MEDIA BRIEFING · JULY 2026

THE BOTTOM RUNG: WHAT THE DATA REALLY SAYS ABOUT AI AND ENTRY-LEVEL JOBS

UK entry-level hiring is down 14% in a year and youth unemployment is at its highest in over a decade. Yet the OECD, LinkedIn and the Bank of England all say the same thing: the jobs slowdown is mostly the economy, not the algorithm. The sharpest new evidence — from Stanford, King's College London and a Swedish natural experiment — points to something subtler and arguably more serious. AI is not shrinking total employment. It is redistributing opportunity away from the youngest workers.

Updated
10 July 2026

Next update
August 2026

Data & interviews
info@ep-advisory.com

Data table
CSV at ep-advisory.com/press/

[THE HEADLINE]

−16%

relative employment decline for 22–25s in the most AI-exposed US occupations since late 2022

Stanford Digital Economy Lab, 13 Nov 2025

The market is weak everywhere. But the burden of adjustment is landing on people aged 22–25 — while their older colleagues hold steady.

−14%

UK entry-level hiring, year to April 2026; 30 of 38 tracked occupations declining

gov.uk / LinkedIn snapshot, 8 Jun 2026

16.2%

UK youth (16–24) unemployment, Feb–Apr 2026 — the highest in over a decade

ONS, Jun 2026

140

applications per UK graduate vacancy — second consecutive year

ISE Student Recruitment Survey, Oct 2025

[THE VERDICT]

IS AI KILLING ENTRY-LEVEL JOBS? THREE ANSWERS — ALL TRUE

NO.

NOT AT THE AGGREGATE LEVEL

The OECD finds **no evidence** that business AI use is causing a general decline in labour demand — with unemployment near record lows across 38 countries.

OECD Employment Outlook 2026, 7 Jul 2026

Yale's Budget Lab: "the broader labor market has not experienced a **discernible disruption**" in the 33 months after ChatGPT.

Yale Budget Lab / Brookings, 1 Oct 2025

LinkedIn's research arm: entry-level roles "have **not been disproportionately impacted** relative to experienced roles" globally.

LinkedIn Economic Graph, Jan 2026

YES.

IN WHO GETS HIRED

Stanford: employment of 22–25s in the most AI-exposed US occupations fell **16%** relative to peers since late 2022 — older workers held steady.

Stanford Digital Economy Lab, 13 Nov 2025

Sweden repeats the pattern: 22–25s **−5.5%** in high-exposure occupations while over-50s rose 1.3% — inside the same employers.

Ratio Institute WP 388, 16 Mar 2026

UK firm-level: AI-exposed firms cut total employment 4.5% but junior positions **5.8%**.

Klein Teeselink, King's College London, 2025

TOO EARLY.

SAY THE OFFICIAL REFEREES

Skills England: "hard to distinguish" AI's impact from wider trends — and **"too early to say"** what it is doing to graduate jobs.

Skills England annual report, 1 Jun 2026

The government's own entry-level snapshot (−14%) warns it "should **not be considered causal evidence**" of AI's impact.

gov.uk / LinkedIn snapshot, 8 Jun 2026

Bank of England Agents: AI productivity lets firms meet demand **without hiring** — one driver among several, via restraint, not layoffs.

BoE Agents' summary, 19 Mar 2026

[THE NATURAL EXPERIMENT]

THE CLEANEST TEST YET — AND THE UK PICTURE

APR 2022

Sweden's Riksbank starts raising rates

Seven months before ChatGPT exists, hiring costs begin to climb.

30 NOV 2022

ChatGPT launches

If AI drove the collapse in job adverts, the decline should start here.

2023–25

Postings fall — tracking the rates

Analysing 4.6 million job ads: "the posting decline aligns with the Riksbank's rate hike rather than AI."

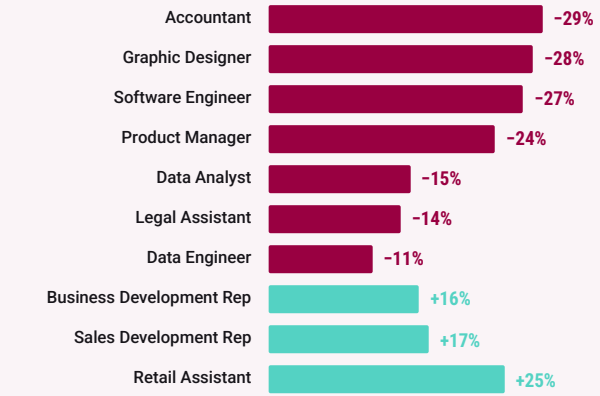
THE TWIST

AI still reshapes who is hired

22–25s in exposed roles: −5.5%. Over-50s in the same firms: +1.3%. "The adjustment burden falls disproportionately on entry-level workers."

