JANUARY 2026

Labor Market Report

Building a Future of Work That Works

Economic Graph Research Institute

LinkedIn

Welcome to 2026 and a New World of Work

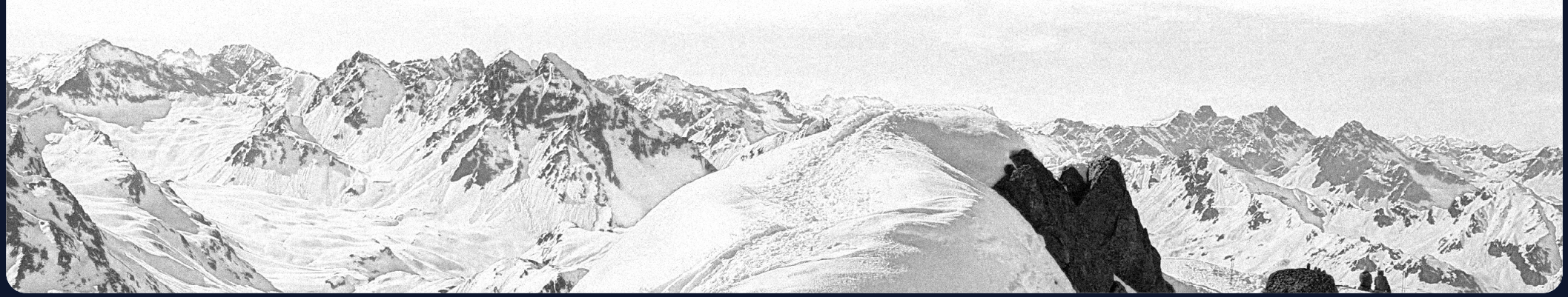
LinkedIn is the largest professional network in the world with over 1.3B members. As such, we have unique data and insights on the world of work every day. In this report, we cover what we're seeing in labor markets across the globe and how you can help prepare your company or your economy for a new world of work.

What is happening in the labor market?
The world of work is more nuanced and challenging than ever before. As leaders navigate demand for growth and economic uncertainty, companies are prioritizing productivity over increased headcount. AI has intensified that pressure, raising the bar for output per worker.

In the near term, AI is creating more jobs than it is replacing. Despite this, AI adoption is low and concentrated in a few functions. The labor market is sluggish due to macro factors more than AI, and we do not see AI impacting entry-level roles—yet. Most sectors are subdued with the only pockets of growth in healthcare and AI infrastructure-heavy sectors. We see exponential growth in new roles (e.g., forward-deployed engineering) that help organizations embed AI into workflows and maximize ROI.

In this climate, work is being upskilled around AI and is shifting across borders as companies embrace global teams (especially in India). Opportunity now flows to workers who combine AI expertise with people skills.

Global hiring remains 20% below pre-pandemic levels, job transitions sit at a 10-year low, and AI is changing how we work at scale. But that's not the full story. In 2026, the message for leaders is clear: In the midst of macro volatility, there are vast opportunities for those who seize them.



The global market rotates, not retreats.

Sluggish hiring is not AI's fault

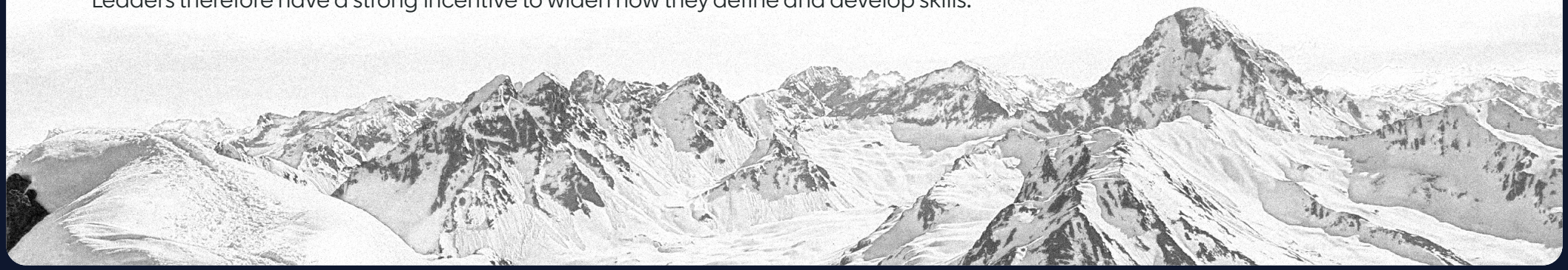
Despite headlines, AI isn't the culprit behind slow hiring. LinkedIn data shows economic uncertainty, and monetary policy shifts are the primary drivers. Advanced economies are struggling the most, with hiring down 20%–35% compared to pre-pandemic levels. Conversely, emerging markets like India (+40%) and the UAE (+37%) are showing ongoing strength. While AI's impact on work may shift in the years to come, this is the moment for business leaders to rethink talent strategies by leveraging AI-driven tools to accelerate hiring and build pipelines for critical emerging roles.

Skills are shifting by leaps and bounds

In the US, jobs requiring AI literacy grew 70% year-over-year. Employers are urgently seeking a blend of technical fluency and distinctly human capabilities (like adaptability, problem-solving, and communication) across a variety of roles. The blend of AI skills (both AI engineering skills and AI literacy skills) and distinctly human capabilities is what will give companies an advantage. It will be up to business leaders to embed upskilling into talent strategies, leveraging tools and programs that create pathways for employees to thrive in an AI-driven economy.

Jobs in the "new collar" era have arrived

New-collar roles are becoming the backbone of the new economy. They demand hybrid skills—technical fluency, manual capability, and continual adaptability. Many roles as we have known them will undergo this transformation into new collar. In the past two years, employers have created at least 1.3 million AI-related job opportunities, including data annotators, AI engineers, and forward-deployed engineers. These roles didn't exist five years ago, but they have quickly become essential to digital economies. Workers of all ages and backgrounds are showing rising interest in creating their own paths as entrepreneurs, creators, and tradespeople—and have more opportunities to shape their own careers in a fast-changing labor market. By 2030, the US Bureau of Labor Statistics estimates that about 60% of new jobs will come from occupations that typically do not require a degree. Some of these roles will pay well and undergo the new-collar transformation reshaping the labor market today. Because only a small share of today's workforce is equipped for this evolving world of work, companies will struggle to fill these roles. Leaders therefore have a strong incentive to widen how they define and develop skills.



LinkedIn is here to help professionals, businesses, and government leaders build a future of work that works

1

Build resilience through AI and people skills.
Upskill your workforce across both AI literacy and people skills such as design thinking and adaptability. Employees at organizations with LinkedIn Learning are **developing AI skills 3.4x faster** YoY than those without.

2

In addition to driving AI adoption, consider hiring for roles focused on AI change management.
Forward-deployed engineers/managers and data annotators are emerging titles focused on effective AI integration to maximize ROI. LinkedIn's AI-driven Hiring products can help companies of all sizes **save 30% time to hire**, including hard-to-fill AI roles.

3

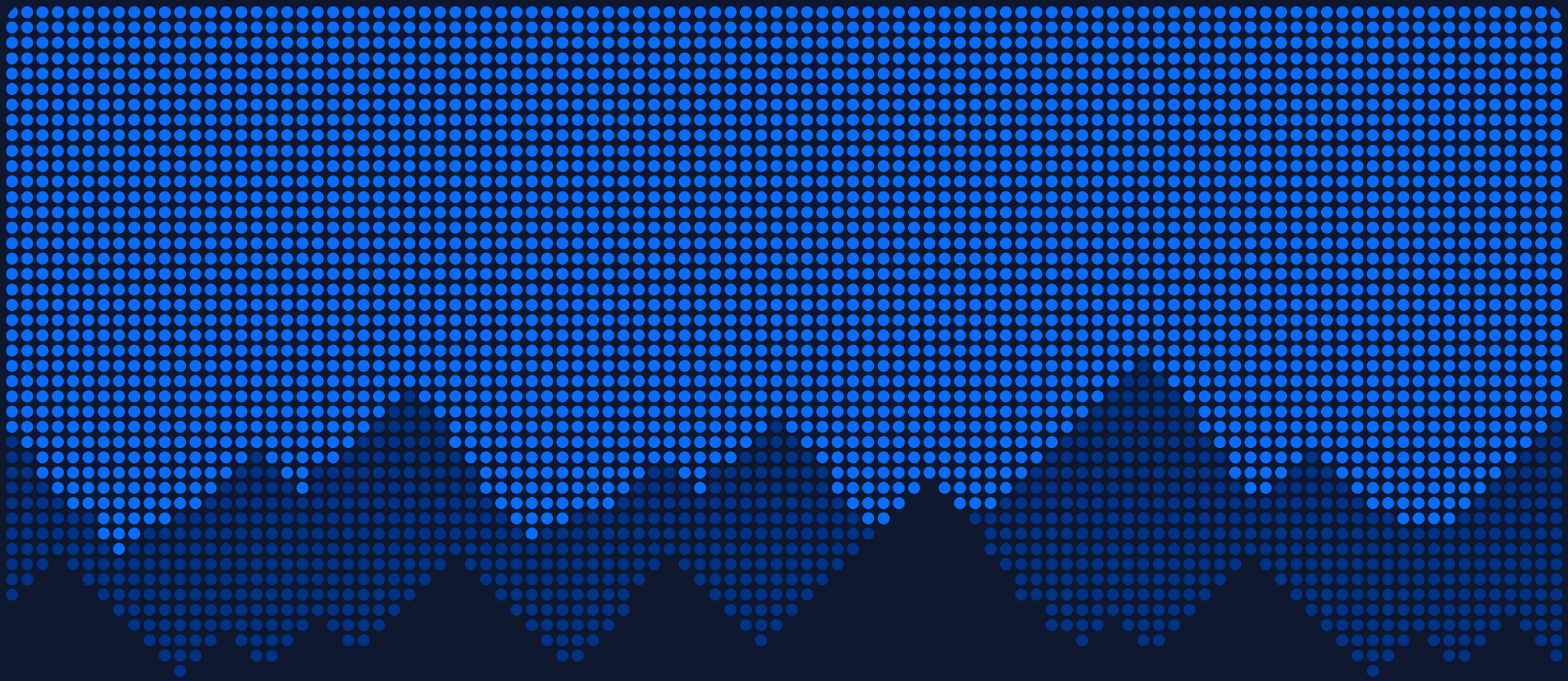
Look for hidden talent internally.
Internal mobility is both a time- and cost-effective strategy to adapt to changing business needs. Companies can **grow their AI talent pipeline 8.2x globally** by focusing on skills over degrees or job titles. LinkedIn Career Hub makes mobility seamless by highlighting internal opportunities and gives CHROs real-time visibility into skills.

