



**WGU Workforce  
Decoded: 2025-2026  
Annual Report  
(Nevada, Utah, Arizona  
and New Mexico)**

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## REPORT SUMMARY

Employer expectations are widening — and strengthening the value of multiple readiness signals.

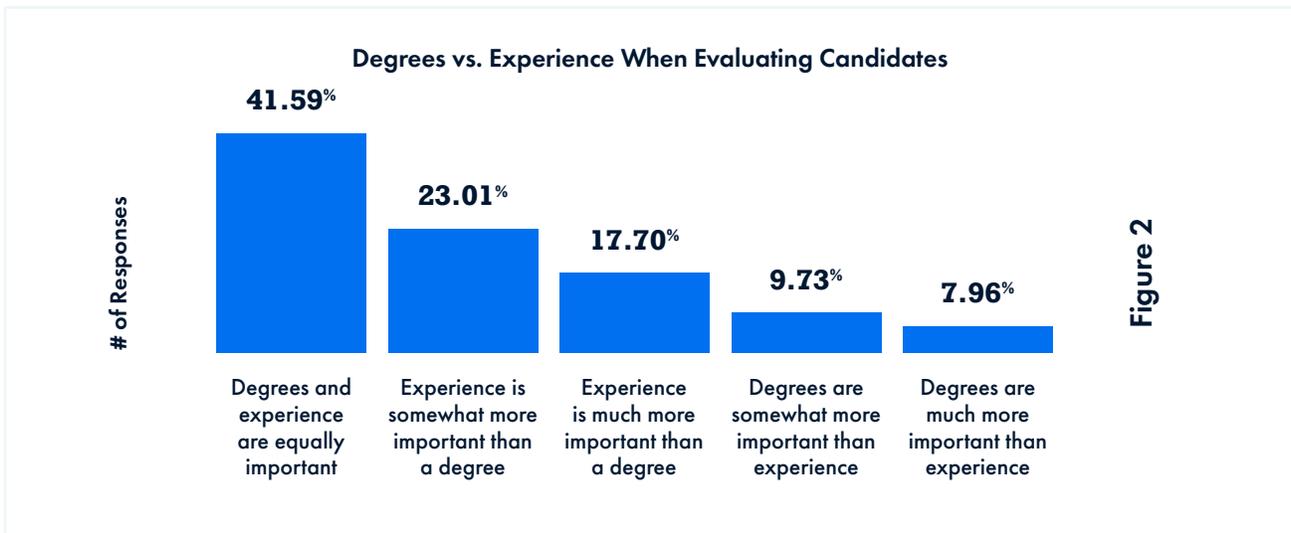
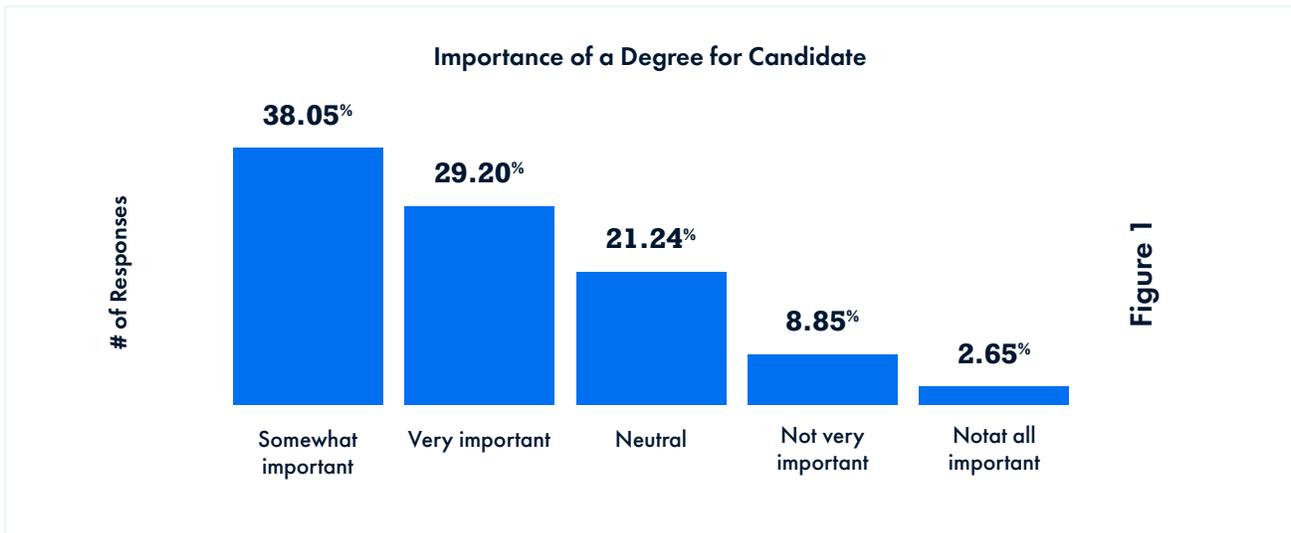
A new analysis from WGU’s Workforce Decoded Report — spanning 113 Southwest (Nevada, Utah, Arizona and New Mexico) employers — shows a labor market expanding the range of indicators it trusts when evaluating job-ready talent.

