



The Early Career Hiring Guide

2026 Edition |

Data-driven strategies for hiring, developing, and retaining early-career talent in the age of AI.

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The State of Early Career Hiring

Entry-level hiring is in crisis. The data tells a story of structural decline — not a temporary slowdown.

73%

decline in early-career hiring vs. just 7% for all job levels

1

67%

drop in US entry-level tech postings between 2023 and 2024

2

45%

drop in hiring for workers 25 and under since 2019

3

29%

decline in global job postings requiring 0-2 years experience

4

The Human Cost of a Broken Pipeline

What Graduates Are Facing

- 30%** of 2025 graduates found full-time degree-relevant employment ⁵
- 33%** of graduates currently unemployed and actively seeking ⁵
- 48%** of graduates feel unprepared for entry-level roles ⁵
- 9.7%** unemployment rate for recent college grads — same as HS-only peers ⁶
- 42** average age of new hires in 2025 (up from 40 in 2016) ³

What Employers Are Doing

- 76%** hiring the same or fewer entry-level roles in 2025 ⁵
- 71%** now require a 2-4 year degree for entry-level (up from 55%) ⁵
- 66%** of enterprises reducing entry-level hiring as they deploy AI ⁷
- 38%** of mid-market firms cutting entry-level roles due to AI ⁸
- 91%** report job responsibilities shifted or disappeared due to AI ⁷

Why Traditional Screening Fails

Every tool in the traditional hiring toolkit breaks down for early-career candidates.

Resumes

Entry-level candidates don't have one. When they do, 72% are keyword-optimized. AI makes every resume look perfect.

91% of recruiters spot deception in AI-optimized applications⁹

GPA Screening

In 2019, 73% of employers screened by GPA. Today, just 42%. Employers are losing faith — but haven't replaced it with anything better.

26-point drop in belief that degree = career readiness^{5, 10}

Skills Matching

Assumes candidates already have skills. Entry-level candidates don't. They have potential — and that requires a fundamentally different measurement.

Only 1 in 700 hires are affected by skills-based policies¹¹

Personality Tests

Easily gamed. YouTube channels with millions of views explain how to 'pass' specific tests. Self-reported personality has weak predictive validity.

Reddit threads openly discuss how to game PI, DISC, and others¹²

The AI Paradox

AI is simultaneously closing entry-level doors and creating new ones. The question isn't whether to use AI — it's which AI to trust.

The Doom Loop

Candidates

use AI to optimize resumes and apply to hundreds of jobs

Employers

use AI to filter thousands of applications

The Result

A self-reinforcing cycle where real talent gets buried

33% surge in application volume in 6 months — mostly AI-generated⁹

The Opportunity

AI readiness is the new literacy

75% of Gen Z use AI to upskill — far more than any other generation

New roles are emerging

AI/ML hiring grew 88% in 2025. Orchestrators, prompt engineers, AI trainers.

Codified knowledge is replaceable

Tacit knowledge (judgment, creativity, relationships) is not. Hire for it.

85% of jobs affected by AI, but only 5% fully automatable²⁰

Gen Z: The Misunderstood Generation

They're not job-hopping — they're growth-hunting. Understanding what drives early-career talent is key to retaining them.