4

Build strong employee networks and increase engagement.
As application volumes increase, connections become increasingly valuable. Applicants are **3.6x more likely to get hired** if they are connected to an employee at that company on LinkedIn. Leaders who regularly post on LinkedIn drive visibility to their businesses and increase employee engagement.

5

Use geo flexibility as a growth lever.
Being deliberate about where work is done can align costs and skills in ways that support both efficiency and growth. Follow LinkedIn's Economic Graph Research Institute for regular insights from LinkedIn's global workforce data.



Labor Market

The global labor market shows low hiring momentum

Labor market momentum is largely confined to a few markets—for example, India, the Middle East, Healthcare, Education, and Consumer Services.

Change in Hiring Today vs. Pre-Pandemic[1]

By Country:

India	40%
United Arab Emirates	37%
Brazil	-5%
Germany	-17%
Mexico	-20%
Australia	-21%
Singapore	-21%
Canada	-22%
United States	-23%
United Kingdom	-25%
France	-30%
Netherlands	-35%

By Industry:

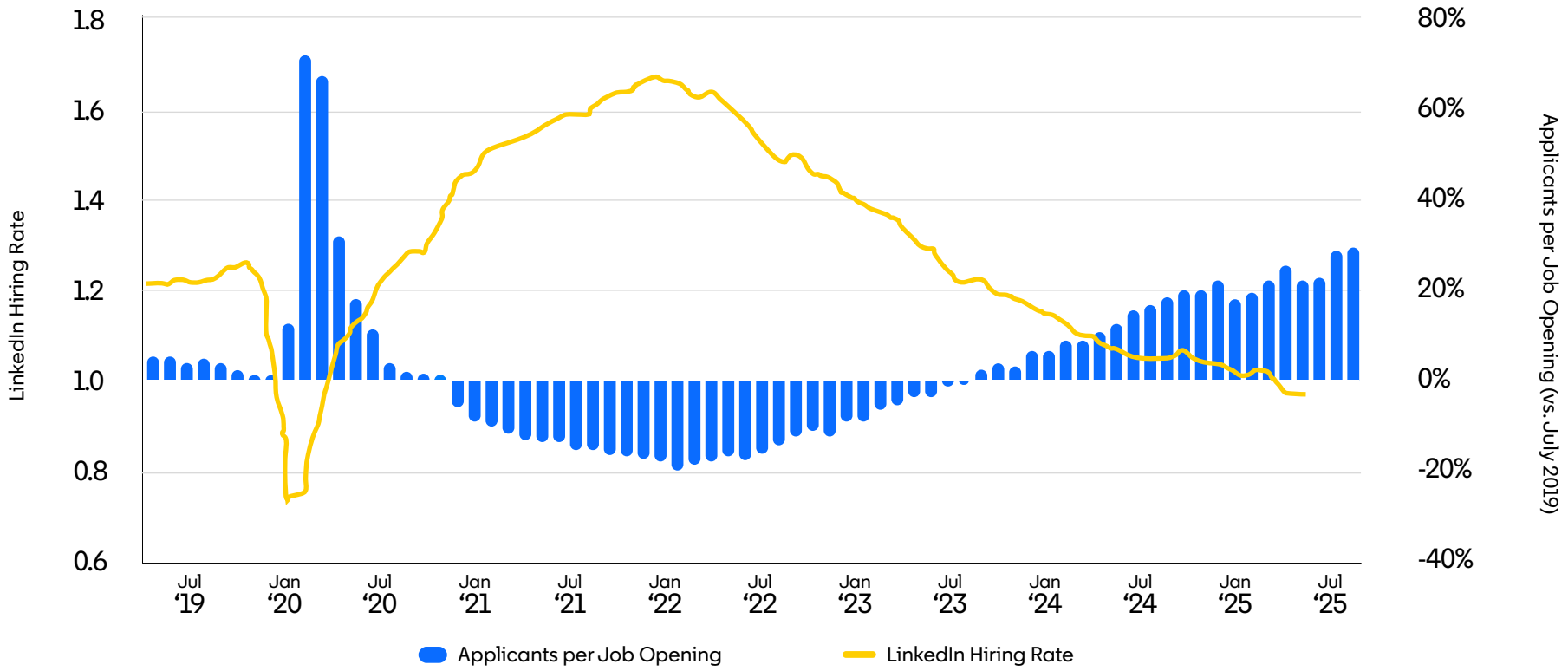
Hospitals and Healthcare	18%
Education	8%
Consumer Services	7%
Government Administration	-4%
Construction	-7%
Utilities	-9%
Entertainment Providers	-13%
Retail	-13%
Accommodation and Food Services	-17%
Financial Services	-20%
Wholesale	-23%
Transportation, Logistics, and Storage	-24%
Real Estate and Equipment Rental Services	-25%
Manufacturing	-27%
Technology, Information, and Media	-27%
Administrative and Support Services	-28%
Professional Services	-29%
Oil, Gas, and Mining	-45%

1 The LinkedIn Hiring Rate is the percentage of LinkedIn members who added a new employer to their profile (in the same month the new job began), divided by the total number of LinkedIn members in the country. The 3-month trailing average is calculated and compared from October 2019 to October 2025.

Restrained hiring and layoffs have led to reduced worker churn and a highly competitive job market

Globally, job seekers now outpace job openings more than at any time since the Pandemic.

LinkedIn Hiring Rate[1] vs. Applicants per Job Opening[2]

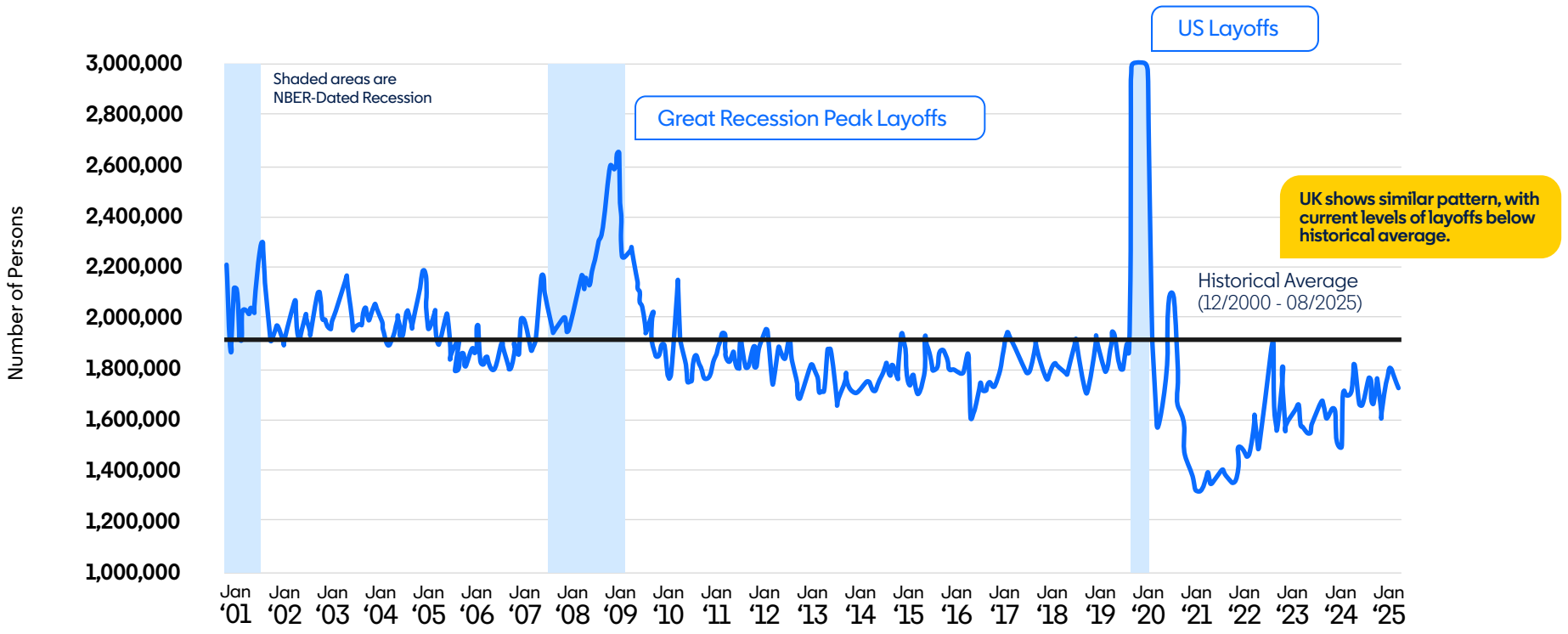


1 The LinkedIn Hiring Rate is the median LinkedIn Hiring Rate across the US, Canada, Brazil, Australia, India, Singapore, France, Germany, the Netherlands and the UK.
2 Applicants per Job Opening is the global median ratio of unique applicants to job openings, relative to July 2019 for the same markets.

US and UK layoffs remain below Great Recession levels

Layoffs are trending towards their historical level as some companies are rightsizing.

Number of US Layoffs and Discharges



Source: Bureau of Labor Statistics, UK Office of National Statistics

Small businesses are most resilient, while large enterprises drive the slowdown

Despite greater exposure to higher interest rates, small businesses have slowed hiring less than large enterprises, driving resilience (especially in emerging markets).

