



Workforce Decoded: Mid-Level Talent Takes Center Stage in the AI Revolution

2025-2026 Annual Report

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REPORT SUMMARY

AI is reshaping employers' hiring strategies, driving demand for mid-level talent in 2026

What we found:

The latest WGU Workforce Decoded report, surveying 3,147 employers across the U.S., shows companies are rethinking the type of candidate they hire as AI adoption accelerates, with a growing focus on mid-level talent.

By the numbers:

- **76%** of employers report a shift in the types of candidates they seek due to AI.
- **38%** say they are reducing entry-level hiring because of AI, primarily in information & technology, and finance & professional services.
- **Over 40%** say mid-level talent (5–10 years of experience) is now the most in-demand hiring tier.
- Despite widespread discussion about AI replacing roles, **more than 60%** of hiring professionals cite talent shortages as the top pressing issue in the next 12 months followed by **burnout (56%)** and **skills obsolescence (48%)**.

The big picture:

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.

Why it matters for jobseekers:

Entry- and junior-level professionals must now differentiate themselves earlier through advanced degrees, industry-recognized credentials that are aligned with in-demand roles and strong economic outcomes, and job-relevant experience.

Why it matters for employers:

AI is changing how companies operate and how they build their workforce. Employers are increasingly prioritizing demonstrated skills, hands-on experience, and structured pathways such as internships and apprenticeships to develop talent internally.

Bottom line:

The next phase of workforce strategy isn't just about buying talent: it's about building it.

2026: MID-LEVEL TALENT TAKES CENTER STAGE IN THE AI REVOLUTION

AI Fluency Becoming Key Competency

QUICK TAKEAWAYS

76%

Of employers report a shift in candidate types due to AI.

Over 40%

Shared that mid-level experience (5-10 years) is now the most in-demand hiring tier.

38%

Of employers report reducing entry-level hiring due to AI, driven primarily by the information & technology and finance & professional services sectors.

As AI shapes the economy, it is visibly influencing hiring practices across industries. Data shows that employers are increasingly prioritizing mid-level candidates – those with a proven track record, relevant skills and the ability to adapt in evolving environments. This shift presents a clear inflection point in the modern talent economy toward mid-level hiring as AI adoption grows.

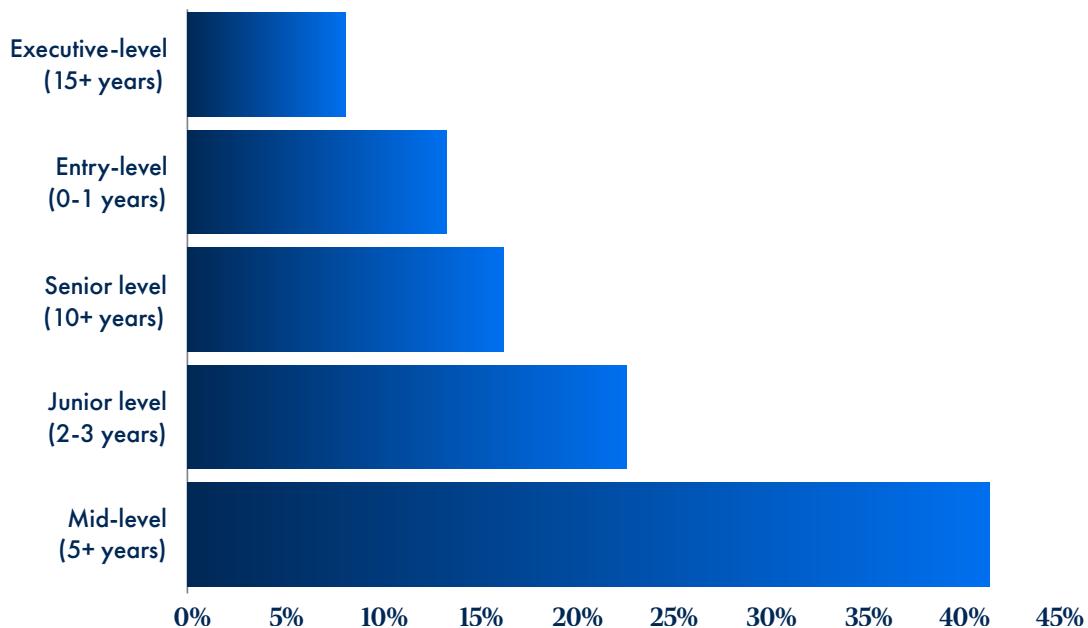
At WGU, we view this moment as an opportunity to rethink how early-career talent enters and advances through the workforce. While demand is shifting away from traditional entry-level hiring in some sectors, it is not disappearing – it is evolving. Entry- and junior-level professionals must now differentiate themselves through advanced degrees, certificates and job-relevant experience.

