

DREXEL UNIVERSITY
Center for
Career Readiness
LeBow College of Business

55th Annual

College Hiring Outlook 2026



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We seek partnerships to support the
continuation of this report and expand its value
for colleges and employers.

Please join us in our project for 2027!

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Foreword

Dear Colleagues and Partners,

We are pleased to share the 2026 College Hiring Outlook, the 55th edition of this long-standing effort to understand how employers across the United States approach early-career hiring. This year's findings reflect a labor market shaped by several economic pressures—among them inflation, interest-rate changes, tariff and trade adjustments, and rising operating costs. Together, these factors have brought employer optimism to its lowest point in more than a decade, resulting in a more cautious approach to workforce planning and noticeable differences across industries and organization sizes.

A consistent theme in this year's survey is the continued importance of early-talent pathways. Internships and co-op experiences remain central to how employers assess skills, evaluate readiness, and build their future pipelines. Employers also shared their views on the use of AI tools during the preparation and application process. While perspectives vary, many are open to their responsible use, provided that students demonstrate clear ownership of their work and adhere to ethical and transparent practices.

Employers further emphasize the value of in-person engagement for early-career roles, pointing to the benefits of mentorship, collaboration, and hands-on learning.

Compensation levels remain steady, with selective increases that signal a measured but ongoing investment in early-career talent.

These findings underscore the importance of aligning academic preparation with evolving workforce expectations. As a 135-year-old institution, Drexel University is undertaking an academic transformation—including the transition to a semester calendar and updates to curricular structures—to reinforce this alignment. Our long-standing co-op model continues to demonstrate the value of integrating classroom learning with applied experience, helping students develop the judgment, adaptability, communication skills, and professional integrity that employers consistently seek.

We are grateful to the employers who contributed their perspectives to this year's survey and to the partners who rely on this report to support advising, curriculum planning, and talent development. We look forward to continuing this work as we prepare the 2027 edition and to further strengthening the connection between education and the workforce.

Sincerely,
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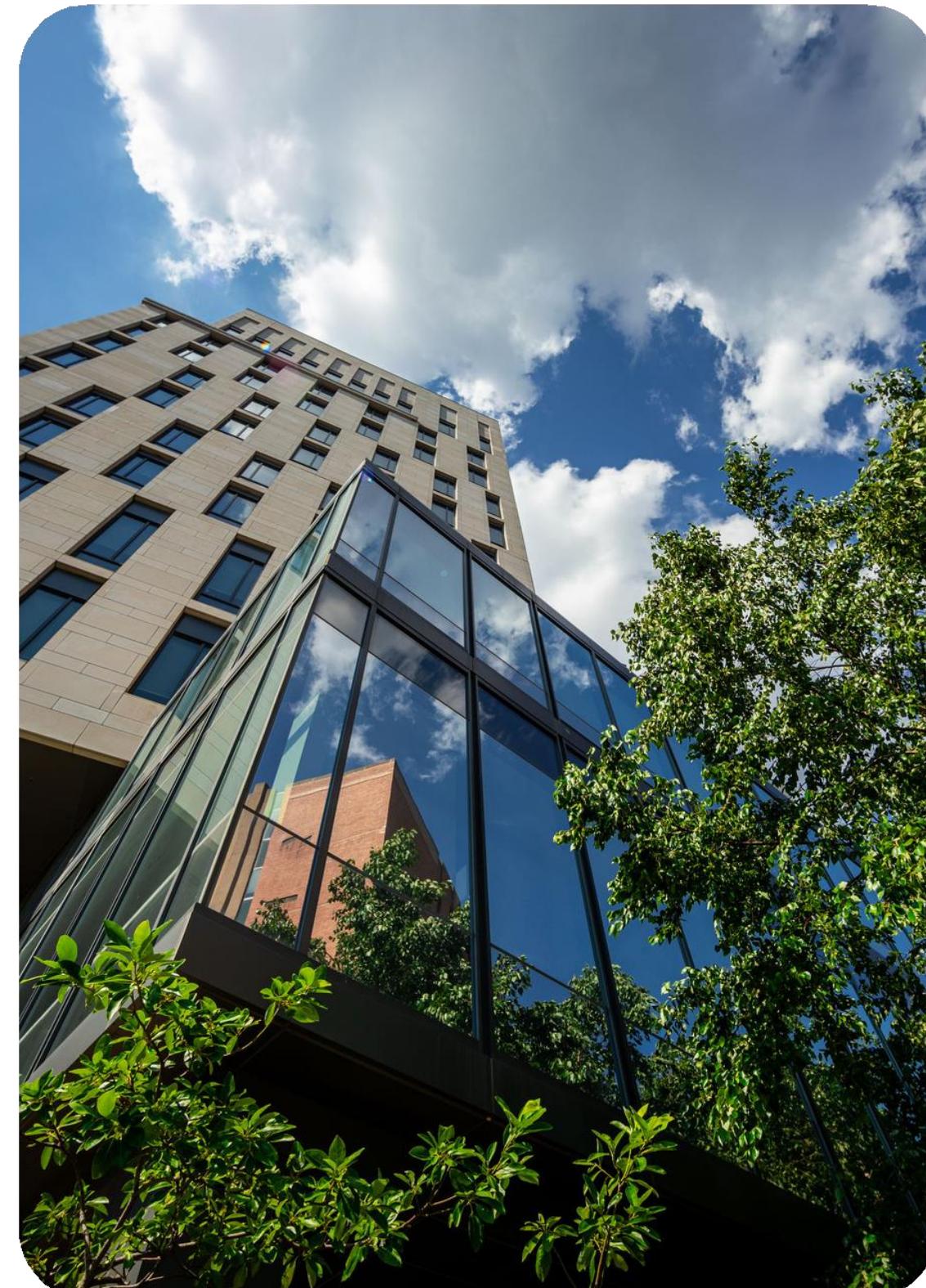
Executive Summary

The 2026 College Hiring Outlook points to an early-career labor market shaped by prolonged economic uncertainty and a more cautious approach to workforce planning. Employer optimism has declined to its lowest level in more than a decade, leading many organizations to prioritize stability and operational efficiency over broad hiring expansion. As a result, early-career hiring remains active but increasingly selective.

Hiring expectations vary meaningfully by industry and organization size. Small organizations (fewer than 500 employees) report the sharpest pullback in early-career hiring for 2026. Compared with large organizations (4,000 or more employees), small employers are approximately 30 percent more likely to report that they do not plan to hire recent college graduates. This represents the largest anticipated decline in small-business hiring of new graduates observed in more than a decade. Health Care, Finance, and Construction continue to report comparatively stronger hiring outlooks, while small employers across industries face the greatest constraints. Across the market, internships and co-op programs remain central to early-talent strategy, serving as key mechanisms for evaluating readiness, skills, and organizational fit as full-time hiring becomes more competitive.

Compensation practices in 2026 remain largely stable, with targeted adjustments for specific roles rather than widespread increases. In-person work continues to dominate early-career positions, reflecting employer emphasis on mentorship, collaboration, and hands-on learning. Employers also express cautious openness toward the use of artificial intelligence in career development and recruitment preparation, while maintaining clear expectations around authenticity, demonstrable skills, and applicant ownership of materials.

Overall, the 2026 findings describe a college hiring environment that is steady but disciplined. Success for students and institutions will depend on strong preparation, meaningful experience, and alignment between academic pathways and evolving employer expectations.



Key Findings

1. Employer Confidence in the College Labor Market: Employer confidence in the college labor market in 2026 is at its lowest level in more than a decade. Across sectors, organizations report cautious labor-market outlooks and preference for maintaining current staffing levels rather than expanding their amid ongoing economic pressures.

2. Hiring Outlook Across Degree Levels: Hiring activity has slowed across all degree levels. Bachelor's and master's degree graduates remain the primary focus of early-career hiring, with a notable reduction in the proportion of organizations planning to increase hiring. Recruitment of MBA and advanced professional degree holders is more limited, reflecting constrained hiring plans among many employers.

3. Variation by Industry and Organization Size: Expectations for hiring vary across industries. Sectors such as Health Care, Finance, and Construction show comparatively stronger hiring outlooks than other fields. Organization size continues to influence hiring patterns: small employers report the most constrained activity, mid-size organizations generally maintain stable plans, and large employers exhibit the most consistent hiring levels.

4. Stability of Early-Talent Pipelines: Early-talent programs remain an integral component of workforce strategy. A majority of employers plan to maintain or expand internship and co-op opportunities, even as full-time hiring becomes more selective. These programs are frequently used to assess candidate readiness, skills, and organizational fit.

