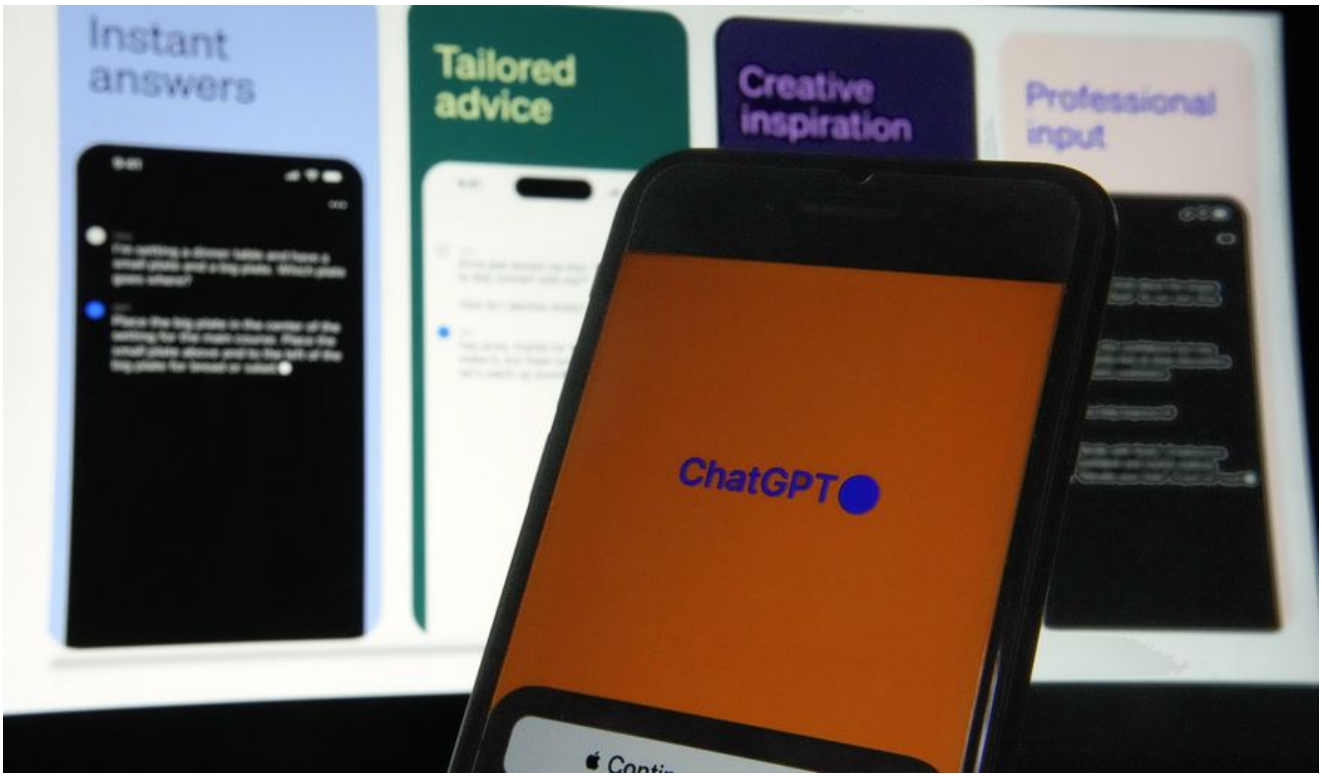
Recent college grads struggle to find jobs amid AI boom, Trump tariffs

washingtontimes.com/news/2025/aug/19/recent-college-grads-struggle-find-jobs-amid-ai-boom-trump-tariffs

Sean Salai August 19, 2025



The ChatGPT app is seen on an iPhone in New York, May 18, 2023. Lawmakers in at least seven states are taking big legislative swings to regulate bias in artificial intelligence. As AI has quietly spread through everyday life, filtering … more >

- The Washington Times - Tuesday, August 19, 2025

Recent college graduates are struggling more than ever to find entry-level work as artificial intelligence and uncertainty about the impact of President Trump's tariffs have dampened hiring.

"Companies are in a wait-and-see mentality with tariffs and the economy," said Beth Hendler-Grunt, founder and president of the New Jersey-based career coaching firm Next Great Step. "As a result, they are hesitant to hire and are looking to AI to automate many entry-level tasks."

Ms. Hendler-Grunt noted that employers have scaled back hiring expectations to 0.6% growth from a projected 7.3% increase at the end of 2024.

Hiring and job search experts interviewed by The Washington Times estimated that the time it takes to land a white-collar job in office filing, data analysis or customer service has jumped from two to three months in years past to four to six months for the class of 2025.

“It’s the toughest entry point for new grads since the late 1980s,” said Sam Wright, head of partnerships and operations at Huntr, a Seattle-based AI job search platform. “Employers are pacing interviews and deferring starts into [the last three months of this year].”

In July, the Bureau of Labor Statistics found that “new entrants” made up the highest share of the unemployed since 1988.

Multiple reports have found newly minted degree holders frustrated with finding jobs this summer.

On Aug. 1, the Federal Reserve Bank of New York reported that the unemployment rate for recent college graduates rose to 5.3%, compared with roughly 4% of all workers. It labeled another 41% of recent graduates as “underemployed,” or working in fields that did not require their degrees.

