The shrinking ladder:

Understanding the decline of the entry-level opportunity

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1. Executive summary

Entry-level jobs are under pressure across the world, but the story being told about them is too narrow. Most available data and commentary focus on white-collar roles in high-income countries, where AI and economic uncertainty are constraining the hiring of young graduates. AI is affecting hiring processes and reshaping tasks faster than hiring systems can adapt, but it is only part of the picture.

This research looked across six geographies and found four consistent patterns that together paint a much broader picture. First, entry-level jobs were already declining before AI arrived: hiring in AI-exposed roles was slowing before ChatGPT launched, and AI has since accelerated a problem already in motion, while quietly removing the learning-by-doing tasks inside junior roles that make first jobs valuable. Second, the decline is uneven, but the direction is clear, with white-collar entry-level roles reducing sharply across major markets, while blue-collar demand is growing, but in emerging markets, those roles are often informal, poorly paid, and offer limited progression. Third, the competition is far broader than the data shows, as entry-level is no longer just a young person's starting point, with mature workers, women returning after career breaks, and career pivoters all competing for the same shrinking pool, yet remaining largely invisible in existing responses. Fourth, and most importantly, entry-level is at risk of becoming a trap rather than a stepping stone, as more people compete for fewer and lower-quality roles, pay gets pushed down, job seekers get stuck, and employers lose access to the homegrown talent that entry-level roles were always meant to develop.

The entry-level job market is shifting in ways that are real but not yet well understood. The evidence base is incomplete, the populations most at risk are underrepresented, and the dominant narrative is too narrow to drive useful action. That is not just a gap in the research; it is where the most meaningful work remains to be done.

2. Introduction

A first job is more than an income. It is how people learn to work, build networks, and establish a foundation for everything that follows. Yet across the world, that first step is becoming harder to take, and affecting a much broader group of people than the headlines suggest. In 2024 alone, global entry-level job postings fell by 29%[1], signalling that entry-level jobs are going down. The debate has been dominated by a particular image: a university graduate in a high-income country struggling to break into a market reshaped by AI. That experience is real. But it sits alongside a much larger and less visible challenge where young people in emerging economies are stuck in informal work with no path forward, women who cannot get back in after a career break, and experienced workers forced to start over at the bottom of a ladder that keeps getting shorter.

Our research looks beyond that dominant narrative to give a clearer and more complete picture of the problem, one grounded enough to inform where meaningful action might be possible.

3. Purpose

This paper examines where entry-level job opportunities are shrinking and why, how emerging gaps are currently being managed, and who is most affected. Through secondary research, published articles, government data, and Labor market statistics, it identifies unmet needs. It maps the populations most at risk of exclusion, with a focus on India, Indonesia, Brazil, Mexico, and Kenya, and comparative insights from the Global North, e.g., Europe, the US, etc. The findings will inform further primary research by the Innovation Foundation and ideally spark additional interest from other organizations.

1 WEF, The data is in: Gen Z face a more competitive job market than their predecessors, 2025. https://www.weforum.org/stories/2025/09/gen-z-are-competitive-job-market-randstad/

4. Defining 'entry-level jobs.'

"Entry-level" is used differently across countries and sectors, and job titles alone can be misleading. This paper, therefore, uses a practical definition.

An entry-level role provides a first step into paid work for people with little or no prior experience. These roles are typically open to beginners (0-2 years of experience)[2], involve clearly defined and supervised tasks, and include training or learning on the job rather than expecting full productivity from day one[3]. However, entry-level roles are not just for first-time job seekers. Returners coming back after a career break and pivoters transitioning into a new field rely on them, too. What these groups share is the need for a role where they can learn how to work in a new context. As these opportunities shrink, it is often this broader, less visible population that loses out most.

2 World Bank (2024), Labor Demand in the Age of Generative AI - explicitly operationalizes experience tiers as entry-level (0–2 years), mid-level (3–5), senior (6+). https://documents1.worldbank.org/curated/en/099827011182513988/pdf/IDU-1300d27a-b3d3-43d9-8a52-047f784776c0.pdf;

3 Deel, The Complete Guide to Job Level Classification: Examples, Criteria, and Best Practices, 2026. https://www.deel.com/blog/job-level-classification/

5. The shrinking ladder: what is changing, where, and for whom

Entry-level job markets are shifting in ways that go well beyond the headlines. Across regions and sectors, the nature of entry-level work is changing, including elements related to who it is available to, what it looks like, and who is competing for it.

Entry-level hiring has weakened sharply since 2024 across countries such as the US, UK, India, and Brazil. LinkedIn data shows a 30% decline in entry-level job postings, affecting white-collar sectors such as finance, media, tech, and law[4]. The slowdown covers both advanced and emerging economies, with double-digit declines compared to pre-COVID levels for countries like Australia (-20%), Singapore (-22%), and the UK (-24%)[5]

4 Forbes, How Cutting Entry-Level Jobs and Middle Managers Reshapes Work, 2025. https://www.forbes.com/sites/niritcohen/2025/11/30/how-cutting-entry-level-jobs-and-middle-managers-reshapes-work/

5 LinkedIn's Economic Graph, Recovery remains elusive in a year of change, 2025. https://www.linkedin.com/pulse/recovery-remains-elusive-year-change-linkedin-economic-graph-nbkle/