Source: Ratio Institute WP 388 (Sweden, 4.6M job ads + population register), 16 Mar 2026.

// ENTRY-LEVEL HIRING BY OCCUPATION, UK, YEAR TO APRIL 2026



Source: gov.uk "A snapshot of entry-level hiring in the UK" (LinkedIn data), published 8 June 2026. The source itself cautions this "should not be considered causal evidence" of AI's impact.

[THE REBUILD]

THE FIRST JOB IS BEING REDESIGNED, NOT DELETED

7×

more likely that AI-exposed entry jobs demand traditionally senior skills

PwC AI Jobs Barometer, Jun 2026

52%

of newly required skills in those roles are senior-level (vs 7% in least-exposed)

PwC, Jun 2026

+35%

growth in these "seniorised" entry-level jobs — while exposed entry roles flatline

PwC, Jun 2026

16%

of organisations have actually redesigned roles and processes for AI

WEF / PwC, Jun 2026

// WHO IS REBUILDING THE LADDER — ON THE RECORD

DROPBOX

Expanded intern and new-graduate programmes by 25%; 65% of home-grown early hires promoted by year two.

MERCK GROUP

Data & AI training embedded across all early-talent programmes, plus a dedicated Data & AI graduate track.

DENTSU JAPAN

AI training time for new graduates up more than tenfold between 2024 and 2026.

SHOOSMITHS (UK)

£1m firm-wide bonus pool tied to one million AI prompts — uptake strongest among early-career staff.

Meanwhile the UK ladder quietly substitutes: apprentice hiring rose **+8%** in 2025 while graduate hiring fell 8% (ISE via Jisc). One leader in the WEF report: "If we all stop building entry-level talent, we won't be able to buy it elsewhere in the future."

[THE QUOTE — LIFT IT]

AI is not shrinking total employment. It is redistributing opportunity away from the youngest workers.

The central finding across Stanford (US payroll data), the Ratio Institute (Sweden) and King's College London (UK firms).

The 2025 panic said AI would erase entry-level work. The 2026 macro data says total employment is fine. Both miss the real story: every serious decomposition — US payroll records, a Swedish natural experiment, UK firm-level data — finds the same age-skewed pattern.

[CHECK BEFORE YOU PUBLISH]

THE KLARNA PROBLEM — AND TWO MORE CHECKS

[01]

WHAT'S CIRCULATING

"Stanford found a 13% decline for young workers in AI-exposed jobs"

WHAT'S CORRECT

The final published paper reports 16% (22–25s, most-exposed occupations, late 2022–Sep 2025). 13% was the August 2025 draft

Stanford, 13 Nov 2025

[02]

WHAT'S CIRCULATING

"Klarna fired 700 people and replaced them with AI"

WHAT'S CORRECT

Its AI assistant did work equivalent to ~700 agents. Headcount fell ~40% via hiring freeze and attrition — and Klarna began rehiring humans in 2025

Klarna statements, 2024–25

[03]

WHAT'S CIRCULATING

"1.2 million students chased 17,000 graduate jobs this year"

WHAT'S CORRECT

Those are ISE's 2024 figures. The 2025 survey: 140 applications per vacancy for a second year, hiring −8%. Don't blend the years

ISE, Oct 2024 + Oct 2025

The full corrections table — 7 claims, each with its likely origin — is in Appendix B, page 10.