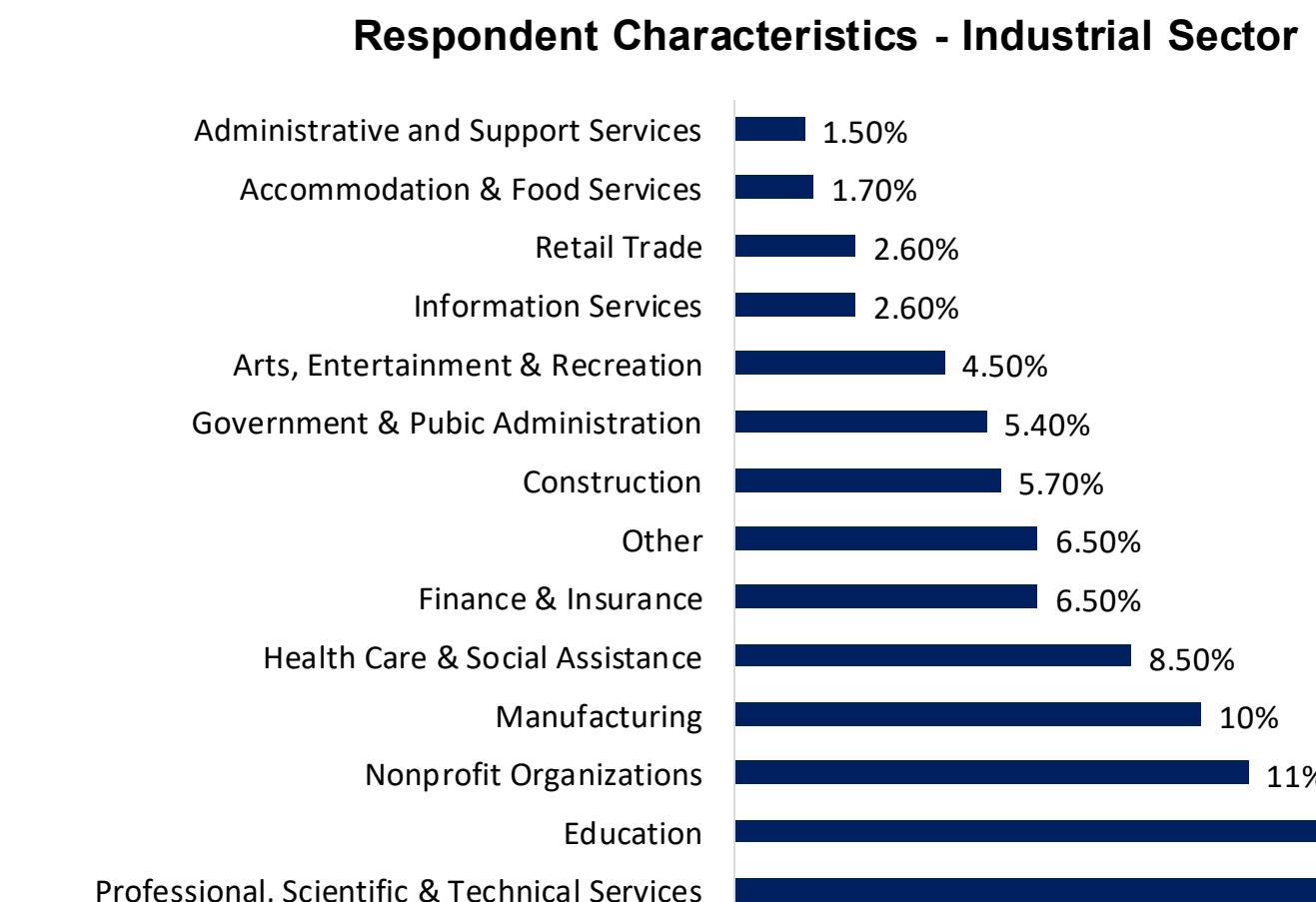
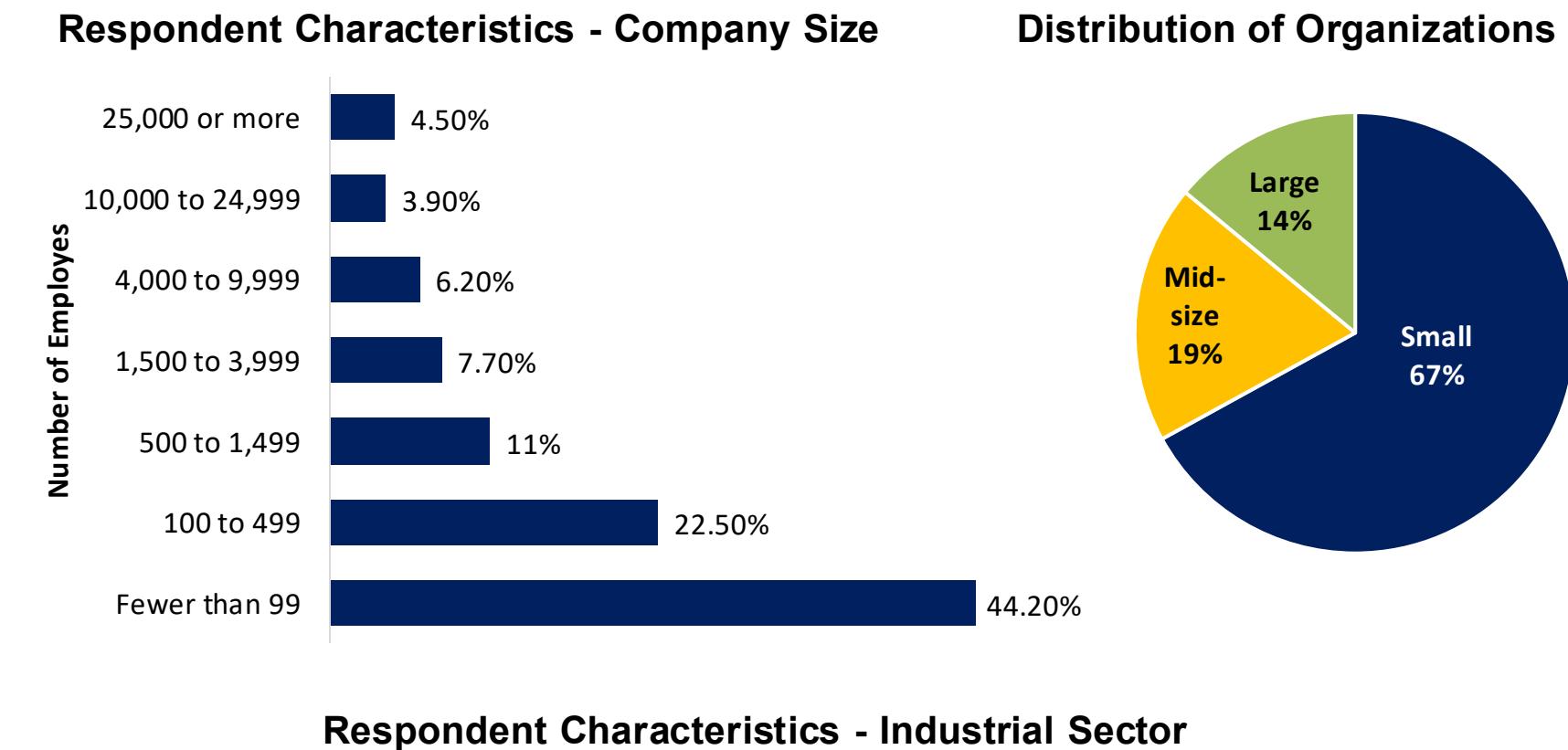
5. Compensation and Work Arrangements: Compensation levels in 2026 remain largely stable, with targeted salary increases in specific roles or areas of need. In-person work continues to dominate early-career positions, reflecting employer emphasis on mentorship, collaboration, and experiential learning.

6. AI and Technology in Recruitment: Employers show cautious openness toward AI tools in career development and recruitment preparation. While many support responsible and transparent use of AI for skill-building, organizations continue to emphasize authenticity, demonstrable skills, and clear ownership of applicant materials over automated or AI-generated submissions.

College Hiring Landscape

- The 2026 College Hiring Outlook is based on a national survey of employers involved in early-career hiring in the United States.
- Data were collected between August and November 2025 via an online survey distributed through Drexel University's employer networks, industry partnerships, and professional contacts (n = 647).
- Respondents represent organizations of varying sizes and industries.
- Participants include hiring managers, human resources professionals, and organizational leaders responsible for early-career recruitment and workforce planning.
- The survey examined anticipated hiring activity across degree levels, internships and co-op programs, compensation practices, work arrangements, and employer perspectives on the use of emerging technologies in recruitment and career development.
- Results are reported in aggregate and reflect employer expectations at the time of data collection. Percentages may not total 100% due to rounding or multiple-response options.

Note: Organization size categories are based on employee count: Small (fewer than 500 employees), Mid-size (500–3,999 employees), Large (4,000 or more employees).