	White-collar entry-level	Blue-collar entry-level
Trend	Declining sharply across advanced and emerging economies	Holding steady or growing in many regions
Where most visible	United States, United Kingdom, Germany, India, Mexico, Brazil; especially urban and digital sectors	Broad-based across regions, including emerging markets and industrial economies
Primary drivers	Artificial intelligence adoption, automation, hiring caution, cost control, restructuring of graduate pipelines	Skills shortages, ageing workforce in trades, infrastructure and green economy demand
Structural shift	Reduced progression ladder as middle management roles decline; slower wage growth and fewer training investments	Demand rising faster than supply, but pathways often informal or weakly structured
Key risks	Fewer openings, lower starting pay, limited career mobility, stronger competition per role	Job quality concerns, informality, limited certification pathways despite strong demand
Recent data points	Approximately 30% decline in entry-level postings[6] across major markets; information technology hiring in India down 24%; [7]Brazil is seeing one of lowest formal job creation, despite record levels of low unemployment[8]	Desire to hire for blue-collar roles by 2026 rose up roughly 10% in India in sectors like manufacturing; [9]globally a shortage of 85 million workers is projected by 2030

6 Forbes, How Cutting Entry-Level Jobs and Middle Managers Reshapes Work, 2025. https://www.forbes.com/sites/niritcohen/2025/11/30/how-cutting-entry-level-jobs-and-middle-managers-reshapes-work/

7 Economic Times, India tech hiring slumps 24% at start of 2026: Xpheno. https://economictimes.indiatimes.com/jobs/hr-policies-trends/india-tech-hiring-slumps-24-at-start-of-2026-xpheno/articleshow

8 Government of Brazil, Unemployment hits lowest level in recorded history and labor market registers record highs in 2025, 2026. https://www.gov.br/secom/pt-br/acompanhe-a-secom/noticias/2026/01/desemprego-atinge-menor-nivel-da-serie-historica-e-mercado-de-trabalho-registra-recordes-em-2025

9 Taggd, Blue-Collar Hiring in Energy: Sourcing and Retention Strategies, 2026. https://taggd.in/blogs/blue-collar-hiring-in-energy/ and Deloitte, Blue-collar wages rise 5–6 percent annually as industries focus on pay equity and skilling: Deloitte report, 2025. https://www.deloitte.com/in/en/about/press-room/blue-collar-wages-rise-5-6-percent-annually.html

AI is increasingly cited as a key driver of both potential job losses and the creation of new roles. Much of this impact comes from how AI is changing the structure of work. Some research suggests that rather than eliminating entire occupations, AI is automating specific tasks within jobs, such as report writing, dashboard creation, and routine customer support. As a result, many roles are being redesigned rather than eliminated outright, but jobs built primarily around repetitive tasks face growing risks of displacement.[10] Yet this picture is far from uniform when compared to blue-collar workers.

Blue-collar jobs are generally considered more resilient to current trends, including AI disruption, compared to white-collar professions, with 27.4% of workers without a college degree in the US believing AI will actually enhance their job security. In the majority of the cases around the world, as demand for blue-collar jobs continues to rise, the impact of GenAI on blue-collar jobs is estimated to be less than 1%.[11] Globally, a shortage of 85 million blue-collar workers is anticipated by 2030, due to a lack of skilled candidates, [12]and regionally, the blue-collar demand is also swiftly rising.

In India, a 2025 survey of 200+ organizations finds demand for skilled blue-collar labor rising across manufacturing and logistics, even as skill gaps widen. [13]In South Africa, demand for skilled tradespeople is outpacing supply, with wages rising as a result. [14]The construction, commerce, and manufacturing sectors in Brazil report the highest hiring difficulty, with nearly 60% of businesses struggling to fill roles. [15]While in the US, trades and vocational roles are among the fastest-growing occupations, yet enrollment in pathways into these roles is only beginning to catch up. The US Bureau of Labor Statistics has announced a vacancy of over 400,000 skilled trade jobs, a gap expected to worsen due to rising demand in the sector.

Another research finding estimates a requirement of an additional 3.8 million workers in the manufacturing sector alone by 2033. [16]The challenge across regions is therefore less about blue-collar jobs disappearing and more about the quality and stability of those roles, and the lack of structured pathways into them.

Furthermore, since 2022, job postings for middle managers have also fallen by 40%, [17]removing the progression ladder that entry-level roles traditionally fed into, further reducing the incentive for employers to invest in developing new entrants at all. The significant impact of such shifts is borne by potential entry-level workers. As the number of roles decline, salary expectations for entry-level positions are also declining, with scarcer new hires expected to take on AI-supported roles for less money. [18]This points to a broader quality problem: entry-level jobs are not only becoming harder to find, but they are becoming less valuable when found. Higher workloads, lower compensation, and reduced progression prospects are redefining what an entry-level role actually offers. While white-collar roles are most visibly affected, blue-collar entry-level jobs are largely insulated from this pay quality decline for now, as demand continues to outpace supply in many trades and manual sectors. In India, for instance, blue-collar workers in sectors such as e-commerce, automotive, metals, mining, and chemicals are witnessing a steady salary increase of 6-7%. [19]However, there is a general disparity between white-collar and blue-collar work in terms of the pay gap, as the former almost always has higher baseline salaries. Thus, for entry-level jobs, the real risk is not just fewer entry points into work, but that those that remain may offer less of a foundation to build from.

