

AI Labor Market Update



JANUARY 2026

KEY INSIGHTS

LinkedIn's Economic Graph provides a real-time view of how AI is reshaping the global labor market across 1.3B+ members. Building on our [first edition](#), we analyze the latest trends in the US, UK, India, France, and Germany, revealing that while AI is driving shifts in skills and infrastructure, overall hiring is driven more by broad economic conditions.

1. Hiring: Recent labor market shifts likely reflect broad economic conditions

- **Macroeconomic conditions dominate US hiring shifts.** Post-pandemic pullbacks and broader economic conditions explain most of the hiring variation in the US since 2022, with the LinkedIn Hiring Rate 23% below pre-pandemic levels in 2025. [Read more.](#)
- **Entry-level hiring has remained relatively steady compared to experienced roles since 2023.** While the broader market experienced a slowdown, entry-level hiring proved slightly more resilient, averaging 3 percentage points above manager and senior-level hiring over the last two years. This suggests that entry-level demand is realigning with historical norms more gradually than experienced hiring, which has seen sharper YoY pullbacks. [Read more.](#)
- **Software Engineering (SWE) entry-level hiring tracks broader SWE patterns.** While the SWE labor market experienced a softening period from mid-2022 through 2023 followed by stabilization, entry-level hiring has remained highly correlated with experienced hiring. It remains too early to attribute specific market shifts to AI-driven effects. [Read more.](#)

2. Skills: Workers navigate a dual pivot toward AI literacy and Agentic AI

- **Hiring trends show no significant differences by AI exposure.** Augmented occupations that combine AI-replicable tasks with human skills, such as Data Analyst and Web Developer, outperformed overall hiring in 2025, closing the year at +2.8% YoY. Meanwhile, insulated and disrupted roles followed similar trajectories with sluggish hiring.
- **Upskilling in AI literacy is broadening across non-technical functions.** While technical roles lead adoption, rapid upskilling in prompting and copilot skills among product and design functions signals that AI literacy is expanding beyond engineering.
- **The rise of AI Agents and AI Strategy may signal a transition from experimentation to workflow redesign.** Beyond the initial hype, AI Agents emerged as the fastest-growing AI engineering skill of 2025, possibly reflecting a shift toward autonomous execution for certain tasks; simultaneously, the fast growth in AI Strategy and Large Language Model Operations (LLMOps) underscores companies' growing investment in specialized workflows.

3. Talent: Global mobility and infrastructure power AI talent growth

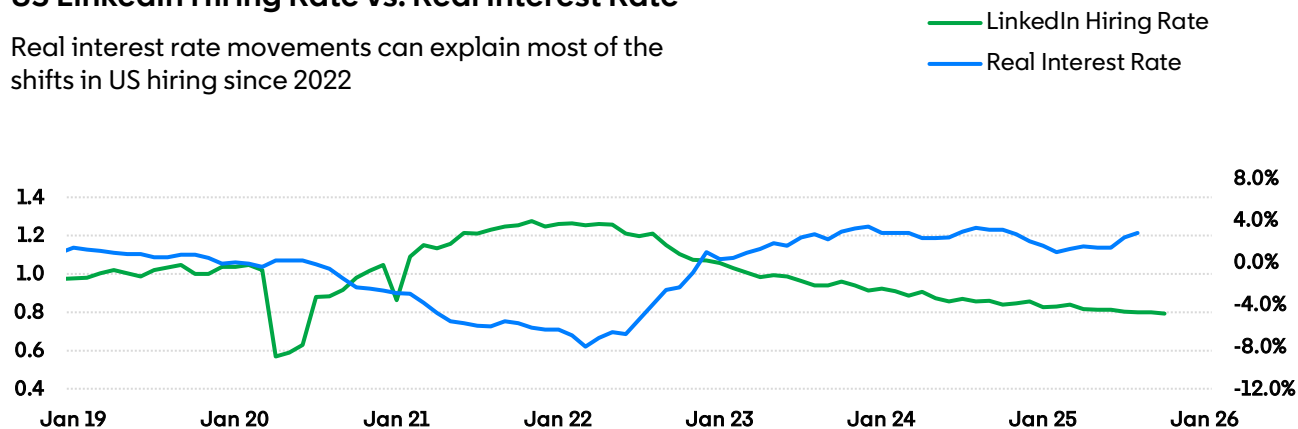
- **Demand for AI engineering skills is growing unevenly across markets.** While the UK (+37%) and India (+54%) saw significant YoY growth in job postings requiring AI engineering skills, demand has leveled off and stabilized in France and Germany.
- **AI engineering talent maintains a distinct mobility premium due to highly portable skills.** These professionals are 8x more likely to move across borders than the average LinkedIn member, reflecting both the global nature of AI development and high demand for those skills as companies invest in AI development and implementation.
- **The data center workforce is expanding rapidly to meet global infrastructure demand.** The global data center workforce has doubled since 2017, with job postings rising 23% YoY in 2025. The US remains the world's largest hub with 40% of the global data center workforce, while Germany is emerging as the fastest-growing talent hub. [Read more.](#)

