AI as a Competitive Edge

Embedding AI literacy as a foundational element of higher education offers clear benefits. Still, many schools are moving slowly to adopt AI as a significant, institution-wide learning goal or outcome.

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AI is a massive market opportunity, and is a foundational expectation in the workforce.

This white paper—**AI as a Competitive Edge**—offers a timely and crucial examination of the rapidly increasing significance of artificial intelligence within the contemporary workforce and its profound potential, particularly as it relates to higher education. The report illustrates that these changes in the labor market call for shifts at higher education institutions, namely, that institutions ought to integrate AI literacy or fluency as a core component of their curriculum for students regardless of major.

The findings are clear: AI adoption in corporate environments is accelerating at an unprecedented pace, thereby generating substantial demand for college-educated professionals that are not only AI-aware, but are AI literate and AI fluent. Employees across industries are acutely aware of this trajectory, and many are already seeking out training and education to close the gap. Yet higher education, the nation's primary engine of workforce preparation, has been slow to respond at scale.

The imperative is no longer a future consideration, but a current reality. In order to produce the outcomes prospective students demand, AI must be a foundational part of the undergraduate experience.

The Market Signals are Clear

The market for AI training and education is worth $4.4B.

Rapid increases in the enterprise adoption and personal utilization have spurred rapid growth in the percentage of jobs requiring AI skills. Industry sources indicate that demand for AI services and solutions will grow **5X faster** than the aggregate U.S. economy over the next five years, compounding the need for these skills. As it stands, almost **one-in-twenty** job postings for college graduates require AI skills, and 33% of the college educated workforce is already using AI.

AI is a massive, generational labor market opportunity that is rapidly becoming a foundational expectation for workers

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The market for AI is large and growing at an astonishing rate.

The market for AI in the U.S. is worth **$201B** in 2026 and will grow at a **19.8% CAGR** through 2031 when the market will be worth **$497B**.

Employers are more fully embracing AI.

Enterprise AI adoption and individual usage of AI tools is rapidly growing. Enterprise adoption grew from **50%** of businesses in 2022 to **88%** in 2025.

AI is becoming a foundational expectation among hiring managers.

Job postings requiring AI skills grew at a **17.8% CAGR** from 2014 to 2024. Now, almost **one in twenty** job postings for college graduates requires AI literacy.

The $200B AI Market in the US

> **The market for AI in the United States is worth an estimated $201B in 2026, by 2031 this market will be worth $497B.**

As it stands, the market for Artificial Intelligence in the United States is worth more than **$200B** as of 2026. This market is projected to grow at a **19.8% CAGR** over the next five years, when the market will be worth **$497B**. This explosion in demand will drive the market for AI training and education to grow even faster, at a **36.8% CAGR**, from **$4.4B** in 2026 to **$21.1B** in 2031.

Over the next five years, the market for AI is projected to grow ~20% annually to almost half a trillion dollars