10 Forbes, AI Is Breaking Jobs Into Tasks, And That Changes Everything, 2026. https://www.forbes.com/sites/bernardmarr/2026/02/09/ai-is-breaking-jobs-into-tasks-and-that-changes-everything/

11 Pearson Outlook The Pearson Skills Outlook: What is the likely impact of Gen AI on you or your workforce? 2024. https://plc.pearson.com/en-GB/news-and-insights/impact-of-gen-ai-on-you-or-your-workforce

12 Hire Abroad, What Can We Expect In the Blue-Collar Recruitment in 2025? 2025. https://hireabroad.com/what-can-we-expect-in-the-blue-collar-recruitment-in-2025/

13 Deloitte India, Blue Collar Workforce Trends 2025: https://www.deloitte.com/in/en/services/consulting/services/human-capital/blue-collar-workforce-trends-2025.html

14 Construction Safety SA: https://www.constructionsafety.co.za/2025/04/09/earning-potential-in-blue-collar-jobs-on-the-increase/

15 CPG Brazil, 2026 https://shorturl.at/OaIl2

16 Fortune, Gen Z is open minded about blue-collar work and the Fords of the economy need them — but both sides are missing each other, December 2025. https://fortune.com/2025/12/20/gen-z-blue-collar-work-ford-economy/ and The Manufacturing Institute, Why Manufacturers Can't Fill Their Job Openings, 2025. https://themanufacturinginstitute.org/why-manufacturers-cant-fill-their-job-openings-21080/?stream=workforce-news

17 Gartner, Gartner Unveils Top Predictions for IT Organizations and Users in 2025 and Beyond, 2024. https://www.gartner.com/en/newsroom/press-releases/2024-10-22-gartner-unveils-top-predictions-for-it-organizations-and-users-in-2025-and-beyond and Forbes, How Cutting Entry-Level Jobs and Middle Managers Reshapes Work, 2025. https://www.forbes.com/sites/niritcohen/2025/11/30/how-cutting-entry-level-jobs-and-middle-managers-reshapes-work/

18 WEF, How AI is reshaping the career ladder, and other trends in jobs and skills on Labour Day, 2025. https://www.weforum.org/stories/2025/04/ai-jobs-international-workers-day/

19 Deloitte, Blue-collar wages rise 5–6 percent annually as industries focus on pay equity and skilling: Deloitte report, 2025. https://www.deloitte.com/in/en/about/press-room/blue-collar-wages-rise-5-6-percent-annually.

In addition, the pressure on entry-level jobs is not falling evenly. While the overall picture points to fewer openings, slower transitions, and declining job quality, different groups are experiencing this in very different ways and for various reasons. For some, it is about being shut out of a first opportunity. For others, it is about being pushed back to square one after years of experience. And for others still, it is about competing in a market that was simply not designed with them in mind. In some cases, the challenge is not immediate job collapse but slower and more uncertain transitions into work. The longer the transition period, the greater the risk of discouragement, informality, or skills erosion. The following section looks at three groups who are feeling this most acutely: young people and recent graduates, mature workers, and women returning after a career break.

Youth and recent graduates

Across all focus regions, young people are facing the sharpest pressure at the point of entering work. Youth unemployment sits well above national averages, first jobs are taking longer to find, and the routes that traditionally worked are becoming less reliable. AI is making this worse, but the cracks were already there.

- **Youth unemployment is a structural problem, not a temporary dip**: In the US, youth unemployment is 10.8% versus 4.3% overall. In India, it is 17%, Kenya 17.7%, and Indonesia 14.35% for those aged 20-24. In the UK, 1.2 million graduates are chasing roughly 17,000 entry-level roles. Even in countries with strong overall employment, young people are being left behind, pointing to a structural problem, not a passing one.[20]

- **The first job is often a pathway to the second job**: Evidence across Japan, Ireland, France, Canada, and Australia suggests that early jobs often function as stepping stones rather than long-term positions. Without a strong first job, the entire career trajectory can stall. Missing that first rung on the ladder does not just delay entry into work; it delays everything that follows.

- **A degree is no longer a reliable entry ticket**: Only 30% of the 2025 US graduate cohort had a full-time job in their field by June. Graduate unemployment has nearly converged with that of high school graduates in the country. The degree used to be a reliable first step. Increasingly, it is not, and education systems have not caught up with this. [21]Data from the Global Youth Index 2024 shows a similar pattern. More education does not always lead to faster or better employment outcomes, particularly in emerging economies. As shown in Figure 1, in Brazil and Indonesia, young people with compulsory education (equivalent to US middle school) enter work faster than those with post-tertiary or postgraduate qualifications (higher values on the x-axis indicate shorter time to employment).[22]

20 WEF, The top jobs and labour market stories of 2025, https://www.weforum.org/stories/2026/01/top-jobs-and-labour-market-stories-2025/

21 Cengage Group, Graduate Employability Report, 2025. https://www.cengagegroup.com/edtech-research/employability-report/ And Federal Reserve Data, https://fred.stlouisfed.org/graph/?id=HSGS2024,CGBD2024

22 Misk, Global Youth Index, 2024. https://hub.misk.org.sa/insights/global/2025/global-youth-index-2024/

- **AI is a factor, but not the only one**: 49% of Gen Z in the US feel AI has already reduced the value of their degree. Yet hiring in AI-exposed roles started slowing in early 2022, before ChatGPT even launched, [23]and 51% of employers point to tight labor markets as their main hiring constraint. AI is accelerating a problem that was already building.[24]