1.1 yr

average tenure at first job

But it's not disloyalty — it's growth-seeking ¹³

60 days

to decide if they'll stay

80% of Gen Z make this call within 2 months ¹³

18 mo

expect first promotion

70% expect a promotion within 18 months ¹³

45%

hold traditional full-time roles

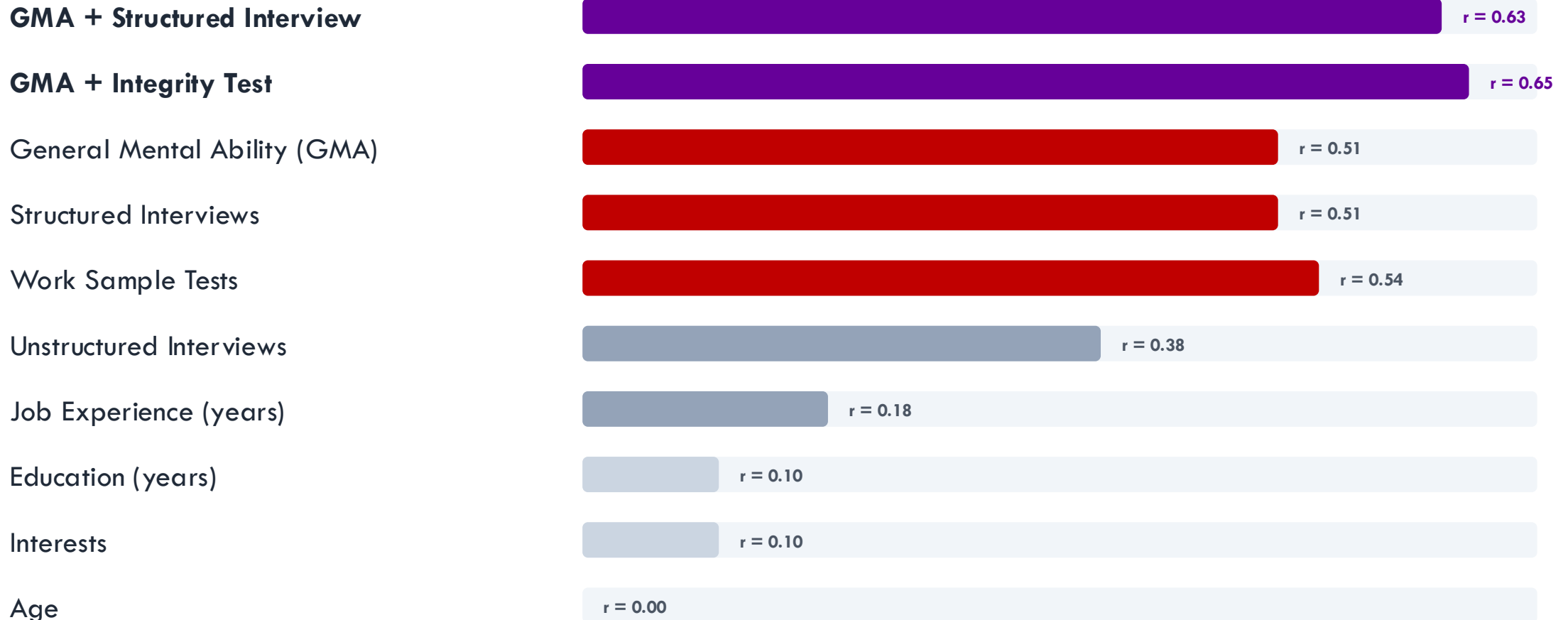
The rest combine gigs, side hustles, and freelance ¹⁴

What Early-Career Talent Actually Wants

Fair pay & transparency (36% abandon if pay not posted) ⁴ **Supportive managers** (78% value empathetic leadership, only 28% see it) ¹³ **Clear career progression** Growth paths, not dead ends **Purpose & flexibility** Won't accept poor environments despite job desperation ¹³ **Clear**

What Actually Predicts Success

100 years of I/O psychology research points to one answer: cognitive ability combined with structured evaluation.



Source: Schmidt & Oh (2016). "The Validity and Utility of Selection Methods in Personnel Psychology. Meta-analysis of 100 years of research findings.

Measuring Potential, Not Pedigree

When there's no resume to read, read potential instead. Seven cognitive and behavioral dimensions that predict who will succeed.

1**Spatial Thinking**

Picturing how things fit together

2**Verbal Ability**

Understanding and communicating with words

3**Math Reasoning**

Working through problems with numbers and logic

4**Perceptual Speed**

Noticing details and spotting errors quickly

5**Pattern Recognition**

Seeing patterns and predicting what comes next

6**Work Values**

What matters to them in a job

7**Career Interests**

What type of work energizes them

These are universal human abilities — not industry-specific knowledge. The same assessment works everywhere because different jobs need different amounts of each ability.

Building Your Early Career Strategy

A three-part framework: Profile what success looks like. Identify candidates with the potential to get there. Accelerate their development.