By investing in upskilling programs for junior talent and creating structured pathways into mid-level roles, employers can address growing skills gaps while expanding opportunity.

Key Facts

1. **Employers have spoken; the mid-level employee is the most in-demand:** Over 40% of employers said mid-level roles (5-10 years of experience), are the most in-demand in their organization, followed by the junior level (more than 2 years of experience) at 23% (see Figure 1.1).

Figure 1.1. Roles Most in Demand



2. **AI is shaping a new hiring strategy:** More than a third (38%) of employers surveyed reduced the number of entry-level employees they are hiring due to AI (see Figure 1.2), a group primarily composed of Millennial respondents (see Figure 1.3).

Figure 1.2: Employers Who Say AI is Reducing Entry-Level Jobs

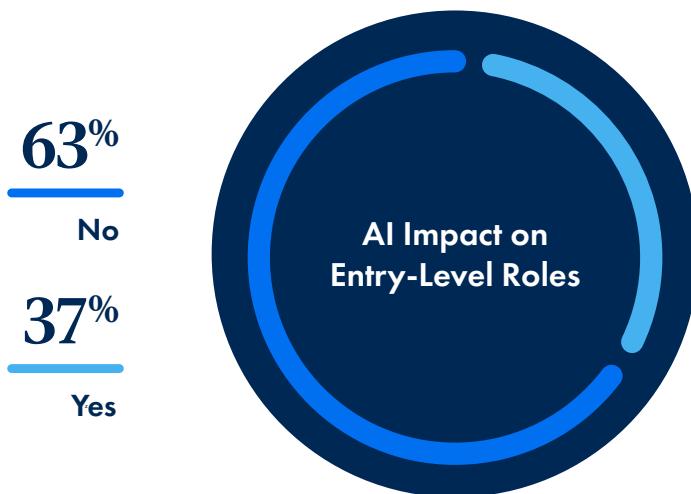
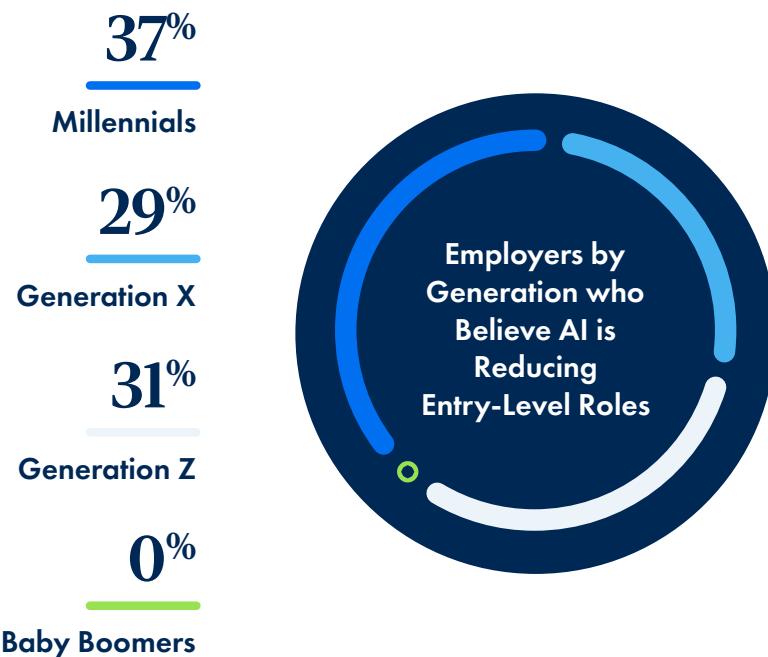
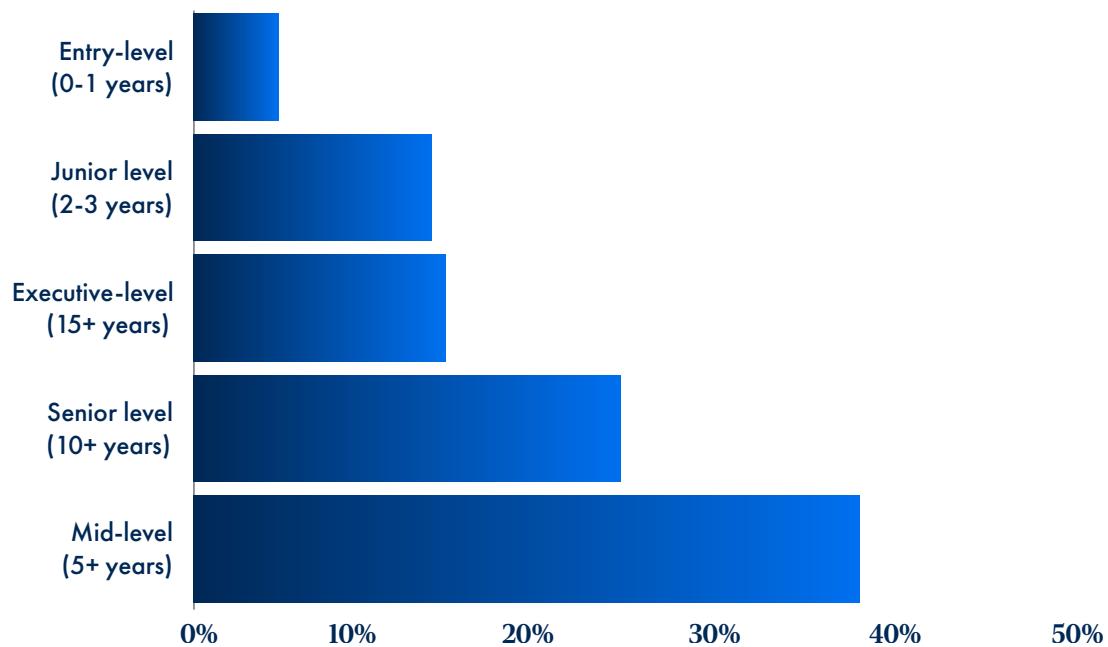


