AI and Labor Market Trends: Recent Evidence

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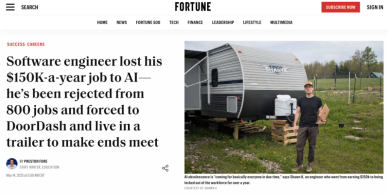
Lots of discussion about AI's impact on the entry-level labor market



Business Insider

The AI coding apocalypse

In the age of artificial intelligence, entry-level coders are doomed. But some engineers are thriving.

Feb 25, 2025

The New York Times

Opinion | A 'White-Collar Blood Bath' Doesn't Have to Be Our Fate

Instead of asking which future is coming, we should be asking which future we want.

2 days ago

The New York Times

For Some Recent Graduates, the A.I. Job Apocalypse May Already Be Here

The unemployment rate for recent college graduates has jumped as companies try to replace entry-level workers with artificial intelligence.

4 weeks ago

Axios

Behind the Curtain: Top AI CEO foresees white-collar bloodbath

Dario Amodei — CEO of Anthropic, one of the world's most powerful creators of artificial intelligence — has a blunt, scary warning for the...

1 month ago

The New York Times

Opinion | I'm a LinkedIn Executive. I See the Bottom Rung of the Career Ladder Breaking.

Eventually, A.I. will create plenty of jobs. The World Economic Forum predicts that number could be as high as 78 million more jobs, even after...

1 month ago

"Canaries in the coal mine" for AI's impact

Are we already seeing changes in the labor market in jobs exposed to AI? Particularly for entry-level workers?

- with Erik Brynjolfsson and Ruyu Chen
- **ADP:** monthly payroll records through April 2026 for millions of workers
- Correlations, not causal
- Check out our new dashboard:
  `https://digitaleconomy.stanford.edu/project/indicators/`

Which jobs are exposed to AI?

Which tasks does a job do? + How well can AI do them?

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Which tasks does a job do? + How well can AI do them?

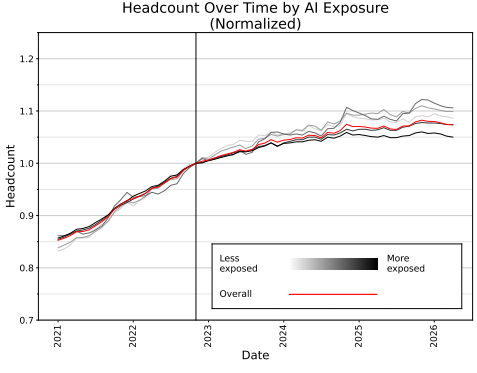
Most Exposed	Least Exposed
Mathematicians	Athletes & sports competitors
Court reporters & captioners	Packaging machine operators
Proofreaders	Roustabouts, oil & gas
Computer programmers	Bus & truck mechanics
Web developers	Riggers
Interpreters & translators	Power-line installers
Writers & authors	Excavating machine operators

Eloundou et al. (2024)

