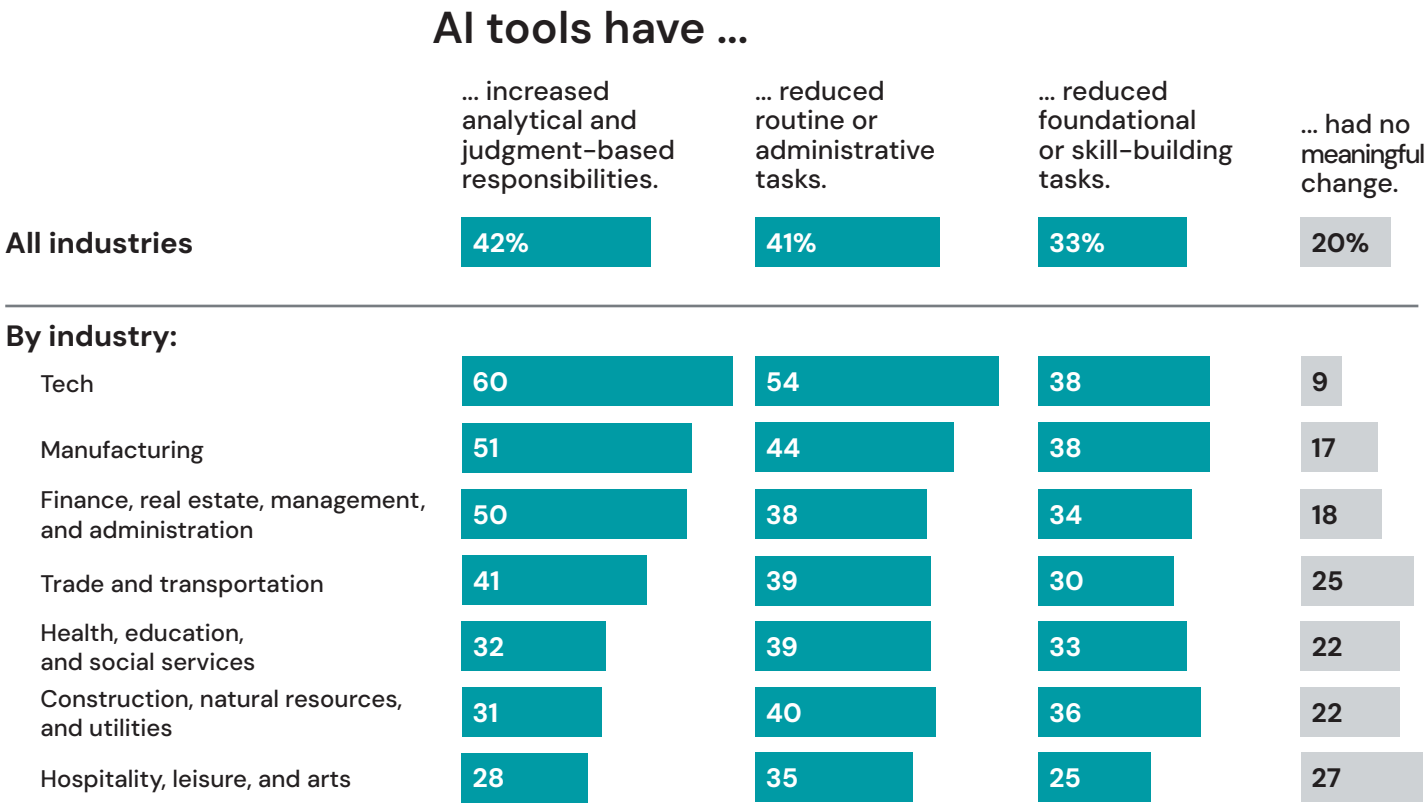
The Changing Nature of Entry-Level Work:
A Higher Bar

Employers report that AI is changing the nature of entry-level work by automating routine tasks and enabling entry-level employees to take on more complex responsibilities, though the changes are more acute in some industries than others. Among employers that have at least explored using AI, 42 percent say tasks involving analytical and judgment-based responsibilities are growing, while 41 percent of talent leaders agree that routine or administrative tasks are being reduced. In contrast, only 20 percent of employers believe AI has not changed the mix of tasks for their entry-level staff. This transformation is most visible for employers in the technology and manufacturing sectors, in which 60 percent and 51 percent of employers report an increase in judgment and analytical tasks, respectively. On the other hand, industries such as hospitality and construction report much lower rates of change, suggesting that AI's impact varies across industries based on the mix of tasks involved.