Change in Hiring Today vs. Pre-Pandemic[1]

	Small (2–200)	Mid to Large (201–10,000)	Large Enterprise (10,000+)
Australia	-18%	-28%	-40%
Brazil	-1%	-5%	-19%
Canada	-22%	-32%	-35%
France	-34%	-37%	-48%
Germany	-16%	-24%	-40%
India	41%	-4%	-17%
Mexico	-22%	-22%	-32%
Netherlands	-32%	-38%	-49%
Singapore	-26%	-29%	-42%
United Arab Emirates	24%	14%	-18%
United Kingdom	-22%	-32%	-38%
United States	-21%	-31%	-39%

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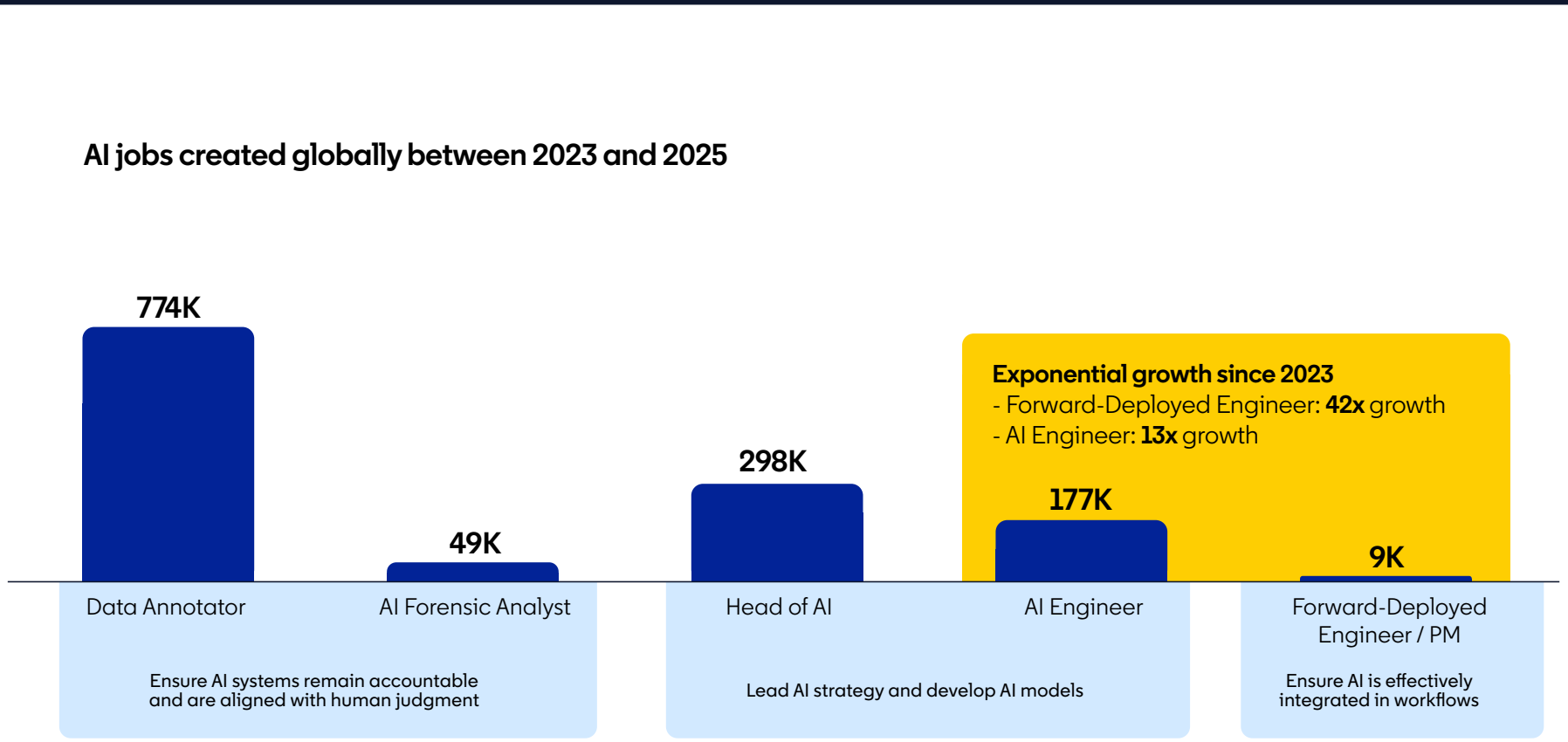
AI created a new wave of highly skilled jobs: +1.3M new jobs globally

Data annotators have driven most job creation, but roles such as forward-deployed engineers are rising to bridge technology and business needs.



Rapid investment in AI infrastructure is creating new data center jobs

Data centers created over 600K net new jobs globally[1] over the past year. Large-scale cloud providers[2] are the top data center job creators.

Top Data Center Roles Hired over the Past 12 Months (% of Hires)

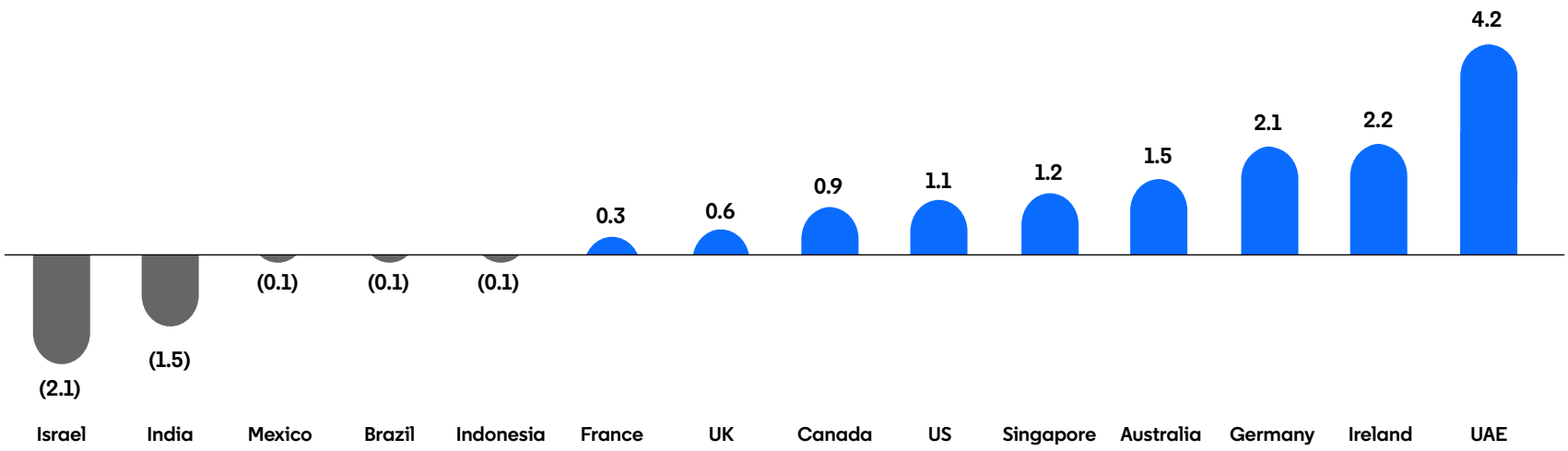
	First-line Roles[3]	Professional Roles
1	Data Center Technician **(12%)**	Data Center Engineer **(9%)**
2	Data Technician **(3%)**	Data Specialist **(4%)**
3	Operations Technician **(2%)**	System Engineer **(3%)**
4	Data Center Operations Specialist **(2%)**	Software Engineer **(3%)**
5	Facilities Technician **(1%)**	Network Engineer **(2%)**

1 US, UK, India, Germany, Brazil represent 80%+ of Data Center hires on LinkedIn. Includes jobs onsite and offsite.
2 Amazon (AWS), Microsoft (Azure), Google (GCP).
3 Firstline roles are roles where Bachelor's degree is not typically required.

AI engineering talent is fueling a new wave of cross-border talent competition[1]

AI engineering talent is 8x more likely to move across borders than the average LinkedIn member. Talent magnets include the UAE, specific European hubs, and the US— while India and Israel are net exporters.

Net Migration of AI Engineering Talent
(per 10K members), 2024



1 AI engineering talent includes AI technical roles such as AI engineer, Head of AI, Forward-deployed engineer, and others.

Within technology, foundation model companies are in hyper-growth mode, signaling AI tech is still in its early stages

Foundation model companies are adding headcount aggressively (+92% YoY) and remain heavily concentrated in AI engineering talent (28% of their workforce).

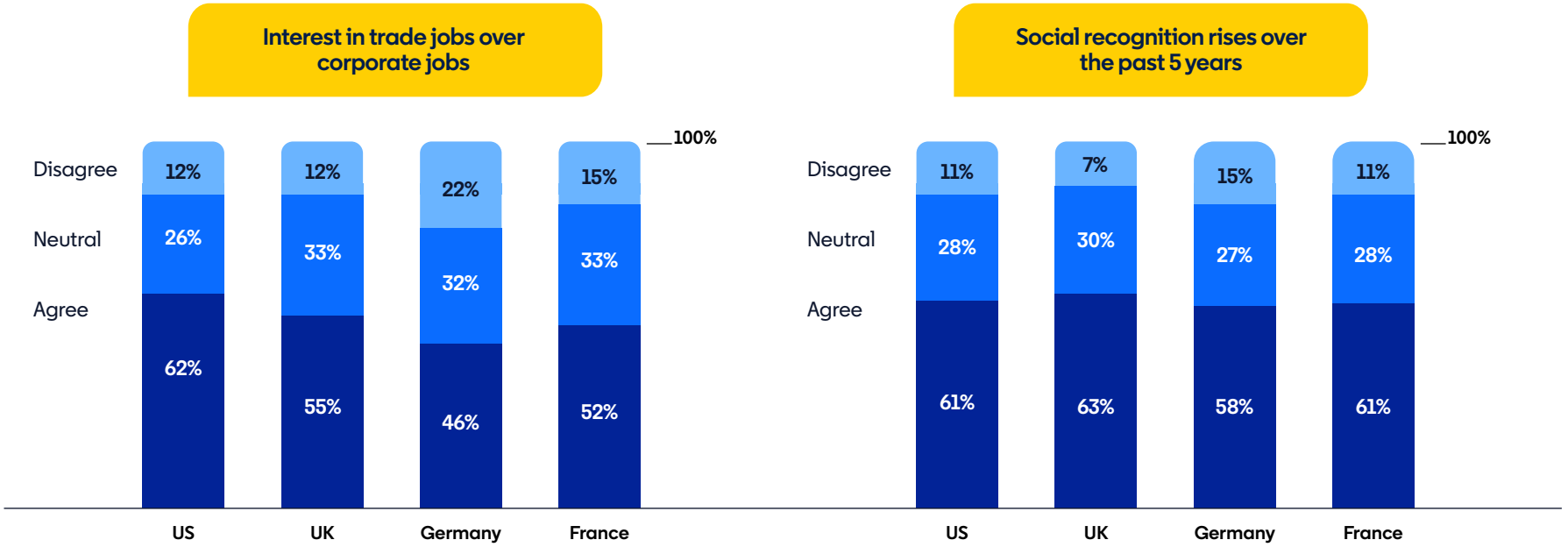
Change in Employment, Departures, and Workforce Demographics