1. HIRING: RECENT LABOR MARKET SHIFTS LIKELY REFLECT BROAD ECONOMIC CONDITIONS

Current data suggest that post-pandemic pullbacks and broader economic conditions explain the vast majority of US hiring variation since 2022. To understand the impact of AI on the workforce in real-time, three key signals we monitor are: entry-level hiring, hiring in roles with high AI exposure (such as software engineering), and overall hiring. The LinkedIn Hiring Rate (LHR) shows that entry-level and experienced roles have moved almost in lockstep over the past three years, and this pattern generally holds in SWE as well. SWE entry-level hiring in late 2025 softened, but mirrors the broader hiring cycle rather for most of the last decade.

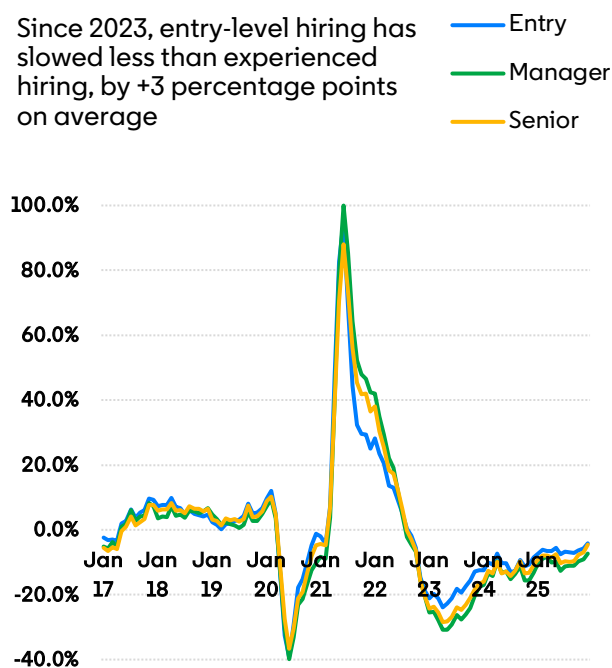
US LinkedIn Hiring Rate vs. Real Interest Rate

Real interest rate movements can explain most of the shifts in US hiring since 2022



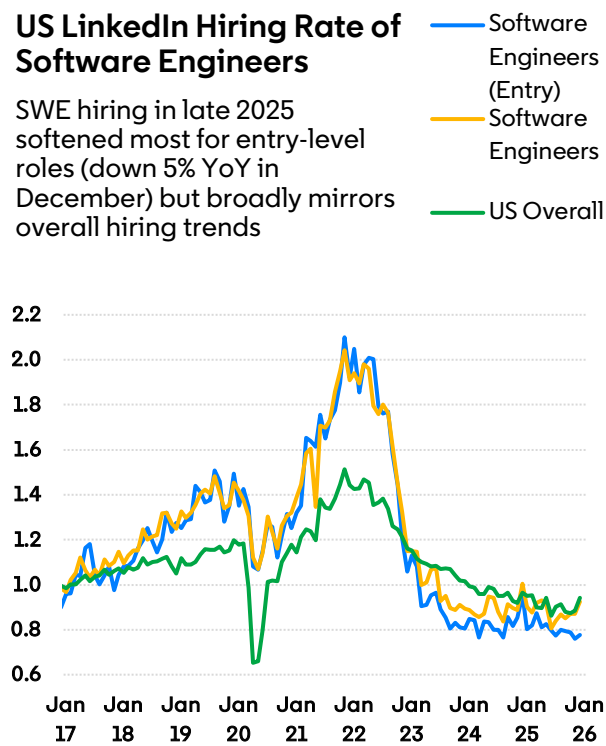
YoY of the US LinkedIn Hiring Rate by Seniority

Since 2023, entry-level hiring has slowed less than experienced hiring, by +3 percentage points on average



