

## THIS WEEK

# Give Youth an AI Chance

*A Stanford study confirmed what many young workers already feel. The question now is whether business leaders will respond or look away.*

In August 2025, economists at the Stanford Digital Economy Lab published one of the most significant labor market studies of the AI era. Using payroll data from Automatic Data Processing (ADP) covering millions of American workers, they tracked what had happened to employment since the launch of large language models in late 2022.

The headline number: workers aged 22 to 25 in the fields most exposed to AI saw a **13% decline in employment**. In software development, entry-level employment fell 20% from its 2022 peak. In customer service, nearly 11%. These are not projections. This has already happened.

**The strategy we always suggest to companies is: Try to optimize but do not lose your corporate culture and history. Automate processes so that your employees become more productive and happier and motivated to "grow the pie". Trust them and they will figure out how. Don't be a Block.**

What makes the finding particularly important is what did **not** happen. Older workers in the same fields were not hurt. Employment for workers aged 30 and over in high-AI-exposure roles grew between 6% and 9%. Lead researcher Erik Brynjolfsson of Stanford explained: AI is trained on the kind of book knowledge young people build at university. It is not yet good at the judgment and experience older workers have spent a decade building. The result is that AI is replacing the entry point to a career, not the career itself.

## THE PIPELINE PROBLEM

When companies stop hiring at the bottom, they hollow out the pipeline. The junior analyst of today is the senior manager of 2032. IBM (International Business Machines) chief human resources officer Nickle LaMoreaux announced in February 2026 that IBM would triple its entry-level hiring in the US, including for software developers and the jobs "we're being told AI can do." Her argument: "The companies three to five years from now that will be the most successful are those that doubled down on entry-level hiring in this environment." IBM has rewritten those roles so junior developers spend less time on routine coding and more time working with customers. AI does the repetitive work. Humans do the work that matters.

## TWO COMPANIES SHOWING THE WAY

**Box**, a cloud software company serving more than 65% of the Fortune 500, told The New York Times it has never conducted broad-scale layoffs and has created entirely new job categories since integrating AI, including AI model evaluators and automation engineers. CEO Aaron Levie: when AI makes teams more productive, companies can pursue markets that were previously out of reach. New markets mean new roles.

**Schneider Electric**, a French energy company with 160,000 employees worldwide, cut manufacturing waste by 73% at one factory using AI with zero layoffs. AI handles documentation searches and routine tasks. People handle the judgment calls. In Q4 2025, AI resolved 75% of straightforward customer questions in their call centers, freeing agents for complex work.

**The question for every leader reading this is simple: Will you show that you are on the right side of history?**

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We publish this report every Tuesday. Our proprietary automation scoring evaluates job description task lines across multiple dimensions to identify where the automation gap is largest and where fractional AI talent delivers the fastest return.

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Weekly role velocity and automation gap analysis

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