### Here’s What Southwest Employers Had to Say:

#### Takeaway 1: Confidence in workforce preparation and the perceived value of degrees rise together.

Employers are not trading one signal for another; they are building a wider readiness portfolio where degrees, credentials, and competencies collectively strengthen hiring decisions.

- **67%** of employers say degrees remain important (see Figure 1)
- **42%** view a degree as equally important as experience when evaluating a candidate (see Figure 2)
- **89%** view certificates as valuable indicators of readiness (see Figure 3)



### Value of Certificates When Evaluating Candidates



Figure 3

### Takeaway 2: Southwest employers are using various methods to evaluate a candidate’s AI skills

(see Figure 4).

- **45%** of employers are evaluating candidates’ competency in AI through assessing real-world experience using AI tools (e.g. ChatGPT, Copilot, Python and ML libraries).
- **31%** of employers conduct technical interviews or coding challenges specific to AI/ML.
- **27%** of employers are looking for certificates.

### How Organizations Evaluate Candidates’ Competence in AI

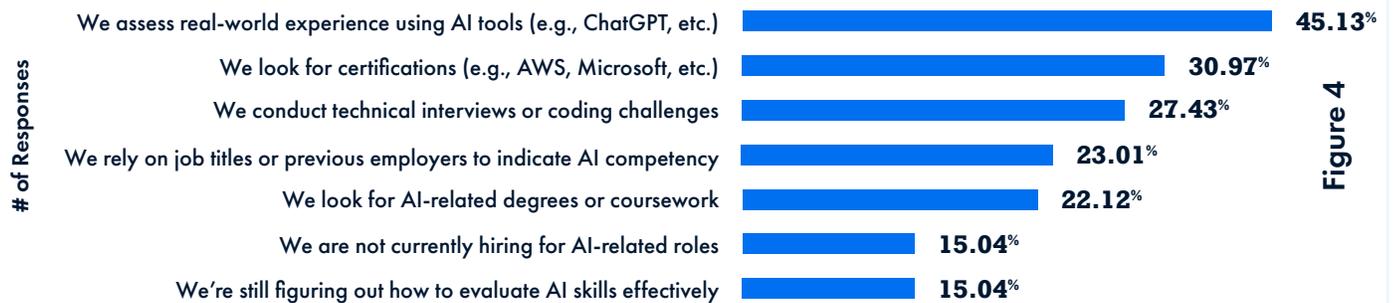


Figure 4

**Takeaway 3: As AI reshapes the economy, it is already influencing hiring decisions.** While some employers are pulling back on traditional entry-level roles, overall demand for talent is not disappearing – it is evolving toward workers with proven skills and experience.

- **78%** of employers are changing the type of candidate they are hiring due to AI (see Figure 5)
- **44%** of employers said the mid-level (5-10 years of experience) employee is most in demand within their organization (see Figure 6)
- **39%** of employers said they are reducing entry-level hiring due to AI (see Figure 7)