> **"AI automated routine tasks, shifting entry-level roles toward higher-skilled work and increasing the need for tech-savvy candidates."**
>
> *– CEO of mid-sized manufacturing firm*

FIGURE 8:

AI Impact on Entry-Level Job Tasks by Industry

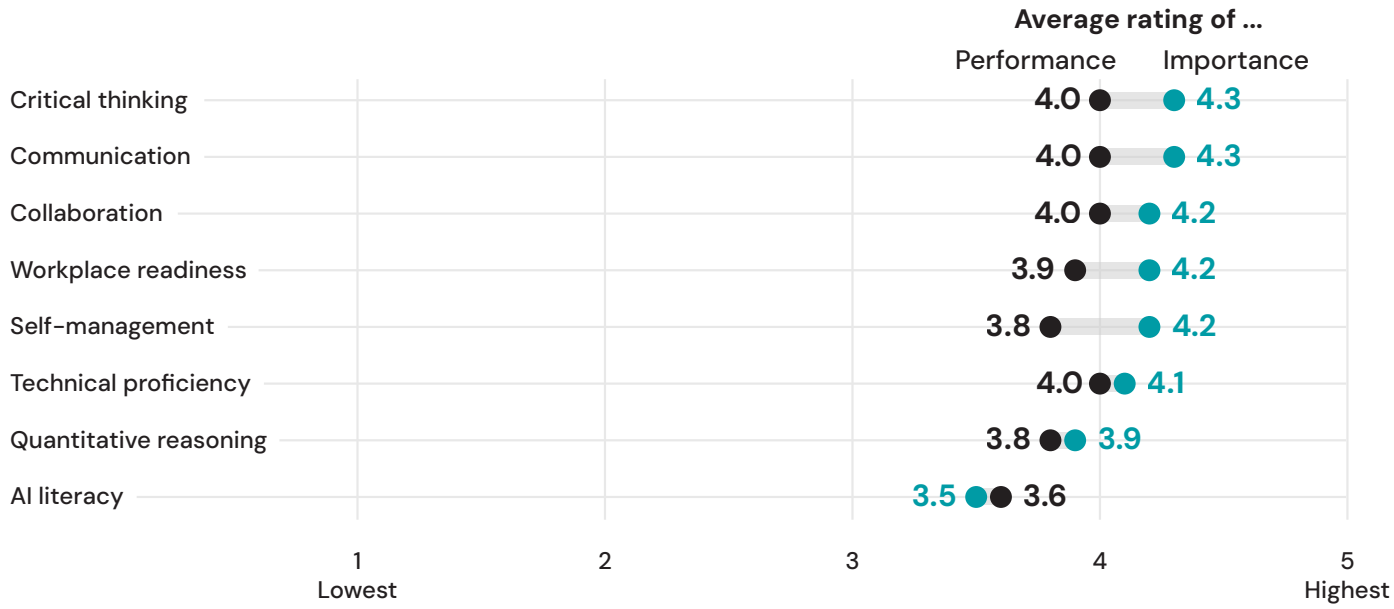


Base: Employers that have at least explored using AI and hire entry-level employees (N=1,387).
Because respondents could select multiple options, percentages do not sum to 100%.

Employers continue to prioritize foundational abilities such as critical thinking, communication, and collaboration over technical skills when evaluating college graduates' readiness for entry-level roles. Employers rated a range of skills — e.g., AI literacy, collaboration, communication — on both their importance and college graduates' performance. Critical thinking, communication, and collaboration are rated as most important, more critical than technical proficiency or quantitative reasoning. Notably, in contrast to the prevailing tech-heavy narrative, employers currently rank AI literacy as the least important of the skills evaluated. AI literacy also was the only skill for which employers rated entry-level employees' performance on the skill (3.6) higher than its importance (3.5).