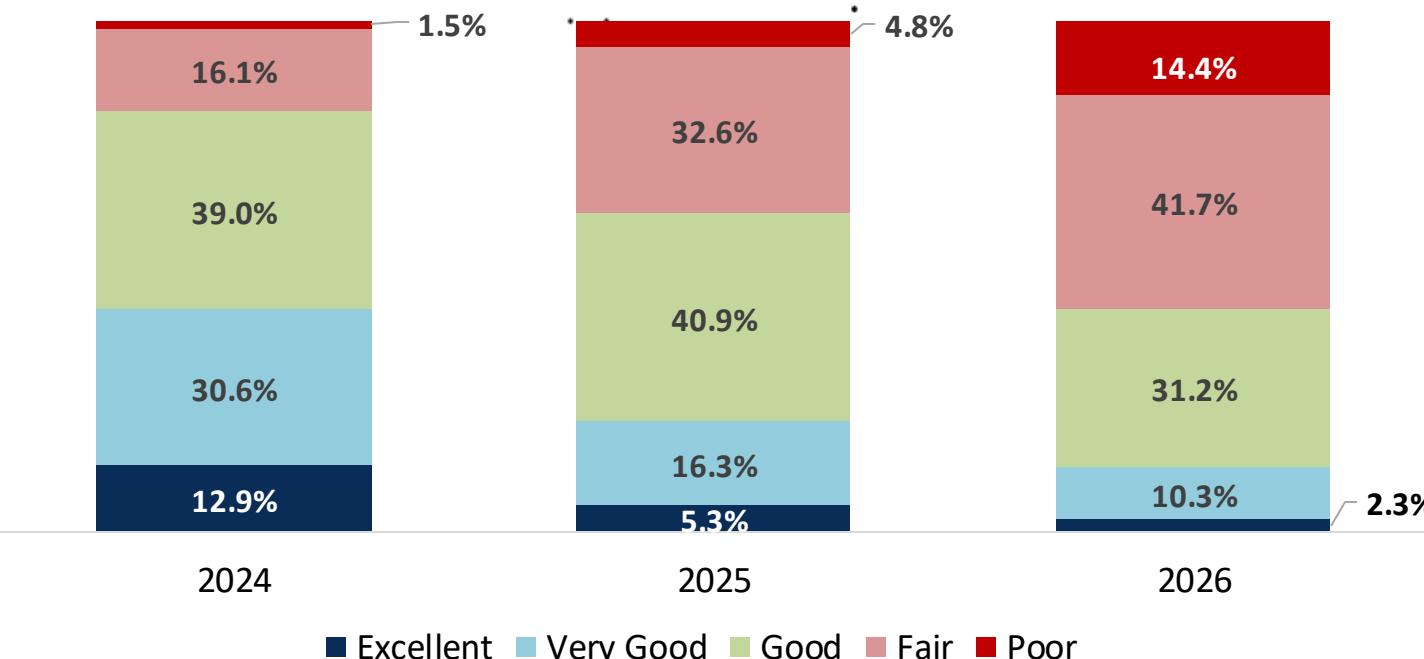


College Labor Market

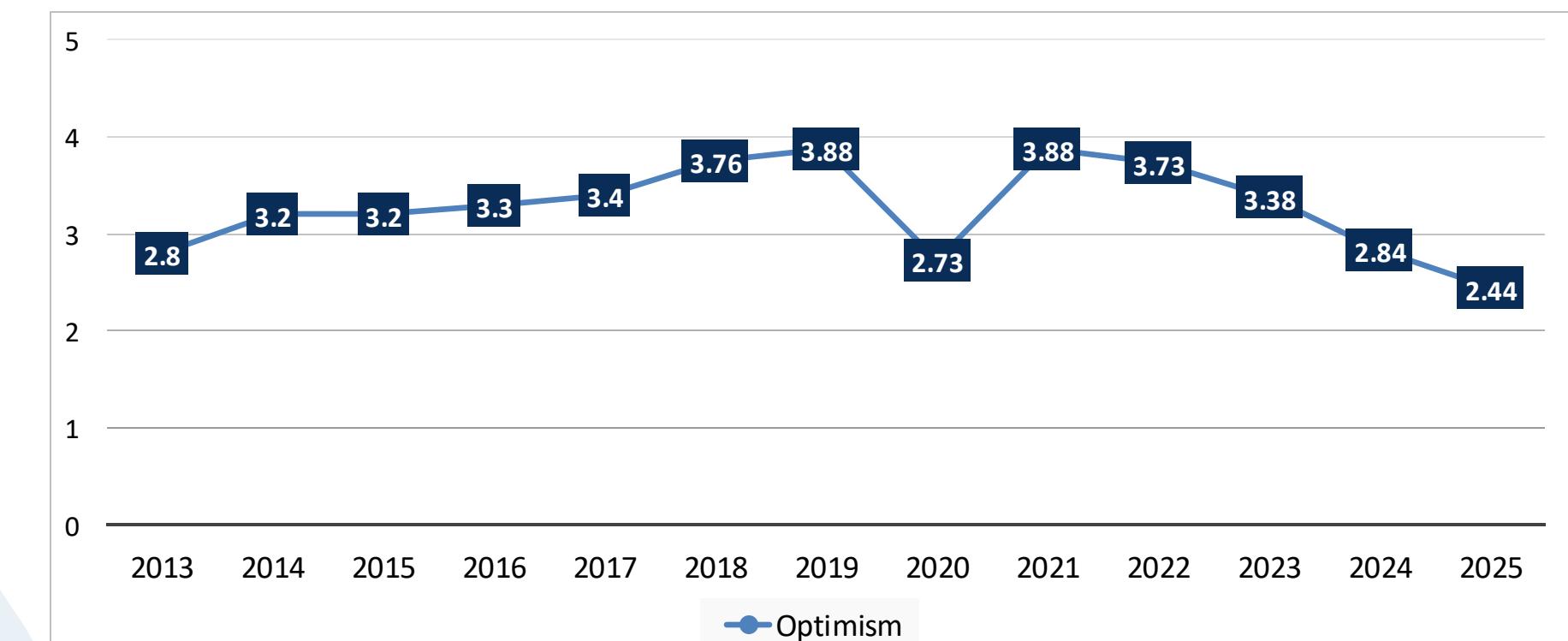
- Employer sentiment toward the college labor market has fluctuated over the past decade, peaking in 2019 and 2021 before declining steadily. By late 2025, average employer optimism reached its lowest level in ten years.
- Distributional data reinforce this trend: over the past three years, fewer employers rate the job market for new graduates as “excellent” or “very good,” while a growing share characterize conditions as “good” or “fair,” signaling increased caution rather than a sharp contraction.
- Together, these shifts point to a more disciplined hiring environment shaped by economic uncertainty, cost pressures, and tighter workforce planning.
- In response, employers are concentrating early-career hiring in critical roles, prioritizing applied skills, job readiness, and near-term business needs over broad-based expansion.
- Early-career hiring remains active but measured, with practical experience, flexibility, and demonstrated organizational fit playing a larger role in hiring decisions than degree volume alone.

Note: Employer optimism is reported as a mean rating on a 1–5 scale, where 1 = Poor and 5 = Excellent.

How Employers Rate the Job Prospects of New College Graduates



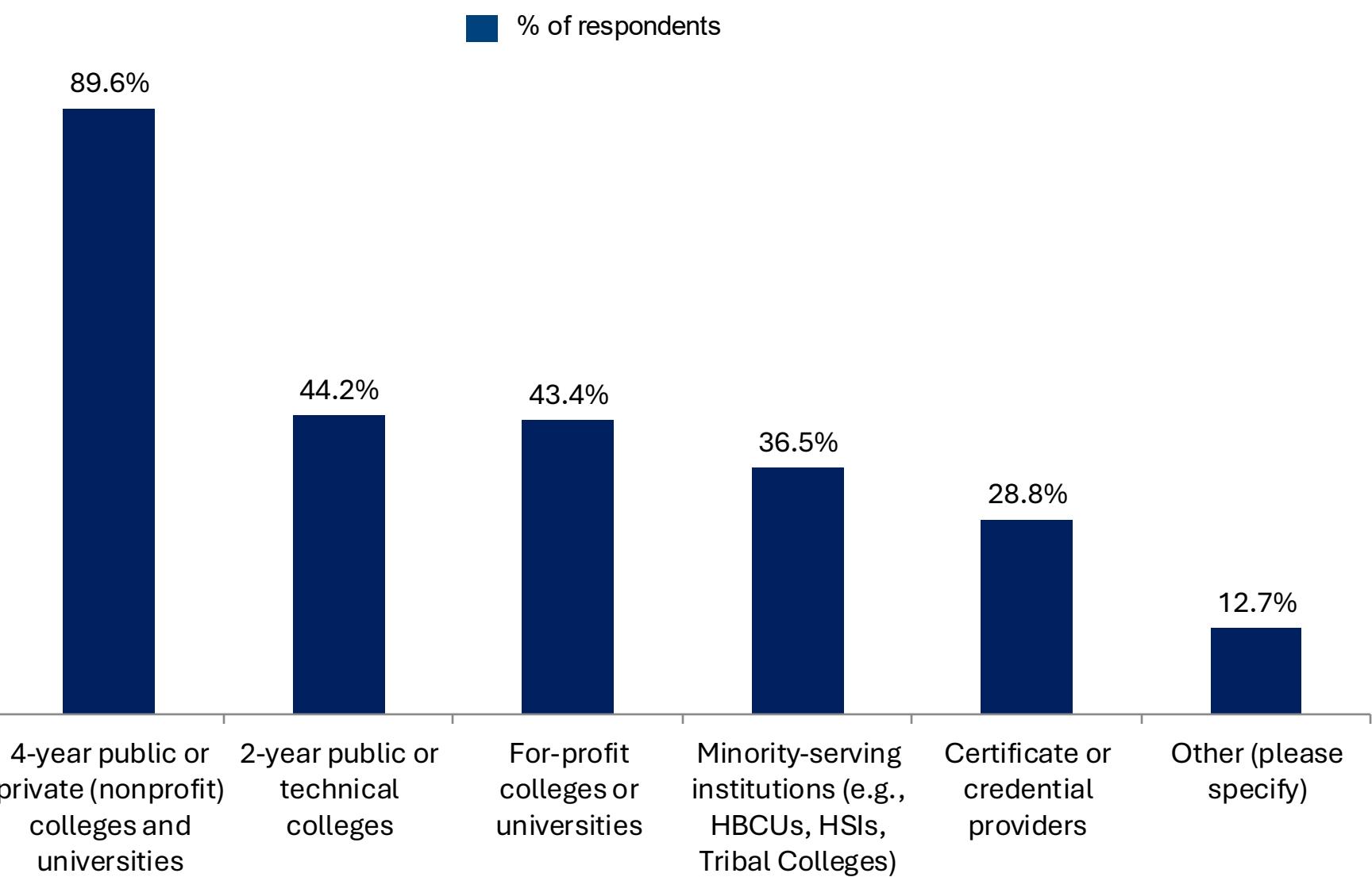
Employer Optimism for Overall College Market



Sources of Early-Career Talent

- Four-year public and private (nonprofit) colleges and universities remain the dominant source of early-career talent, with nearly nine in ten employers continuing to recruit from these institutions. This underscores the enduring role of traditional degree pathways in early-career hiring.
- Two-year public and technical colleges, for-profit institutions, and certificate or credential providers continue to serve as important secondary pipelines, reflecting employers' openness to varied educational backgrounds and applied skill development.
- Recruitment from minority-serving institutions has declined, continuing a downward trend observed in recent years across employer respondents.
- Alternative pathways, including apprenticeships, workforce development programs, and internal training pipelines, remain part of the early-talent ecosystem, though they represent a smaller share of sourcing activity.

Which of these institutional groups you will be sourcing your new talent this year



