NAVIGATING THE **EXPERIENCE GAP**

Work-based learning, professional development, and resilience in the age of AI



Overview

Artificial intelligence (AI) has reached an inflection point, rapidly transitioning from a nascent technology to a mainstream tool that has transformed how users access, analyze, and process information.

Yet while AI is streamlining access to information, it is simultaneously increasing the value of experience, professional judgment, and expertise. AI can rapidly generate large volumes of information, but users must be able to critically evaluate outputs to ensure accuracy, relevance, context, and appropriateness.

Many of the mundane tasks that AI automates have historically served as a foundation for building domain expertise. Increasing adoption of AI will make it more difficult for entry-level workers to build the professional judgment and critical thinking skills needed to thrive in an increasingly AI-powered world.

This creates new challenges for employers, educators, and workforce partners. Employers must balance the desire to capture AI's enterprise value with the need to invest in professional development, to ensure that their entry-level workers continue to have opportunities to learn, and advance, by doing.

Educators must prioritize the development of durable skills to support the resilience of this critical workforce, such as creativity, critical thinking, adaptability, and problem-solving.

Workforce partners must understand local context when making investment decisions, as AI impacts vary significantly by industry, by occupation, and by region.

Amidst these shifts, work-based learning will become increasingly valuable to long-term career advancement, providing students with opportunities to develop professional judgment and technical expertise that cannot be gained through classroom instruction alone.

Part 1

AI and the Increasing Value of Judgment

According to a 2026 report by the Society of Human Resource Management (SHRM), organizations implementing AI are prioritizing durable skills such as **critical thinking** and **judgment and decision-making** over the next five years, "competencies that determine whether AI output becomes a **strategic asset** or a **costly liability**."

While AI generates results rapidly at scale, humans will continue to play an integral role in interpreting its results to ensure that outputs are accurate, appropriate, and aligned with organizational goals.

According to a 2026 McKinsey report, the demand for AI fluency skills has increased by a factor of 11 since 2022, while demand for adaptability has increased by a factor of five and demand for resilience, curiosity, and willingness to learn has tripled.

Why Does This Matter?

McKinsey (2026) predicts a high level of automation-driven churn over the next decade, with **36 million jobs lost** and **40 million jobs gained**. Growth is primarily forecasted to be driven by buildout of the AI value chain and broad macroeconomic factors.

McKinsey further forecasts that roughly **7 percent of U.S. workers may need to transition to new jobs** over the next decade, and over 70 percent will require new skills as occupations and industries continue to transform. Thus, AI and automation are predicted to play an increasing role in workforce churn in the years to come.

Thus, a more nuanced assessment of the impact of AI adoption on workforce displacement would also suggest that increased AI use supports increased demand for uniquely human skills to effectively leverage the power of AI.

How Could AI Increase Demand for Human Labor?

Jevons Paradox describes the phenomenon whereby efficiency improvements lower the cost of consumption, driving growth in overall demand through **rebound effects.**

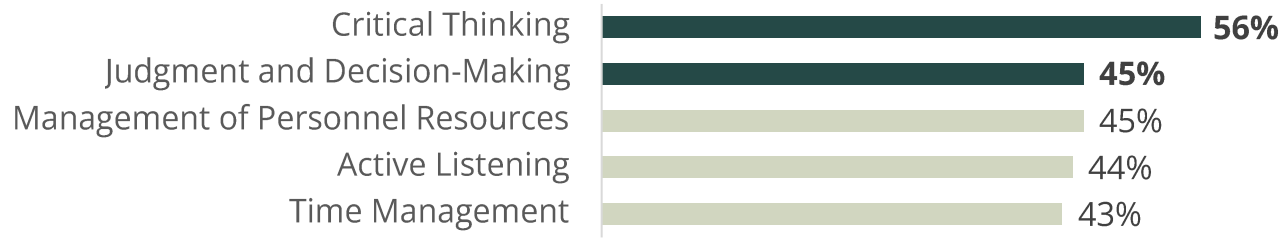
In the context of AI, Jevons Paradox suggests that in occupations with a high share of automatable tasks, worker productivity may rise sufficiently to drive an increase in demand for human labor, rather than widespread displacement.

