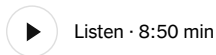


# *Young Graduates Face the Grimmiest Job Market in Years*

Artificial intelligence could reshape work, but for now a low-hire, low-fire labor market is the main impediment for young people seeking employment.



By Sydney Ember

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In January, an administrator from the career center at the University of Delaware posed a question on a private message board for educators: “Has anyone else noticed a decrease in employer fair registration for their spring events?”

Responses came swiftly.

“We are definitely seeing similar issues!”

“It seems the current environment is not conducive to hiring.”

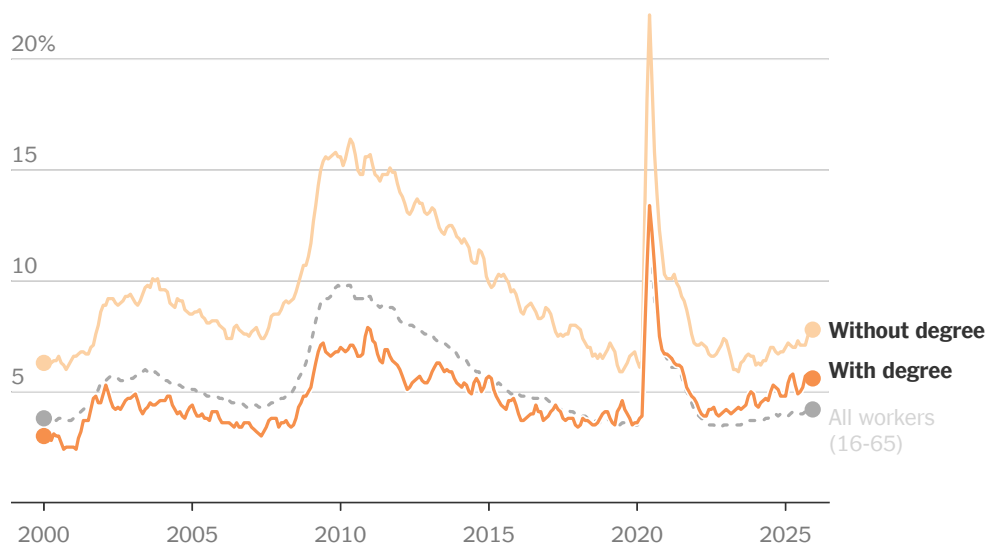
“The struggle is real.”

The forum, which included administrators from schools across the country, encapsulated the intense anxiety gripping college students, recent graduates and virtually everyone else who knows anyone preparing to start a career.

They have reason to worry: This is the worst spring for young degree holders since the depths of the pandemic.

## **Unemployment rates for young people**

Among workers with and without college degrees, between the ages of 22 and 27



Notes: Data is seasonally adjusted and based on a three-month moving average. Source: Federal Reserve Bank of New York. The New York Times

The unemployment rate for college graduates ages 22 to 27 soared to 5.6 percent at the end of last year, according to an analysis from the Federal Reserve Bank of New York, up sharply over the past three years and outstripping the overall rate of 4.2 percent at the time. For those who were employed, more than 40 percent held jobs that do not typically require college degrees, the highest level since 2020.

“The appetite for hiring is definitely decreasing,” said Alli Goossens, the assistant director of employer engagement at North Dakota State University. Fewer employers attended the school’s spring career fair, she said, and some told her it was because they were being more conservative in their recruiting.

“It was just reduced hiring numbers,” she said. “They just weren’t hiring quite as many.”

The diminished prospects for young graduates are colliding with questions over whether artificial intelligence is destroying the kinds of jobs they have long sought. Fueling those concerns have been dire warnings from A.I. leaders including Dario Amodei, chief executive of Anthropic, who predicted the technology could obliterate half of entry-level white-collar jobs within five years. A report in November from the Stanford Digital Economy Lab found “substantial declines in employment for early-career workers” in fields that were most vulnerable to A.I., such as software development.

Although A.I. may be replacing some entry-level jobs on the margins, there is little evidence it is the main culprit — at least not yet. Rather, many economists believe employment challenges for young people with college degrees stem more from the “low hire, low fire” dynamics in the labor market.

Job openings have been trending down and are below prepandemic levels even as layoffs have remained low. A result has been a broad hiring stasis among employers that has hurt all new entrants to the labor market, a group that includes young workers with college degrees — and those without them.

“There’s just a general slowdown in hiring and less churn,” said Adam Ozimek, the chief economist at the Economic Innovation Group, a nonpartisan think tank. “And so those who need their first jobs are probably disproportionately affected.”

Erin Torres, 22, graduated in December from Barnard College in New York with a degree in psychology. When she started looking for jobs, she aspired to work in product management at a technology company.