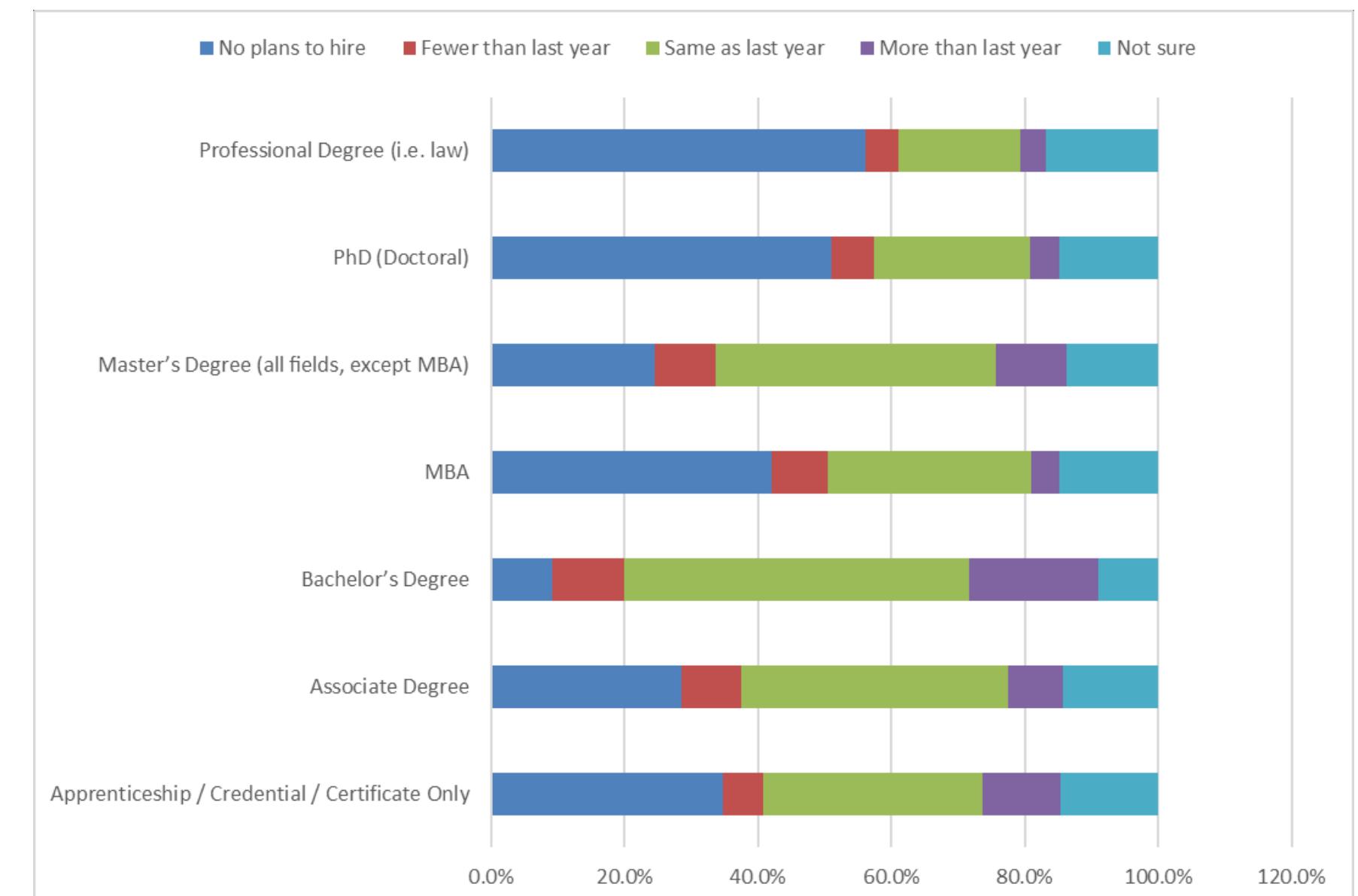
Note: Respondents could select multiple sourcing options.

Hiring Outlook by Degree Level

- Hiring activity in 2026 has softened across all degree levels, with fewer employers planning to increase early-career hiring than in prior years.
- Bachelor's and master's degree graduates remain the primary focus of early-career hiring, though growth expectations are more restrained than in previous cycles. Hiring plans for associate degrees and advanced professional degrees (including MBAs and other professional or doctoral degrees) are more limited, with most employers anticipating stable or reduced hiring levels.
- Among small organizations, hiring pullbacks are more pronounced at higher degree levels. Approximately one in five small employers report no plans to hire bachelor's-degree graduates or expect to hire fewer than last year. At the graduate level, nearly 40 percent report no plans or reduced hiring for non-MBA master's graduates, and close to 60 percent report the same for MBA and other professional degree holders.
- Across degree levels, employers continue to prioritize role readiness, applied skills, and organizational fit over volume hiring. In this environment, early-career candidates who combine academic preparation with practical experience—such as internships, co-ops, or applied projects—are better positioned to compete.

Note: Respondents could select one hiring expectation per degree level.

Hiring Expectations by Education Level

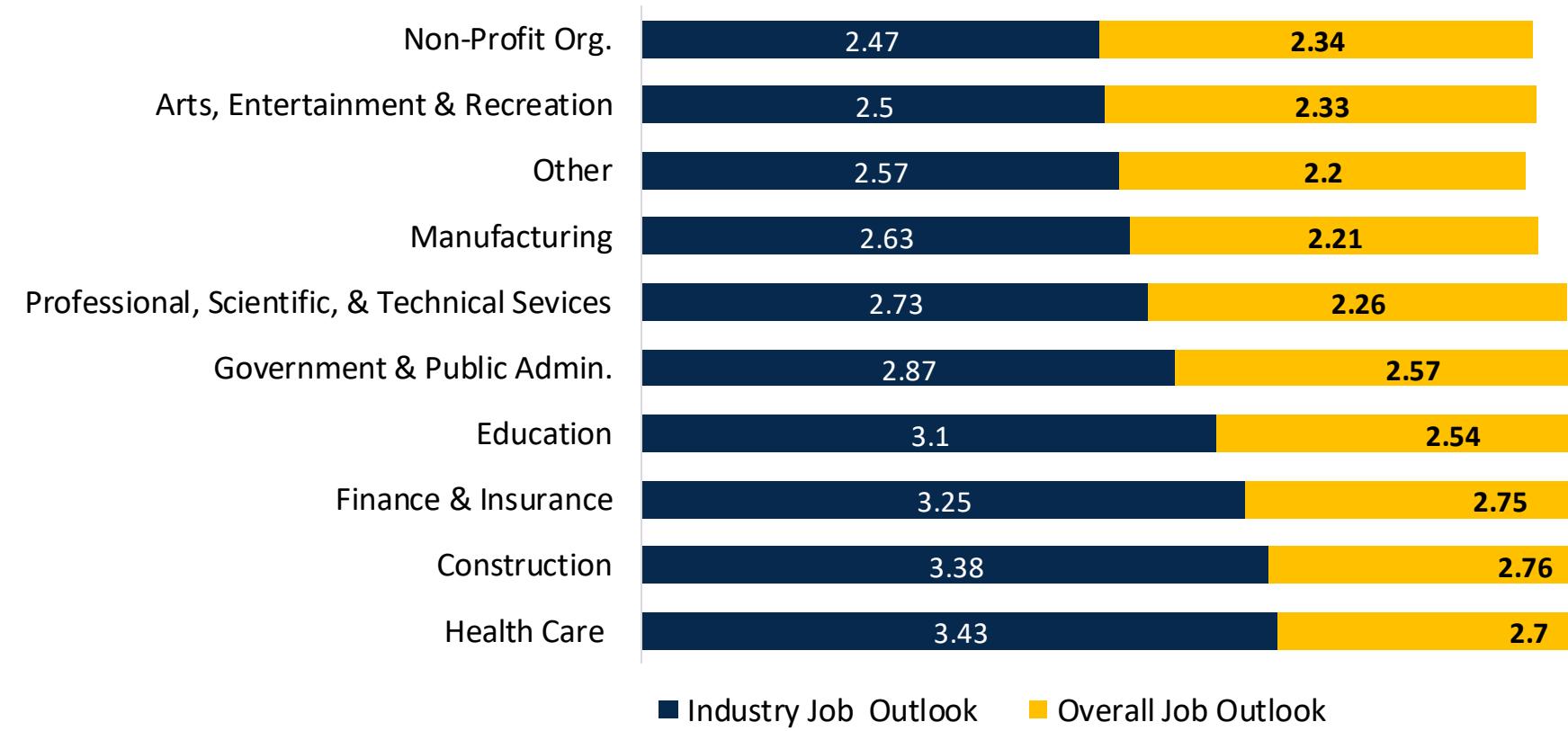


Hiring Outlook by Industry

- Employer hiring expectations for new college graduates vary substantially by industry in 2026, reflecting uneven economic conditions and sector-specific demand.
- Health Care, Construction, and Finance report the most favorable outlooks, driven by sustained demand, demographic pressures, and ongoing workforce needs.
- Professional Services and Education show moderate but stable hiring expectations, emphasizing selective recruitment rather than expansion.
- Manufacturing, Nonprofit, and Arts & Entertainment report the weakest outlooks, signaling tighter budgets and more constrained early-career hiring.
- Across industries, employers consistently rate job prospects within their own sector more favorably than the overall college labor market, underscoring localized confidence amid broader uncertainty.
- Employer outlook for new college graduates within their industries has weakened noticeably from 2024 to 2026. Positive ratings (“Excellent” and “Very Good”) declined sharply, while “Fair” and “Poor” responses increased across nearly all sectors.

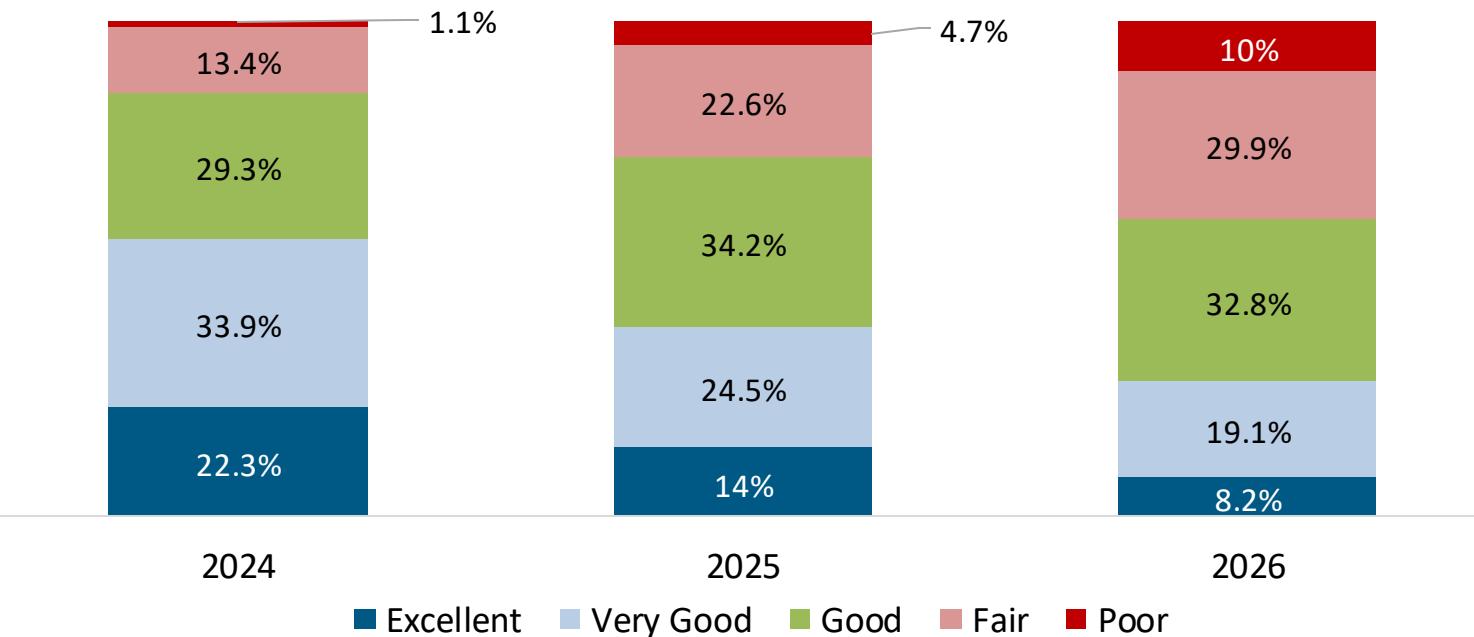
Note: Mean employer ratings on a 1–5 scale, where 1 = Poor and 5 = Excellent.