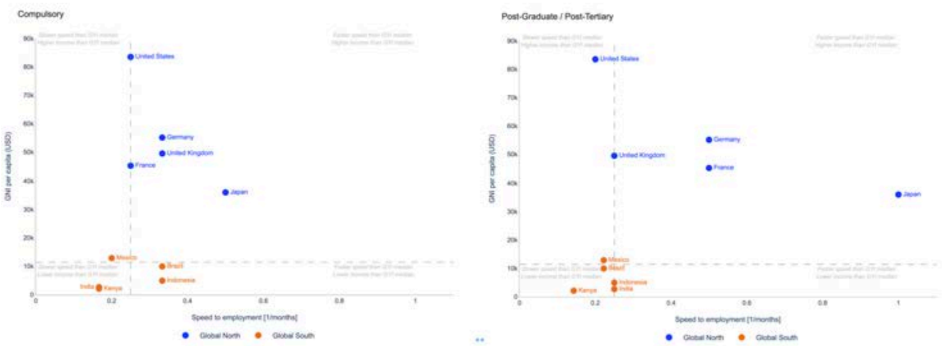


Figure 1 Time taken by youth to start paid work after completing their first terminal education (degree)
Source: GYI 2024

Latest research from Anthropic finds that actual AI usage at work is still a fraction of its theoretical capability, and there is no systematic rise in unemployment for highly AI-exposed workers yet. Still, the hiring of younger workers is consistently being impacted, specifically in AI-exposed roles.[25] On top of this, companies across the US and Europe have been quick to name AI when announcing cuts. But some experts push back on this, pointing out that many of these firms simply over-hired during the pandemic and are now correcting course, using AI as a more acceptable explanation for what is essentially a business reset. The impact of AI is real and still unfolding, but it is a more complicated story than it first appears.[26]

23 Economic Innovation Group, Looking for the Ladder: Is AI Impacting Entry-Level Jobs?, 2026. https://eig.org/wp-content/uploads/2026/01/TAWP-Iscenko-Millet.pdf

24 Yale Budget Lab Evaluating the Impact of AI on the Labor Market: Current State of Affairs, 2025. https://budgetlab.yale.edu/research/evaluating-impact-ai-labor-market-current-state-affairs. And Cengage Group, Graduate Employability Report, 2025. https://www.cengagegroup.com/edtech-research/employability-report/

25 Anthropic Economic Research, Labor market impacts of AI: A new measure and early evidence, 2026. https://www.anthropic.com/research/labor-market-impacts

26 CNBC, Companies are blaming AI for job cuts. Critics say it's 'good excuse', 2025. https://www.cnbc.com/2025/10/19/firms-are-blaming-ai-for-job-cuts-critics-say-its-a-good-excuse.html

- **Young people are rerouting to blue-collar work**: 37% of Gen Z in the US are turning to blue-collar work, with 65% saying a degree will not protect them from AI. This shift is worth watching not just as a labor market trend, but as a sign that a generation is losing confidence in the white-collar path into work.[27] Blue-collar apprenticeship positions in Australia are categorized as high-earners, particularly in mining and construction roles,[28] becoming a more attractive source of revenue and employment for young people.

27 Zety, 65% of Gen Z Say College Degrees Won't Protect Them From AI 2025. https://zety.com/blog/genz-reroute-report%20 And Fortune, 3 in 4 Gen-Zers are interested in vocational training as uncertainty and AI shape the minds of the next 'toolbelt generation' https://fortune.com/2024/06/14/gen-zers-vocational-training-uncertainty-ai-toolbelt-generation-careers/

28 Busy at Work, Blue collar workers becoming high earners. https://www.busyatwork.com.au/blue-collar-workers-becoming-high-earners/

• Mature workers

As entry-level opportunities shrink, older workers are increasingly filling the roles that remain by opting for entry-level roles as they pivot or shift careers or industries, intensifying competition for these positions.

- **The average new hire is getting older**: Between 2022 and 2025, the share of new hires aged 25 and under in the US fell from 14.9% to 8.8%, while hiring among workers aged 65 and older rose by nearly 80%. The average age of a new hire is now 42, up from 40 in 2016, showing that entry-level is no longer limited to being a young person's domain. [29]

- **Age discrimination pushes older workers out of mid-level roles and into entry-level competition**: Employers hesitate to hire older workers due to concerns about adaptability and technology, making age discrimination a significant barrier to re-entry at an appropriate level.[30] In Indonesia, the government issued a formal ban on age discrimination in job advertisements in May 2025, after years of job postings routinely listing a maximum age of 30 as an eligibility requirement.[31] With mid-level employees also being laid off across countries such as the US and India,[32] and similar roles being largely inaccessible, many displaced mature workers accept roles below their previous level, competing directly with other first-time job seekers.[33]

- **Part-time roles are no longer just for students and youth**: Part-time work has long been a first step into professional life for young people. That is changing. Singapore's government now pays employers up to $125,000 to offer part-time roles specifically to workers aged 60 and above, through a grant extended until 2027.[34] This signals a broader shift in how entry-level and part-time work is being redefined, no longer just a launchpad for the young, but an increasingly important flexible work option across age groups.