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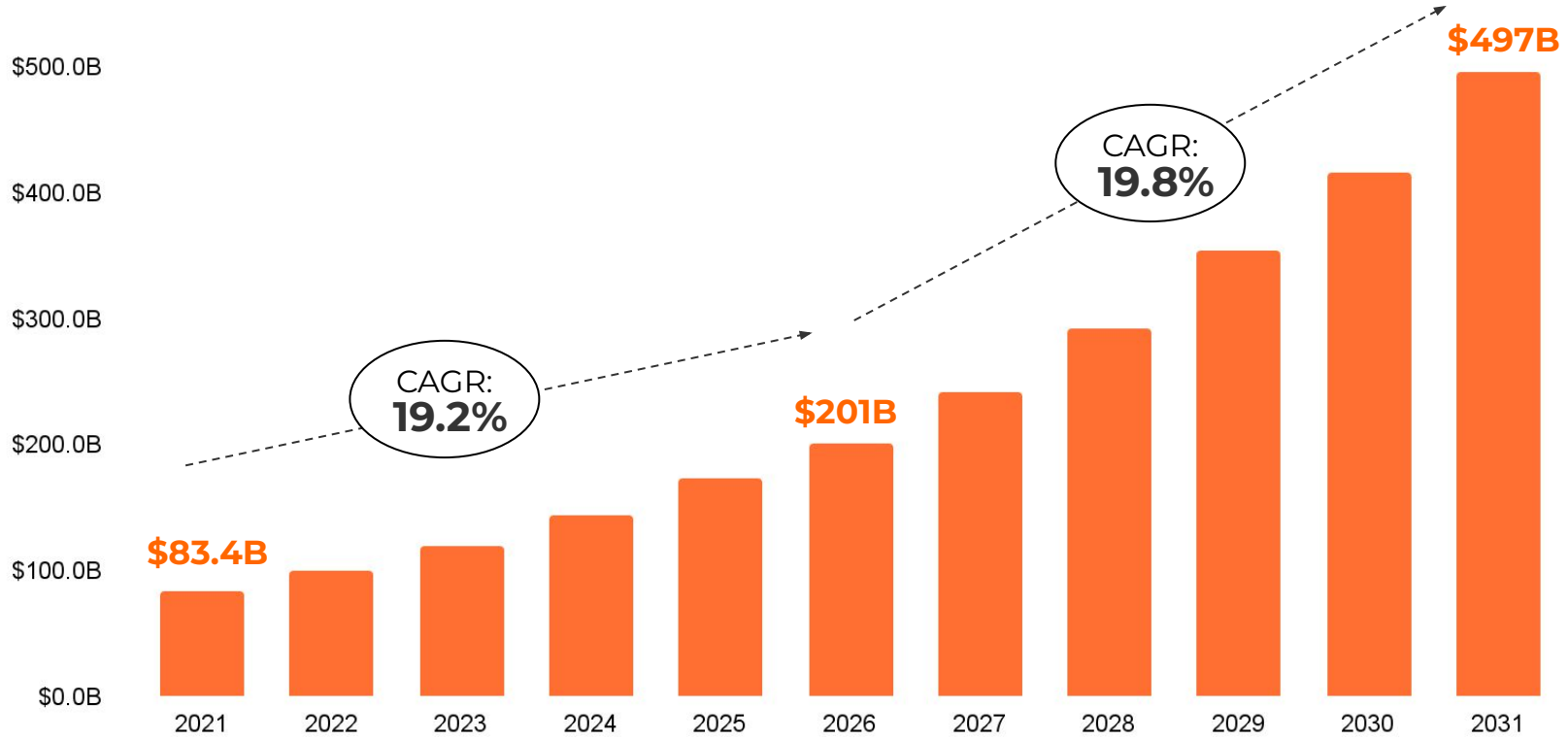
The Size of the Artificial Intelligence Market in the United States from 2021 to 2031



Source(s): Fortune Business Insights, Precedence Research

The rapid growth in the size of the AI market is projected to drive even faster growth in the market for AI education