Employer Job Outlook Ratings by Industry



■ Industry Job Outlook ■ Overall Job Outlook

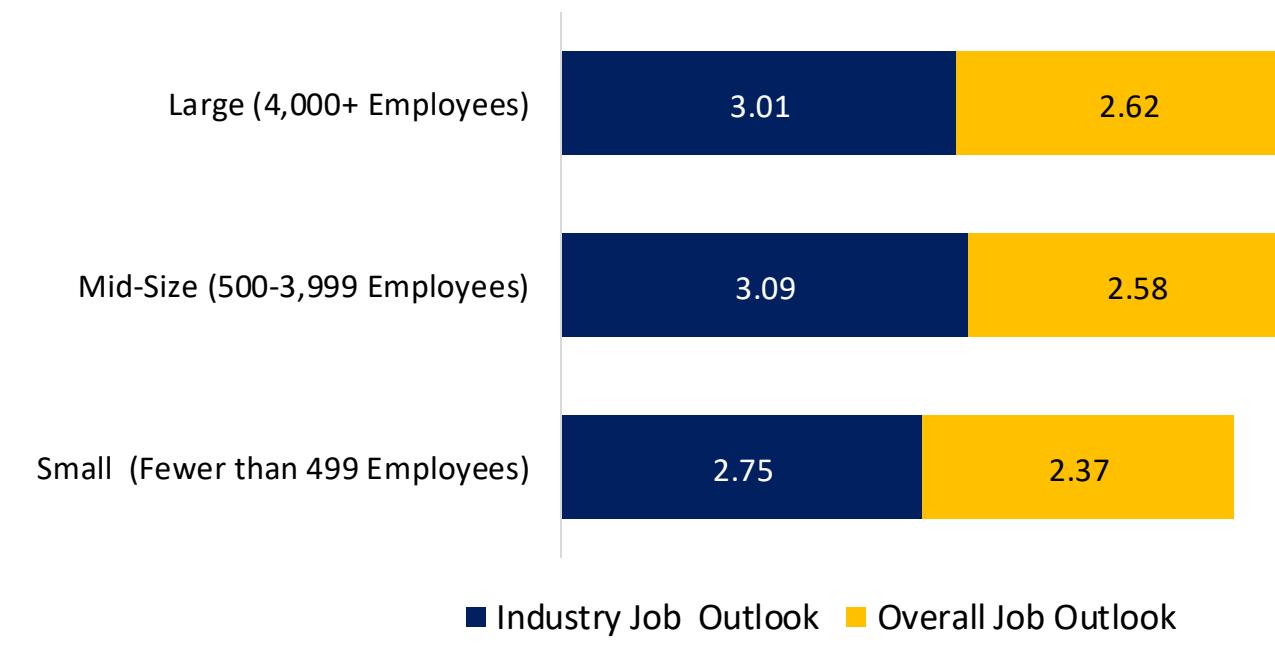
Industry-Based Job Outlook for New College Graduates



Hiring Outlook by Organization Size

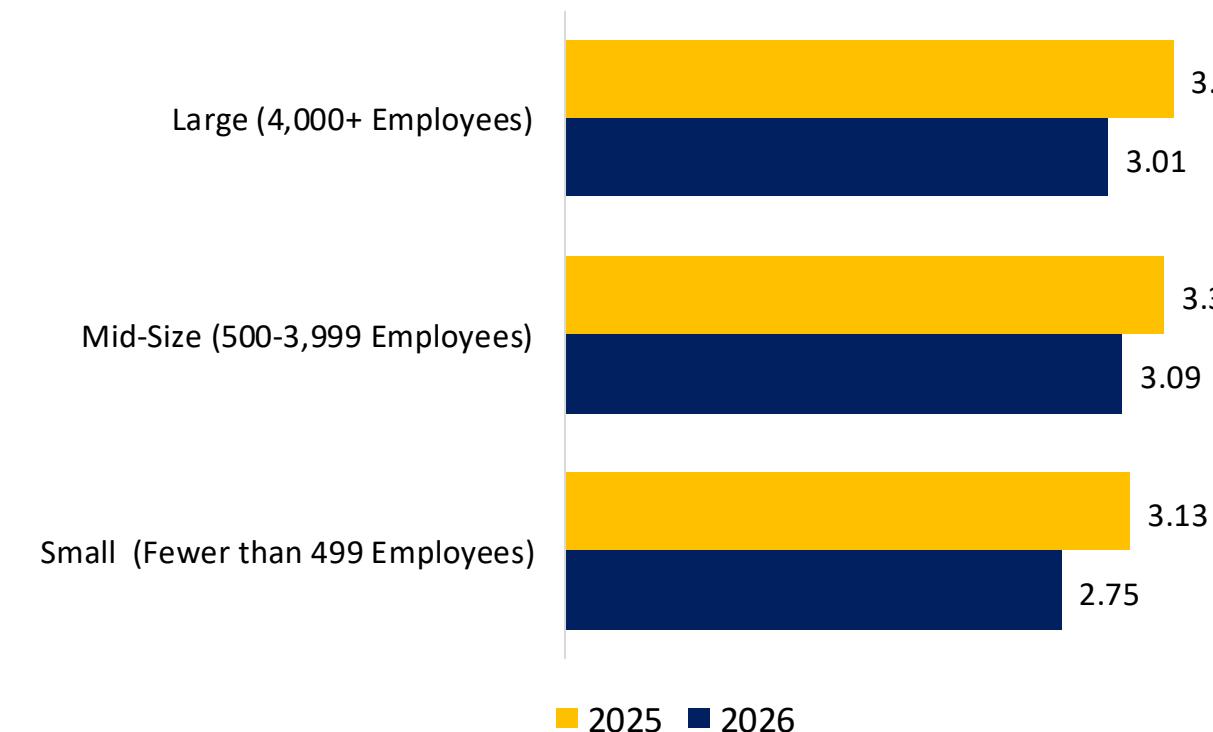
- Employer hiring expectations for new college graduates vary meaningfully by organization size in 2026, reflecting differences in financial flexibility, workforce planning horizons, and exposure to economic uncertainty.
- Mid-size organizations report the most favorable outlook, expressing relatively strong confidence in both their own hiring plans and the broader labor market. These firms appear to balance budget flexibility with manageable risk exposure.
- Large organizations rate the overall college labor market slightly more positively than mid-size firms, but express lower confidence in their own industry hiring outlook, suggesting stable but not expansionary early-career hiring plans.
- Small organizations are notably less optimistic, citing tighter budgets, slower hiring timelines, and greater sensitivity to economic uncertainty—patterns consistent with broader national trends in small-firm hiring behavior.
- While hiring caution is evident across all organization sizes, the pullback is most pronounced among small employers, who are substantially more likely than large organizations to report no plans to hire recent graduates in 2026. Across all organization sizes, employers emphasize targeted hiring, prioritizing role readiness, applied skills, and organizational fit over overall hiring volume.
- Internships, co-ops, and project-based experiences remain important screening mechanisms across organization sizes, particularly among small and mid-size employers.

Employer Job Outlook Ratings by Organization Size



■ Industry Job Outlook ■ Overall Job Outlook

**Employer Job Outlook Ratings by Organization Size:
2025 vs. 2026**



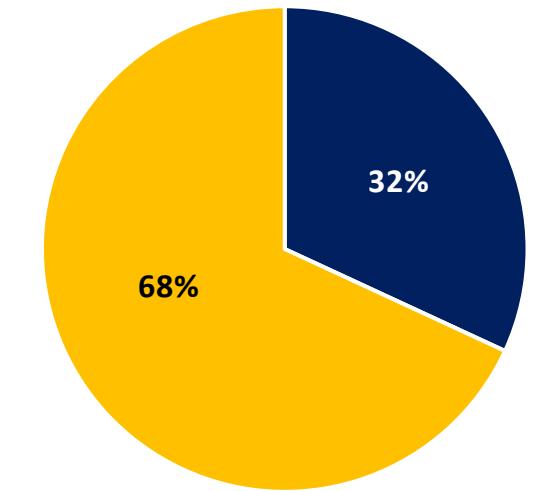
■ 2025 ■ 2026

Hiring Outlook by Geographical Region

- Regional hiring dominates early-career recruitment, with 68 percent of employers reporting primarily regional recruitment, compared with 32 percent recruiting nationwide. This highlights the continued importance of local and regional labor markets for new graduates.
- Recruitment geography varies significantly by organization size:
 - Small employers are overwhelmingly regional (76 percent), reflecting limited recruiting budgets and a stronger reliance on local talent pipelines.
 - Mid-size organizations show a mixed approach, balancing regional (63 percent) and national (37 percent) recruitment strategies.
 - Large organizations are more likely to recruit nationally (61 percent), leveraging scale, brand recognition, and broader workforce planning capabilities.
- Although employers recruit primarily at the regional level, patterns of increased hiring caution among small businesses appear consistently across all major regions, suggesting a national shift rather than a region-specific slowdown.
- Geographic scope shapes hiring access and competition. Students seeking opportunities with small and mid-size employers may benefit most from regional networks, internships, and local industry connections, while national searches remain more common among large employers.
- Overall, early-career hiring remains geographically concentrated, reinforcing the importance of place-based workforce strategies even as remote and hybrid work options persist.