29 Washington Post, Boomers are staying in the job market as Gen Z struggles to break through, 2026. https://www.washingtonpost.com/business/2026/01/14/workers-age-new-jobs-baby-boomers/

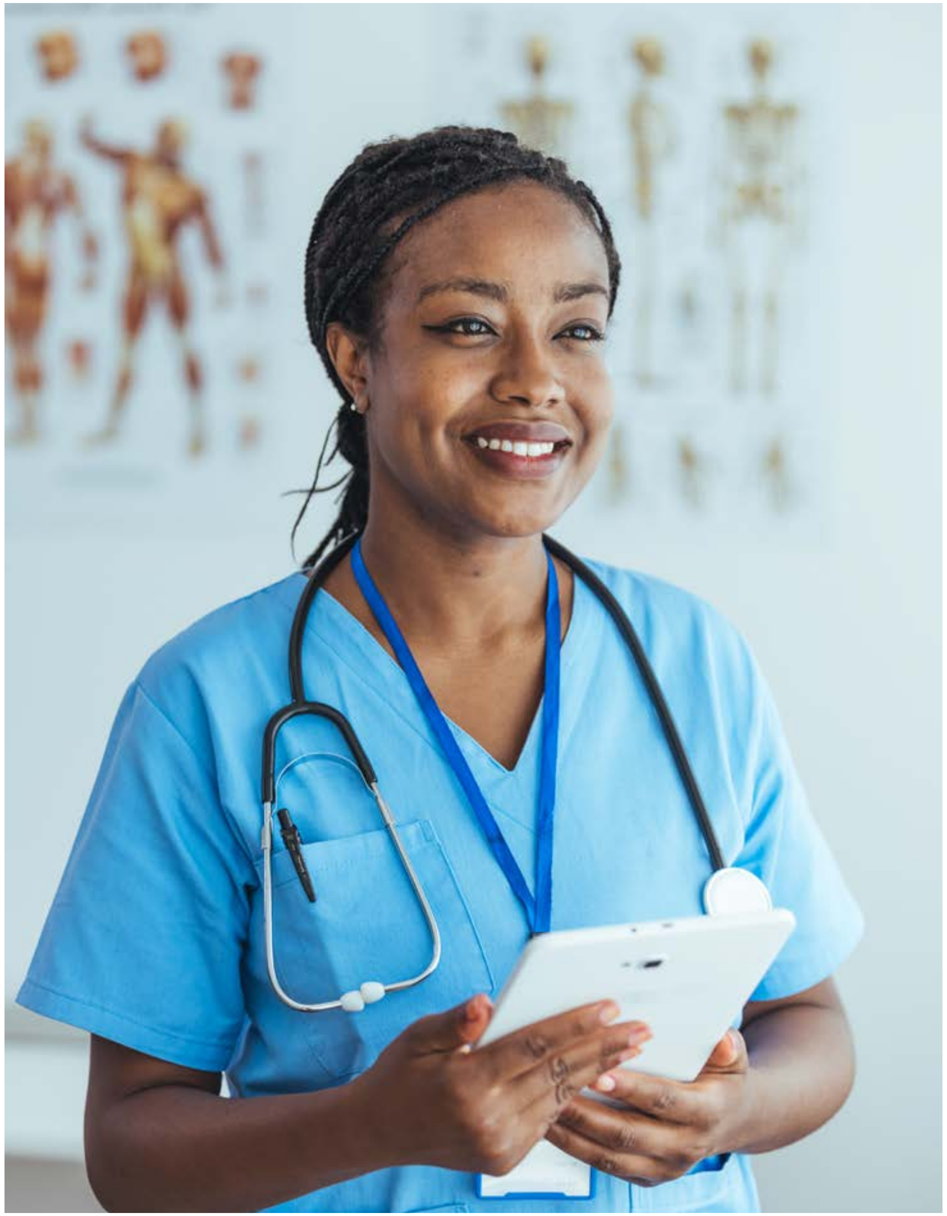
30 OECD, Employment Outlook 2025. https://www.oecd.org/en/publications/2025/07/oecd-employment-outlook-2025_5345f034.html

31 Jurist News, Indonesia dispatch: government drops age limits in hiring, but will deregulation go too far?, 2025. https://www.jurist.org/news/2025/06/indonesia-dispatch-government-drops-minimum-and-maximum-age-limits-in-hiring-but-will-deregulation-go-too-far/

32 People Matters, EY layoffs begin July 1: Middle managers at risk as firm reduces global regions2025 https://www.peoplematters.in/news/performance-management/ey-layoffs-begin-july-1-middle-managers-at-risk-as-firm-reduces-global-regions-45010 And The Core Daily, Death Of Middle Management?, 2025. https://www.thecoredaily.in/p/death-of-middle-management

33 CNBC Make It, Hundreds of applications, interview no-shows and HR ghosting: Laid off managers are fighting for a shrinking pool of jobs, 2025. https://www.cnbc.com/2025/07/15/laid-off-managers-are-fighting-for-shrinking-pool-of-jobs.html

34 Singapore Ministry of Manpower, Part-time Re-employment Grant. https://www.mom.gov.sg/employment-practices/schemes-for-employers-and-employees/part-time-re-employment-gran



- **Informality among mature workers is rising**: As formal re-entry becomes harder, many older workers turn to informal work. In Indonesia, people aged 70-79 years are over 1.3 times more likely to work in the informal sector compared to those aged 60-69 years, whereas those aged 80+ years are over 1.2 times more likely to work in the informal sector. Moreover, elderly women are 1.4 times more likely to work in the informal sector compared to elderly men.[35] It highlights how mature workers often rely on informal roles when formal employment pathways narrow.

- **Women returners**: Women who step away from work, whether for caregiving, career breaks, or family reasons, face a harder re-entry into a job market that is increasingly unforgiving of gaps and inflexibility.

- **A career gap is treated as a disqualifier, making entry-level the only viable re-entry point**: In the UK, 43-48% of employers with automated screening systems filter out CVs with gaps of over six months, regardless of skills or experience. In the UK alone, around 550,000 professional women tend to take extended career breaks for caring reasons. Difficulty in acquiring middle-management roles forces returners to compete for entry-level positions.[36]

- **In India, a career break can almost halve a woman's chances of getting a callback**: As of 2024, around 7 million women in India are on career breaks and looking to get back to work. Research shows they receive 49% fewer callbacks than women with similar profiles who have not taken a break. The gap is even wider in sectors like finance and in smaller companies. Crucially, adding an upskilling certificate to the CV makes no meaningful difference.[37] Women with sufficient experience may find it harder to break into mid-level positions again, thus entry-level becomes the only realistic way back in, regardless of how senior someone was before their break.