### How Type of Candidate Being Hired Changed Due to Adoption/Influence of AI



Figure 5

### Employee Level Most in Demand

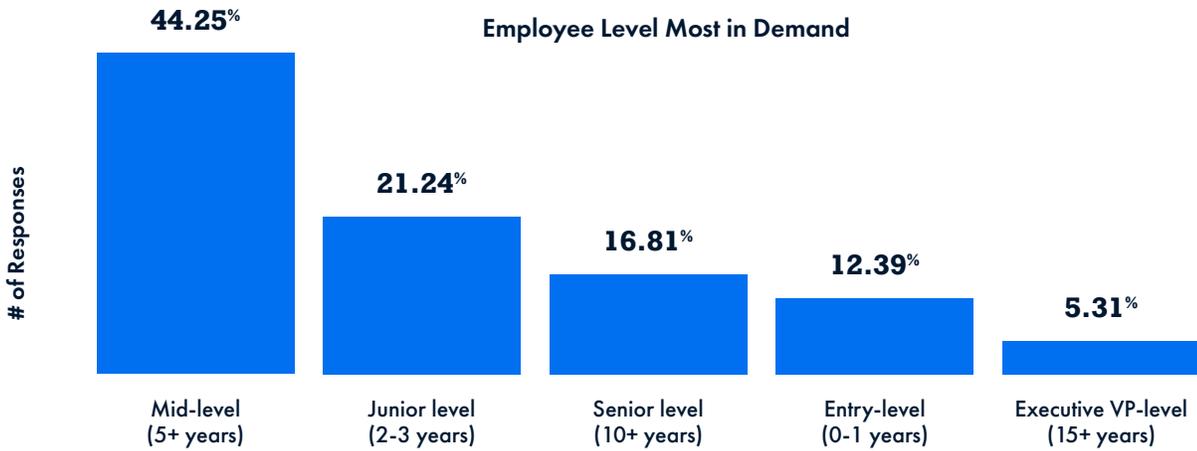


Figure 6

### Has AI Reduced # of Entry-level Employees Hired?



Figure 7

## **METHODOLOGY**

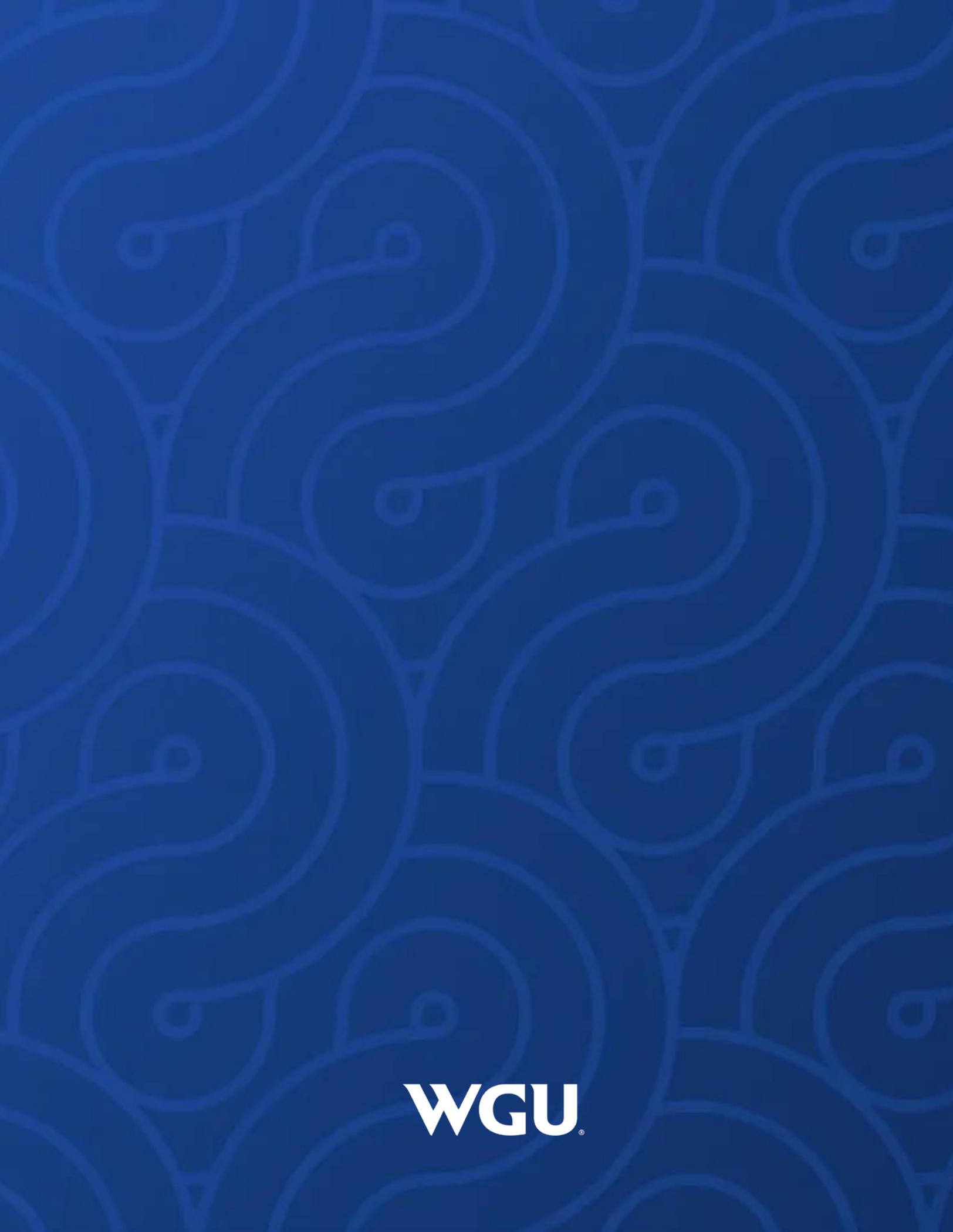
This report is based on findings from a national survey conducted by Centiment on behalf of WGU between September 30, 2025 – October 15, 2025. The survey was designed to capture employers' perspectives on workforce development, hiring practices and emerging talent needs. A total of 3,147 U.S.-based respondents completed the online survey. Participants represented organizations of varying sizes across a range of industries and regions. To ensure relevance, respondents were screened to confirm that they are currently employed and have direct involvement in the hiring process. The sample was developed to provide a broad view of employer sentiment in today's labor market.

## **ABOUT WGU**

WGU's mission is to change lives for the better by creating pathways to opportunity. That mission drives lasting impact for individuals and communities while strengthening the talent economy of tomorrow.

Established in 1997 by 19 U.S. governors, the nonprofit was founded on the belief that talent is universal, but opportunity is not—and that education is a powerful catalyst for upward mobility and workforce resilience. Purpose-built as a tech-enabled, competency-based university, WGU expands access to affordable, high-quality education through workforce-aligned programs and pathways that deliver value for students, particularly those not well served by traditional higher education.

By continually re-imagining how education is designed, delivered, and accessed, WGU connects talent to opportunity and advances economic mobility for individuals and families. This model prepares learners for in-demand roles and supports a workforce equipped to meet the needs of a rapidly evolving economy.



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