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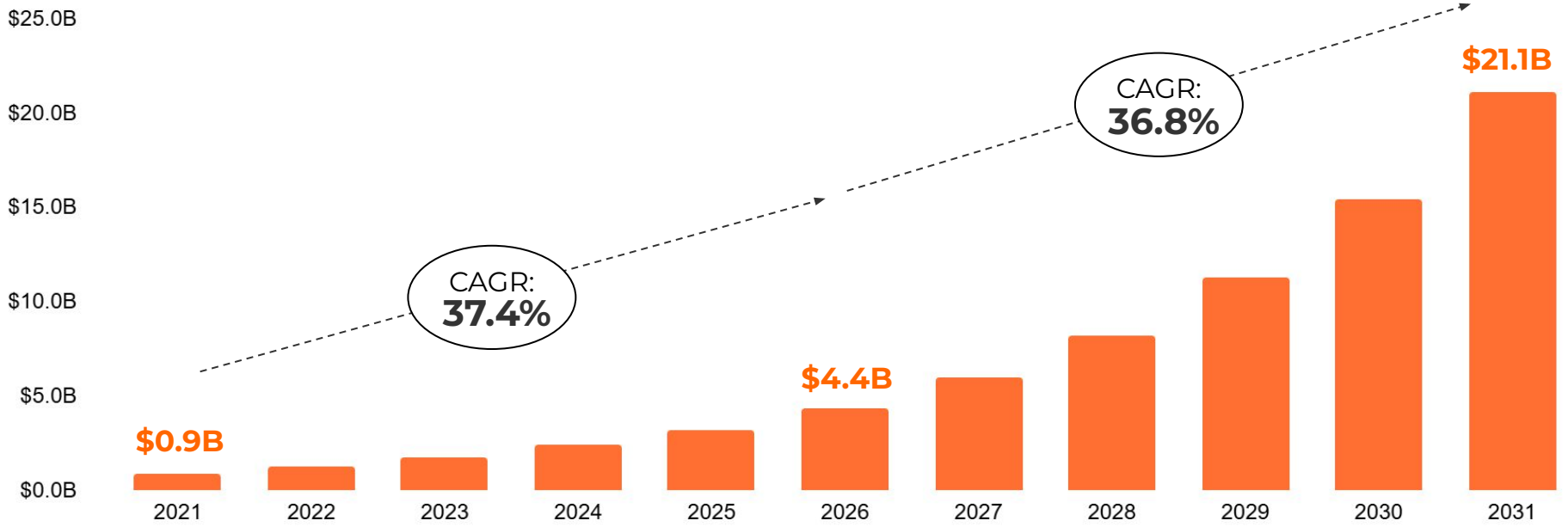
The Size of the Artificial Intelligence Education Market in the United States from 2021 to 2031



The **36.8% CAGR** projected for AI education/training is more than **3.5X faster** than the market for higher education is projected to grow.

Source(s): Markets.us

AI Usage Continues to Surge

As of 2025, 88% of companies in the United States are using AI.

From 2023 to 2025, the share of companies utilizing AI grew **60%**, from **55%** to **88%**, the percentage of workers utilizing AI at work grew **109%** from **11%** to **23%**, and the share of job postings requiring AI skills grew **92%**, from **1.3%** to **2.5%**. In addition to the growth in hiring, the earnings premium for having AI skills is also growing.

Job postings requiring AI skills grew 18% annually over the past decade; AI skills are now in almost 2% of all job postings