	Avg. # of Employees	Median # of Employees	% Change in Employment from 1 Year Ago	% of Workforce Classified as AI Talent
Big Tech	128,000	72,000	8%	15%
Foundation Models	2,400	800	92%	28%
AI Hardware	600	300	25%	11%
AI Tech and Platforms	1,500	500	18%	18%
Computer Vision and Robotics	1,100	700	20%	13%
Vertical Applications	1,900	700	6%	9%

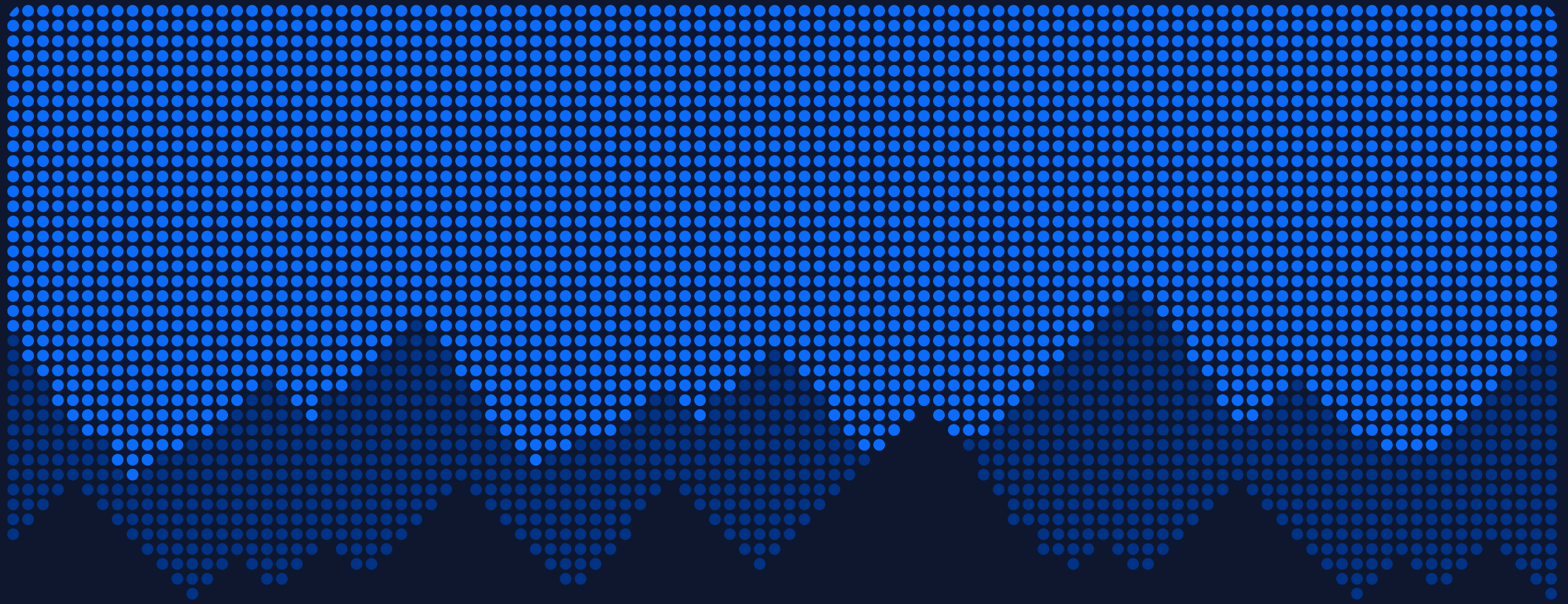
The company categories in this table are based on manual classification of 100+ firms, including AI startups and Big Tech. "Big Tech" refers to technology companies involved in the AI supply chain or deploying AI in their products and with 20,000+ employees. Other companies are grouped by their primary products and services. "Foundation Models" companies train large-scale models used across many AI applications. "AI Hardware" companies build the physical infrastructure that powers AI workloads. "AI Tech and Platforms" companies provide software tools, frameworks, and platforms for AI development and deployment. "Computer Vision and Robotics" companies develop technologies that interpret visual data and interact with the physical world. "Vertical Applications" companies deliver AI solutions tailored to specific industries or use cases.

First-line and trade careers are poised to grow as workers have increased interest in them over corporate roles—and as social recognition and job opportunities continue to rise

We surveyed 8,000+ professionals across US, the UK, Germany, and France in H2 2025:



Methodology: Survey conducted by Censuswide interviewing 8,013 professionals in full-time or part-time employment, aged 18+ with a minimum of 1,000 trade workers & 500 Gen Z across the following countries; the UK, France, Germany and the US Censuswide are members of the Market Research Society and British Polling Council and are signatories of the Global Data Quality Pledge.



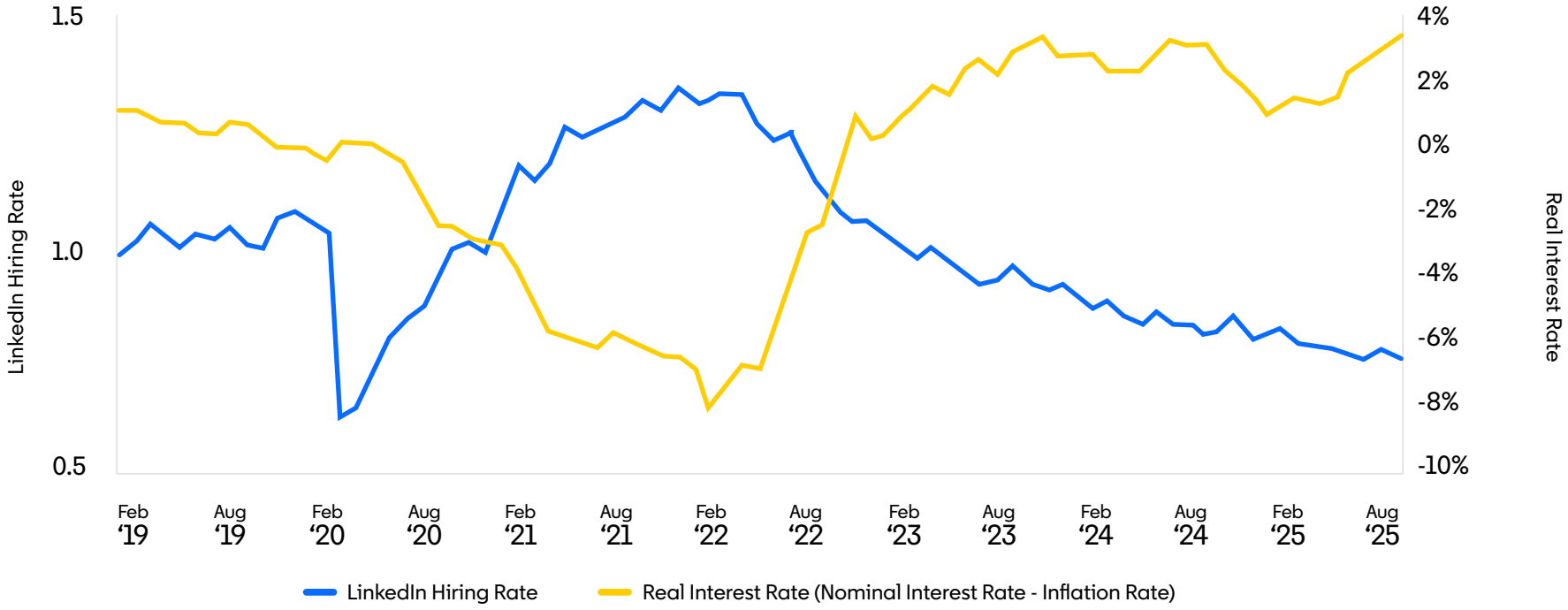
Impact of AI on labor in the US: not as big as you would expect

A study for early visibility into what may happen in other countries as AI adoption accelerates.

US hiring slowdown is driven by macro conditions, not AI

Interest rates explain most of the change in US hiring over the last 3 years.