Part 2

The Widening Experience Gap

AI has introduced significant noise into the hiring process. According to a 2026 Greenhouse report, 67 percent of HR leaders surveyed indicated that AI-assisted job applications slowed hiring, and 65 percent indicated that AI-assisted resumes made skills verification more difficult. Only one-third of employers were very confident that resumes accurately reflected candidates' skills.

Figure 1. Top skills to prioritize over the next five years, 2026. Source: SHRM



According to a 2026 study by Revelio Labs, **U.S. entry-level job postings have fallen by 35 percent** since 2023. Highly AI-exposed entry-level roles have exhibited the sharpest decline, with a 10 percentage point increase in AI exposure associated with an 11 percent drop in demand for entry-level roles and a **7 percent increase in demand for experienced hires**.

According to Deloitte's 2025 Global Human Capital Trends report, 61 percent of employers reported having increased experience requirements over the last three years. Most entry-level jobs now require a minimum of **two to five years of experience**.

The experience gap exacerbates hiring difficulties and continues to pose a conundrum for entry-level workers. Jobseekers cannot secure employment without sufficient experience but cannot acquire sufficient relevant experience absent employment.

Once employed, junior-level hires face **growing professional development challenges** due to AI. Historically, entry-level workers developed critical thinking skills and professional judgment through a gradual and iterative process based on the performance of routine tasks, coupled with feedback and guidance from mentors throughout the development process.

However, AI has enabled automation of many routine tasks, eliminating important opportunities for junior staff to develop critical thinking and professional judgment skills through the process of learning-by-doing.

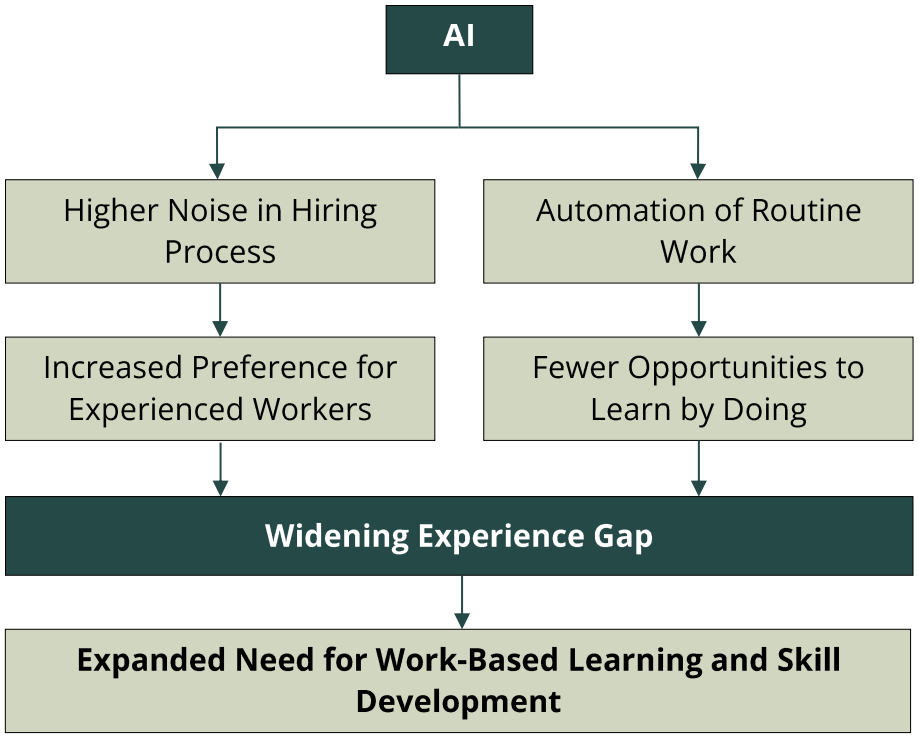
AI is thus exacerbating the experience gap through three distinct mechanisms:

- By introducing **increased noise into the hiring process** that biases employers toward experienced hires with demonstrated professional expertise.
- By **reducing demand for entry-level workers** by automating junior-level tasks.