35 NIH, Factors That Influence the High Number of Elderly People Working in the Informal Sector, 2024. https://pmc.ncbi.nlm.nih.gov/articles/PMC11055544/

36 Career Returners UK. https://careerreturners.com/employers/facts-figures/research-data-summary/

37 Asoka University, Restart: Women, career breaks and employer response, 2024. https://www.ashoka.edu.in/research/restart-women-career-breaks-and-employer-response/

6. Country-level findings

The table below highlights key findings and takeaways across geographies for entry-level positions.

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
Global North	Slower junior hiring: LinkedIn data shows a 30% decline in entry-level postings; only 30% of 2025 US graduates secured a role in their field by June[38] AI and economic caution reshaping hiring: 46% of employers cite AI and emerging technologies; 51% cite tight labor markets as the main constraint on entry-level hiring[39] Vocational roles growing faster than graduate roles: Trades and care roles among the top 20 fastest growing jobs in the US over the next decade [40]	Entry-level hiring is tightening, especially in graduate pathways. Not a collapse of jobs, but firms are slowing intake and raising skill requirements due to increasing reliance on AI and preference for new and emerging skills among candidates	• Recent graduates, especially degree-holders targeting white-collar roles • Mature workers displaced by restructuring and re-entering below their previous level • Women returners filtered out by automated screening due to career gaps • Career pivoters pushed into entry-level as mid-level roles are eliminated

38 Forbes, How Cutting Entry-Level Jobs and Middle Managers Reshapes Work, 2025. https://www.forbes.com/sites/niritcohen/2025/11/30/how-cutting-entry-level-jobs-and-middle-managers-reshapes-work/ And LinkedIn's Economic Graph, Recovery remains elusive in a year of change, 2025. https://www.linkedin.com/pulse/recovery-remains-elusive-year-change-linkedin-economic-graph-nbkle/

39 Cengage Group, Graduate Employability Report, 2025. https://www.cengagegroup.com/edtech-research/employability-report/

40 CNBC Make It, Work Why it's so hard for Gen Z to find a job right now: 'None of us are really thriving' 2025. https://www.cnbc.com/2025/12/08/how-recent-grads-are-dealing-with-the-shrinking-pool-of-entry-level-jobs.html and Federal Reserve Data, https://fred.stlouisfed.org/graph/?id=HSGS2024,CGBD2024

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
India	**Prevalent unemployment and informality:** Unemployment among young graduates is 13%[41] while overall unemployment rose from 4.8% in December 2025 to 5% in January 2026.[42] Informal sector holds significant Prevalent unemployment and informality: Unemployment among young graduates is 13% while overall unemployment rose from 4.8% in December 2025 to 5% in January 2026. Informal sector holds significant importance contributing to 45% of the country's GDP[43]. **Slower hiring in IT:** Entry-level IT hiring fell by 24%, with demand 60% below 2022 peak levels; IT employs 5 million people and contributes 10% of the country's GDP.[44] **Non-IT sectors growing:** White-collar hiring rose 13% in December 2025, with insurance, hospitality, real estate, and travel leading growth.[45] **Demand for blue collar rises:** Despite facing a skills gap with 5-7% attrition, hiring rose by 10% with consistent salary increase of 5-8% reflecting strong demand in the sector.[46]	Not a broad job collapse. Pressure comes from high inflow of youth combined with slower hiring in IT due to increasing reliance on AI and automation	• Young IT graduates facing sharp drop in entry-level tech hiring • Women returners facing significant callback penalties after career breaks • First-time urban job seekers in an increasingly credential-heavy market • Blue-collar entrants despite strong demand due to skills gaps

41 ORF, Educated Youth Unemployment in India: Evaluating States' Cash Transfer Response 2026 https://www.orfonline.org/expert-speak/educated-youth-unemployment-in-india-evaluating-states-cash-transfer-response

42 Trading Economics, 2026. https://tradingeconomics.com/india/unemployment-rate

43 PIB, Government of India Consultation with Ministries/ Departments and other Stakeholders on estimation of Informal Sector in Gross Domestic Product held on 30th January,2025 in Tagore Chamber, SCOPE Convention Centre, New Delhi, 2025. https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=2097693&reg=3&lang=2

44 Economic Times, India tech hiring slumps 24% at start of 2026: Xpheno. https://economictimes.indiatimes.com/jobs/hr-policies-trends/india-tech-hiring-slumps-24-at-start-of-2026-xpheno/articleshow

45 Naukri, Job Speak, 2025. https://www.infoedge.in/pdfs/News_Events_pdfs/Naukri-Jobspeak-Dec-2025.pdf

46 Deloitte, Blue-collar wages rise 5–6 percent annually as industries focus on pay equity and skilling: Deloitte report, 2026. https://www.deloitte.com/in/en/about/press-room/blue-collar-wages-rise-5-6-percent-annually.html