LinkedIn Hiring Rate[1] vs. Real Interest Rate,[2] 2019–2025

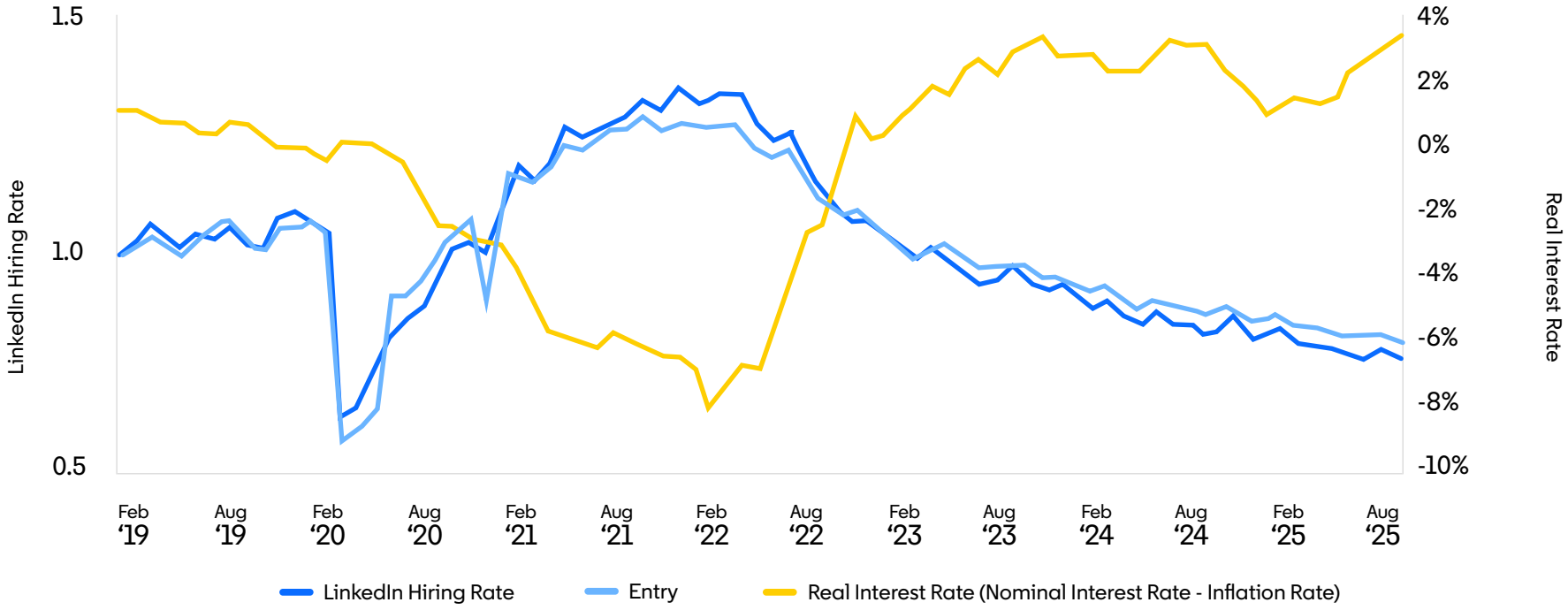


1 The LinkedIn Hiring Rate is the percentage of US LinkedIn members who added a new employer to their profile (in the same month the new job began), divided by the total number of LinkedIn members in the US
2 Real Interest Rate is the effective Federal Funds rates minus the personal consumption expenditures-based inflation rate.
Source: LinkedIn, Board of Governors of the Federal Reserve System

Entry-level roles have not been disproportionately impacted relative to experienced roles.

Entry-level hiring mirrors the pattern of experienced roles.

LinkedIn Hiring Rate[1] vs. Real Interest Rate,[2] 2019–2025



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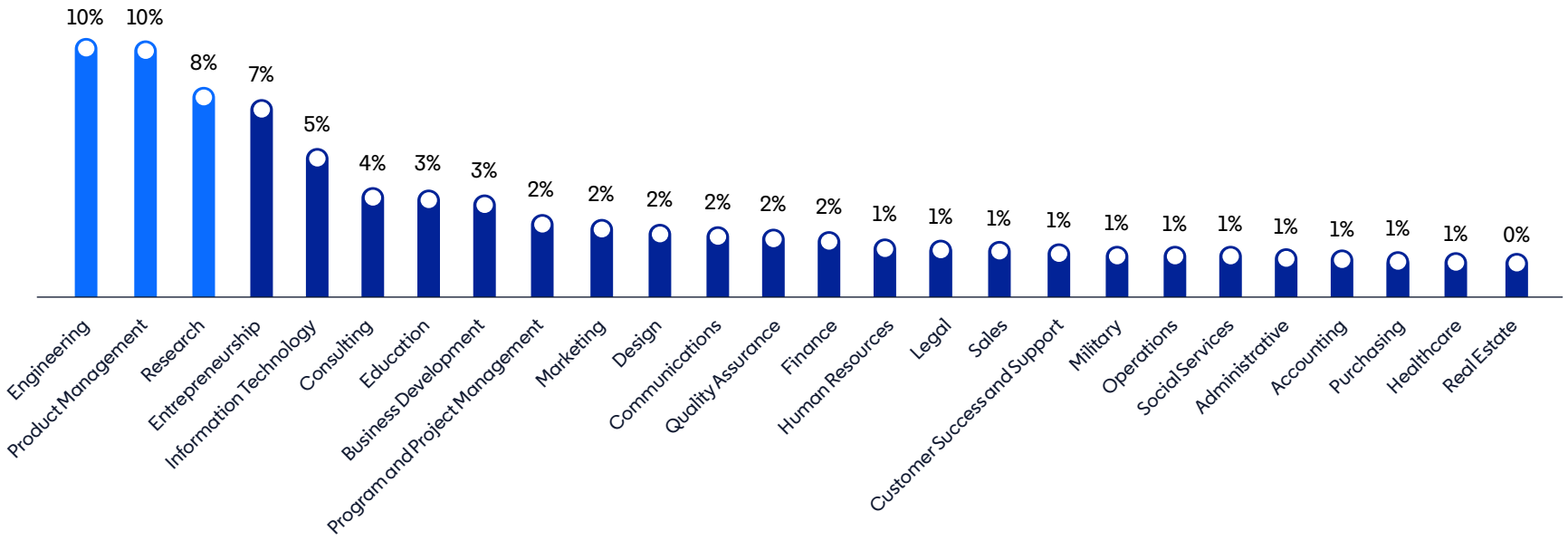
Source: LinkedIn, Board of Governors of the Federal Reserve System

Despite high expectations, AI adoption is slow, and AI skills remain concentrated in a few job functions

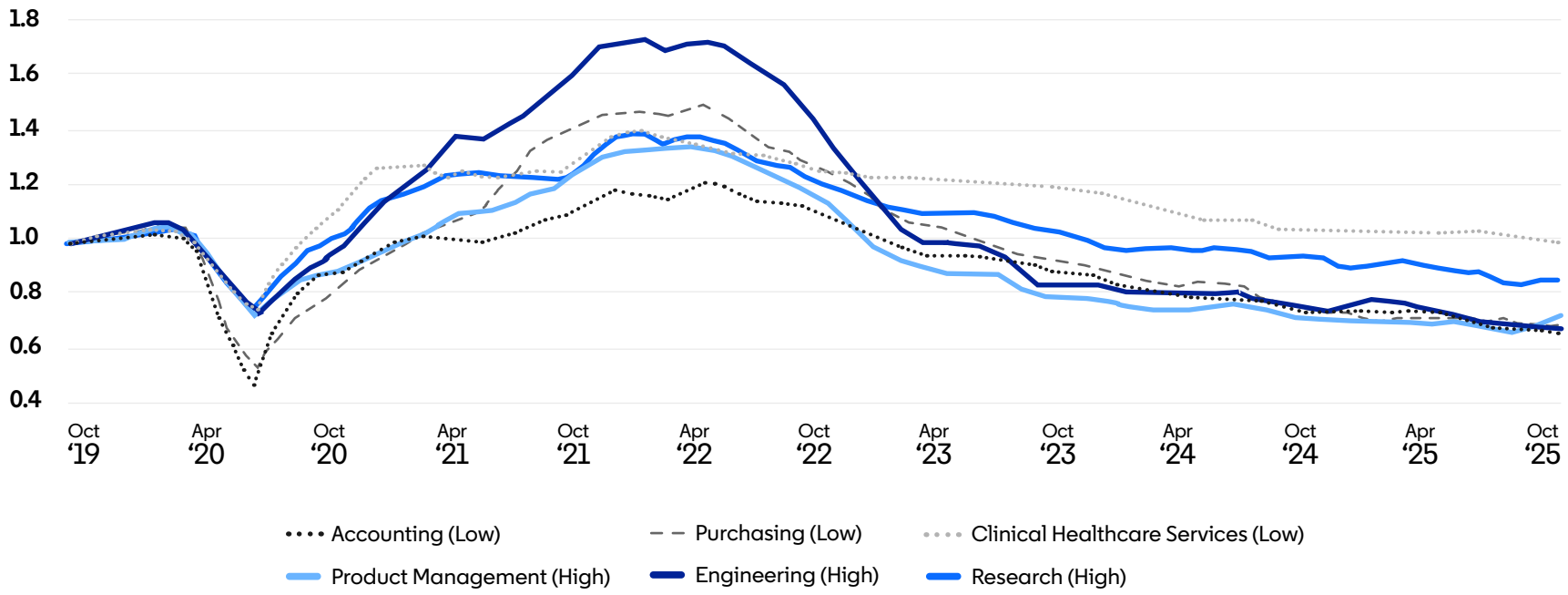
On average, 3% of US LinkedIn members list AI skills: Engineering (10%), Product Management (10%), and Research (8%) are the top three titles.

% of LinkedIn Members Skilled in AI by Function[1], 2025



1 AI Skilled members are members with at least two AI engineering skills or employed in an AI engineering occupation.

Hiring for Job Functions with High and Low AI Adoption



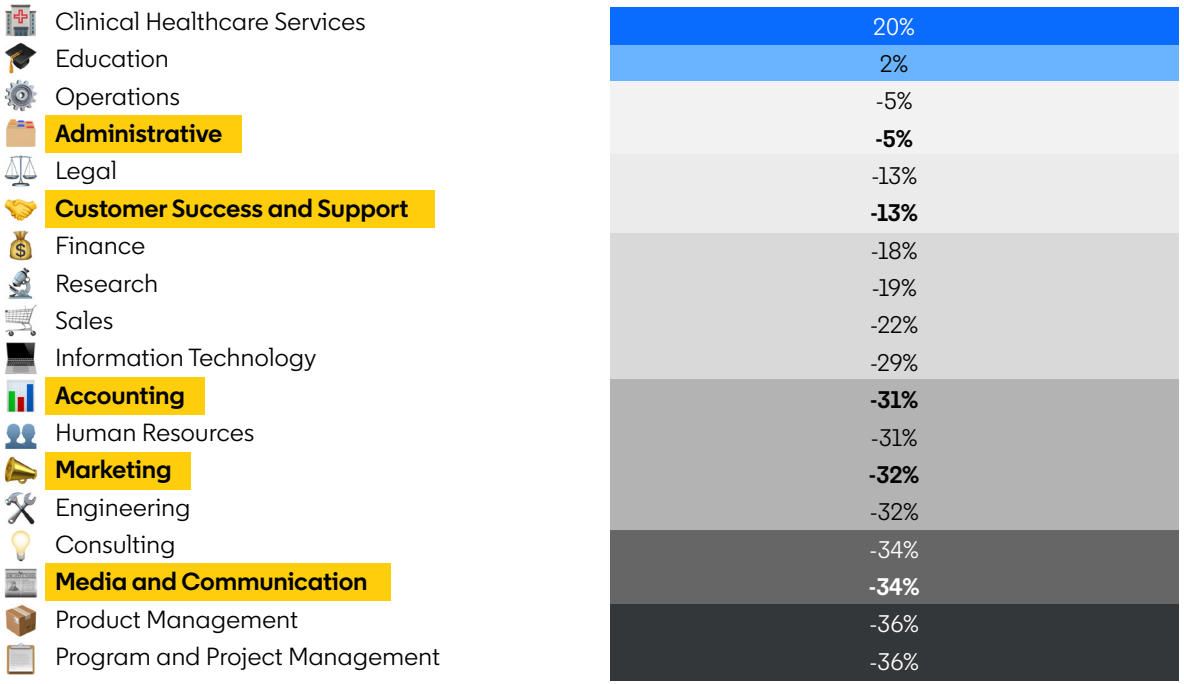
1 The LinkedIn Hiring Rate is the percentage of US LinkedIn members who added a new employer to their profile (in the same month the new job began), divided by the total number of LinkedIn members in the US. The LinkedIn Hiring Rate is displayed for the 3-month trailing average.
2 AI Adoption is measured by the share of members in the job function who have added AI skills to their profiles, including AI engineering and AI literacy skills.