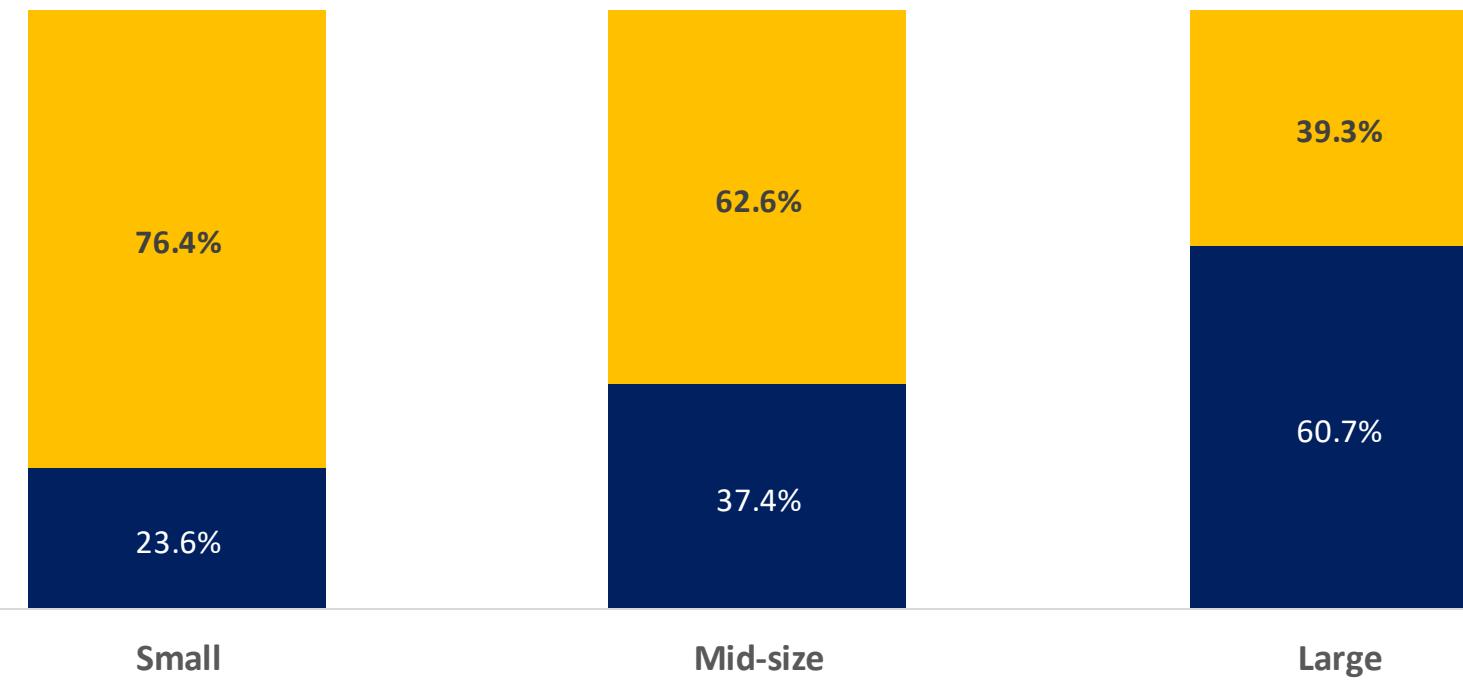
Employer Recruitment Geography

■ Nationwide ■ Regional



Recruitment Geography by Organization Size

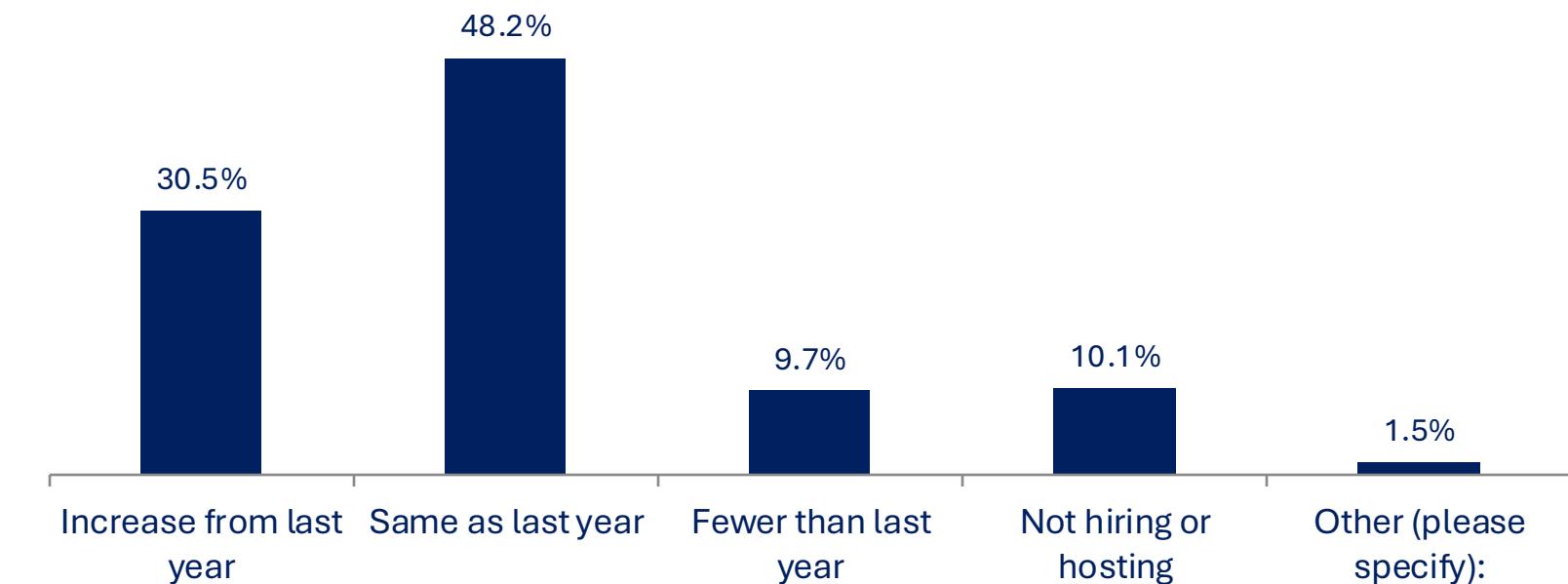
■ Nationwide ■ Regional



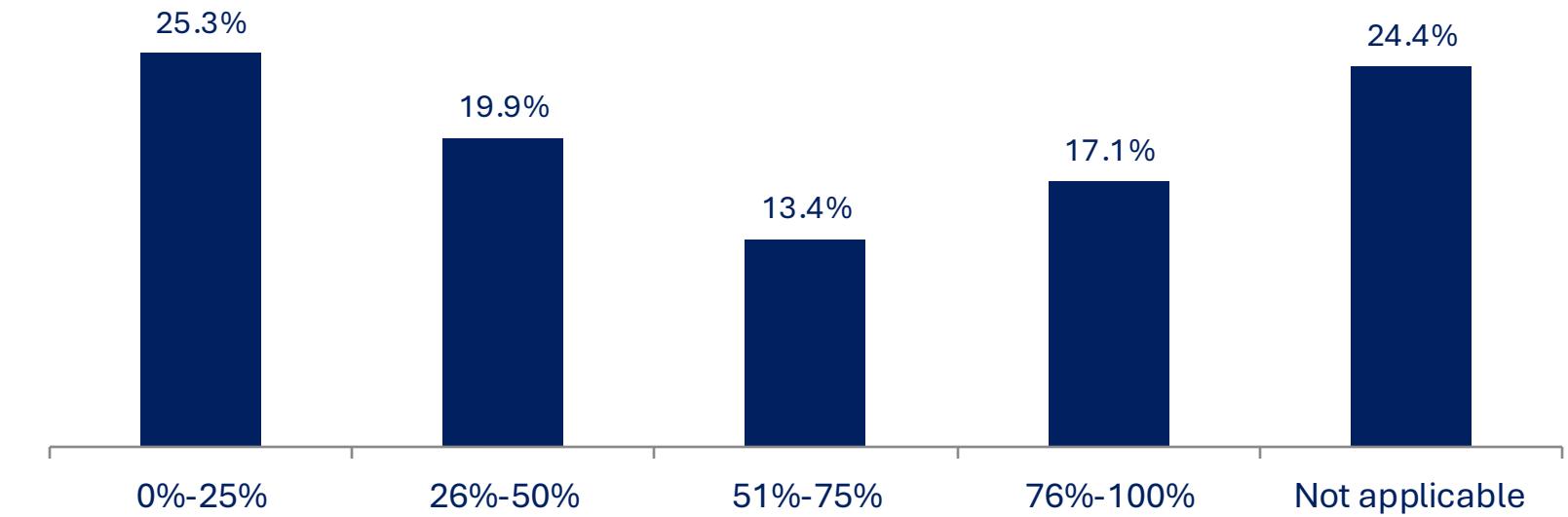
Early Talent & Internship Programs

- Internships and co-op programs remain a central component of early-career hiring strategies, particularly as employers adopt more cautious and selective approaches to workforce planning.
- Among employers that offer internships or co-op programs, conversion to full-time roles is selective rather than automatic. Most organizations report converting 50 percent or fewer interns, underscoring the role of experiential programs as screening and evaluation mechanisms rather than guaranteed pathways to full-time employment.
- Planned internship and co-op activity remains largely stable, with nearly half of employers expecting program levels to remain the same as last year and fewer organizations reporting reductions than increases. This suggests that increased reliance on internships reflects how employers use these programs rather than expansion in overall program size.
- Not all employers maintain formal internship or co-op programs, as reflected by the “Not applicable” response option, highlighting variation in early-talent strategies across organizations.
- In open-ended survey comments, many small-business owners and hiring managers noted that limited staffing, time, and internal structure make extended onboarding difficult, contributing to greater reliance on interns and former co-op students when filling entry-level roles.
- Overall, early-career hiring prioritizes readiness, applied skills, and organizational fit over volume-based intern-to-full-time conversion.