Figure 1.3. Employers by Generation who Believe AI is Reducing Entry-Level Roles



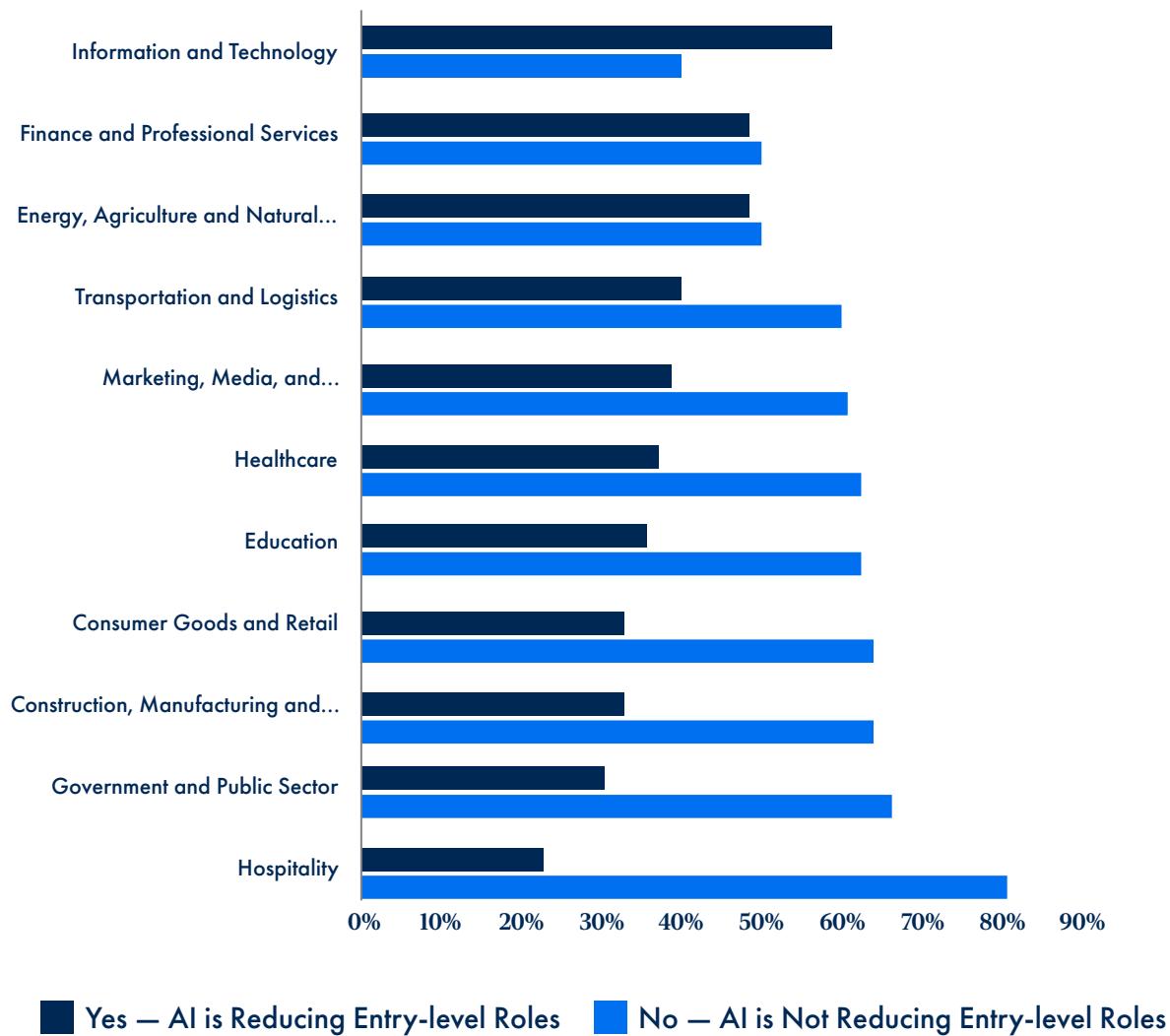
For employers who are reducing entry-level jobs due to AI's influence, their focus has shifted to hiring mid-level (39%), senior level (25%) and executive level (16%) (see Figure 1.4). Those not seeing AI reductions are more focused on building their talent pipeline with entry and junior-level roles.