Today's slower hiring is the aftermath of the Great Reshuffle, rather than a result of AI disruption.

Globally, hiring remains slow across most job functions. Roles with high AI exposure (Administrative, Customer Support, and Marketing) are not disproportionately slower.

Hiring Today vs. Pre-Pandemic[1]

Note: The 5 functions most exposed to AI are bolded and marked with yellow



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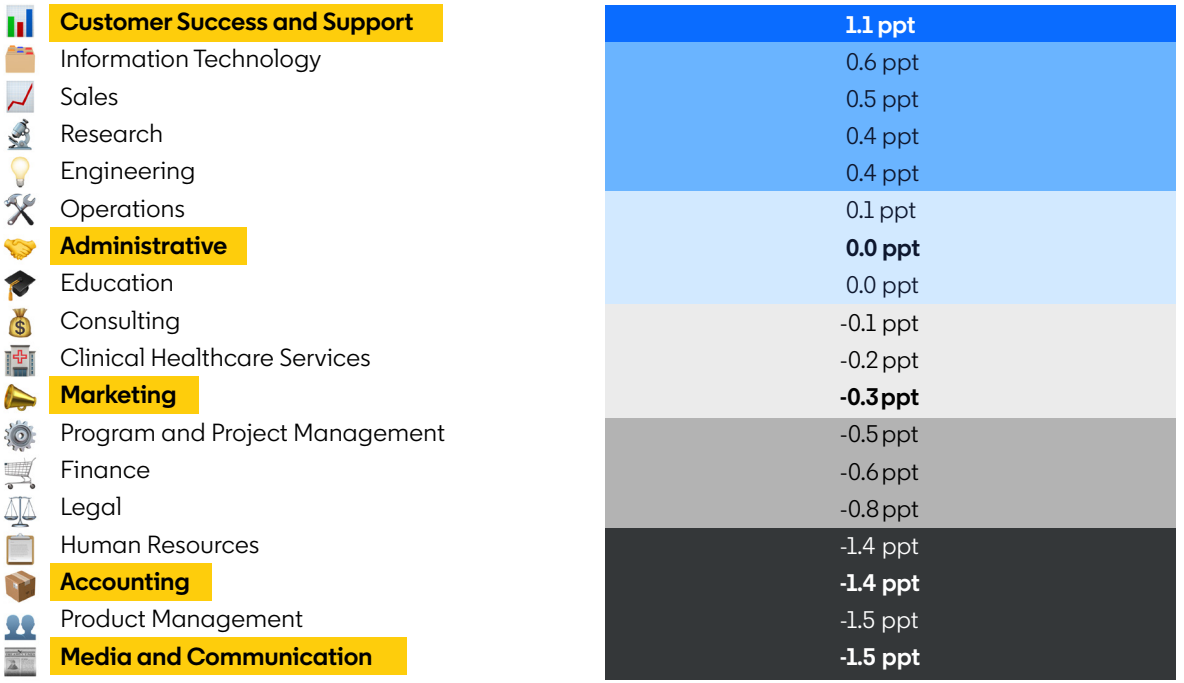
Entry-level hiring is normalizing from pandemic recovery highs

From 2016 to 2022, companies added more entry-level workers than experienced workers. From 2022 to 2025, the entry-level share declined modestly, returning toward historical norms.

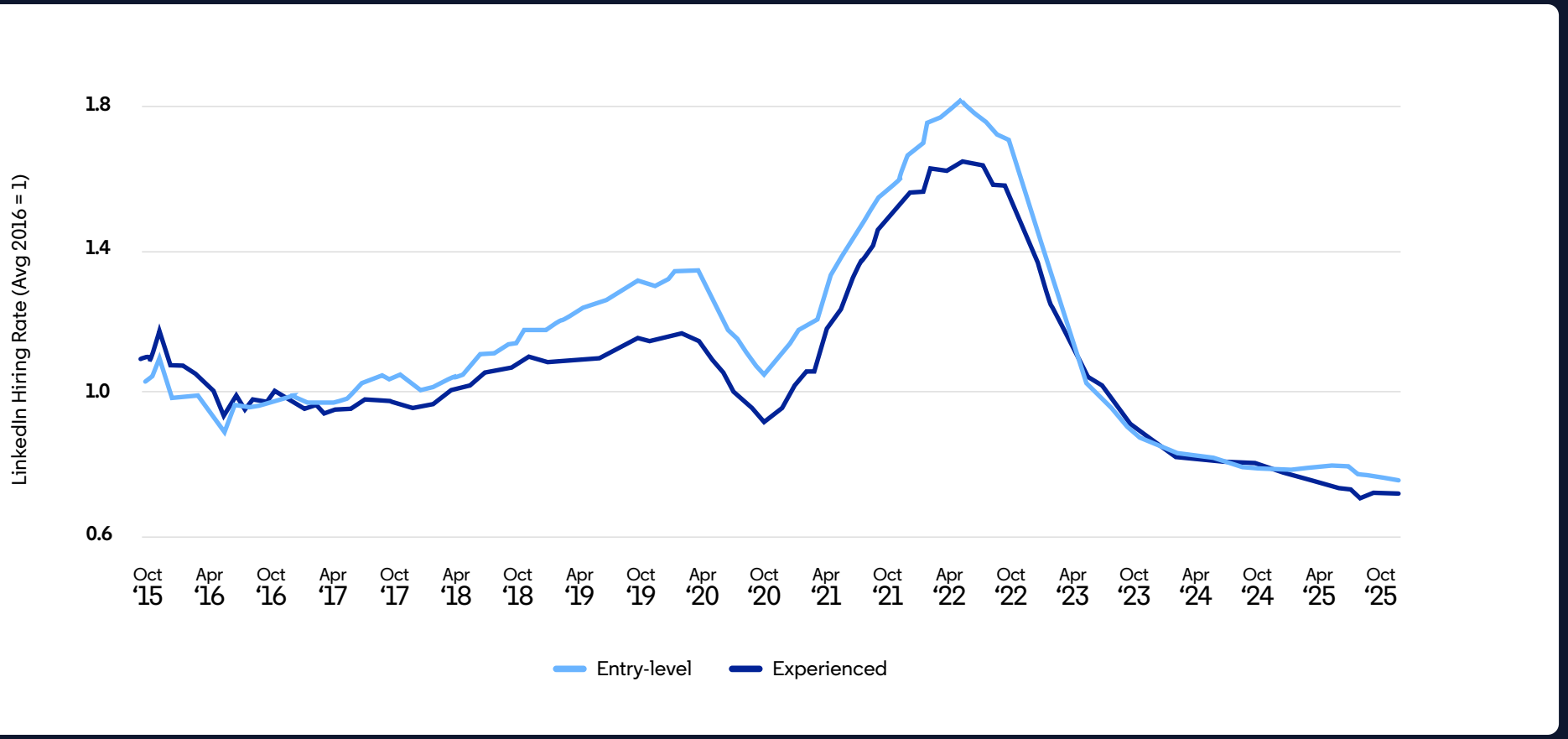
Change in entry-level share, 2022-2025

Note: The 5 functions most exposed to AI are bolded and marked with yellow



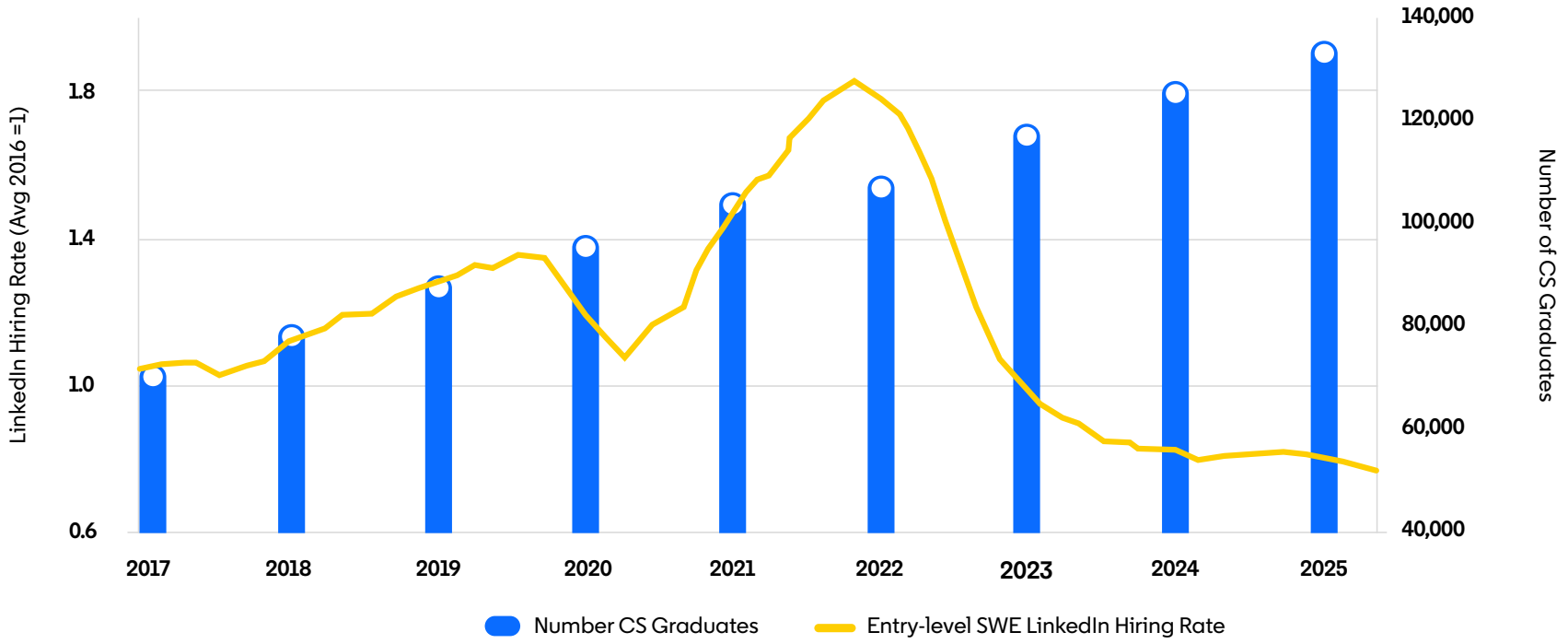
For software engineers, entry-level and experienced now face similar hiring conditions

