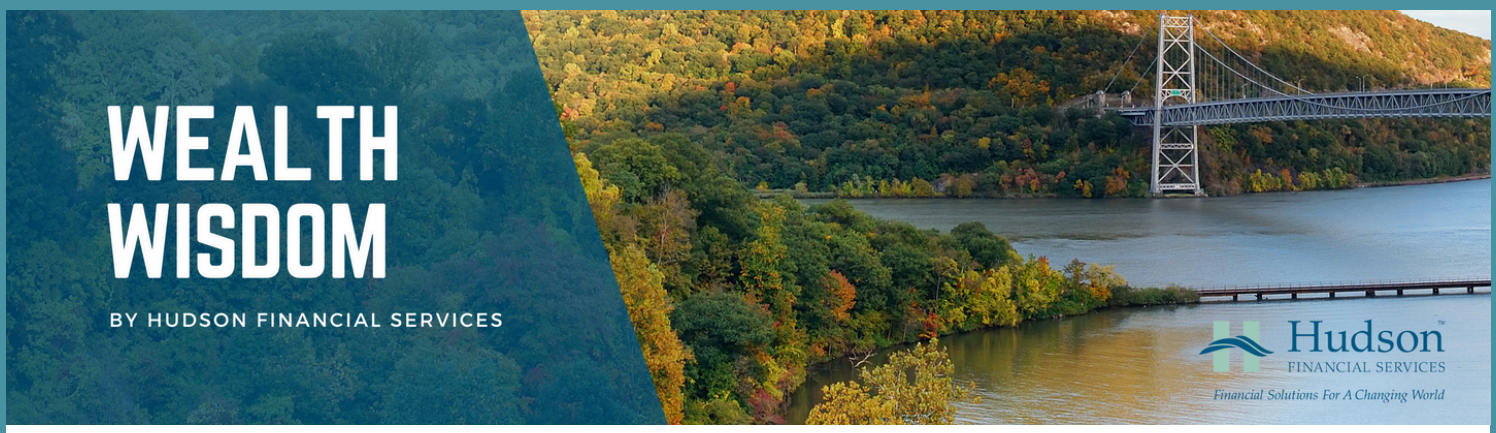
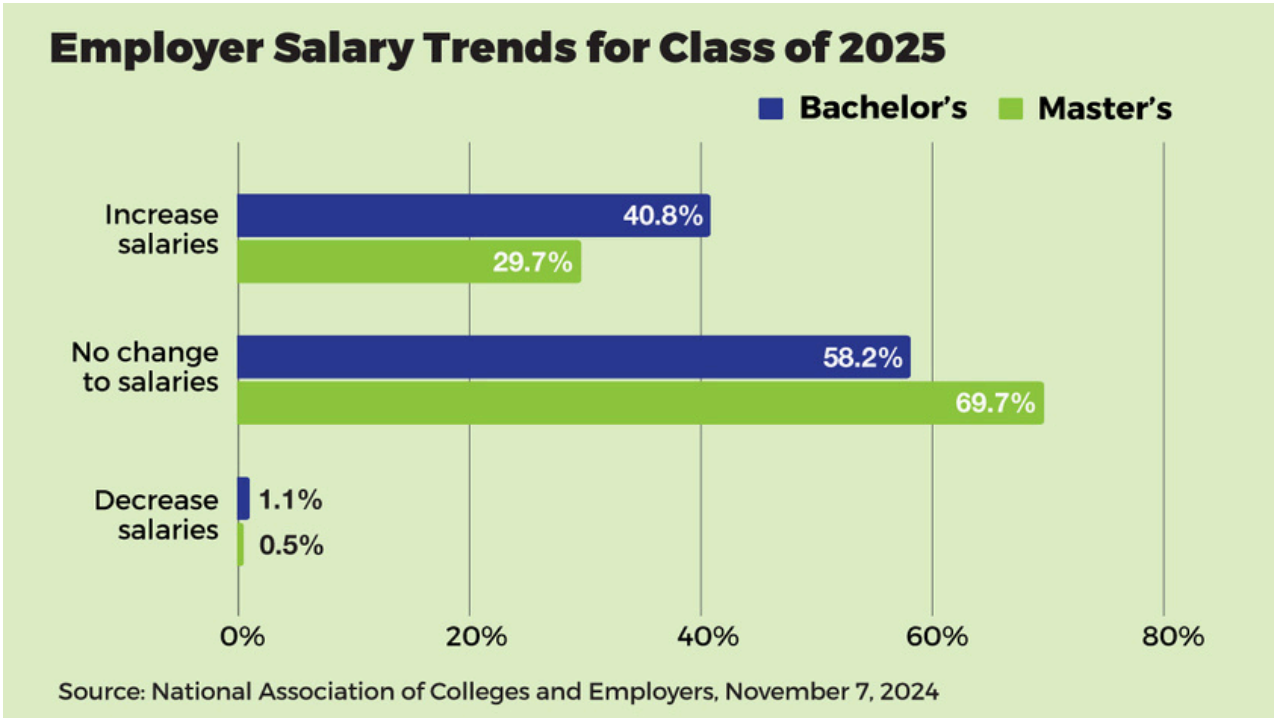


