

Artificial Intelligence Drives Sharp Decline in UK Job Openings

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— Categories: Economics



Artificial intelligence is already reshaping the British labour market, with a notable decline in job openings for roles most vulnerable to automation, according to a new report. The trend is deepening the nation's hiring slowdown as businesses rethink recruitment strategies in the face of uncertain economic conditions.

A recent study by consulting firm McKinsey & Company has found that the overall number of online job postings in the United Kingdom dropped 31 per cent in the three months leading up to May 2025 compared to the same period in 2022. While the downturn reflects broader

economic pressures such as weak growth and high interest rates, the most dramatic drop has been in roles expected to be significantly impacted by artificial intelligence.

Job listings for white-collar positions in sectors like technology and finance, where artificial intelligence is expected to automate many tasks, have fallen by 38 per cent, nearly twice the rate of the overall decline. Positions including programmers, management consultants, and graphic designers have seen demand decline by over 50 per cent in the past three years, the report noted.

According to Tera Allas, a senior adviser at McKinsey & Company, companies are pausing recruitment to reassess workforce needs in anticipation of future productivity gains driven by artificial intelligence. “The anticipation of significant – albeit uncertain – future productivity gains... is prompting companies to review their workforce strategies and pause aspects of their recruitment,” Allas said.

Data from job-search site Indeed supports the findings. Dr. Pawel Adrjan, director of economic research for Europe, the Middle East and Africa at the Indeed Hiring Lab, pointed out that employers are increasingly cutting back hiring for roles involved in building or using artificial intelligence tools. Mathematics-related vacancies, which often include data science and analytics roles and typically mention artificial intelligence, are now nearly 50 per cent lower than pre-pandemic levels.

In contrast, sectors like real estate and education, which rarely reference artificial intelligence in job descriptions, have continued to show modest growth. This split underlines how the shift towards automation is not being felt evenly across the economy.

Entry-level jobs are also feeling the pressure. According to figures from job platform Adzuna, postings for apprenticeships, internships, and junior roles with no degree requirements have declined by nearly a third since the launch of ChatGPT, an artificial intelligence chatbot developed by OpenAI in November 2022.

James Neave, head of data science at Adzuna, noted the added burden on younger job seekers: “The rapid rise of artificial intelligence is adding pressure on young job seekers, who are still in the grip of the Covid-19 aftermath, marked by inflation, economic headwinds and low business confidence.”

As artificial intelligence tools become more widespread and capable, British employers are adjusting their recruitment priorities. While innovation remains essential for competitiveness, this early data suggests that the technology is already disrupting employment trends, particularly in white-collar and entry-level sectors, before the full extent of its impact has even arrived.

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