



AI is Killing Entry-Level Jobs – But Colleges Can Change That

Colleges must invest in programs that give students real work experience before they graduate.

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Entry-level jobs are [on the chopping block](#). An August report from the job search platform Handshake found that job postings to their site aimed at college students and recent graduates [have dropped by 16%](#) even as applications per opening jumped by 26%. Meanwhile, [researchers from Stanford](#) determined that workers aged 22-25 in jobs most exposed to artificial intelligence – such as roles in software development, customer service and accounting – experienced a 16% relative drop in employment in less than three years.

By automating the straightforward work that entry-level professionals used to handle while they learned the ropes, [AI is elevating employer expectations](#) for new employees. Graduates are expected to perform higher value work right out of the gate – a nearly impossible task when so many lack prior relevant experience. [Peter Cappelli](#), professor of management at the University of Pennsylvania’s Wharton School, frames the issue perfectly: “Everybody wants to hire somebody with three years’ experience, and nobody wants to give them three years’ experience.” With AI, this paradox has become the norm: an experience gap quickly widening into a chasm.

But blaming AI is like shouting into the wind. The technology isn’t going away, and employer expectations aren’t returning to the pre-AI status quo. So the responsibility falls on colleges and universities to ensure that every student gains relevant, in-field – and, ideally, paid – work experience before they ever begin a full-time job search.

For all the talk about career readiness, few four-year universities have made structured, intentional work experiences a centerpiece of the undergraduate journey. Even as campuses pour billions of dollars into new buildings, branding campaigns and amenities, investment in meaningful work-based learning still lags far behind.

Consider the persistent mismatch surrounding internships, the stalwart of work-based learning. According to the Business-Higher Education Forum, in 2023, an [estimated 8.2 million college learners](#) wanted to intern, but only about 3.6 million internship

opportunities were available. And only 2.5 million college learners had internships that met key quality standards related to learning outcomes and relevance. In other words, for every student with a quality internship, more than two were disappointed.

While nearly all of Canada's 80 or so large and mid-sized universities allow students to alternate four-month academic terms with four-month in-field work experiences, comparable U.S. co-op programs are so rare they can be counted on two hands. We estimate that fewer than 0.5% of American college students participate in formal co-op programs.

The most maddening part? The majority of students already work while enrolled, but their [jobs are not aligned](#) with their programs of study or career goals. Even worse, these (often dead-end) jobs directly compete for students' time and energy.

New models are urgently needed, and most will require partners to succeed. As large employers aren't likely to launch co-op relationships with hundreds of colleges, closing the internship gap is a "many-to-many" challenge that demands intermediaries. Thankfully, they are beginning to emerge.

At Arizona State University, Education at Work, where one of us is the CEO, [has created roles](#) where students serve as paid product experts for companies such as Microsoft. Students earn wages, receive tuition support, acquire competencies aligned with their major and career path, and gain in-demand, durable skills, including communication and problem-solving. Crucially, the roles are structured to accommodate – not compete with – coursework. Students who participate in the program [report boosts](#) in both confidence and ability.

In addition, the education service provider Alchemy is launching an internship service provider: a solution for colleges and universities seeking to provide co-op opportunities to students. Alchemy is the first of what is likely to be a category of intermediaries making it simple for employers to say yes to hiring interns by providing an inexpensive, turnkey solution, including a platform that recruits, matches and places interns.

Another way to move from classroom to workplace is through a kind of bank shot: colleges and universities not just facilitating jobs, but creating them outright. The [University of Iowa](#) acquired two community papers so journalism students could get real experience producing and managing them. Rather than leasing valuable retail space to coffee chains like Starbucks, some institutions are handing it over to [Saxbys](#), which runs shops staffed and managed entirely by business students.

In terms of created jobs, the experience of most students will look something like today's law school clinics, which are often funded through a mix of public, philanthropic and

university support. Psychology and sociology majors could deliver social services, political science students could assist in legal aid and advocacy organizations, and finance and accounting students could serve local businesses. And by the way, if colleges can't figure out how to integrate meaningful work experience into a given academic program, it could be a sign that the program has passed its "sell-by date."

If all this work sounds fanciful, consider student-athletes. Major football and basketball programs now [share as much as \\$20.5 million](#) in broadcast and sponsorship revenue with players. Student-athletes aren't full employees yet, but [that may soon change](#). Furthermore, Division I student-athletes spend [roughly 33 hours a week](#) on their sport during the season, while still [boasting a 91%](#) graduation success rate. If colleges can coordinate complex, time-intensive, real-world commitments for working athletes, they can do so for many more students.

In the age of AI, the entry-level job is no longer a guarantee for college graduates. It's an increasingly exotic species – one most likely to be captured by the privileged and connected. The other 90% of students will require relevant, in-field and paid work experiences before they graduate. Colleges that can't reliably deliver internships risk watching students walk away, classrooms empty and revenue evaporate as the market shifts to programs that lead to real jobs – and real returns.

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