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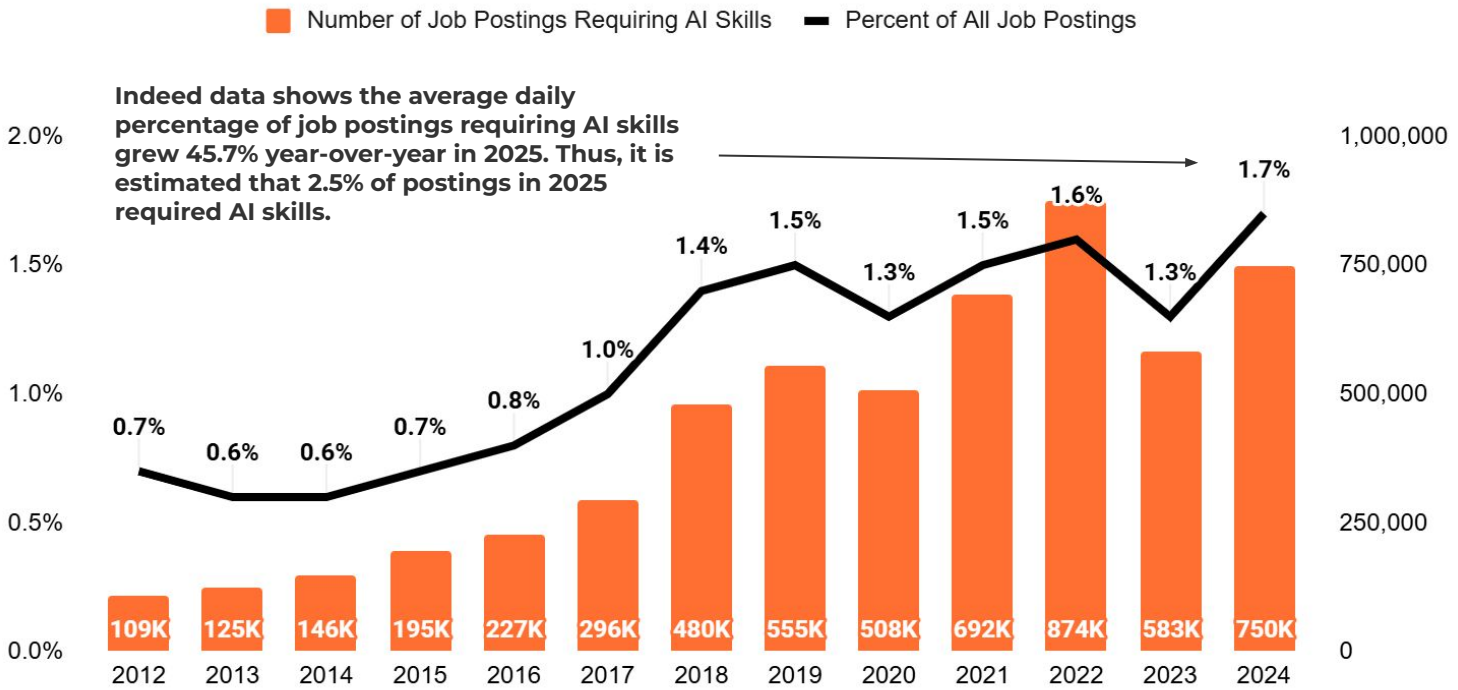
The Number of Job Postings Requiring AI Skills and Percent of All Job Postings Requiring AI Skills



Office

Microsoft Office, first launched in 1990 and long considered the standard toolset necessary for knowledge work in the United States, was requested in **8%** of all job postings in the United States in 2024 - **34 years after launch**.

By comparison, **less than two years after the launch of ChatGPT**, AI skills grew to be requested in **almost 2%** of job postings.

Source(s): Federal Reserve Bank of Atlanta with Lightcast, Indeed, PricewaterhouseCoopers with Lightcast

After a period of stagnation, enterprise adoption, and individual utilization of AI is growing rapidly