Entry-level software engineer hiring outpaced experienced roles starting in the late 2010s, but conditions converged as overall demand softened.

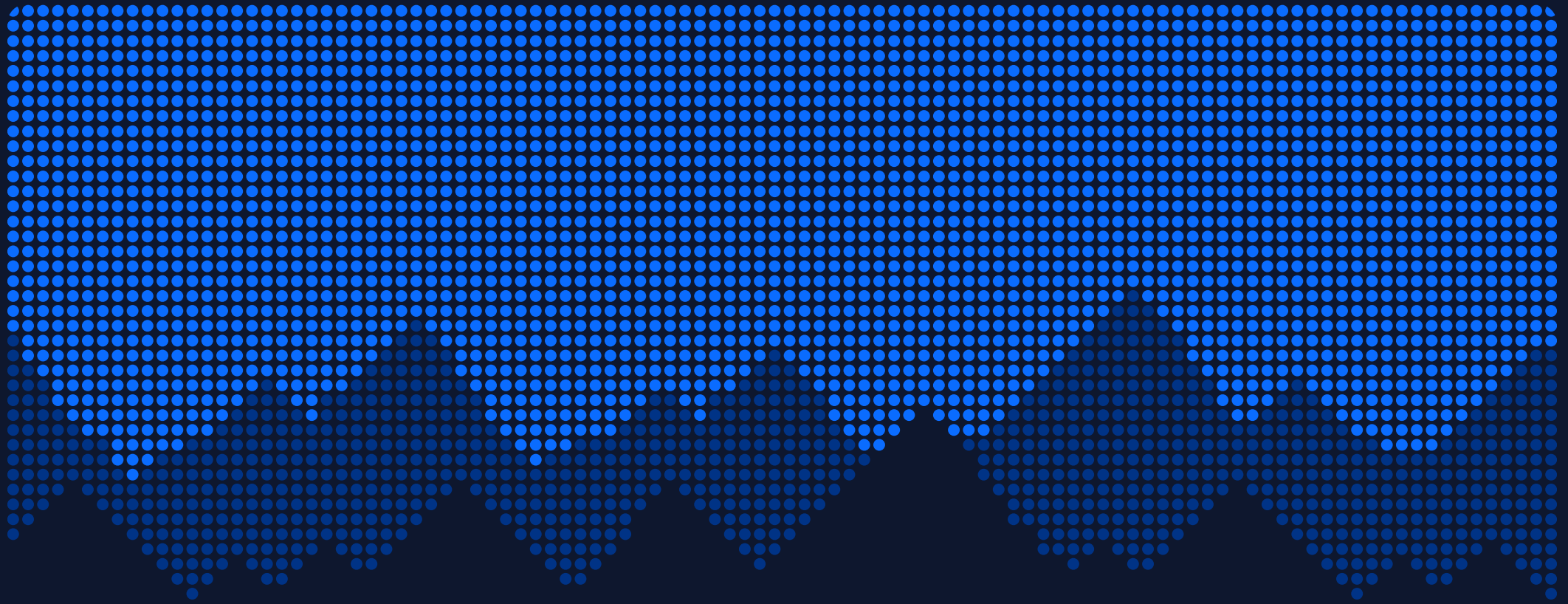


Computer Science graduates hit record highs as software hiring reached record lows

Record Computer Science (CS) colliding with a cooling hiring for entry-level software engineers (SWE).



Source: LinkedIn, National Center for Education Statistics. Number of CS graduates in 2023-2025 is linear projection based on historical trends.



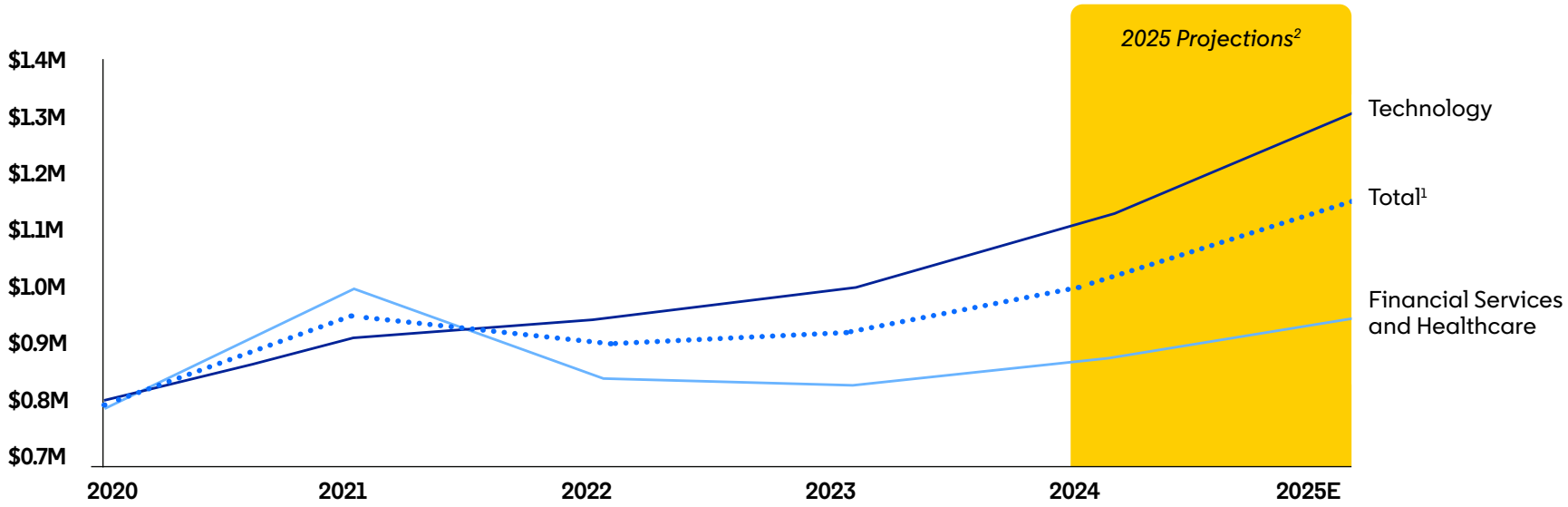
GLOBAL

Workforce Evolution

Fortune 100 Technology, Financial Services, and Healthcare companies have grown revenue faster than headcount, driving efficiency

Technology has led the way with revenue per full-time employee rising sharply: Revenue is up 15% vs. headcount (up 6%) on average—from 2023 to 2024.

Average revenue per employee for Fortune 100 companies[1], 2020 to 2025

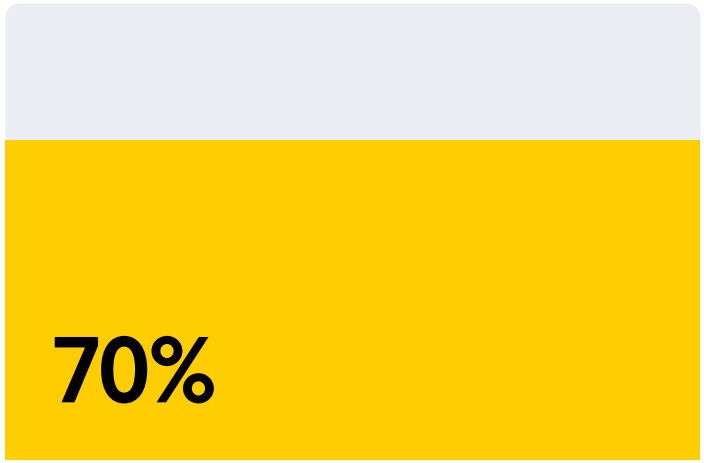


1 Excludes Consumer, Industrials, and Energy sectors due to low data coverage. CY25E figures reflect public filings (10-Q) for Q1–Q2 revenue and public guidance for Q4 revenue.
Source: LinkedIn, 10-Q Public Filings

Executives expect AI to sustain efficiency gains, and roughly half of US employees are optimistic about the benefits of AI

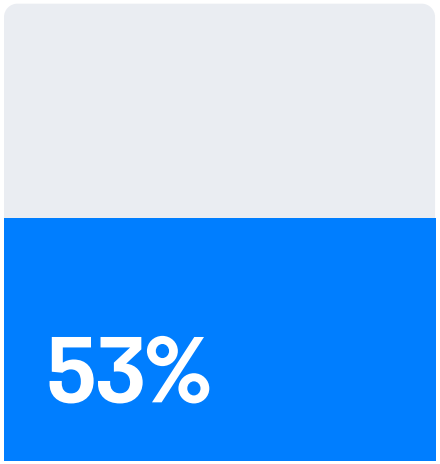
We surveyed LinkedIn members on their beliefs and experiences with AI in September/October 2025.