FIGURE 9:

Employer Ratings of Skill Importance and Performance for Entry-Level College Graduate Hires



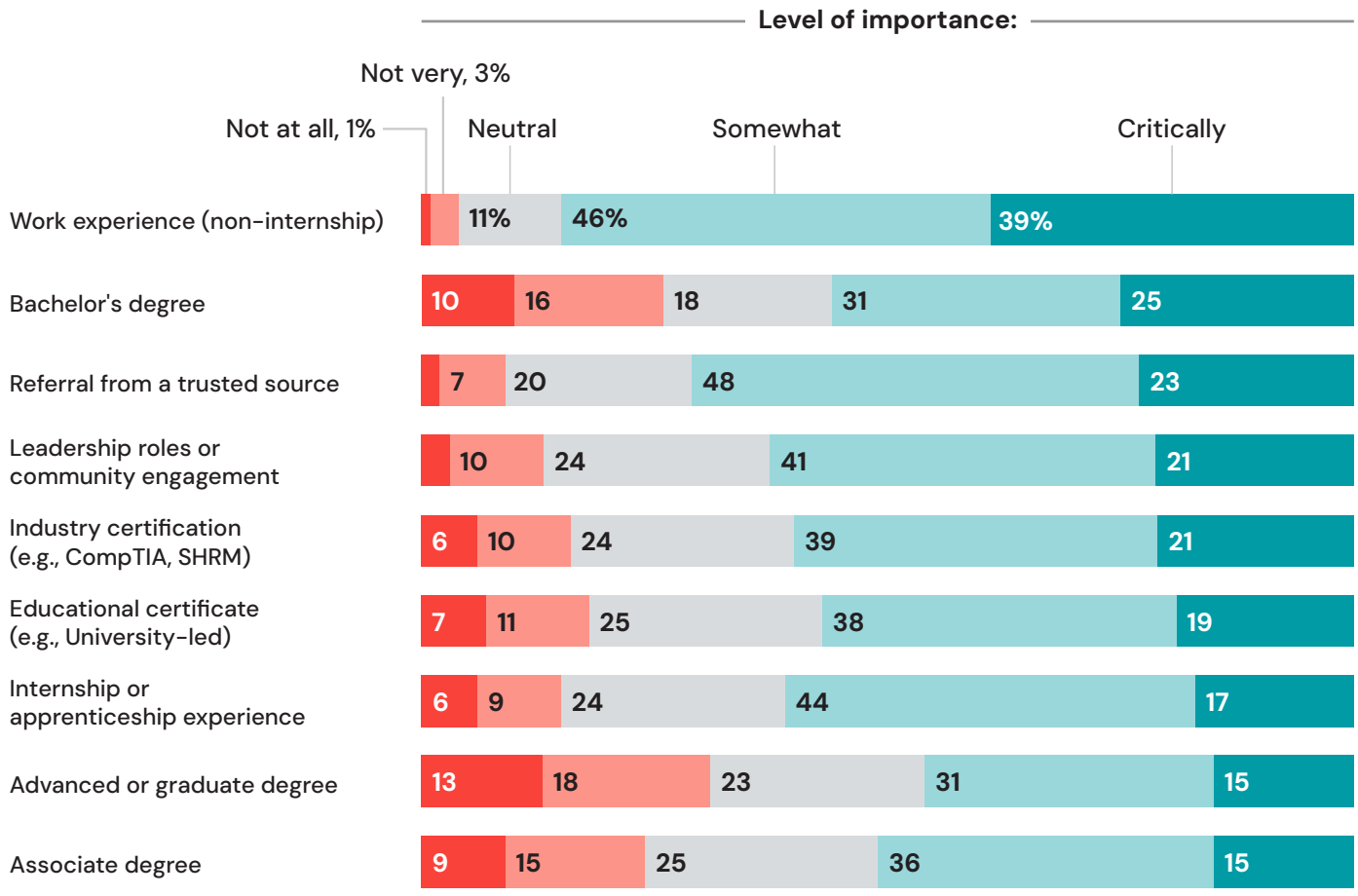
Base: Employers that typically require a bachelor's degree or higher for entry-level positions (N=687). Performance ranges from 1 ("Poor") to 5 ("Excellent"). Importance ranges from 1 ("Not at all important") to 5 ("Critically important").