[HOW TO USE THIS BRIEFING]

USEFUL IF YOU'RE WRITING ABOUT…

- **"Is AI killing graduate jobs?"** — the three-layer answer: aggregate (no — OECD, Yale, LinkedIn), composition (yes — Stanford, Ratio, KCL), UK official position ("too early to say" — Skills England). Both sides, with primary citations.
- **The Swedish natural experiment** — rate rises came seven months before ChatGPT and the postings decline tracked the rates. Fresh, European, largely unreported in the UK press.
- **The seniorisation of the first job** — entry roles now demand senior skills; the ladder's bottom rung is being rebuilt higher.
- **Employers rebuilding the ladder** — named programmes (Dropbox, Merck, Dentsu, Shoosmiths) versus the 16% of firms that have actually redesigned roles.
- **Youth unemployment at a decade high** — 16.2%, with the Bank of England's own panels describing graduates "struggling to find meaningful employment".
- **Regulation meets recruitment** — AI hiring tools are high-risk systems under the EU AI Act; obligations land through 2026–27.

// QUOTE FREELY

Every figure carries its primary source and date. Attribute the compilation to EP Advisory; no permission needed.

// TAKE THE DATA

The reference table ships as CSV with this briefing at ep-advisory.com/press/. Updated monthly and whenever official figures change.

// TALK TO A HUMAN

Per-country data cuts, plain-English explanation of any rule, interviews and background.

Andre Atallah · CEO, EP Advisory · London
info@ep-advisory.com

[APPENDIX A — THE FULL PICTURE]

The narrative behind the headline pages, in full. Everything here is quotable; every figure is dated.

// WHAT THE DATA ACTUALLY SHOWS

The UK entry-level market is genuinely weak. The government's first official snapshot of entry-level hiring, built on LinkedIn data and published 8 June 2026, shows hiring down **14%** year on year to April 2026, with 30 of 38 tracked occupations declining. The steepest falls are in white-collar, AI-exposed roles: accountants (−29%), graphic designers (−28%), software engineers (−27%) and product managers (−24%). In engineering, entry-level hiring fell 19% against 10% for senior roles.

The pressure shows up everywhere. Adzuna counted graduate job adverts down 45% in 2025 versus 2024, with entry-level adverts down 25% (cited in Skills England's annual report, 1 Jun 2026). The ISE found graduate hiring fell 8% in 2025 — the weakest year since 2020 — with 140 applications per vacancy for the second year running and a further 7% fall forecast. Youth unemployment reached 16.2% in Feb–Apr 2026. Indeed reports total UK postings 32% below the pre-pandemic baseline with "little sign of a near-term recovery" (24 Jun 2026).

But the whole market is weak, not just the bottom rung. The gov.uk snapshot notes entry-level hiring is falling broadly in line with the wider market, and LinkedIn's Economic Graph Research Institute concluded in January 2026 that "entry-level roles have not been disproportionately impacted relative to experienced roles" globally, with global hiring 20% below pre-pandemic levels.

The strongest AI-specific signal is compositional. Stanford found a **16% relative employment decline** for 22–25-year-olds in the most AI-exposed US occupations since late 2022, while older workers in the same fields held steady (13 Nov 2025). Europe now has a parallel result: in Sweden, employment of 22–25s in high-AI-exposure occupations fell 5.5% relative to less-exposed roles within the same employers, while over-50s rose 1.3% (Ratio Institute, 16 Mar 2026).

// AI OR THE ECONOMY? WHAT THE DECOMPOSITION ATTEMPTS FIND

The honest answer from every serious decomposition: mostly the economy at the aggregate level, with a real AI effect on *who* gets hired.

The cleanest test comes from Sweden — a natural experiment. The Riksbank started raising rates in April 2022, seven months before ChatGPT launched. If AI drove the postings collapse, the decline should start in late 2022. It didn't. Analysing 4.6 million job ads, Ratio Institute researchers found "the posting decline aligns with the Riksbank's rate hike rather than AI." Yet the same paper finds AI reshaping the mix: "generative AI reshapes hiring composition rather than aggregate demand, with the adjustment burden falling disproportionately on entry-level workers."

UK-specific evidence points the same way. King's College London research found AI-exposed UK firms cut total employment by 4.5% but junior positions by 5.8%, and highly exposed firms were 16.3 percentage points less likely to post vacancies at all (Klein Teeselink, 2025). Skills England's official verdict: "It is hard to distinguish the specific impact of AI on the current labour market from wider labour market trends" — and it is "too early to say" what impact AI is having on graduate jobs (1 Jun 2026).