US LinkedIn Hiring Rate of Software Engineers

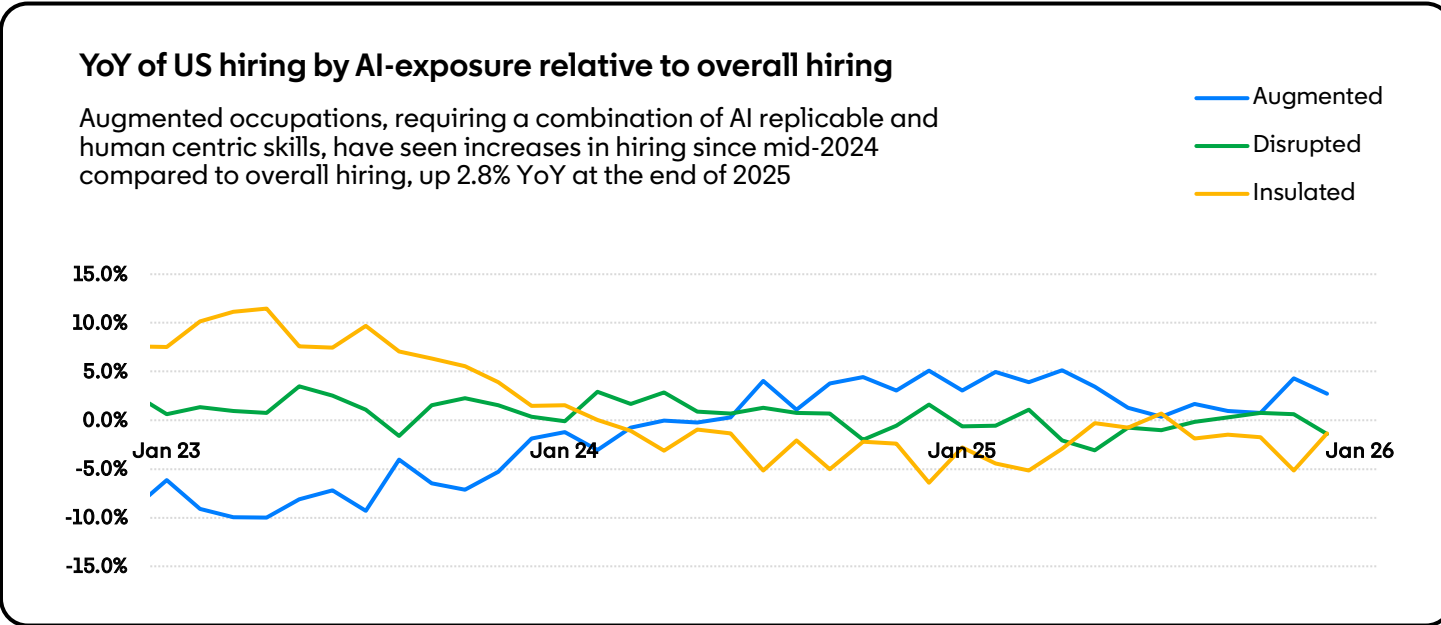
SWE hiring in late 2025 softened most for entry-level roles (down 5% YoY in December) but broadly mirrors overall hiring trends



2. SKILLS: WORKERS NAVIGATE A DUAL PIVOT TOWARD AI LITERACY AND AGENTIC AI

AI-driven displacement remains a concern for the future of work, but current hiring patterns reveal no significant differences in hiring patterns based on AI exposure at this stage. Instead, hiring patterns suggest the composition of work is shifting, as augmented roles that combine AI replicable technical skills with human-centric skills have outperformed overall hiring growth since mid-2024.

AI literacy is broadening across non-technical functions. While technical roles like Software Engineers and IT Architects lead in adoption, the rapid upskilling in prompting and copilot skills among Product Managers and Graphic Designers signals that AI literacy is expanding deep into the design and product organizations.



AI Engineering Upskilling in 2025

Rank	Fastest growing AI occupations	Fastest growing AI engineering skills
1	AI Engineer	AI Agents
2	Data Annotator	AI Strategy
3	Gen AI Engineer	LLMOps
4	AI Consultant	AI Productivity
5	AI Specialist	LangChain

