Young Adults Struggle to Find a Foothold in an Economy Transformed by AI

August 26, 2025 - For years, young people were told that hard work, a college degree, and especially computer science skills would guarantee them a good-paying job. But the reality for today's graduates is very different. Entry-level jobs are drying up, artificial intelligence is replacing many junior roles, and traditional milestones of adulthood are slipping further out of reach.

Recent graduates in computer science are discovering that their degrees do not carry the same weight as they once did. With tech giants such as Amazon, Meta, and Microsoft laying off thousands of workers while AI tools increasingly handle routine coding tasks, new hires are often the first to be cut. According to federal data, unemployment among 22- to 27-year-olds with computer science or computer engineering degrees is more than six percentâ€”more than double the rate for graduates in fields like biology or art history. A Stanford analysis of payroll records found a sharp drop in employment for younger workers in AI-exposed jobs such as software development and customer support since late 2022.

For some, this means settling for jobs that don't even require a degree. One recent graduate said Chipotle was the only company that responded to her job applications, while others report hundreds of rejections, including from fast food outlets. Even government and nonprofit positions, once viewed as stable alternatives, have slowed hiring or frozen it altogether.

The financial strain is showing up in other ways. Nearly ten percent of credit card balances held by Americans under 30 are now 90 or more days overdue, according to the Federal Reserve Bank of New York. A separate survey found that nearly two-thirds of Gen Z adults have no emergency savings at all, leaving them vulnerable to even small financial setbacks.

These struggles are reflected in a broader trend of delayed adulthood. A Census Bureau study released last year found that by 2023, only 17 percent of Americans aged 25 to 34 had reached all five traditional milestones of adulthood: moving out of their parents' home, completing education, holding a job, marrying, and having a child. In 2005, that figure was 26 percent. Economic barriers are the main reason cited, though shifting social attitudes about marriage and family also play a role.

The picture is not all bleak. Some industries are still hiring steadily, particularly in the skilled trades. Apprenticeships in fields like plumbing, construction, and electrical work can lead to strong wagesâ€”often higher than entry-level office jobsâ€”and these are areas where automation has little reach. Employers are also increasingly focused on practical skills rather than degrees alone, opening doors for those willing to adapt.

Still, the message is clear: young people cannot count on old promises. Choosing a major or career path today means looking hard at what roles are likely to survive in an AI-driven economy. The traditional idea of graduating and walking straight into a six-figure job is fading, and financial independence is harder to come by. For many families, that has meant adult children staying home longer, delaying milestones, and recalibrating their expectations.

What young workers face is not simply a rough patch in the economy but a fundamental reshaping of the labor market. The challenge ahead will be finding realistic, sustainable career paths in a world where technology is advancing faster than the opportunities meant to sustain the next generation.

by Jim Malmberg
Note: When posting a comment, please sign-in first if you want a response. If you are not registered, click here. Registration is easy and free.

Follow ACCESS