The macro referees agree. Yale's Budget Lab found "the broader labor market has not experienced a discernible disruption" in the 33 months after ChatGPT (1 Oct 2025). The OECD's Employment Outlook 2026 found no evidence that business AI use is causing a general decline in labour demand, with OECD unemployment near record lows — while acknowledging young people's entry into work is particularly difficult (7 Jul 2026). And the Bank of England's Agents reported that "automation and AI-enabled productivity gains are allowing [firms] to meet demand without additional hiring", with professional-services firms reducing early-career recruitment "driven both by cost pressures and a lower volume of routine entry-level work" (19 Mar 2026). Governor Andrew Bailey: AI "may well impact more skilled jobs, and so-called entry level jobs" (21 May 2026).

// THE REBUILD: WHAT EMPLOYERS ARE DOING TO ENTRY ROLES

The entry-level job is being redesigned, not just cut. PwC's 2026 Global AI Jobs Barometer finds the most AI-exposed entry-level jobs are now **seven times more likely to demand traditionally senior skills**. In these roles, senior capabilities such as leadership and strategic decision-making account for 52% of newly required skills, versus 7% in the least-exposed entry jobs. These "seniorised" entry-level jobs grew 35% in number, while postings for highly AI-exposed entry-level roles have flatlined globally.

Named, dated examples of the rebuild (all WEF/PwC, Jun 2026): **Dropbox** expanded its internship and new-graduate programmes by 25% and reinvests AI productivity gains in early talent — 65% of its home-grown early hires are promoted by year two. **Merck Group** embeds data and AI training across all early-talent programmes and runs a dedicated Data & AI graduate track. **Dentsu Japan** increased AI training time for new graduates more than tenfold between 2024 and 2026. **Shoosmiths**, the UK law firm, tied a £1m firm-wide bonus pool to one million AI prompts — uptake was strongest among early-career staff.

The gap: only **16% of organisations** report having fully redesigned roles, processes and operating models for AI. One leader quoted in the WEF report captures the stakes: "If we all stop building entry-level talent, we won't be able to buy it elsewhere in the future." Meanwhile the UK ladder is quietly substituting: apprentice hiring rose 8% in 2025 while graduate hiring fell 8% (ISE, via Jisc analysis, Spring 2026).

// WHAT TO WATCH NEXT

Monthly, mid-month: ONS Labour Market Overview — the next youth unemployment and vacancy readings. **2 August 2026:** EU AI Act transparency obligations apply; the full high-risk regime for AI hiring tools has been moved to 2 December 2027 by the Digital Omnibus. **Early August:** Bank of England Monetary Policy Report and the next Agents' summary — now the best qualitative UK source on AI versus hiring. **September–October:** the 2026 graduate-cycle intake numbers from major UK employers.

October 2026: the ISE Student Recruitment Survey 2026 — the single most important release. The 2025 edition forecast a further 7% hiring fall; this one confirms or kills that forecast. **December 2026:** Teneo's annual CEO survey — in late 2025, 67% of CEOs expected entry-level headcount to *increase* in 2026. The reality check on the optimists is due. **January 2027, Davos:** PwC's 30th Global CEO Survey and first results from the WEF's "First-Mile Sandbox" on redesigning workplace entry.

[APPENDIX B — CORRECTIONS IN FULL]

Every claim we have seen circulating on this topic, against the primary sources. The three most consequential are on page 7.

THE CLAIM CIRCULATING	THE CORRECT VERSION	SOURCE
"Stanford found a 13% decline for young workers in AI-exposed jobs"	The final published paper reports 16% (22–25s, most-exposed occupations, late 2022–Sep 2025). 13% was the August 2025 draft	Stanford, 13 Nov 2025
"Klarna fired 700 people and replaced them with AI"	Its AI assistant did work equivalent to ~700 agents. Headcount fell ~40% via hiring freeze and attrition — and Klarna began rehiring humans in 2025	Klarna statements, 2024–25
"1.2 million students chased 17,000 graduate jobs this year"	Those are ISE's 2024 figures. The 2025 survey: 140 applications per vacancy for a second year, hiring −8%. Don't blend the years	ISE, Oct 2024 + Oct 2025
"Official UK data confirms AI is destroying entry-level jobs"	The gov.uk snapshot shows −14% but explicitly states this is not causal evidence of AI, and that entry-level roles are falling broadly in line with the wider market	gov.uk, 8 Jun 2026
"Graduate jobs fell 45% because of AI"	Adzuna's −45% measures adverts with no causal attribution. Skills England: "hard to distinguish" AI from wider trends	Skills England, 1 Jun 2026
"AI will eliminate half of all entry-level jobs"	A prediction by Anthropic's CEO (1–5 years out, with 10–20% unemployment), not measured data	Axios, 28 May 2025
"CEOs are slashing entry-level hiring"	Contested: 67% told Teneo they expect entry-level headcount increases in 2026; 49% told PwC they expect AI to cut junior hiring over three years; PwC's survey of leaders splits 36% increase vs 38% reduce	Teneo Dec 2025; PwC Jun 2026; WEF Jan 2026