PROFILE

Define success before you hire

- Model your top performers to build success profiles
- Identify the cognitive and behavioral fingerprint of your best people
- Every company's recipe is unique — don't rely on generic benchmarks
- Use exemplars or start with 1,000+ pre-built job profiles

IDENTIFY

Find potential, not just pedigree

- One 15-20 minute assessment generates CQ scores for every role
- Higher CQ = better predicted match between person and role
- Fair evaluation for non-traditional candidates (bootcamp grads, career changers)
- Cuts through AI-optimized resumes to find real talent

ACCELERATE

Grow your people faster

- Invest training dollars in employees with highest potential for target role
- Identify internal mobility opportunities across the organization
- Provide career development insights that boost engagement and retention
- Predict retention risk — 80% of Gen Z decide in 60 days

The Cost of Getting It Wrong

\$15,000²¹

average cost of a bad entry-level hire

23% of new hires turn over before their first year²¹

50% of the position's salary lost in entry-level turnover²¹

The Math: What Potential-Based Assessment Saves

	Without CQ	With CQ
Annual hires	100	100
Early turnover rate	23%	~12% (47% reduction)
Bad hire cost (avg)	\$15,000	\$15,000
Annual loss from bad hires	\$345,000	\$180,000
Net savings	—	\$165,000+

47%

reduction in 90-day
attrition

Trucking Edge case study

The Compliance Imperative

AI hiring vendors are facing their tobacco moment. Employers — not just vendors — are liable.

NYC Local Law 144

ACTIVE NOW

\$500-\$1,500 per violation (× candidates)

Independent bias audit required before deployment and annually ¹⁶

Colorado AI Act

JUNE 2026

Impact assessments for high-risk systems

Mandatory risk assessments for AI used in consequential decisions ¹⁸

EU AI Act

AUG 2026

Up to €35M or 7% of global revenue

Employment AI classified as 'High Risk' — strict data governance required ¹⁷

EEOC Title VII

ACTIVE NOW

Class action suits often \$1M+ settlements

Employers remain fully liable — regardless of vendor claims ¹⁹

78% of organizations deploy AI in HR, but only **31%** have enforcement-level governance. That's a **47% gap** of unprotected organizations.⁷

What Compliant AI Assessment Looks Like

1

Disclosure

Candidates are informed that AI is involved in the assessment process

4

Bias Auditing

Regular testing for disparate impact across all protected groups

2

Explainability

Every decision can be explained in plain language — not black-box outputs

5

Human Oversight

Meaningful human review of decisions — not rubber-stamping

3

Audit Trails

Complete documentation for regulatory review at any time

6

Appeal Mechanism

Candidates can challenge decisions through a defined process

Measuring What Matters: Career Quotient

One assessment. One score. Every role in your company.

Career Quotient (CQ)

A single, job-specific score (1-100) that predicts a candidate's ability to replicate the success of your top performers. Built on Schmidt & Hunter's meta-analysis of 85 years of I/O psychology research.¹⁵ Peer-reviewed science — not marketing claims.



How CQ Works for Early Career Hiring

Campus Recruiting

Screen at scale — one assessment ranks all candidates against your success profiles

Internship Programs

Identify which interns have the highest potential for conversion to full-time roles

Diversity Hiring

Fair, potential-based evaluation for candidates without traditional pedigree

Career Changers

Bootcamp grads and non-traditional candidates get evaluated on ability, not background

Internal Mobility

Discover hidden potential — employees who could thrive in roles they've never considered

Retention Prediction

CQ identifies fit early, reducing 90-day turnover by up to 47%

Your Action Plan

Where to start Monday morning.

THIS WEEK

- Audit your current entry-level screening process
- Calculate your 90-day turnover rate and cost per bad hire
- Review your AI hiring tools for compliance gaps (NYC LL144, EEOC)

THIS MONTH

- Identify your top performers and begin building success profiles
- Run a pilot: assess 50 candidates using potential-based methods
- Evaluate your assessment tools — are they science-backed or vendor hype?

THIS QUARTER

- Implement potential-based assessment for your highest-volume roles
- Build an early-career retention playbook (the 60-day window matters)
- Prepare for EU AI Act (August 2026) and Colorado AI Act (June 2026)

THIS YEAR

- Expand potential-based hiring across all entry-level and frontline roles
- Measure and publish your improvements: time-to-fill, quality, retention
- Build your employer brand around fair, transparent hiring practices

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