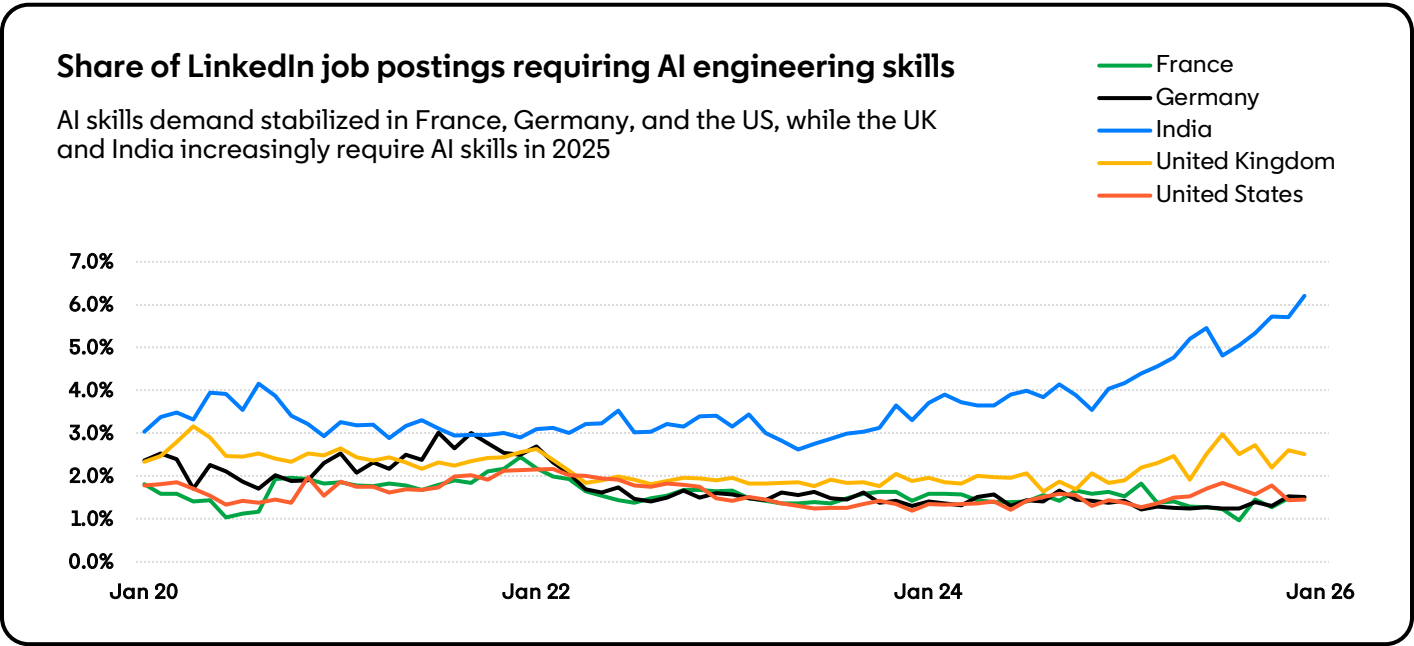
AI Literacy Upskilling in 2025

Rank	Top occupations requiring an AI literacy skill	Fastest growing AI literacy skills
1	Software Engineer	AI Prompting
2	IT Architect	Microsoft Copilot Studio
3	IT Consultant	Prompt Engineering
4	Product Manager	Microsoft Copilot
5	Graphic Designer	GitHub Copilot

At the same time, the fastest growing AI engineering skills point to a workforce transitioning from AI experimentation to intentional workflow design. Beyond the initial hype, the emergence of AI Agents as the fastest-growing AI engineering skill of 2025 reflects a strategic shift toward autonomous execution for certain tasks. Simultaneously, the rapid growth in AI Strategy and LLMOps underscores a deepening corporate investment in the specialized workflows required to transform AI into an enterprise-level productive tool. This broadening AI workforce suggests that companies are now simultaneously requiring technical builders to create AI systems, data specialists to refine them, and experts who can bridge the gap between technical capability and business outcomes.