[APPENDIX C — THE REFERENCE TABLE]

"AI OR THE ECONOMY?" — THE DECOMPOSITION SCORECARD

STUDY	DATA	FINDING	VERDICT ON AI
Stanford "Canaries in the Coal Mine?" (13 Nov 2025)	US, ADP payroll	22–25s in most-exposed occupations −16% relative since late 2022; older workers stable	Composition effect: real, concentrated on the young
Ratio Institute WP 388 (16 Mar 2026)	Sweden, 4.6M job ads + population register	Postings decline timed to Apr 2022 rate hikes, not ChatGPT; 22–25s −5.5% in exposed roles, over-50s +1.3%	Macro drives the level; AI shifts the age mix
King's College London (2025)	UK, firm-level	AI-exposed firms: employment −4.5%, junior positions −5.8%	Junior-skewed firm-level effect
Yale Budget Lab / Brookings (1 Oct 2025)	US, occupational mix	"No discernible disruption" 33 months post-ChatGPT	No economy-wide effect yet
LinkedIn Economic Graph (Jan 2026)	Global platform data	"We do not see AI impacting entry-level roles—yet"; hiring 20% below pre-pandemic on macro factors	Macro plus graduate supply glut
OECD Employment Outlook 2026 (7 Jul 2026)	38 countries	No evidence AI is cutting overall labour demand; youth entry "particularly difficult"	No aggregate effect; youth strain noted
Bank of England Agents (19 Mar 2026)	UK business intelligence	AI productivity lets firms meet demand without hiring; less routine junior work	One driver among several — via hiring restraint, not layoffs
Skills England (1 Jun 2026)	UK official synthesis	"Hard to distinguish" AI's impact; "too early to say" on graduate jobs	Officially unresolved

This table ships as CSV with the briefing at ep-advisory.com/press/. Updated monthly and when official figures change; next scheduled update August 2026.

TALK TO A HUMAN

Per-country data cuts, plain-English explanation of any European visa rule, and anonymised, aggregated observations from our casework with international professionals.

Andre Atallah

CEO, EP Advisory · London

info@ep-advisory.com

About EP Advisory. A London-based career consultancy for international professionals moving to and within the UK, Europe and the Gulf. 50+ consultants; 5,000+ professionals supported across 29 countries; publisher of a 16-country index of official work-visa salary thresholds and of these monthly media briefings.

SOURCES IN THIS BRIEFING

gov.uk / LinkedIn entry-level snapshot (8 Jun 2026) · Stanford Digital Economy Lab (13 Nov 2025) · Skills England annual report (1 Jun 2026) · Adzuna UK Job Market Report (via Skills England) · Klein Teeselink, KCL (SSRN 5516798, 2025) · LinkedIn Economic Graph Research Institute (Jan 2026) · Ratio Institute WP 388 (16 Mar 2026) · Yale Budget Lab / Brookings (1 Oct 2025) · OECD Employment Outlook 2026 (7 Jul 2026) · Bank of England Agents' summary (19 Mar 2026) and Bailey speech (21 May 2026) · WEF/PwC "AI and the Future of Entry-Level Work" (Jun 2026) · PwC 2026 Global AI Jobs Barometer (Jun 2026) · Indeed Hiring Lab UK (2 Jun, 24 Jun, 8 Jul 2026) · ISE (Oct 2024; Oct 2025) · Jisc/Charlie Ball (Spring 2026) · Teneo (Dec 2025) · ONS (Jun 2026) · Axios (28 May 2025).

THE SERIES

Five briefings, updated monthly: AI & entry-level jobs · the application arms race · Gen Z, label vs data · international professionals in the UK · youth unemployment, UK vs Europe. All at **ep-advisory.com/press/** — with a threshold-change alert list for journalists on request.