Entry-Level Hiring Decisions:
Experience Over Credentials

Work experience is the most influential factor in the final hiring decision for all entry-level positions. Employers identify work experience as "critically important" more often than any other factor (39 percent). This underscores the rising entry-level requirements observed in recent decades: employers increasingly expect entry-level hires to arrive with the skills and professional exposure needed to contribute soon after they start. Meanwhile, the bachelor's degree is rated as the most important education credential, with 25 percent of employers rating it as critically important. A referral from a trusted source also is rated highly important, with 71 percent of employers rating it as either somewhat or critically important.

FIGURE 10:

Importance of Factors in Final Hiring Decisions for Entry-Level Candidates



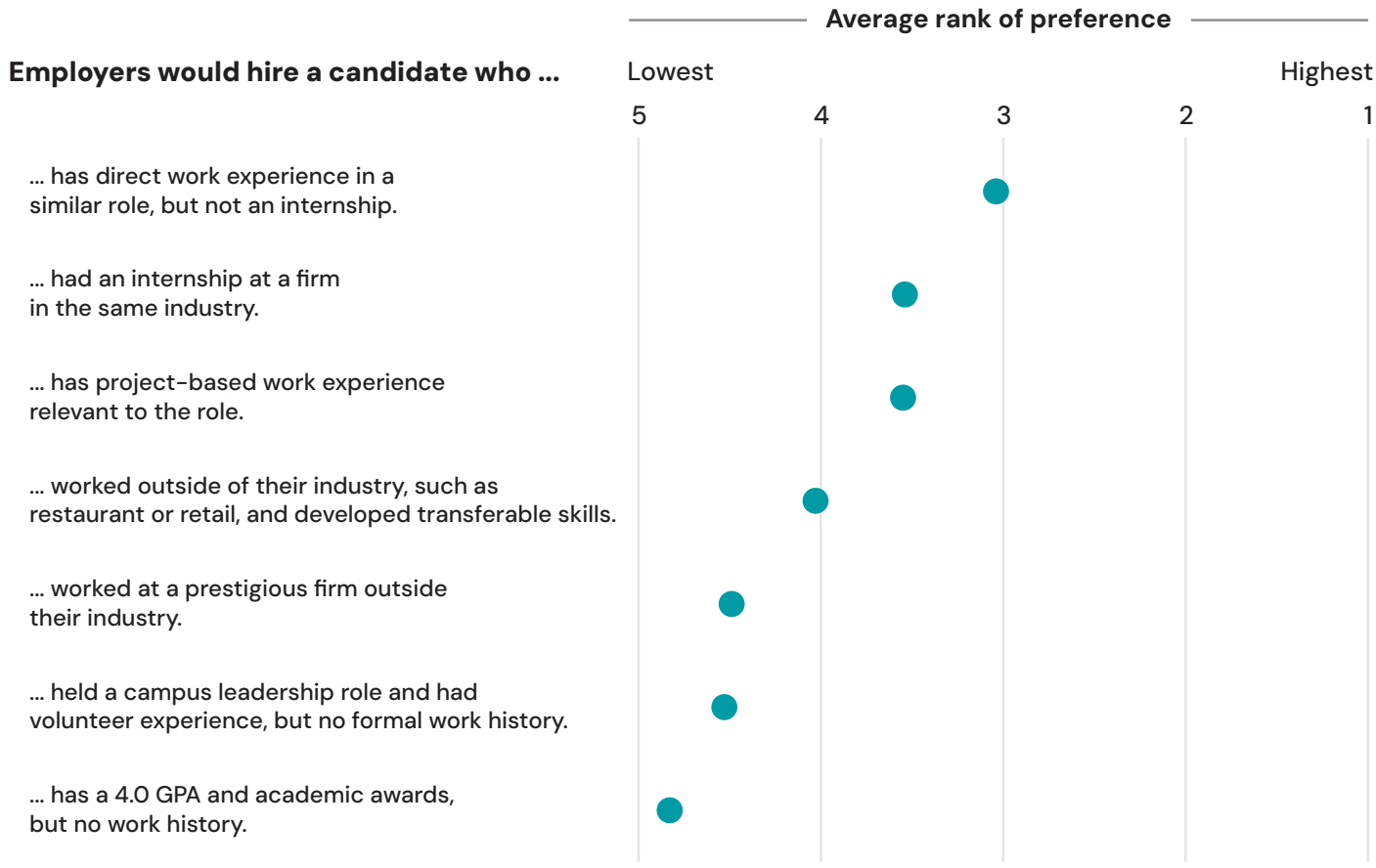
Base: Employers that hire entry-level employees (N=1,498).