What's the Job Market Look Like for 2025 Graduates?

May 2025

It's graduation season...

A time of celebration and new beginnings. For families with college seniors, this time can bring both excitement and uncertainty. While some graduates have jobs lined up, many others still are navigating job searches anxiously.



Their Major May Not Matter as Much as Their GPA

When asked which majors employers are looking for when hiring recent graduates, 51% said they hire in majors that are exclusive to their industry and other majors that fall outside their industry. Only 23% say they're hiring only in majors exclusive to their industry, slightly less than those who don't look at the graduate's major.[1]

Even though hiring managers may not look too closely at an applicant's major, in a competitive marketplace, grades do matter. More of these managers say they're looking at grades, with 47% of respondents indicating they'll screen by GPA. That's up from 38% in 2024.[1]

Which Industries Are Hiring?

At the start of the year, the Federal Reserve projected the unemployment rate to be 4.3% by the end of 2025. This trend reflects steady job growth, even as the economy faces a variety of headwinds, as well as global uncertainties.[2]

Until recently, working for the government was a potential career path. In 2023, 25% of all jobs created were in the government sector. With the current administration looking to downsize the federal workforce from its current 3 million employees, getting a job in a federal agency might not be as easy as it once was.[3, 4]

The timing of the downsize may add competition for 2025 college grads. Corporate and private-sector employers may use this opportunity to tap into recently displaced individuals with regulatory, compliance, and administrative experience. However, challenges for employers may lie in bridging the gap between federal experience and private-sector expectations by identifying transferrable skills, modernizing technical skills, and adapting to a vastly different work culture. Hiring straight out of college may be a better option for some because they would be starting with a clean slate.[4]

While there are signs that employment will hold steady in 2025, not all industries move in tandem. Certain technology-related professions continue adding workers, even though others have experienced layoffs. Healthcare is also a driver of job growth thanks to an aging population and greater demand for services.[5]

What Are Some of the Top Careers for 2025 Grads? [5]

1. Software Developer
2. Healthcare Professionals (Nurses, Doctors, Therapists)
3. Data Scientist/Analyst
4. Cybersecurity Specialist
5. Environmental Scientist
6. Marketing Manager (Digital Marketing)
7. Artificial Intelligence Specialist
8. Human Resources Specialist

Top Careers for Graduates in 2025

Career	Job Responsibilities	Job Outlook	Key Skills Needed
Software Developer	Develop and maintain software programs	High demand in tech	Programming, problem-solving
Healthcare Professionals	Provide medical care and treatment	Growing due to aging population	Medical knowledge, empathy
Data Scientist/Analyst	Analyze data and generate insights	High demand across sectors	Data analysis, coding
Cybersecurity Specialist	Protect networks and systems	Strong growth in security sector	Network security, IT skills
Environmental Scientist	Research and promote sustainability	Growing focus on sustainability	Analytical skills, environmental knowledge

Source: Palcaus, January 17, 2025

This year's graduates are entering the workforce amid expected adjustments as companies and entire industries navigate the evolving economic environment. As technological advancements powered by artificial intelligence (AI) reshape the world, many companies are assessing how they'll integrate this new technology into their operational strategies. As AI increases in efficiency, it may decrease the need for specific jobs, including some entry-level ones that typically would go to college graduates. This trend goes beyond the tech industry, impacting sectors such as automotive, retail, and finance, among others––all of which are seeking to remain competitive in a fast-moving environment.