Planned Changes to Internship and Co-op Programs



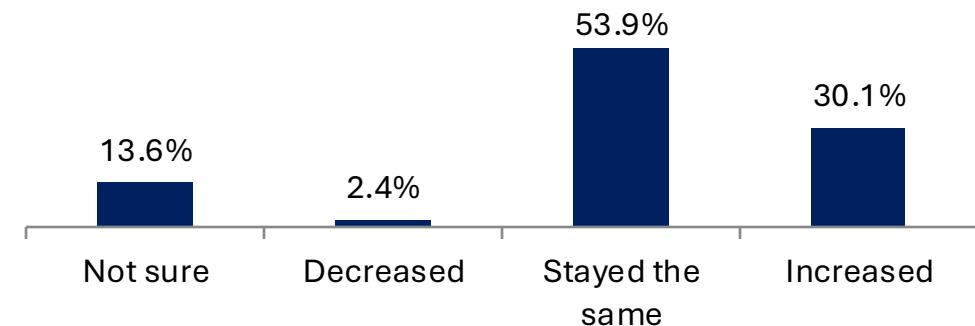
Frequency of Intern and Co-op Student Conversion to Full-Time Roles



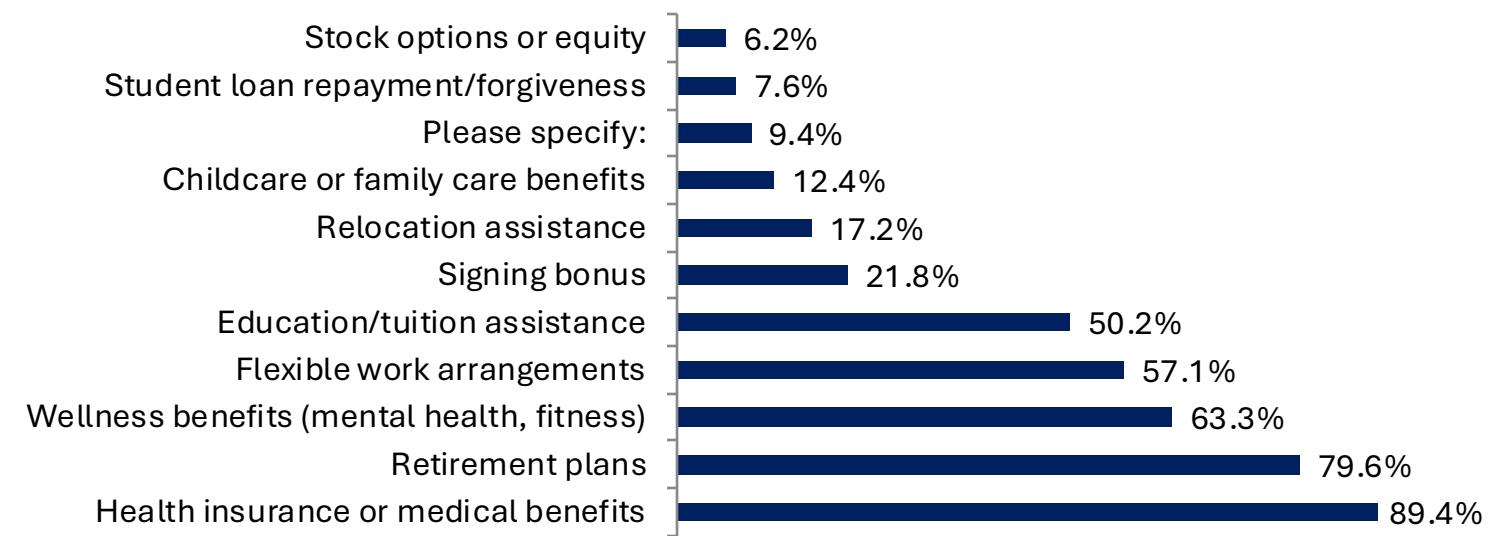
Compensation & Work Agreements

- Starting salary offers for early-career roles remain largely stable in 2026, reflecting employers' focus on cost control and selective investment rather than broad wage expansion.
- While some organizations plan modest increases, these adjustments are concentrated in high-demand or hard-to-fill roles rather than applied across the board.
- Employers continue to rely on a mix of base pay and non-salary benefits to attract early-career talent, signaling a more balanced and targeted compensation strategy.
- Health insurance and retirement benefits remain nearly universal, while wellness programs, flexible scheduling, and tuition assistance play an increasing role in supporting retention and development.
- Work arrangements for early-career roles continue to favor in-person and hybrid models, reinforcing the importance employers place on mentorship, collaboration, and hands-on learning during early career stages.
- Fully remote entry-level roles remain limited, underscoring employer preferences for structured, on-site engagement as new graduates transition into the workforce.

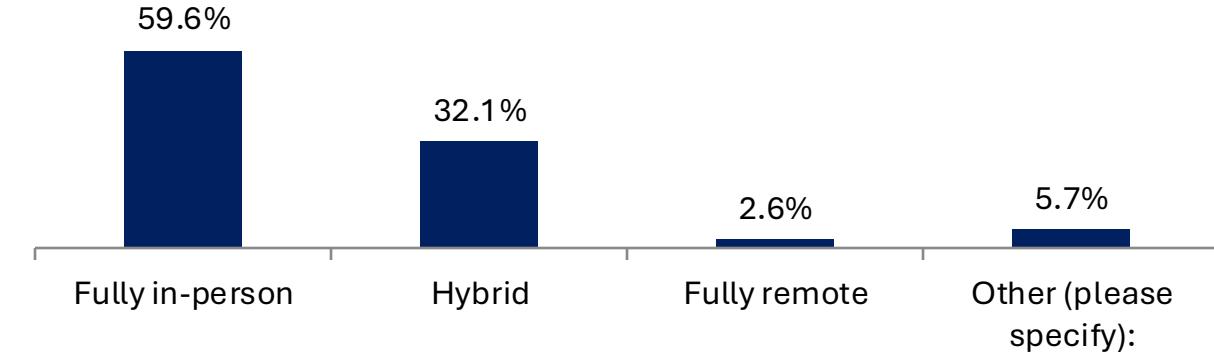
How Employers Plan to Adjust Starting Salaries in 2026



Employer-Provided Benefits for Early-Career Talent



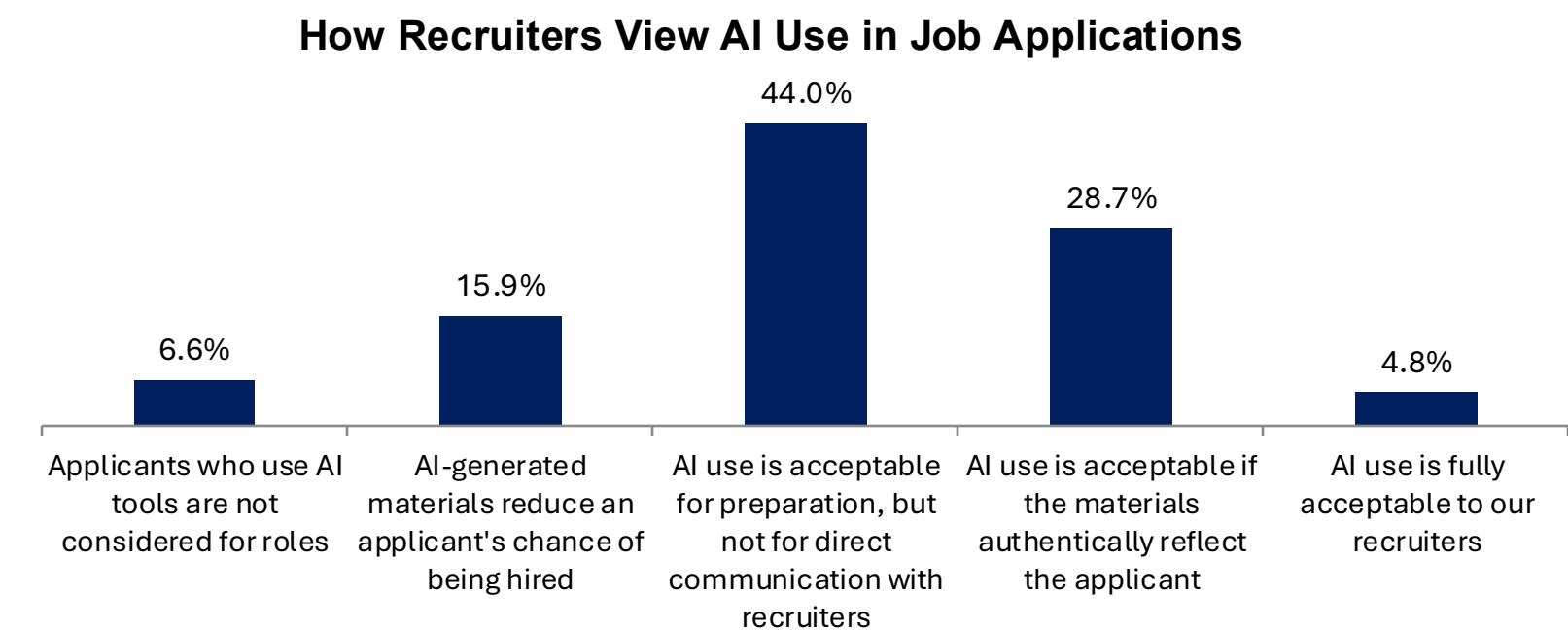
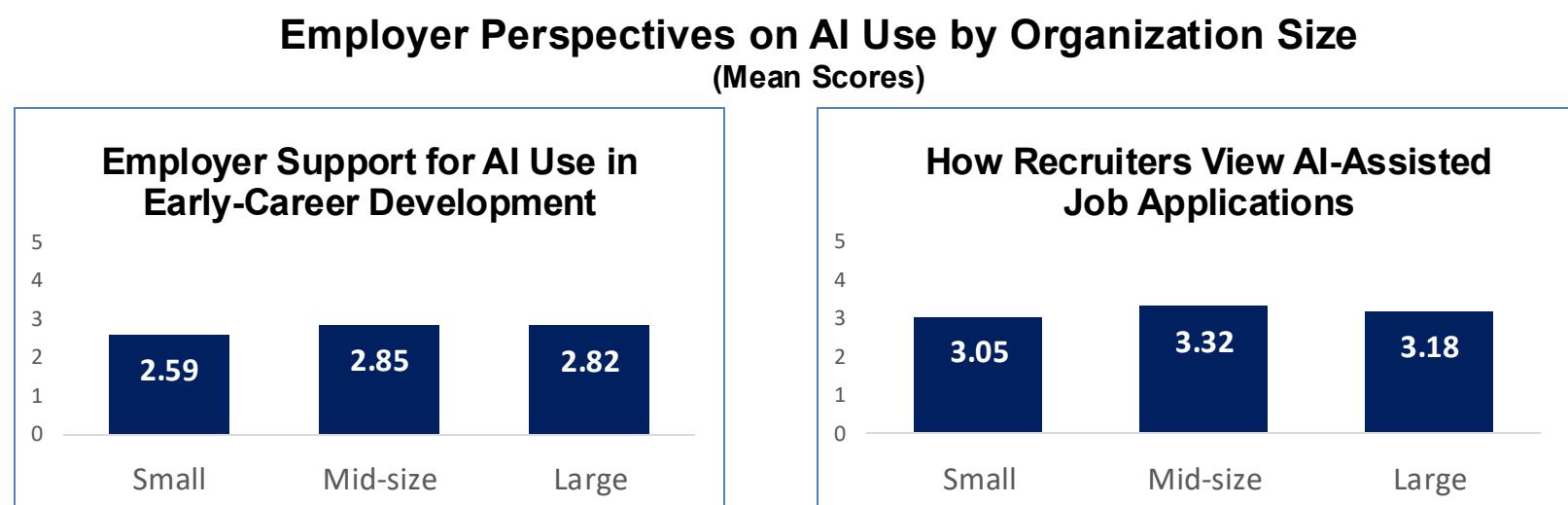
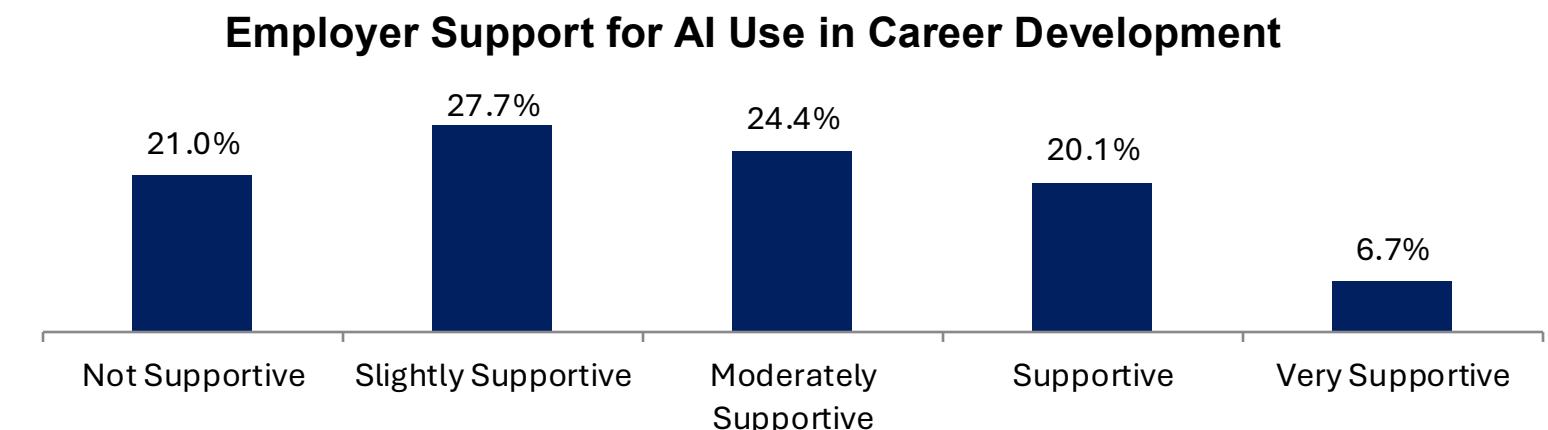
Work Arrangements for Early-Career Roles