“Over the summer, many of my recent grads told me they applied to dozens of jobs and were met with silence, ghosted by employers overwhelmed by applicant volume,” said Shani Chen, a career readiness coach at Options for Youth Charter School in Los Angeles.

Metaintro, a New York City-based job search engine, said listings targeting entry-level workers and recent college graduates are down 40% from 2023.

Metaintro CEO and founder Lacey Kaelani cited a growing number of employers dropping college degree requirements and demanding two to three years of previous experience.

“It’s creating a catch-22 for new graduates who, let’s say, didn’t spend their academic career interning or working to put real world experience on their resume,” Ms. Kaelani said.

According to the career advice website Zippia, roughly one-third of postings labeled “entry-level” now require at least three years of experience, making it difficult for most college graduates to land the jobs.

Meanwhile, the Federal Reserve has kept interest rates largely unchanged since Mr. Trump returned to office in January, emphasizing a concern to monitor the inflationary impacts of tariffs on imported goods.

In a statement emailed to The Times, a White House spokesman said the administration’s “ambitious economic agenda of rapid deregulation, tax cuts, and trade deals” will deliver billions of dollars to the economy.

“President Trump’s ‘America First’ policies unleashed historic job, wage, and investment growth in his first term, and this same policy mix — at an even bigger scale — is set to deliver again in President Trump’s second term,” said White House spokesman Kush Desai.

‘Economic uncertainty’

So far, the Trump administration’s financial promises have not persuaded U.S. technology and media companies to expand their payrolls.

Economists predict that many employers will delay filling open positions until after the Fed lowers interest rates. That could leave some graduates from the class of 2025 waiting until December or January to begin full-time jobs in their fields.

“In times of economic uncertainty, the natural reaction is to hold back on recruiting,” said Paolo Goes, dean of the business school at private Tulane University.

Business experts say fast-evolving AI technology has played an even bigger role than tariffs in slowing the white-collar job market. Companies have increasingly used AI programs to cut junior staff, automatically filter applications and freeze hiring for starter jobs as they prioritize veteran workers over untrained newcomers.

“AI is the bigger disrupter, directly tied to over 10,000 U.S. job cuts this year, particularly at entry levels,” said Usha Haley, a management professor at Wichita State University.

The latest figures show roughly 7.2 million unemployed people and 7.8 million job openings nationwide.

An NBC News analysis found that men have struggled more than women to find work in the few industries actively hiring. The news outlet reported this month that the unemployment rate for college-educated men ages 23 to 30 has reached 6%, compared with 3.5% for female peers with bachelor’s degrees.

“Females are still graduating at higher rates with degrees in a health-care-related field than their male counterparts,” said David Cathey, a hiring expert at the Dallas-based staffing and recruiting company Unity. “There is instability in many of the [science and technology] fields that male graduates tend to lean towards.”

Bad to worse

Other reports have found young people pausing job applications while waiting for the market to loosen.

The career advice website TopResume reported in June that 24% of 1,000 college graduates surveyed in the class of 2025 had postponed job searches amid a 15% decrease in entry-level openings.

Steve Faulkner, chief recruiter at the Spencer James Group, an insurance industry recruiting firm, said applications for jobs requiring a college education have doubled even as listings dwindle.

“I expect hiring will remain tight as we head into fall,” Mr. Faulkner said. “There is a general sense of uncertainty across many sectors right now as they wait to see the impact of economic and regulatory changes, both on their specific industries and the economy at large.”

Meanwhile, an Aug. 4 report from the resume-building website LiveCareer found that 65% of hiring managers blamed AI hiring processes for a growing number of applicants vanishing during interviews.

Jasmine Escalera, a career expert at the company, said automated email responses have taught recent graduates that companies filter applications electronically “before a human even sees” their resumes.

“What we’re seeing is the dark side of digital hiring,” Ms. Escalera said. “When job seekers feel like they’re talking to a machine instead of a person, they’re more likely to walk away without warning.”

Experts say personal connections through alumni and industry events remain a proven way for employers and job seekers to connect.

“Build intentional relationships and increase visibility, since many roles are not publicly posted,” said Angelica Gianchandani, a marketing instructor at New York University. “The grads who can adapt quickly, own their growth, and lead with empathy will create opportunities where others see none.”

Doug Crawford, the Ohio-based founder of Best-Trade-Schools.net, said a pivot to blue-collar work could help some four-year graduates.

Trade school applications have boomed in recent years amid a nationwide shortage of skilled pipe fitters, construction workers and machine technicians.

“I notice that there are fewer restrictions on the background of the candidates that they hire in industries such as skilled trades, health care support and technology service as long as they are willing to learn on the job,” Mr. Crawford said. “The employers are more interested in hiring those who are flexible and eager to learn rather than those who have long experience.”

Some insiders predict that the job market for recent college graduates will get even tougher as the economy evolves over the next few months.

TopResume’s survey found that 52% of 2025 graduates did not think their degree would lead to a job within a year, and 56% felt unprepared.

“I expect things to get worse before they get better,” said Vrijen Attawar, co-founder and CEO of Careerspan, a Brooklyn-based AI career development firm. “With summer seasonal jobs ending and heading into traditionally slower hiring months, the market will feel even colder to recent grads.”

Correction: This article has been updated to correct the location of the career coaching firm Next Great Step, which is based in New Jersey.

Copyright © 2025 The Washington Times, LLC. Click here for reprint permission.