Figure 1.4. Roles Most in Demand if Employer Thinks AI is Reducing Entry-level Positions



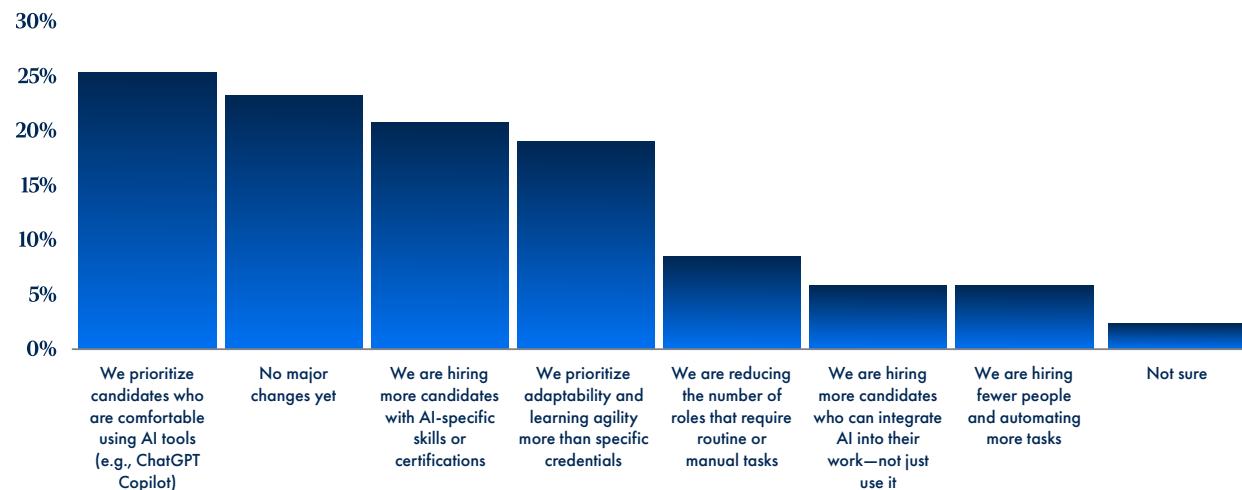
3. **Industry nuances:** The information & technology and finance & professional services sectors are seeing the greatest impact, with 56% of entry-level jobs reduced due to AI adoption. Conversely, healthcare, construction and consumer goods and retail are seeing the least impact on their hiring of entry-level staff, with 70% of those employers seeing no change due to AI (see Figure 1.5).

Figure 1.5 AI Impact on Entry-level Roles by Industry



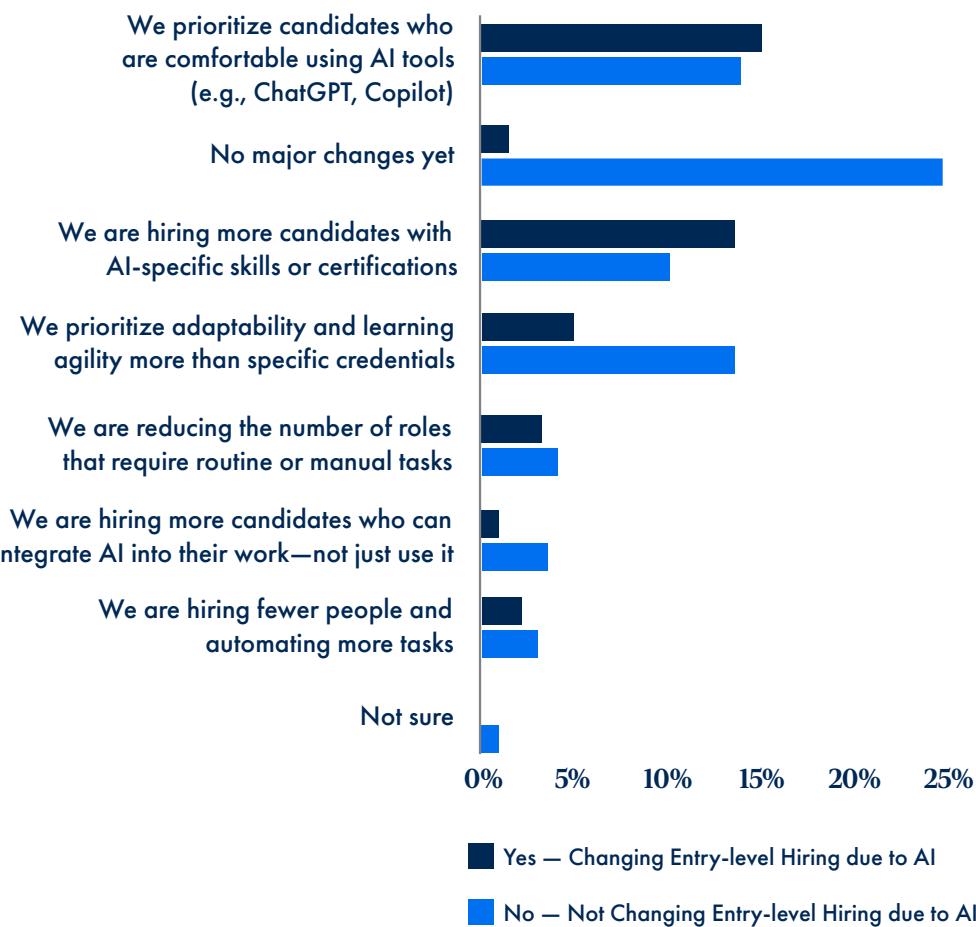
4. **AI influencing the type of candidates hired:** A large majority (76%) of employers say there have been major changes in the type of candidates being hired due to the adoption and influence of AI (see Figure 1.6). A quarter (25%) of respondents are prioritizing candidates who are comfortable using AI tools like ChatGPT (see Figure 1.6).