The Impact of AI on Recruitment Practices

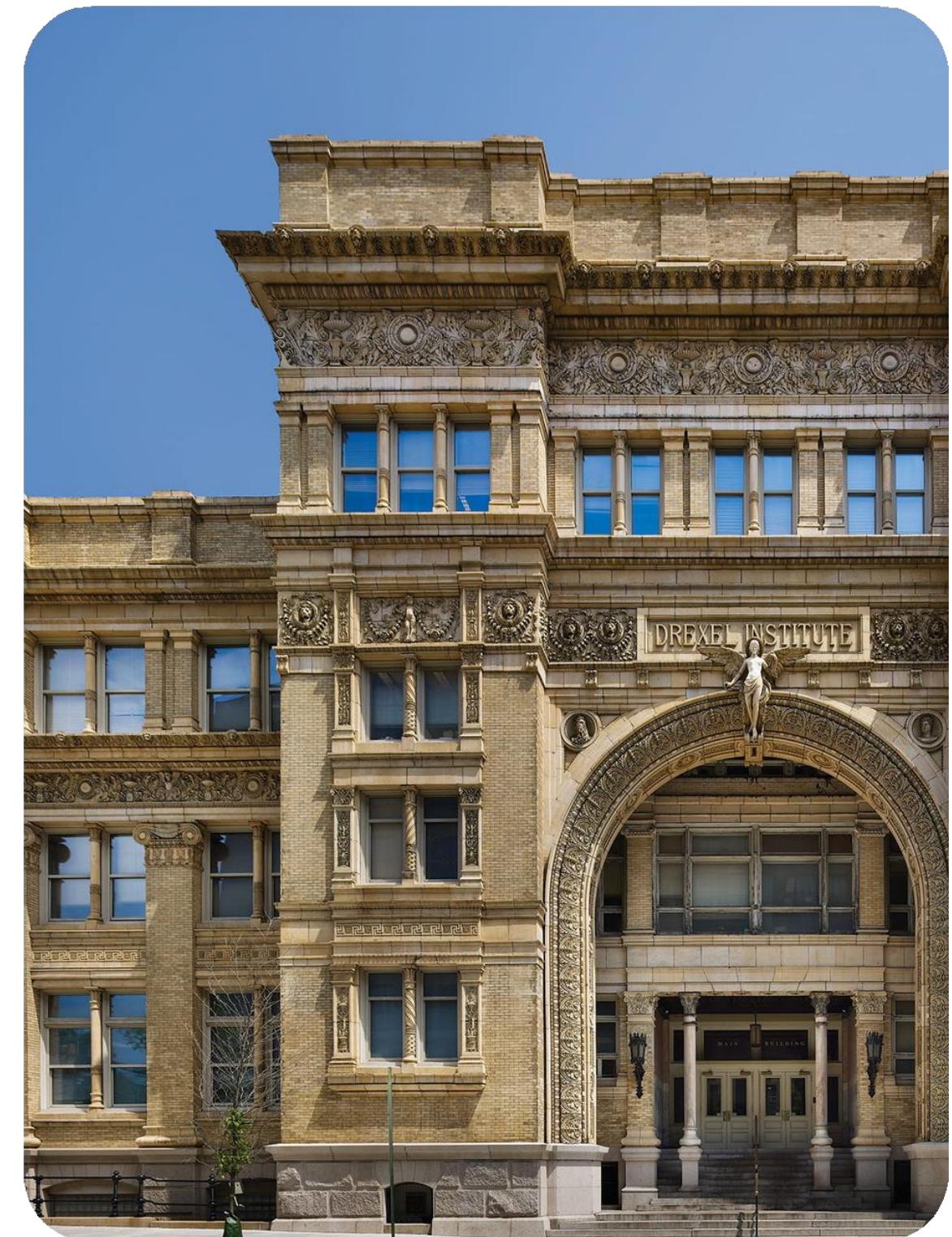
- Employer support for AI use in early-career and career development remains measured, with most organizations reporting slight to moderate support—reflecting cautious, early-stage adoption across organization sizes.
- Mid-size organizations express slightly higher openness to AI-assisted job applications compared to small and large employers, though differences remain modest.
- Recruiters generally distinguish between acceptable uses of AI for preparation and unacceptable uses for direct applicant communication, reinforcing expectations of applicant authenticity and ownership of materials.
- Most employers support AI as a tool for skill-building and preparation, while discouraging over-reliance or AI-generated materials that obscure an applicant's true capabilities.

Note: Mean scores are reported on a 1–5 scale, where higher values indicate greater support or openness.



Conclusion

- The 2026 College Hiring Outlook reflects an early-career labor market shaped by prolonged economic uncertainty and cautious workforce planning.
- Employer optimism has declined to its lowest level in more than a decade, leading organizations to prioritize stability, role readiness, and operational efficiency over broad hiring expansion.
- Early-career hiring remains active but increasingly selective, with meaningful variation by industry, organization size, and geography.
- Internships and co-op programs continue to serve as critical pipelines, functioning as evaluation and screening mechanisms rather than guaranteed pathways to full-time employment.
- Compensation practices remain largely stable, with targeted adjustments and a continued emphasis on in-person and hybrid work to support mentorship and skill development.
- Employers show cautious openness to AI in career development and recruitment preparation, reinforcing expectations of authenticity, demonstrable skills, and applicant ownership.
- Overall, success in the current college labor market depends less on volume hiring and more on alignment between academic preparation, applied experience, and evolving employer expectations.



Next Steps for Stakeholders



For Colleges & Career Advisors

- Strengthen alignment between curricula and employer expectations by emphasizing applied skills, experiential learning, and professional readiness.
- Expand and deepen internship, co-op, and project-based learning opportunities as key pathways to early-career employment.
- Provide clear guidance on ethical, effective AI use in career preparation, emphasizing authenticity, skill development, and responsible application.



For Employers

- Continue investing in structured early-career training programs to support selective, performance-based hiring.
- Leverage AI in recruitment and career development while setting transparent expectations around acceptable AI use for candidates.
- Balance in-person, virtual, and hybrid recruiting strategies to maintain access to diverse and qualified talent pools.



For Students

- Prioritize development of applied technical skills, professional competencies, and self-management capabilities.
- Actively engage in experiential learning, internships, projects, and targeted upskilling opportunities to demonstrate readiness.
- Use AI responsibly as a preparation and learning tool, ensuring materials authentically reflect individual skills and experiences.

How to Interpret This Report

- The findings provide directional insights into early-career hiring trends for 2026. Results are intended to inform advising, program planning, and employer engagement, rather than serve as precise forecasts.
- All findings reflect employer hiring intentions at the time of data collection. While some organizations may adjust plans later in the academic year, responses point to a more cautious environment for graduates entering the labor market in summer and fall 2026.
- When benchmarking results, this report should be used alongside other national and regional datasets.

Presenting This Report

- Organizations interested in hosting a presentation of this report (in-person or virtual) may contact Murugan Anandarajan (ma33@drexel.edu).
- Media inquiries should be directed to Annie Korp, Drexel University News and Media Relations (amk522@drexel.edu).
- Institutions and employers interested in participating in or supporting the 2027 College Hiring Outlook may contact Cuneyt Gozu (cg624@drexel.edu).

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