Whereas in the past, automation could reduce blue-collar jobs, AI-enabled automation is affecting white-collar positions for which recent college grads usually would be in line. Graduates need to be prepared for new competition from AI.

Skills-based Hiring

Technology will continue to disrupt industries, leading to a growing demand for new skills among workers, including those graduating this year. Businesses looking to succeed long-term are starting to adapt, embrace change, and focus on employees' ability to perform tasks effectively. It's the focus of a new trend ––"skills-based hiring."

Skills-based hiring emphasizes capability over credentials, flexibility rather than rigidity, and merit instead of tradition. Skills-based hiring offers a solution by focusing the hiring process on specific skills that a candidate can bring to the table. In the changing landscape, someone skilled in problem-solving, collaboration, and continuous learning may be more valuable than one who possesses a particular degree or has worked in a specific industry for many years.[7]

This trend can be a double-edged sword for recent graduates looking to enter the job market. Earning a bachelor's degree has been viewed as the pathway to higher-earning careers and greater job prospects, but hiring managers increasingly are focusing on a student's learning and skills instead.

Companies still place value on college degree programs as a hiring credential. An October 2023 report from the National Association of Colleges and Employers finds that 70% of entry-level jobs require a bachelor's degree.[8]

More employers are screening applicants for skills gained in experiential learning settings, such as internships, making those summer internships in a student's junior and senior years more critical than ever.

When looking for new professionals, employers increasingly view skills as a predictive factor of career potential. When asked to rank which factors are the best indicators of the future potential of an entry-level candidate with no prior work experience, business leaders point to evidence of durable skills (22%) and understanding of the company's field (20%), according to a recent survey.[8]

However, this doesn't mean that college was a waste of time. Hiring managers may continue to prioritize candidates with a degree as a proxy for skills or experience needed.[8]

Increasing a Graduate's Chances of Getting Hired

Due to current headwinds, patience may be needed for a newly minted graduate's job search. Here are some suggestions that may be helpful in their journey to find their first "real" job:

Addressing the "Skills" Requirement

A college graduate may want to pursue some of the following to proactively gain work experience, develop their skills, and increase their marketability to potential employers while navigating their job search:

- Secure internships in their field of study or interest to gain valuable hands-on experience and help bridge the gap between education and employment.

- Engage in volunteer work to develop and demonstrate their skills, expand their network, and gain practical experience that can enhance their résumé.

- Take on part-time jobs, even if not directly related to their field, to help develop transferable skills that hiring managers say they're looking for, such as communication, teamwork, and problem-solving.
- Pursue freelance projects or part-time work to build a portfolio and gain practical experience.
- Enroll in professional development courses or obtain certifications to enhance skill sets and make them more competitive in the job market.
- Build and leverage professional networks that may lead to opportunities for mentorships, apprenticeships, informational interviews, or short-term project work that can help them gain valuable experience.

A Well-written Resume

In a competitive job market for recent college graduates, having a well-written resume can be the difference between earning an interview offer and being overlooked, particularly now that many hiring managers are using AI-enabled tools to sort through resumes.

For recent college graduates, a resume is their first opportunity to demonstrate their qualifications to potential employers––a platform on which to showcase their academic achievements, extracurricular activities, relevant internship or part-time work experience, and skills.

An effective resume must showcase a candidate's strengths, experience, and education. Here are some elements to consider when creating a resume for a recent college graduate:[9]

- **Career Objective or Summary** – Write a short statement that outlines career goals and skills while highlighting strengths and what the graduate can bring to the table.

- **Education** – For a recent grad, the education section should be displayed prominently to highlight their academic achievements, including degree, major, minor, and any honors or awards.

- **Relevant Experience** -- Include relevant work experience, internships, or volunteer work.

- **Skills and Abilities** – List skills and abilities relevant to the position, including technical skills, language skills, and soft skills, such as leadership, teamwork, and communication.

- **Extracurricular Activities** – To stand out, include extracurricular activities that demonstrate leadership or teamwork skills.

To elevate the odds of a resume gaining further attention, a recent grad needs to put in some work, including careful research, preparation, and attention to detail in order to:

- Tailor their resume for the job they're applying for (don't just cut and paste).
- Understand the job requirements and company culture.
- Use keywords and action verbs that relate to the job requirements (and can get past the AI filter).