Figure 1.6. How Type of Candidate Being Hired Changed Due to AI Adoption & Influence



Additionally, 21% of all employers are hiring more candidates with AI-specific skills or certifications (see Figure 1.6). Of the 63% of people who are not seeing a reduction in entry-level jobs due to AI, 34% are also not making any major changes to their hiring due to AI (see Figure 1.7).

Figure 1.7. How Type of Candidate Being Hired Changed Due to AI Adoption & Influence (with AI impact on entry-level)



5. Key trends employers are citing about the next 12 months:

- **The talent shortage is the most concerning workforce trend:** Despite the hype in the media about AI replacing roles, in reality more than 60% of hiring professionals cite talent shortages as the top pressing issue in the next 12 months (see Figure 1.8), followed by burnout (56%) and skills obsolescence (48%). Outside of AI, the most important skills for job success are critical thinking and problem solving (60%), time management (41%), adaptability (40%), and emotional intelligence (37%) (see Figure 1.9).

Figure 1.8. Most Concerning Workforce Trends in Next 12 Months

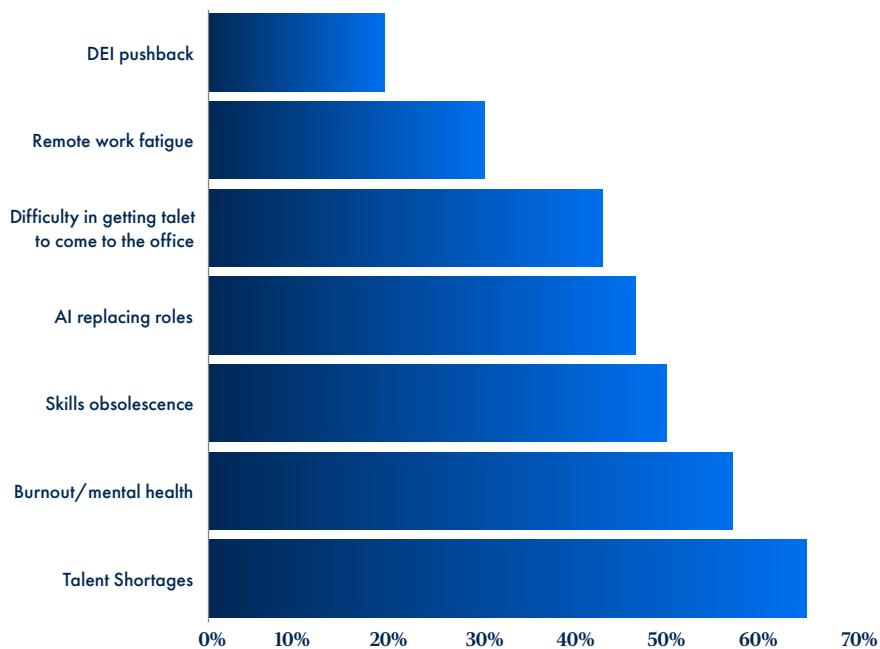
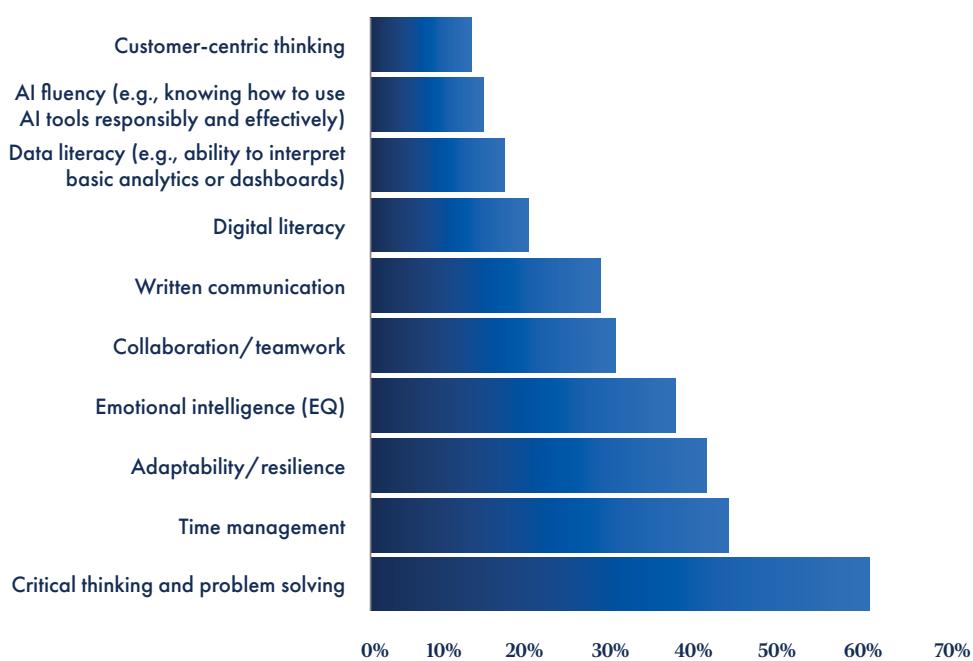
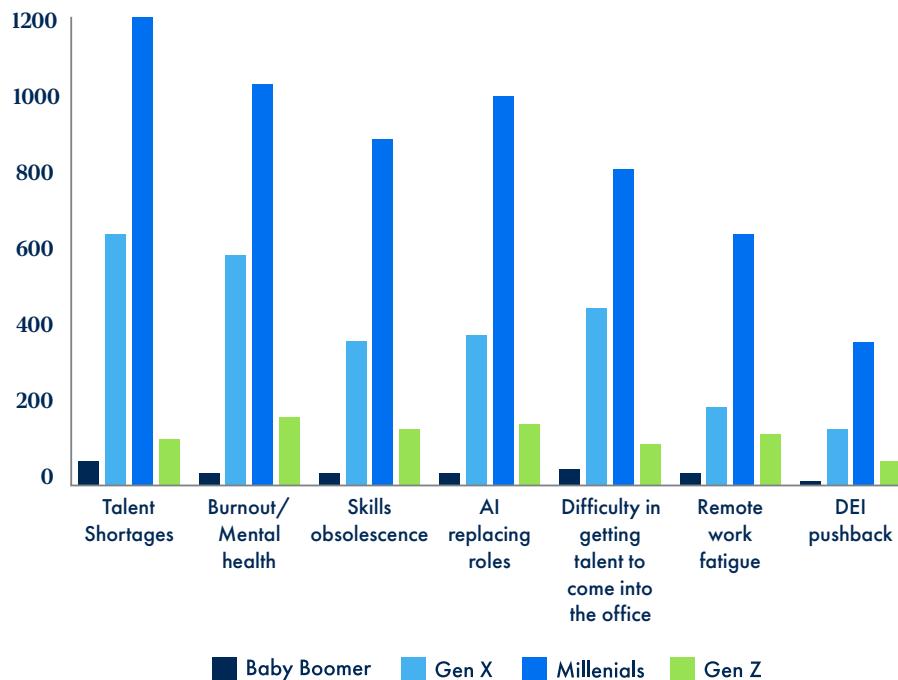