3. TALENT: GLOBAL MOBILITY AND INFRASTRUCTURE POWER AI TALENT GROWTH

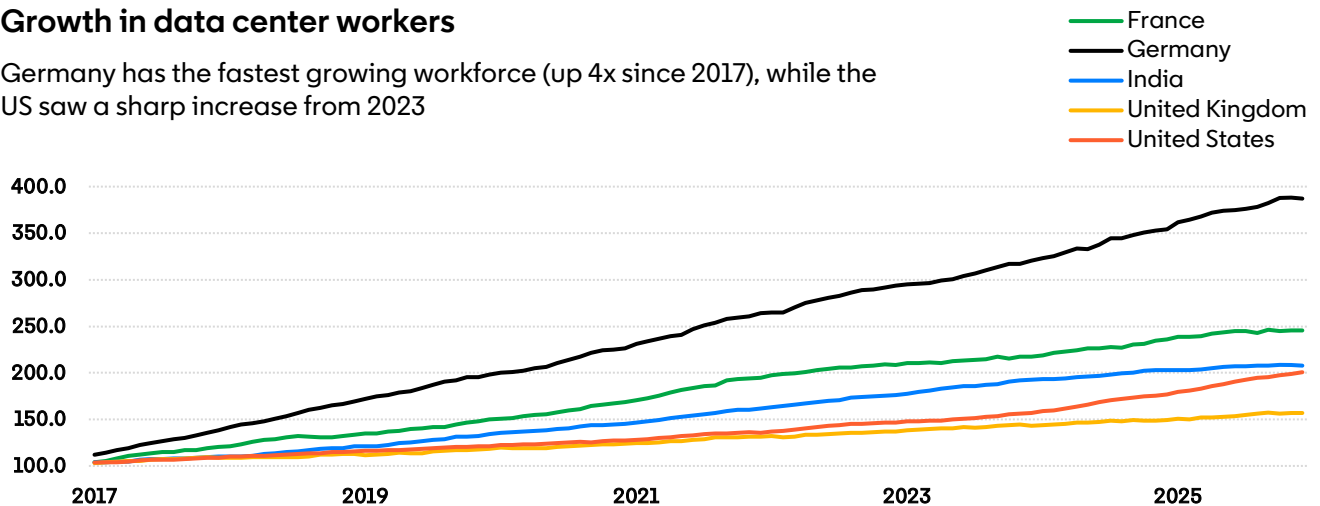
Global AI talent is increasingly defined by high mobility and the build-out of physical infrastructure. As companies transition to embedding AI into their workflows, the demand for specialized engineering skills and the data centers that power them is reshaping global AI talent flows. While France and Germany have seen AI engineering skills requirements level off and stabilize, the UK (+37%), and India (+54%) posted significant annual growth in job postings requiring AI engineering skills in 2025. In this context, AI engineering talent maintains a distinct mobility premium, as these professionals are [8x more likely](#) to move across borders than the average LinkedIn member. This high mobility reflects the global nature of AI development as companies compete for the talent necessary for implementation.



AI adoption is driving an unprecedented build-out of physical infrastructure, creating over 600,000 net new global jobs in the past year. Our [Deep Dive into the Global Data Center Workforce](#) shows the global data center workforce has doubled since 2017, with job postings rising 23% annually in 2025. The US remains the world’s largest hub, accounting for 40% of global data center workers with a notable surge from 2023 onward, while Germany is the fastest-growing workforce.

Growth in data center workers

Germany has the fastest growing workforce (up 4x since 2017), while the US saw a sharp increase from 2023



This expansion is reshaping the data center workforce skills. Data center professionals are rapidly upskilling in AI, with AI competencies overtaking traditional IT tools as their fastest-growing skill set. At the same time, [AI talent itself is increasingly developing green skills](#) that support sustainable practices, from operational efficiency and lifecycle management to repair-focused skills aligned with circular economy principles. These shifts show how the infrastructure powering AI is not only growing quickly but also specializing.

Data center talent is upskilling in AI

AI skills have overtaken traditional IT tools as the fastest growing skills added by data center talent

Rank	2024	2025
1	Daily Operations Management	AI Agents
2	Network Troubleshooting Tools	Anthropic Claude
3	Difficult Situations Management	AI Security
4	Call Center Development	AI Governance
5	Computer Science Education	AI Software Development

FURTHER READING

- [Labor Market Report: Building a Future of Work That Works](#)
- [Sustainability and AI Workforce: Signals from the Twin Transition](#)
- [The Base of the Pyramid: Entry-Level Employment Across U.S. Firms](#)
- [AI Labor Market Update: Tracking AI adoption and skills in the U.S. economy](#)
- [Powering AI: A Deep Dive into the Global Data Center Workforce](#)
- [U.S. Software Engineer Talent Landscape](#)
- [AI Data Partnerships - LinkedIn Methodology](#)

METHODOLOGY

AI Talent. A LinkedIn member is considered AI talent if they add AI skills to their profile and/or they have ever held an AI occupation.

The LinkedIn Hiring Rate (LHR) is a measure of hires divided by LinkedIn membership in the country. This analysis looks at the changes in hiring rate between this month and the same month in the previous year. This is based on members' profile updates using the start date of a new job.

LinkedIn job postings. Job postings refer to all paid job postings. This analysis looks at the changes in job postings between this month and the same month in the previous year.

Talent mobility. LinkedIn migration rates are derived from the self-identified locations of LinkedIn member profiles. Net flows are defined as total arrivals minus departures within the given time period. Migration flows are normalized for the country of interest.

AI-Exposure. Augmented occupations require a mixture of skills that are AI replicable and human-centric, disrupted occupations utilize skills largely replicable by AI while requiring a low share of people skills, and insulated occupations use few AI replicable skills.