Employers that hire college graduates view work experience as the most important signal that entry-level candidates are ready for the job. When evaluating distinct candidate profiles, they show a clear preference for candidates with relevant work experience over academic accomplishments or volunteer experience alone. Specifically, a candidate with direct work experience in a similar role, an internship in the same industry, or project-based work in the same sector is most likely to be preferred. By contrast, a candidate with a perfect 4.0 GPA and academic awards — but no work history — is the least desirable option.

> "The top challenge is finding candidates with the right combination of skills and practical experience for entry-level roles, even when they have the required degree. Many applicants may have academic knowledge but lack hands-on experience, technical proficiency, or workplace readiness, which makes hiring for immediate productivity more difficult."
>
> *- Human resources manager of mid-sized tech firm with 1,000–4,999 employees*

FIGURE 11:

Employers' Average Rank of Preference of Profiles of Recent College Graduates



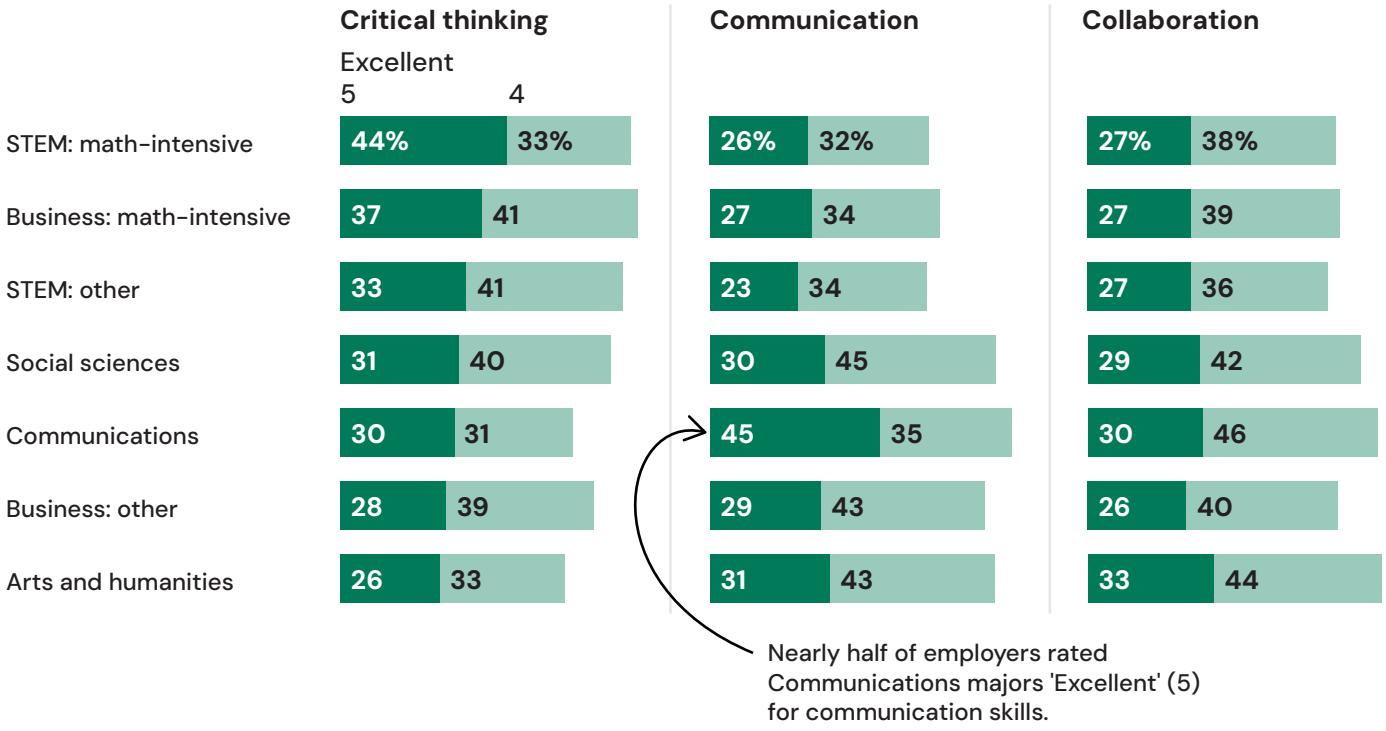
Base: Employers that typically require a bachelor's degree or higher for entry-level positions (N=687).