- By **eliminating opportunities for professional skills development** for entry-level workers.

Figure 2 summarizes the impacts of AI on widening the gap between entry-level and more experienced workers.

Figure 2. How AI is widening the gap between entry-level and experienced workers



Part 3

Implications for Workforce Development

Given these challenges, students, jobseekers, and junior-level hires require increased support to bridge the growing experience gap.

Educators must find the balance between providing traditional classroom instruction focused on sharing technical information and fostering the development of foundational non-technical skills, such as critical thinking, adaptability, and problem-solving. Building and reinforcing the skills needed to thrive across a broad range of occupations can both support entry-level hiring and boost workforce resilience.

Workforce partners must prioritize investments in work-based and experiential learning opportunities, informed directly by that region, which develop professional skills beyond classroom-based knowledge acquisition, including:

- Internships
- Apprenticeships
- Job shadowing
- Cooperative education.

Employers must balance efficiency goals with the need for long-term professional development. Employers must continue to provide junior-level hires the opportunity to develop critical skills through learning-by-doing and should view human skill development as a complementary investment to AI adoption.

Why Does This Matter?

The World Economic Forum's 2025 Future of Jobs report found that the skills gap continues to pose the most significant barrier to business transformation, with 63 percent of employers citing it as their primary challenge and estimating nearly 40 percent of on-the-job skills changing.



Investments in AI upskilling further support broader enterprise goals surrounding innovation and productivity in the long term. According to a 2026 SHRM study, only 32 percent of organizations offered AI upskilling beyond basic compliance training.

By stopping short of providing training on how to effectively build AI fluency, these organizations fail to maximize workers' potential to effectively leverage AI to fuel further productivity gains.

Part 4

Lessons from California's South Central Coast

AI's impacts on the workforce are significant and far-reaching, including occupational transformation and increased churn, particularly in more automatable jobs.

However, AI impacts vary considerably by industry, by occupation, and by region. Regional context is thus imperative in developing effective workforce development strategies.

The investment framework developed for the South Central Coast[1] (SCC) Center of Excellence for Labor Market Research (COE) provides a model of context-driven educational planning designed to maximize workforce resilience.

A 2026 survey of SCC employers in five emerging sectors[2] revealed ongoing talent shortages amidst rising labor demand, with 67 percent of sector employers forecasting three-year job growth and 38 percent citing workforce

Bridging the Gap

Stakeholder interviews provided real-world examples of entry-level talent deficiencies due in part to the widening experience gap.

Approximately 90 percent of employers surveyed expressed interest in partnering with community colleges to support work-based learning and/or job readiness programs to help address this challenge.

[1] The South Central Coast region spans Santa Barbara, San Luis Obispo, Ventura, and northern Los Angeles Counties.

[2] The California Jobs First priority sectors included Aerospace & Defense, Clean Economy, High-Tech, Life Sciences, and Working Lands and Water.

attraction and retention as their most pressing challenge.

Employers also reported rising levels of **occupational churn**, driven in part by AI; and a growing need for workers equipped with AI and digital skills fluency, critical thinking, and problem-solving skills.

These findings suggest that within these growing sectors in the South Central Coast region, AI's primary impact is in rapidly **redefining skills requirements** rather than displacing workers. This underscores the importance of timely labor market intelligence and employer input in guiding curriculum development to ensure continued alignment with local employer needs.

The SCC framework incorporated employer feedback from surveys and interviews with labor market information analysis to develop a **robust prioritization framework for curriculum investment** focused on durable investments in advancement pathways, transferable skills, job quality, and cross-sector demand.