She has broadened her search to include all manner of entry-level corporate jobs and business analyst roles. In the past two months, she said, she had applied to close to 200 jobs and had gotten four interviews.

“Things don’t necessarily come to me easily, but I was hoping that at this stage, I would have something lined up,” Ms. Torres said.

She is living with her parents in Huntington, N.Y., to save money. She has been working part time as a hostess at Gastronomy, a restaurant at a Saks Fifth Avenue on Long Island, though she recently learned the department store location is closing.

Searching for a job has been so dispiriting that she has started seeing a therapist, she said. She is thinking about starting her own company because, she has taken to joking, it might be easier than joining a company that already exists. She hopes companies might hire more vigorously as the year goes on.

“If I really cannot find anything, I am just going to go haywire,” she said.

Young workers tend to suffer more during economic downturns, in part because companies become less willing to hire inexperienced, entry-level employees. During the aftermath of the Great Recession, the unemployment rate for people in their early to mid-20s spiked higher than 16 percent. The pandemic brought an even bigger surge in joblessness, though young people benefited once the economy reopened and employers raced to fill open positions.

Recent graduates generally fare better than people without degrees in periods of weak hiring, and this moment is no different. While the gap has narrowed in recent years, the unemployment rate for recent college graduates remains lower than for all young workers. Young people with college degrees remain more likely to be employed and to have higher paying jobs.

“As much as people are concerned about the current state for young grads, the encouraging news is we have been here before,” said Grace Zwemmer, an economist at Oxford Economics, an advisory firm.

Still, the increase in joblessness for recent college graduates against the backdrop of the A.I. revolution has incited a unique frenzy of speculation on its root cause.

“It’s sort of like a murder mystery of what is responsible for the weakening of the labor market for college graduates,” said Luke Pardue, policy director at the Aspen Institute’s Economic Strategy Group.

A possible contributing factor is that the labor market’s cool-down in the past few years has been concentrated in industries that generally attract young graduates, including technology, media, accounting and consulting. More people are also graduating with college degrees, heightening the competition for entry-level white-collar jobs.

Some economists have hypothesized that the challenging labor market for young degree holders could be the outcrop of a longer-term demographic shift that is making it more difficult for them to procure white-collar jobs.

Since the 1970s, the share of older workers in the labor force, particularly in private-sector white-collar jobs, has grown as life expectancy has increased and Americans have worked longer, Mr. Pardue said. That has created congestion in the workplace, resulting in less progression for mid- and early-career employees who would otherwise have moved up the job ladder when more senior workers retired. Without as much movement in their ranks, many businesses found they did not need to replace as many entry-level workers.

“As the U.S. population has aged, older workers are continuing to hold on to their positions,” Mr. Pardue said. “That is now showing up in terms of diminished job prospects for younger workers.”

In limbo are soon-to-be graduates.

On campuses nationwide, counselors are advising students to apply liberally to jobs. At Temple University in Philadelphia, the career center recently hosted an ask-me-anything-style gathering where students could air their worries about the job market. Washington University in St. Louis held a session for job seekers in late February on the subject of resilience.

Taleah Reyes, 22, initially decided not to go to college after graduating from high school with an associate degree. Born and raised in central Florida, she got her own apartment and took a full-time job at a theme park in Orlando.

Two years later, enticed by the prospect that a higher degree would open doors to more opportunities, she enrolled at Rollins College, a private liberal arts school in Winter Park, Fla. She started studying art history, which felt like a natural extension of her love of art, writing and research.

She continued to work part time at the theme park, where she operates rides. But with graduation approaching in May, she has also been applying to fellowships and internships at art museums, a library and a magazine.

“It’s been a lot of rejection,” she said. “The field is so competitive.”

It seems like more people with advanced degrees are looking at lower-level positions they previously would have ignored, she said, perhaps because the job market is so tough. Positions that used to be reserved for undergraduates suddenly are requiring a master’s degree.

Ms. Reyes said she was considering other fields, including library science. A supervisor has suggested that she could go into publishing or copywriting. Someday, she said, she could get a master’s degree.

Her fallback is to return to her theme park job full time, making \$20 an hour.

“I went to school to further my career and to have some sense of personal fulfillment,” she said. “And then I’m leaving again to enter a job I previously had.”

### **Young and Looking for Work? We Want to Hear From You.**

New York Times economics reporters want to understand how young people are navigating employment. We may want to use your experience in a story, but we would only do so with your permission.


What is your current employment status? \*

Please select one 

What level of education do you have?

Please select one 

How are you feeling about the job market? If you are looking for work, how is it going? If you are working, how was your job search? If you have not started looking for work, how do you think your job search will go?

0 words 

How old are you?

Where do you live? \*

What is your name? \*

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