College Majors in Entry-Level Hiring: Broad Capability, Distinct Strengths, Uneven Supply

Employers report that no single college major stands out as the best preparation for every core skill. In **critical thinking**, employers rate math-intensive STEM graduates — such as those in engineering or computer science — as the strongest performers, with 44 percent receiving an excellent rating (4.2 on a 5-point scale). Among all majors, graduates with a degree in communications receive the highest ratings for **communication** skills, with 45 percent of employers rating them as excellent (4.2 overall). Performance ratings for **collaboration** are relatively consistent across majors (ranging from 3.8 to 4.0), showing the least variation among the core skills evaluated.

FIGURE 12:

Performance Ratings (1-5) of Entry-Level College Graduate Hires by Degree Field

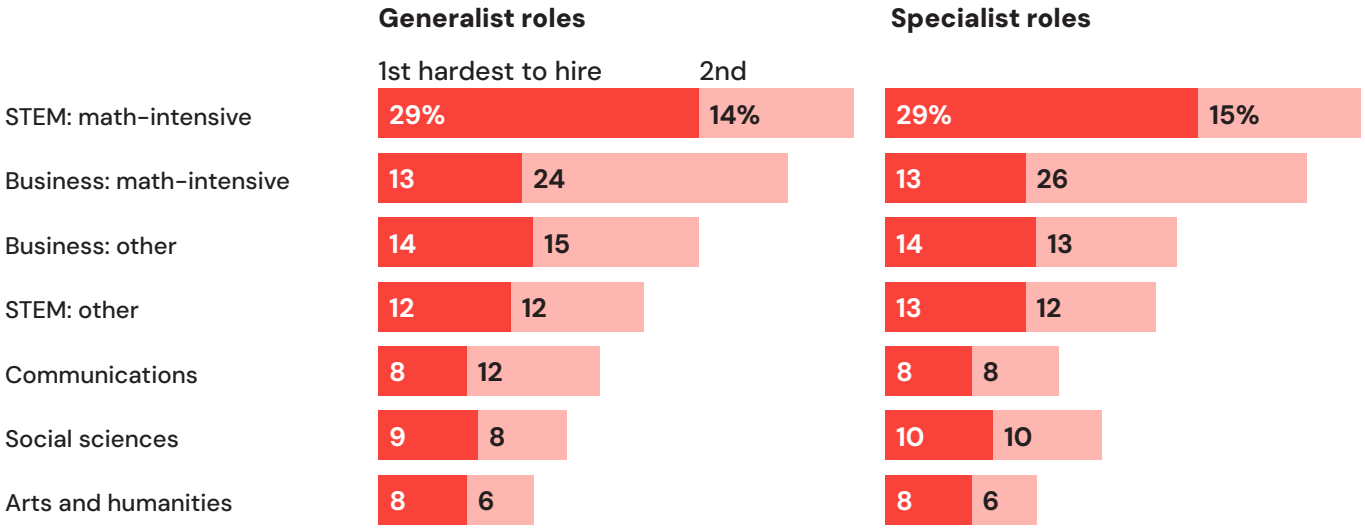


Base: Employers that typically require a bachelor's degree or higher for entry-level positions (N=687). Ratings 1 (Poor), 2 and 3, and "Don't know" are not shown.