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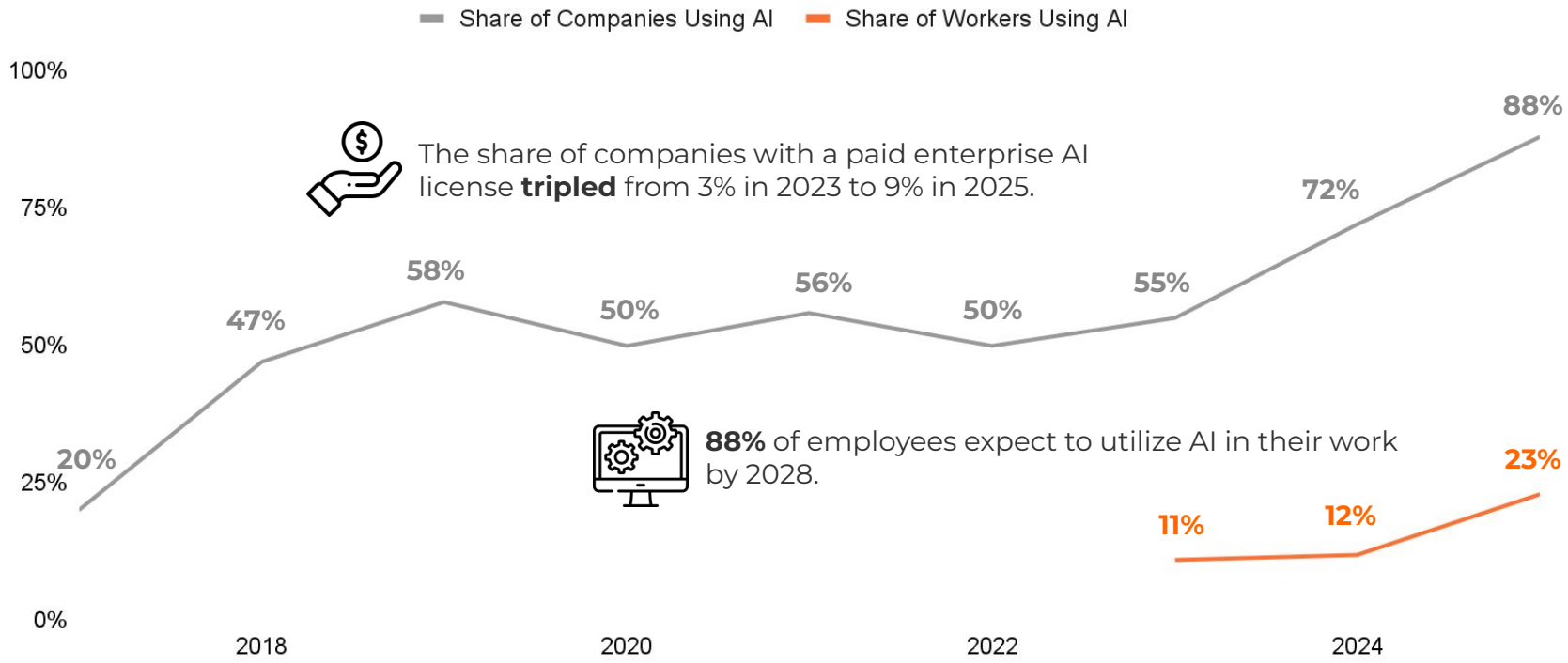
The Share of Workers and Companies Using AI by Year



Source(s): AWS, Gallup, McKinsey, Menlo Ventures

Employers pay significantly more for workers with AI skills, and the premium paid for having AI skills is growing

60% of executives say AI-focused roles at their organization will earn higher pay than comparable non-AI roles.

28%

Job postings that include AI skills command a salary **28% ($18,000) more** than job postings for the same role that don't include AI skills.

56%

+124%

2024 YoY Growth

The actual wages earned by workers with AI skills are **56% more** than workers in the same occupation without AI skills.