Thus, with AI introducing high levels of uncertainty into how skills and occupations will evolve, investment priorities were selected based on their importance to sector growth and their ability to offer accessible advancement opportunities to high-wage jobs**.**

Conclusion

AI is fundamentally reshaping the labor market, raising the premium on uniquely human skills while widening the experience gap between entry-level and more experienced hires.

As demonstrated by the SCC framework, sustainable workforce development will depend on localized, data-driven strategies that prioritize durable skills that build AI fluency and critical thinking, skills that support workforce resilience and help entry-level jobseekers effectively bridge the experience gap.

- **Educators** must adapt traditional curricula to integrate AI and digital fluency skills and foundational competencies.
- **Employers** must invest in professional development and upskilling opportunities that foster the rising workforce, supporting long-term talent development and productivity growth.
- **Workforce partners** must invest in work-based and experiential learning programs that support building durable professional skills beyond what classroom instruction alone can provide.

BW Research continues to explore the following questions:

1. How can educators and workforce partners better understand the workforce impacts of AI across regions and industries to inform localized strategies?
2. How can educators, workforce partners, and employers expand access to high-quality advancement pathways for entry-level jobseekers, given the widening experience gap?
3. How can employers support workforce resilience through professional development?
4. How can jobseekers identify durable skills that support career advancement in a dynamic labor market characterized by high churn?

References

Center of Excellence for Labor Market Research. South Central Coast Regional Investment Framework for Priority Sectors. California Community Colleges, August 2026. https://coeccc.net/south-central-coast/2026/08/south-central-coast-regional-investment-framework-for-priority-sectors/.

Deloitte. 2025 Global Human Capital Trends: Turning Tensions into Triumphs; Helping Leaders Transform Uncertainty into Opportunity. Deloitte Insights, 2025. https://www.deloitte.com/us/en/insights/topics/talent/human-capital-trends/2025.html.

Greenhouse Software. 2026 Greenhouse Future of Hiring Candidate Report. October 20, 2026. https://www.greenhouse.com/newsroom/6-in-10-job-seekers-are-rethinking-how-they-write-to-avoid-sounding-like-ai-even-as-most-use-it-in-their-search.

Ramírez, María Jesús, Kweilin Ellingrud, Tanguy Catlin, Diego Castresana, and Anna Kortis. Workforce in Motion: Skills and Pathways to Future Jobs in the United States. McKinsey Global Institute, September 29, 2026. https://www.mckinsey.com/mgi/our-research/workforce-in-motion-skills-and-pathways-to-future-jobs-in-the-united-states.

Rosalsky, Greg. "Why the AI World Is Suddenly Obsessed with a 160-Year-Old Economics Paradox." NPR. February 4, 2025. https://www.npr.org/sections/planet-money/2025/02/04/g-s1-46018/ai-deepseek-economics-jevons-paradox

SHRM (Society for Human Resource Management). 2026 Learning and Development Executives Benchmarking: Developing Critical Talent. 2026. https://www.shrm.org/topics-tools/research/2026-ld-executives-benchmarking--developing-critical-talent

Simon, Lisa K. "Is AI Responsible for the Rise in Entry-Level Unemployment?" Revelio Labs. Last modified November 11, 2026. https://www.reveliolabs.com/news/macro/is-ai-responsible-for-the-rise-in-entry-level-unemployment

World Economic Forum. "Future of Jobs Report 2025: 78 Million New Job Opportunities by 2030 but Urgent Upskilling Needed to Prepare Workforces." Press release, January 7, 2025. https://www.weforum.org/media/future-of-jobs-report-2025-78-million-new-job-opportunities-by-2030-but-urgent-upskilling-needed-to-prepare-workforces.

[bw] RESEARCH PARTNERSHIP

BW Research Partnership translates complex labor market data into actionable regional workforce strategies. We help educators, employers, and workforce partners make informed decisions through timely, localized market intelligence.

Learn more at bwresearch.com.