Graduates who majored in math-intensive STEM fields are the most difficult for employers to hire. Twenty-nine percent of employers rank math-intensive STEM graduates as the hardest to attract for both generalist and specialist roles. Graduates from math-intensive business fields also are difficult to hire, consistently ranking just behind STEM across both role types, followed by other business and STEM disciplines. While quantitative reasoning skills may be less universally required across entry-level roles (as shown in Figure 9), they are harder to find at the level needed when they are required. By contrast, graduates from arts and humanities fields are hired into a wide range of roles but generally are less difficult for employers to secure.

FIGURE 13:

Most Difficult Majors to Hire for Entry-Level Generalist and Specialist Roles



Base: Employers that typically require a bachelor's degree or higher for entry-level positions (N=687).
Generalist roles are those for which any major qualifies, while specialist roles require a specific degree field.

What the Early Evidence Suggests

While AI capabilities have been improving rapidly and the use of AI agents is growing, their effects on entry-level hiring volumes to date have been relatively measured. These survey findings offer a hopeful near-term outlook for AI's impact on entry-level employment and signal that, for now, the first rung of the career ladder remains a vital starting point for opportunity, even as the bar for entry-level work continues to rise. There is growing interest in alternatives to the bachelor's degree, yet the core skills most often associated with a college education remain paramount to employers. Indeed, one of the most notable aspects of the early AI era is how little the hierarchy of essential skills has changed.

Data Source and Methods

Strada partnered with Artemis Strategy Group to survey 1,498 executives and senior talent leaders at U.S. organizations that hire entry-level employees. Results were weighted by industry, organization size, and geography to reflect U.S. employers with at least five employees who hire at the entry level. The survey respondents reflect a broad spectrum of leaders, including general managers (27%), CEOs and presidents (27%), and senior human resources professionals (49%),[2] representing a wide range of industries and firm sizes for employers with at least five employees. The survey was conducted from March 3–22, 2026.

Universal Note on Charts: Numbers may not sum to 100 percent due to rounding.

Referenced Survey Questions

- Which statement best describes how the impact of AI tools has affected the number of entry-level hires at your organization in 2025, compared to 2024?
- Which statement best describes the overall effect you expect the impact of AI tools to have on the number of entry-level hires at your organization in 2026, compared to 2025?
- Which of these factors will have the most significant (NEGATIVE/POSITIVE) impact in 2026?
- How would you describe your organization's current level of integration of AI-based tools?
- In 2025, what kinds of jobs increased in demand because of the use of AI tools? (OPEN-ENDED)
- In 2025, which of the following entry-level functional areas have seen the greatest reduction in headcount because of the use of AI tools?
- How has the use of AI tools changed the mix of tasks performed by entry-level employees in your organization?
- Which of the following best describes how, if at all, the rapid growth of AI tools has shifted your view of degrees or other credentials for entry-level professional roles?
- Please consider each of the skill areas described below when evaluating an entry-level candidate with [IS BACHELOR'S DEGREE OR HIGHER]. Please indicate how important these skill areas are in hiring.
- When evaluating a candidate for an entry-level professional role, how much weight do each of the following factors carry in your final hiring decision?
- Imagine you are looking to fill a typical entry-level professional role in your organization. Among seven candidates, all of whom have a four-year college degree, which of these would you be MOST likely to hire?
- Based on your experience in hiring, please rate the performance of entry-level hires who graduated with the following majors across these three core competency areas (critical thinking, communication, collaboration).
- For entry-level positions for which any bachelor's degree would qualify (generalist roles), which majors do you find most difficult to attract or recruit?
- For entry-level positions that require a degree in a specific field (specialist roles), which majors do you find most difficult to attract or recruit?

2. These percentages do not sum to 100 percent because respondents were allowed to select multiple roles.

INSTITUTE FOR THE FUTURE OF WORK

Strada Institute for the Future of Work conducts actionable research and provides technical assistance to strengthen pathways to opportunity for individuals and expand talent pipelines for employers. The Institute's work with state leaders enables them to leverage education and employment data to improve labor market outcomes for individuals, employers, and regions.

institute@stradaeducation.org

Headquarters
10 W. Market St.
Suite 1100
Indianapolis, IN 46204

Washington, D.C.
2001 Pennsylvania Ave. NW
Suite 1100
Washington, DC 20006