Source(s): Lightcast, Payscale, PricewaterhouseCoopers with Lightcast, Zapier

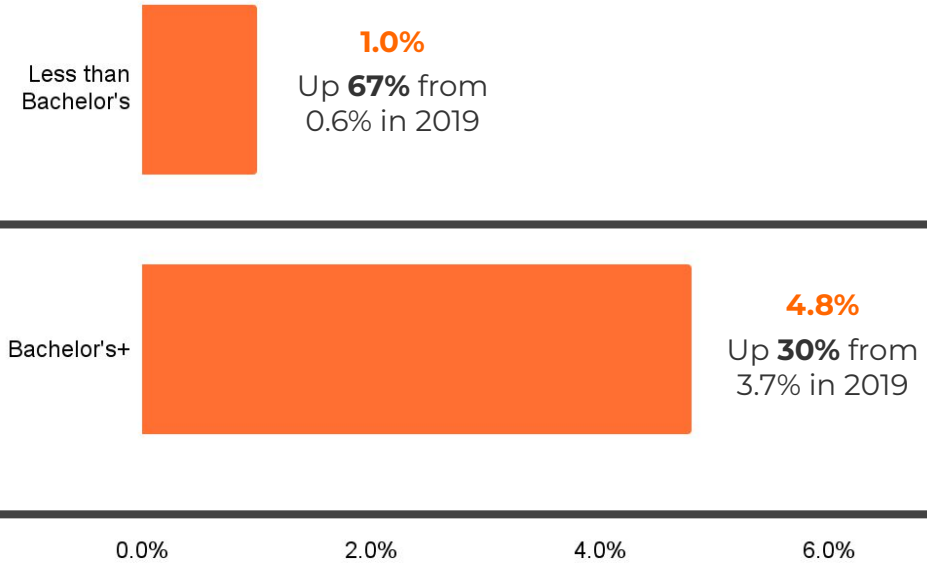
AI Demand is Highest for College Grads

> **74% of professionals think graduates should already have AI skills.**

While **74%** of professionals believe that recent graduates should have AI skills prior to entering the workforce, **31%** of companies report that they've had to retrain recent graduates due to their lack of AI fluency. The average cost to retrain these new graduates is **$4,500**.

AI utilization and the demand for AI fluency is highest in occupations that require a college degree

The Share of Job Postings Requiring AI skills by Required Educational Attainment (2024)



The Percent of Workers Using AI for Work by Educational Attainment (2024)

14% of those with less than a bachelor's degree use AI.

33% of those with at least a bachelor's degree use AI.

Source(s): Brookings Institute with AmeriSpeak, Federal Reserve Bank of Atlanta with Lightcast

Lack of AI preparation is a significant contributor to the worsening labor market outcomes of graduates

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74% of professionals believe that recent college graduates should already have some degree of AI skills upon entering the workforce.

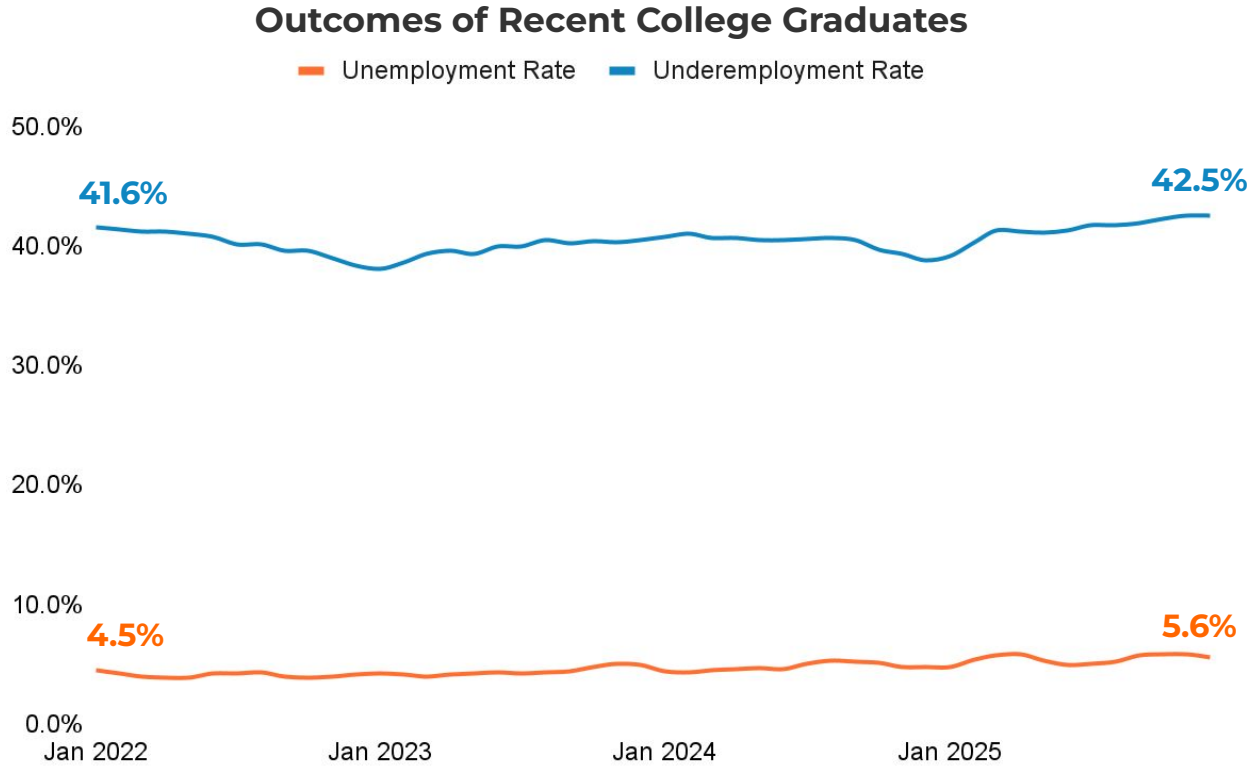
55% of recent graduates say their college didn't adequately prepare them with the AI skills needed for the current work environment.