Showing Up Well

A report by Intelligent, an online magazine dedicated to student life, revealed that 38% of employers avoid hiring recent college graduates. Around 58% of managers, directors, and executives in the United States say this group of potential employees is unprepared for the workforce.[10]

A graduate may be able to increase their odds of success by addressing these critiques from this survey. Hiring managers said that young adults:[10]

- Fail to hold eye contact during job interviews
- Have unrealistic starting salary expectations
- Dress inappropriately for the interview
- Refuse to turn their cameras on during virtual calls
- Sometimes, they bring their parents to interviews

These behaviors are easy to fix and may give graduates a leg up against the competition.

Going Where the Jobs Are

While different areas of the country are known for specific job opportunities, the ADP Research Institute created a list in 2024 of the best (and worst) places for young graduates to start their careers. For its ranking, researchers examined ADP data on more than 4 million 20- to 29-year-olds at more than 27,000 U.S. employers from January 2019 through April 2024, examining a combination of wages, affordability, and robust hiring. Here are the results:[11]

Top 10 Best Cities for New Graduates

1. Raleigh, North Carolina
2. Baltimore, Maryland
3. Austin, Texas
4. Atlanta, Georgia
5. Charlotte, North Carolina
6. New York, New York
7. San Francisco, California
8. Cleveland, Ohio
9. Nashville, Tennessee
10. Indianapolis, Indiana

Top 10 Worst Cities for New Graduates

1. Rochester, New York
2. Virginia Beach, Virginia
3. New Orleans, Louisiana
4. Fresno, California
5. Portland, Oregon
6. Oklahoma City, Oklahoma
7. Hartford, Connecticut
8. Memphis, Tennessee
9. Seattle, Washington
10. Salt Lake City, Utah

How Close Is Too Close?

With rising living costs, many recent graduates are choosing to move back in with family after college. According to a 2023 Pew Research study, about a third of young adults ages 18 to 34 live at home with their parents.[12]

Why Are Adult Children Living at Home in Greater Numbers?

Demographics play a role. People marry and have children later, making them less likely to leave the nest. Pew's research found that only 29% of young adults are now married, as opposed to 50% in 1993.[12]

Student loan debt could also be partly responsible for the growth in young adults living at home. Some millennials and Gen-Z'ers today face higher debt burdens than previous generations, making it more difficult to pay rent after loan payments each month.

Housing is another stumbling block. While homeownership might be possible for young adults working in smaller cities, getting a down payment together may take years for those living in the largest metro areas.

Making a Cohabitation Plan

If you're welcoming a college graduate back into your home while they get back on their feet, you should decide on a plan to ensure that you're all on the same page on expectations about the basics, including:

1. **Handling Rent and Other Expenses -** Lay out which expenses your child will be responsible for and which you'll help with. Include items such as car insurance, cell phone bills, and groceries. If your adult child doesn't have money to contribute, consider nonfinancial ways to chip in to make the relationship feel more balanced.
2. **Make a move-out plan -** Have a conversation about an eventual plan for your child to move out and find their own place. Start by examining your child's finances and having them set some financial goals. Write out a clear timeline and contingency plans if they don't reach these goals as soon as possible.
3. **Searching for a Job** - The key to moving out fast is finding a solid first job. Your child should set goals around how many hours a day they'll spend on the job search. Many job-finding programs and boot camps are designed for first-time job seekers.
4. **Dealing With Student Loans -** It's also essential to manage student loan repayments. Have your child devise a repayment plan and budget to pay off their student loans at a reasonable rate. A solid track record of on-time payments may help them build a good credit score.
5. **Planning for Future Independence -** While your child is at home, you should help them prepare for future independence. Budgeting, bill paying, and savings are all crucial skills they need to know before getting their own place.

Navigating the Post-college Job Search

The job market is in constant flux and is impacted by many factors, from economic to cultural to political. Based on the current environment, those in the Class of 2025 are in better shape to land that first job than some previous graduates. However, the job market is competitive, and success can depend on a mix of attributes, including major, grades, and skills. It also can come down to timing, network connections, and some luck.

Congratulations to all of the 2025 college graduates! We wish them all the best. If you know anyone graduating this year, feel free to share this with their family. If you or anyone you know would like to discuss any aspects of this blog, feel free to reach out to our team anytime.

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