

# Workers

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Though some companies are just starting to dabble in AI deployment, early adopters have dived in. According to NVIDIA's State of AI in Financial Services: 2026 Trends report, 73% of respondents in leadership roles said AI is important to their company's future success and 89% of those surveyed said the technology has increased revenue and reduced annual costs.

"There's tremendous pressure on CEOs often to follow the herd when it comes to, for example, layoffs – which unfortunately, the stock market, on average, tends to reward because Wall Street interprets it as you can do more with less, whether that's true or not," said Erik Stettler, chief economist at talent marketplace Toptal. "If your competitor is doing it, then you need to show Wall Street and your board, yes, you're doing it as well."

But Stettler, a management consultant, has a warning for those business leaders: Don't forget to plan for the future and train the next generation of leaders.

"It may look better on paper or in the Excel sheet to cut your entry-level hiring and talent development in this transitional moment," Stettler said. But "you have a responsibility to foster tomorrow's talent for your organization. AI is not an excuse to hold off on that. You need to be playing the long game."

Young job seekers are having a hard time getting a foot in the door. A Cengage Group survey found 76% of employers reported hiring for fewer or the same number of entry-level roles in 2025, up from 69% in 2024. A Federal Reserve Bank of New York study found 42% of recent college graduates are "underemployed," the highest level since 2020, meaning they are working jobs that don't typically require a college degree.

AI is not the only factor contributing to a low-hire environment. Of those the Cengage Group surveyed, 46% said changes due to AI and emerging technologies are contributing to a decline in entry-level hiring. Around half blamed the current state of the economy and a tight labor market.

"Firms possibly are not recruiting as many [people] as they have some years ago, but that's as much about economics as AI," Watkins said. However, "if firms are looking to make resource reductions, AI starts to become a solution for that, whereas in another economic climate, they'd probably be using it more in terms of innovation and growth."

A 2023 Goldman Sachs report estimated AI could expose about 300 million full-time jobs to automation. A 2025 World Economic Forum report said AI is likely to disrupt as many roles as it creates, with white-collar, entry-level jobs particularly vulnerable.

## Potential 'toll to pay' if companies don't plan for the future

If companies intend to replace, rather than reshape, entry-level work, said Neil Costa, founder and CEO of recruitment and marketing agency HireClix, they should remember AI still lacks human experience, judgment and diversity.

"There's a big misconception for companies that are maybe thinking they can just throw it over the wall to the machines," Costa said. "They may benefit now by saving costs on the human component of their business operations or employee expenses, but I think there's going to be a toll to pay afterwards."

Watkins said there is growing concern that some companies are headed toward "a diamond-shaped career structure," in which there are hardly any workers at the bottom, plenty in the middle and few at the top.

"Obviously, that's not sustainable. You're always going to need a pyramid," he said.

And research analysts will always be needed, he added, otherwise, "no one else will understand what the AI tools are doing."

Stettler said companies should view today's landscape as an opportunity to train a new generation that will bring creativity and innovation to their organization over the next decades.

Even if some junior employees eventually leave for a different job, "they will remember that this is where they learned, and they will become future clients, future partners, future investors," Stettler said. "I mean that in a serious, analytical, quantitative way. This is not meant as a feel-good point."

Costa said companies should consider that young people tend to learn new technology more quickly than those who have been in the workforce for decades. That attribute, he said, will likely translate to productivity gains and increased profits over time.

"It's almost negligent to pass up on that younger talent that is figuring out how to incorporate this incredible productivity tool into their day-to-day lives," Costa said. "Why would you pass on that talent? Why would you just take the short-term gain by dodging some payroll expenses now, versus the potential upside on what that could generate for the top line?"

## Innovate immediately

While recent graduates used to enter the workforce to learn the ropes, they're now being asked to innovate soon after they're hired, Watkins said.

A strong candidate today, he said, has specific experience with a new technology to fill a company knowledge gap, or is adaptable with good people skills, business sense and a broad background. Ideally, both.

Being able to code no longer makes an applicant stand out. Having a deep understanding of AI might.

"We have to remember, although the generation going into the workforce at the moment are digital natives, they are not AI natives," Watkins said. "They'll tend to say, 'Yes, I can use AI.' But they also are looking for firms that supply training in AI and time to learn on the job."

Costa said applicants who know little about the technology should still expect to have an answer ready when companies ask for an example of a time they used AI in a constructive way.

"Companies are looking for people who can bridge AI and other areas of the business," Stettler said. "If you're a designer or a finance professional, they're looking for you to have sufficient professional fluency in AI that you can then go in the other direction."

Young workers seem to have two paths.

The first: Run from automation and pursue a job that requires showing up in person and doing physical work AI currently can't replace. The most in-demand jobs in 2025 appear to fall into this category. They included nurses, caretakers, social workers, warehouse associates and installation technicians, according to a report by Monster.com, an online job search platform.

Monster.com career expert Vicki Salemi said the common denominator across all of them is that they require human judgment, trust and relationship-building. They also cannot be fully automated or offshored.

"Maybe these roles aren't appealing to them, or maybe they don't have the credentials right now to pursue them full throttle, but they can keep this list for resiliency in mind as they're reviewing other jobs," Salemi said.

The second: Secure an internship that leads to, or apply and network their way into, an entry-level role AI is reshaping.

Stettler said those who take the second path should remember that humans are still better at creativity and judgment than AI. Judgment comes from experience, so young job seekers should focus on their creativity.

"The difference between an entry-level job today and when I was starting out is that now you will be thinking on the systems level from day one," Stettler said.