31% of employers said they've had to retrain recent graduates due to their insufficient preparation in AI-related skills.

Companies report that the average cost to retrain a new graduate that lacks necessary skills is **$4,500**.

Source(s): Arkansas State University, Cengage Group, Hult International Business School, Washington State University

Labor market outcomes for recent college graduates are deteriorating



Additional Struggles of Grads

In addition to upticks in unemployment and underemployment rates, the rate at which graduates are finding employment in a field related to their studies declined from 25.8% in 2022 to 19.9% in 2025, and inflation-adjusted starting salaries for recent graduates declined 21.9% during the same period.

Source(s): Federal Reserve Bank of New York, Revelio Labs

Schools and Students are Responding

> **Half of college students new believe that AI is the most important skill they will learn in college.**

More than half of recent college graduates indicate that their college failed to prepare them for the workforce by failing to train them on the AI skills they need. **87%** say they wish their college had provided more AI training and education. Now, **70%** of college students and recent graduates indicate that they believe AI skills should be a part of the undergraduate curriculum for all students.

Students' Preferences are Shifting

77% of students believe universities should offer courses on AI.

In a short manner of time, students and prospective students have recognized that AI must be a part of their higher education plan in order to produce the labor market outcomes they desire. **84%** of students believe AI skills are important for getting a job, and **70%** of students believe generative AI preparation should be a core component of undergraduate education.

Students now understand that AI skills will be necessary for their career, and they expect colleges to teach them these skills

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Students now perceive that they need AI skills in their college experience.

84% of students now believe that AI skills proficiency is important for getting a job. **55%** of recent graduates say their schools failed to train them with needed AI skills.

Students believe the university has a responsibility to teach them AI.

70% of students indicate that they believe basic generative AI training should be integrated into their studies to prepare students for the workplace.

Institution-wide integration of AI in curriculum remains rare.

To date, only **~1%** of universities have either launched or announced initiatives to include AI as part of the curriculum for all students.

77% of students think institutions should offer AI courses, 70% think AI courses should be required for all students

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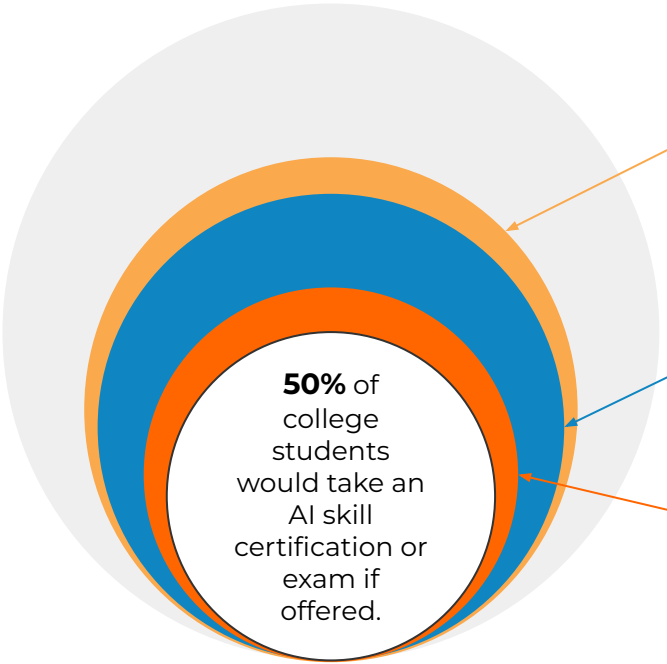
What Students Want in Terms of AI Training at their Institution