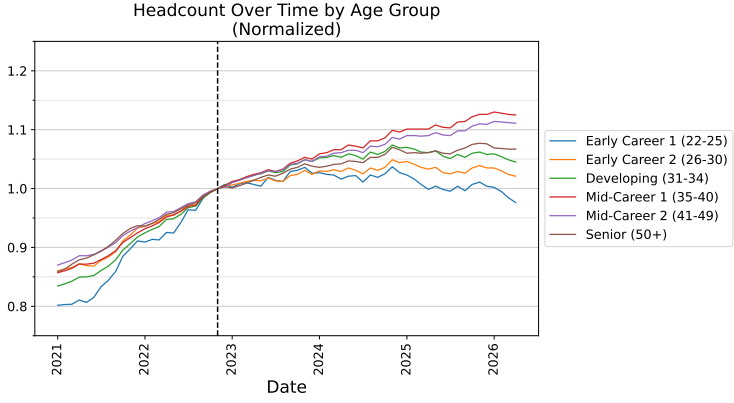
Exposure $\neq$ displacement

Overall not much gap between more and less exposed jobs

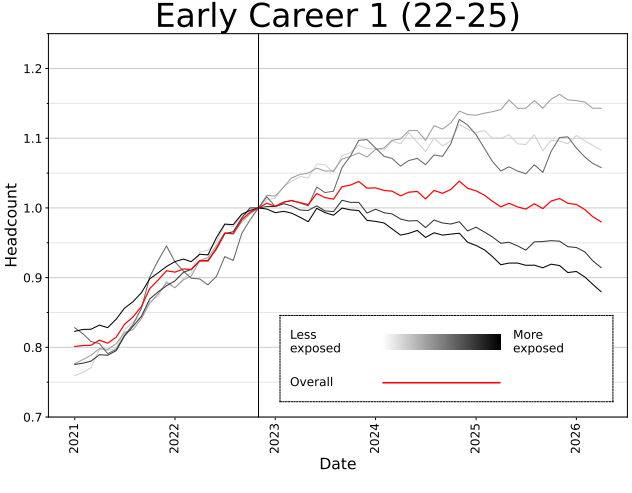
- Exposure from Eloundou et al. (2024)
- **Darker** lines more **exposed**



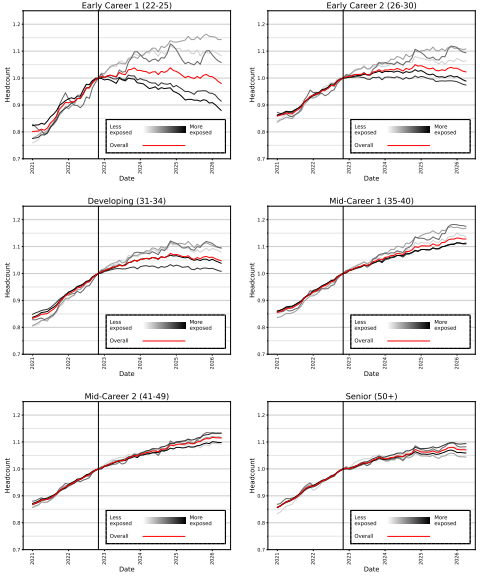
A relative slowdown in entry-level hiring



Slowdown for entry-level workers is in more exposed jobs



Not much slowdown for older workers

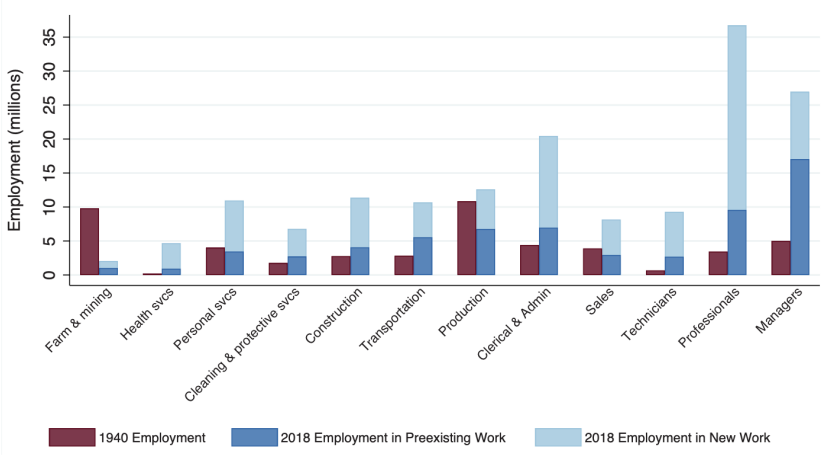


Similar pattern when accounting for other factors

	Most-exposed jobs grew…
Baseline comparison	**19% slower**
Accounting for interest-rate sensitivity	**19% slower**
Accounting for college-educated workforce	**10% slower**
Accounting for teleworkability	**17% slower**
Accounting for remote-work postings	**16% slower**
Accounting for all of the above	**9% slower**

Young workers (ages 22–25). Employment growth from November 2022 to April 2026, most AI-exposed fifth of occupations vs. least exposed fifth.

We've weathered transitions before



60% of employment is in work that did not exist in 1940

Summary

- Junior hiring seems to have slowed down
- Driven by AI-exposed jobs
- Collecting evidence on how much is AI vs other factors

Eloundou, T., S. Manning, P. Mishkin, and D. Rock (2024): "GPTs are GPTs: Labor market impact potential of LLMs," *Science*, 384, 1306–1308, publisher: American Association for the Advancement of Science.