Global Executives

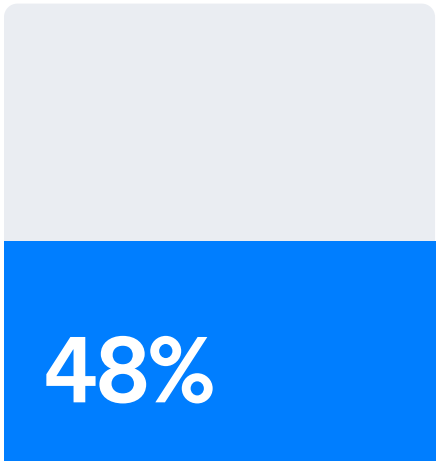


70% believe that AI tools make their employees more efficient

US Professionals



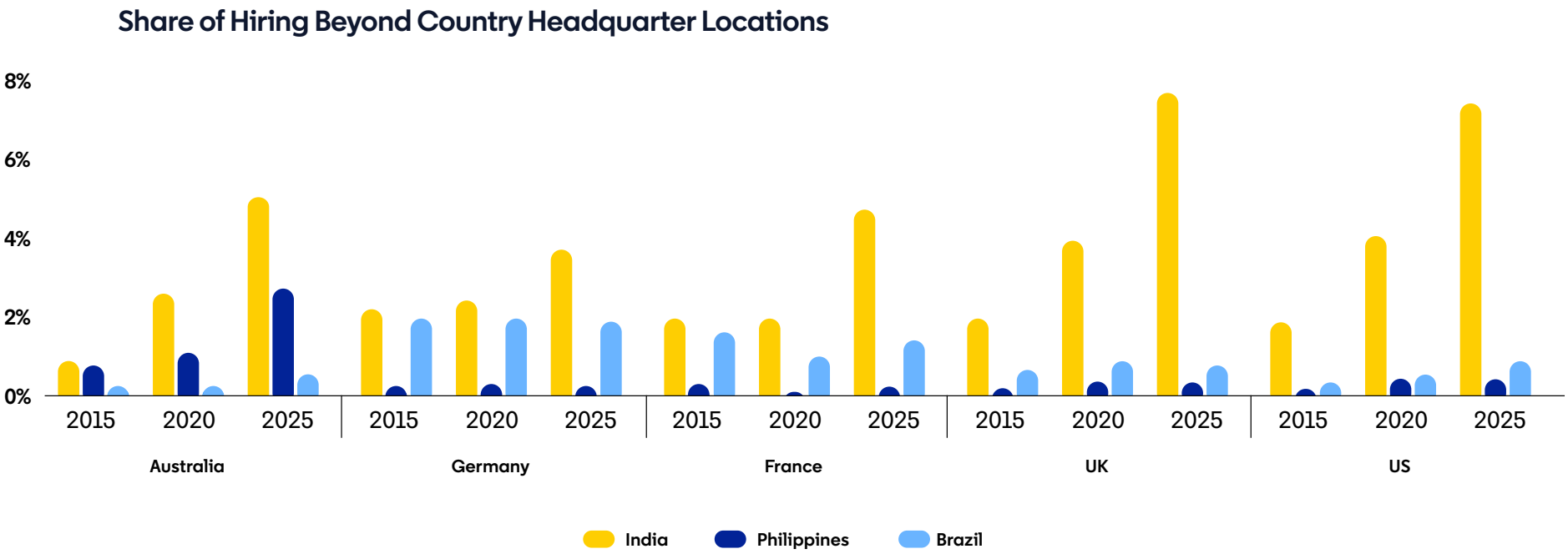
53% will proactively learn new AI skills within the next 6 months



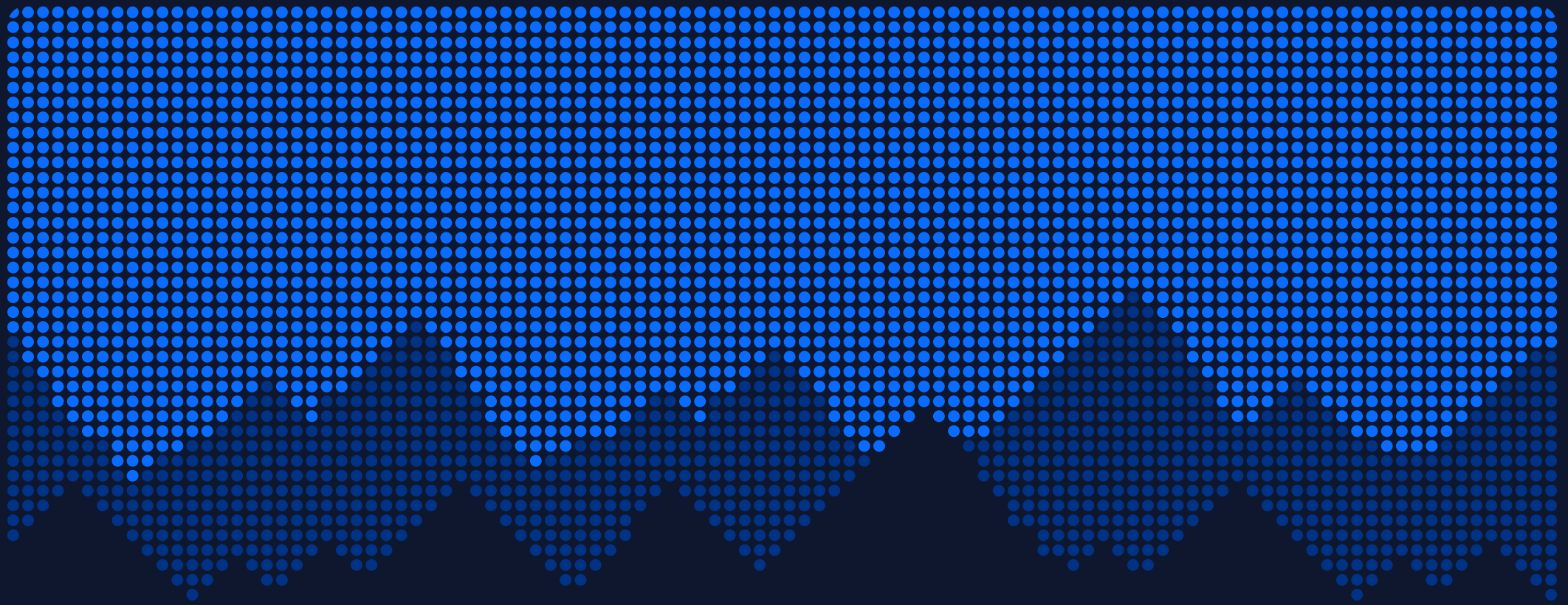
48% believe AI skills will help them grow in their career

The pandemic accelerated companies embracing global teams—with hiring favoring India

Major economies' share of new hiring[1] grew in India, while domestic hiring shares remained flat (UK, Australia), rose (Germany, France), and fell (US).



1 Across the following industries: Technology & Media, Professional Services, Manufacturing, and Financial Services, for the following countries US, Australia, Germany, France, UK.



Leading Through These Trends

Companies are increasingly prioritizing AI literacy and adaptable, human-centric skills to develop their workforce

Top 5 fastest growing skills in the US

	Skills	Most common job titles
1	AI Literacy	Software Engineer, Product Manager, CEO
2	Conflict Mitigation	Customer Service Rep., Admin. Assistant, Project Manager
3	Adaptability	Teacher, Admin. Assistant, Project Manager
4	Process Optimization	Operations Manager, Project Manager, CEO
5	Innovative Thinking	Creative Director, Teacher, Writer

75M professionals earning revenue from their content worldwide (4M full-time), with 90% increase in 'creator' on LinkedIn profiles since 2021

Companies increasingly hire in-house creators, turning "creator" into both an independent and corporate job.

75M Creators who earn revenue from their content

4M Full-time creators (independent & corporate)

+90% Members adding "creator" to LinkedIn profile from 2021 to 2025

Top 10 job aspirations for Gen Alpha

Content creation represents 3 of the top 10 most aspirational jobs for Gen Alpha:

1. YouTuber
2. TikTok creator
3. Doctor/nurse
4. Mobile app/video game developer
5. Entrepreneur
6. Artist
7. Sports athlete
8. Professional online streamer
9. Musician
10. Teacher

Interest in AI knowledge and skills is surging across creation and content sharing, goal setting, and learning

AI-related content sharing on LinkedIn, AI-related goal setting among workers, and time spent on AI-related learning courses have all accelerated over the past year.

Content creation

+66% YoY

Increase in the share of original knowledge posts on LinkedIn on AI-related topics (English only).

Key topics for creators who generate outsized engagement:

1. AI's role across industries
2. Startup growth and business strategies
3. Economic and financial market dynamics

Goal setting

+40% YoY

Increase in the share of employees who set an AI-related goal (on LinkedIn Learning Career Hub).

Skill building

+92% YoY

Increase in the share of learning time spent watching AI-related courses (on LinkedIn Learning).

Networks play an increasingly important role in hiring as application volumes increase

Globally, job seekers are

3.6x more likely

to be hired by a company if they are already connected with an employee prior to applying.

LinkedIn is here to help professionals, businesses, and government leaders build a future of work that works

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Build resilience through AI and people skills.
Upskill your workforce across both AI literacy and people skills such as design thinking and adaptability. Employees at organizations with LinkedIn Learning are **developing AI skills 3.4x faster** YoY than those without.

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Think not just AI adoption, but also change management (such as AI integrators).
Forward-deployed engineers/managers and data annotators are emerging titles focused on effective AI integration to maximize ROI. LinkedIn's AI-driven Hiring products can help companies of all sizes **save 30% time to hire**, including hard-to-fill AI roles.

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4

Build strong employee networks and increase engagement.
As application volumes increase, connections become increasingly valuable. Applicants are **3.6x more likely to get hired** if they are connected to an employee at that company on LinkedIn. Leaders who regularly post on LinkedIn drive visibility to their businesses and increase employee engagement.

5

Use geo flexibility as a growth lever.
Being deliberate about where work is done can align costs and skills in ways that support both efficiency and growth. Follow LinkedIn's Economic Graph Research Institute for regular insights from LinkedIn's global workforce data.


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