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
Indonesia	**High youth unemployment:** Youth unemployment among those aged 20 to 24 stands at 14.35%, nearly three times the national average; over 20% of youth aged 15 to. 24 are classified as NEET[47] **Informality is the norm:** Around 59% of all jobs are informal, with the share even higher for young and first-time workers[48] Rising prevalence of informal employment among older population, especially women.[49] **AI disruption is limited here:** AI skills are ranked as the least important hiring criteria in Indonesia compared to other Southeast Asian countries[50]	Entry-level roles are not shrinking sharply. The challenge is job quality and informality rather than fewer openings	• Youth disconnected from formal work entirely • Young workers trapped in informal roles with no clear path to stability • Mature workers historically locked out by age discrimination in hiring • Women disproportionately absorbed into low-quality informal work

47 BPS Statistics Indonesia, 2026. https://www.bps.go.id/en/statistics-table/2/MTE4NiMy/percentage-of-youth--aged-15-24-years--not-in-education--employment-or-training--neet

48 UNDP, Accelerating growth in Indonesia: An industrial policy for the rural informal sector, 2025. https://www.undp.org/asia-pacific/blog/accelerating-growth-indonesia-industrial-policy-rural-informal-sector

49 NIH, Factors That Influence the High Number of Elderly People Working in the Informal Sector, 2024. https://pmc.ncbi.nlm.nih.gov/articles/PMC11055544/

50 Job Street Hiring, Compensation & Benefits Report 2025, https://id.employer.seek.com/page/rsa-hiring-compensation-benefits-report-2025#ReportForm

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
Kenya	**Underemployment is the real problem:** Youth unemployment stands at 17.7%, but 35.9% of young people are underemployed; 44% of youth live below the poverty line[51] **Large and growing labor supply:** More than 1 million new entrants join the labor market each year, many without post-secondary education or job-relevant skills[52] **Saturated informal economy:** Young people entering the labor force compete in an already crowded informal sector with limited paths to stable work. A Four-fold increase in digital labor platforms have called for higher share of part-time and contractual workers, further contributing to vulnerabilities.[53] **Strong push for vocational training:** Ministry of Education aims to enrol 2 million trainees into TVET trainings by the end of 2026,[54] recognizing skills based hiring	Entry-level absorption is structurally weak due to rapid Labor force growth and limited formal sector capacity.	• Low-skilled youth competing in a saturated informal economy • Young women with caregiving responsibilities facing double barriers to formal work • First-time entrants without post-secondary qualifications • New labor market entrants competing for a limited pool of formal openings

51 Government of Kenya, Ministry of Labour and Social Protection, Kenya Labour Market Information System, 2026. https://www.labourmarket.go.ke/

52 Federation of Kenya Employees, Youth Employment. https://www.fke-kenya.org/policy-issues/youth-employment
Afrobarometer, University of Nairobi, Most Kenyan youth see government as failing on their top priorities, 2025.

53 Danish Trade Union Development Agency, LABOUR MARKET PROFILE, Kenya 2024/2025. https://www.ulandssekretariatet.dk/wp-content/uploads/2024/09/Kenya-LMP-2024-final1.pdf.

54 K24 TV, TVET Enrollment Drive Targets 2 Million Students by 2026, 2026. https://www.youtube.com/watch?v=xS5zq9NGc6o

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
Mexico	**Strong overall employment, but informality dominates:** Unemployment is just 2.8%, among the lowest in the OECD, yet almost half of all workers are employed informally, rising to 69% among youth aged 15 to 29 years[55] **Labor supply is expanding, not shrinking:** Employment among those aged 55 to 59 rose by 8 percentage points between 2000 and 2023; Mexico's employment-to-population ratio is forecast to see the largest increase in the OECD[56] **Women are entering the workforce in greater numbers:** Female labor force participation is rising, including among older women, adding to competition for formal entry-level roles[57] **Nearshoring created blue-collar demand, but US tariffs are putting it at risk:** Nearshoring, where US companies relocate manufacturing from Asia to Mexico to shorten supply chains, generated tens of thousands of new jobs in automotive, semiconductor, and logistics sectors between 2023 and 2024, with manufacturing absorbing nearly half of Mexico's record FDI inflows. However new investment announcements dropped 75% in the first eight months of 2024 compared to 2023, and US tariffs of 25% on Mexican goods introduced in 2025 have added significant uncertainty to this pipeline. Blue-collar demand from nearshoring is real but increasingly fragile, and its benefits have been concentrated in northern manufacturing hubs rather than spread broadly across the workforce.[58]	Jobs are not disappearing. However, expanding Labor supply and persistent informality tighten access to stable formal entry roles	• Young people locked out of stable formal roles due to widespread informality • Women entering or re-entering the workforce competing for limited formal positions • Low-income youth without networks or access to manufacturing hubs • Employees in roles vastly affected by geo-political shifts

55 OECD, Employment Outlook 2025: Mexico, 2025. https://www.oecd.org/en/publications/2025/07/oecd-employment-outlook-2025-country-notes_5f33b4c5/mexico_c93f423a.html

56 OECD, Employment Outlook 2025: Mexico, 2025. https://www.oecd.org/en/publications/2025/07/oecd-employment-outlook-2025-country-notes_5f33b4c5/mexico_c93f423a.html

57 Ibid. And WEF, The Future of Jobs Report 2025. https://www.weforum.org/publications/the-future-of-jobs-report-2025/digest/

58 International Bar Association, The future of Mexico's nearshoring boom, 2025. https://www.ibanet.org/The-future-of-Mexicos-nearshoring-boom and Deloitte Insights, Nearshoring in Mexico, 2023. https://www.deloitte.com/us/en/insights/topics/economy/issues-by-the-numbers/advantages-of-nearshoring-mexico.html