Figure 1.9. Top Important Skills in the Next 12 Months For Job Success



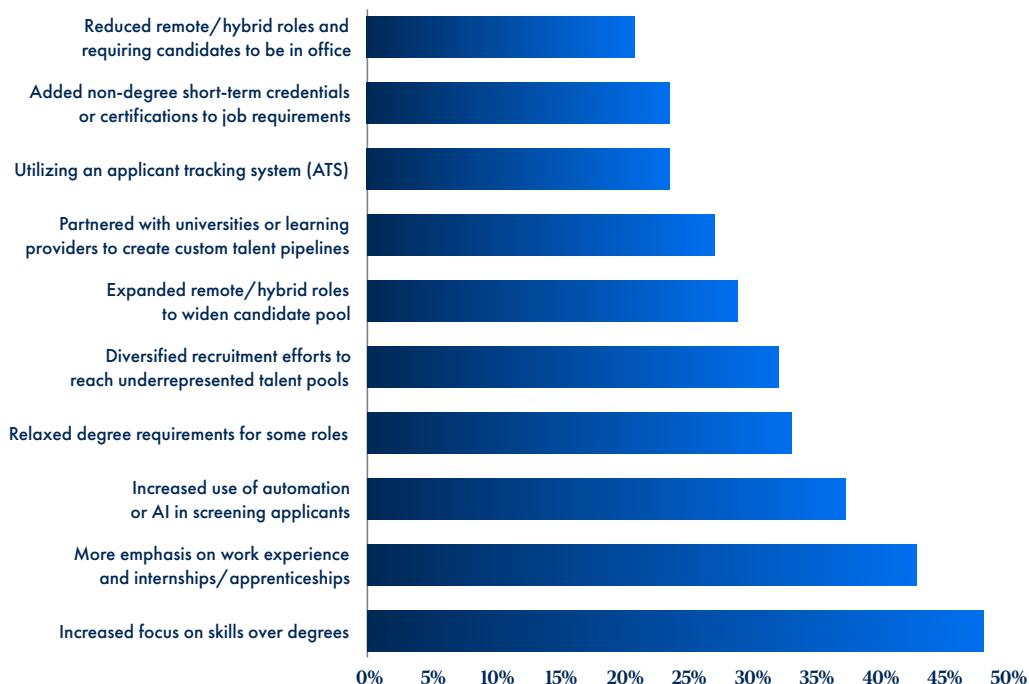
- For Gen Z, the majority of respondents (57%) see burnout/mental health as the most concerning workforce trend over the next 12 months (see Figure 1.10).

Figure 1.10. Top Workforce Challenges by Generation



- Hiring practice changes:** In the next 12 months, 46% of employers plan to increase focus on skills over degrees, 43% plan to place more emphasis on work experience and internships/apprenticeships and 36% plan to increase use of automation or AI in screening applicants (see Figure 1.11).

Figure 1.11. Changes to Hiring in Next 12 Months



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 reimagining 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.