Country/Region	Key findings	Are entry level jobs shrinking? And why	Who is being impacted
Brazil	**Historic low unemployment, but hiring is slowing:** Unemployment reached a record low of 5.1% in 2025, yet Brazil added only 1.28 million formal jobs, the slowest pace since 2020[59] **Labor shortages in blue-collar sectors is highest:** Nearly 60% of businesses report difficulty hiring, most acutely in construction at 69.1%, commerce and services at 65%, and manufacturing at 60%[60] Demand for blue-collar workers is growing but low rates of technical and vocational training mean many young people cannot access these roles.[61] **Youth disengagement remains high:** 18.5% of Brazilians were classified as NEET in the first quarter of 2025; informal employment remains high at 32%[62]	Entry-level jobs are not collapsing. However, hiring growth has slowed and formal pathways remain limited relative to demand. Informality shape entry-level strain	• Recent graduates facing slower formal job creation • Young people without technical training unable to access blue-collar roles despite demand • Disengaged youth outside both work and education • Women returners re-entering through informal pathways with limited job security or progression

59 Government of Brazil, Unemployment hits lowest level in recorded history and labor market registers record highs in 2025, 2026. https://www.gov.br/secom/pt-br/acompanhe-a-secom/noticias/2026/01/desemprego-atinge-menor-nivel-da-serie-historica-e-mercado-de-trabalho-registra-recordes-em-2025

60 CPG, Brazil is experiencing a labor shortage with record low unemployment, and companies are responding with higher wages, automation, and work reorganization, 2026. https://en.clickpetroleoegas.com.br/desemprego-minimo-pressiona-empresas-que-enfrentam-falta-de-mao-de-obra-flpc96/#google_vignette

61 CPG Brazil 2026: https://en.clickpetroleoegas.com.br/Minimum-unemployment-puts-pressure-on-companies-facing-labor-shortages-flpc96/

62 SBT News, Young «neither-nor» generation Z still faces challenges in working and studying, but data shows progress, 2025. https://sbtnews.sbt.com.br/noticia/economia/jovens-nem-nem-geracao-z-ainda-enfrenta-desafios-para-trabalhar-e-estudar-mas-dados-mostram-avancos

7. Synthesized findings and areas for further exploration

The research set out to test a simple assumption: that entry-level job shrinkage is an AI story affecting white-collar graduates in high-income countries. What emerges is a more complex and more urgent picture. The pressure is real, but it is not showing up the same way everywhere, and the people bearing the greatest cost are largely invisible in the data and in existing responses.

Four patterns stand out:

1. **Entry-level jobs have been slowing for years, and AI is not the only reason**. The decline in entry-level hiring predates the rise of generative AI. Hiring in AI-exposed roles was already slowing before ChatGPT launched, and the majority of employers point to tight labor markets as their main constraint, not technology. AI has since accelerated the squeeze, but it arrived on top of a problem already in motion. What makes this more concerning is that AI is not just reducing the number of roles available; it is changing what happens inside them, removing the learning-by-doing tasks that make first jobs valuable. Even where entry-level jobs still exist, they may no longer serve their development function.

2. **The decline is uneven but the direction is clear**. White-collar entry-level roles are contracting sharply, and the removal of middle management layers is eliminating the progression ladder these roles traditionally fed into. Blue-collar demand is heading the other way in many regions, but in emerging markets these roles are often informal, poorly paid, and offer limited progression. The jobs that remain across both sectors are offering less: lower pay, higher workloads, and fewer routes up.

3. **The competition is far broader than the data shows**. Entry-level is no longer just a young person's starting point. Mature workers pushed out by restructuring, women returning after career breaks, and experienced workers displaced from higher roles are all competing for the same shrinking pool. Yet these groups are largely absent from existing data and unserved by current responses. As the pool narrows, those with the least leverage are the most likely to lose out.

4. **Entry-level is at risk of becoming a trap, not a stepping stone**. As more people compete for fewer, lower-quality roles, pay gets pushed down further. For job seekers, this means getting stuck with no clear way up. For employers, it means losing access to the homegrown talent that entry-level roles were always meant to develop. The long-term consequences, for individuals, for businesses, and for social mobility more broadly, are significant and largely untracked.

Areas for further exploration

Whether entry-level work is a genuine first step or a long-term trap is the most important unanswered question to come out of this research. As competition rises for fewer, lower-quality and lower-paid roles, the risk of getting stuck grows, yet we have almost no data on what actually happens to people once they take these jobs. Two gaps stand out as most consequential.

- **The first is a data problem**. Most of what we know about entry-level job trends comes from job postings, which over-represent white-collar, urban, and formal markets. This means the populations most affected, workers in emerging economies, women returners, mature workers, and career pivoters, are also the least visible in the evidence base. Better and more diverse data sources are needed to understand the true scale and human impact of this shift.

- **The second is the informality question**. In emerging markets, informal work absorbs much of the entry-level pressure, but whether it leads anywhere remains largely unknown. Where data does exist, the picture is concerning: 35% of Kenyan youth are underemployed, half of Mexican employment is informal, and older workers in Indonesia are significantly more likely to work informally. Whether informal entry is a genuine bridge into stable work or a long-term dead end is one of the most consequential and least understood questions in this space, and one that deserves serious research attention.

8. Conclusion

The entry-level job market is being reshaped by forces that are real but unevenly felt, and the groups bearing the greatest cost are precisely those that existing data and responses overlook. The evidence base is still thin, the dominant narrative is too narrow, and the most affected populations remain largely invisible. That is not just a gap in the research. It is where the most meaningful work remains to be done.