All Students



- Percent of students who say their institution should offer AI courses **(77%)**
- Percent of students that believe AI coursework should be a part of their degree curriculum **(70%)**
- Percent of students who said their program did not adequately prepare them with necessary AI skills **(57%)**

31% of students say their institution offers AI courses

Just 1% of institutions have announced or launched plans to incorporate AI into all programs

56% of students indicated that they are required to use AI in at least one of their courses

Source(s): Adobe, Arkansas State University, Cengage Group, Chegg, CopyLeaks, Coursera, Digital Education Council, Honorlock, Hult International Business School with Workforce Intelligence

Currently, students largely obtain AI skills via the required usage of AI tools in their non-AI coursework

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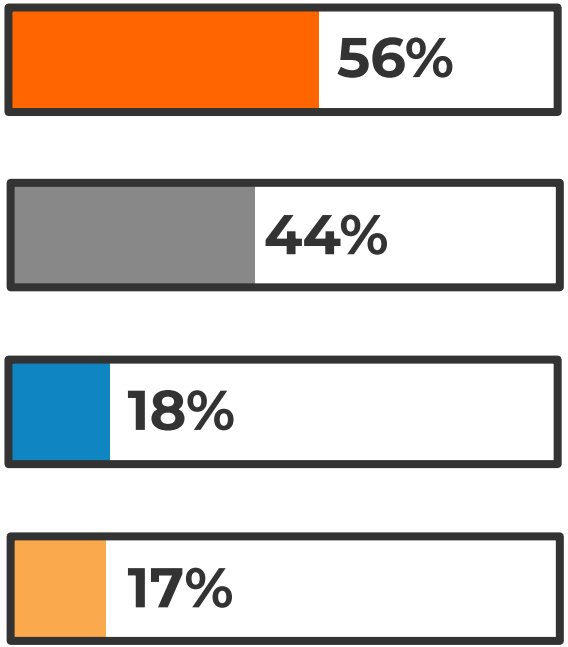
How Students Are Obtaining AI Skills (90% of students report currently using AI tools)



56% of students report that they are required to use AI tools in at least one course.

44% of students report having received at least some AI training or education as a part of their college studies.

18% of students indicate that they have taken an AI course.

17% of students report having obtained a microcredential in AI.

Source(s): Adobe, Cengage Group, Chegg, CopyLeaks, Coursera, Digital Education Council, Honorlock, Hult International Business School with Workforce Intelligence

Institutions are Just Starting to Respond

> **Only ~1% of universities have initiated plans to embrace AI training as a component of the curriculum for all of their students.**

While many institutions are still wrestling with their general policies related to AI, some cutting-edge institutions have already moved to embed AI into the curriculum for all students. Institution-wide integration of AI into the curriculum remains rare, but college/department-wide integration is already the norm for many fields.

Program-wide adoption of AI in curriculum has already become commonplace at the college/department level

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The Percentage of Specific Colleges/Departments that Incorporate AI into their Curriculum

78%
of business schools

77%
of medical schools

62%
of law schools

59%
of teacher preparation programs

2X The share of prospective (graduate) business school students saying AI must be a part of the curriculum in the program they choose almost **doubled**, from **22%** in 2022 to **41%** in 2024.

Source(s): AAMC, ABA, CRPE, EFMD, GMAC

Institution-wide adoption of AI into the curriculum remains rare, but is happening across the spectrum of universities

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To date, only about 1% of universities in the United States have *announced or launched* plans to incorporate AI into the curriculum for all undergraduates.
(The chart shows a representative sample of institutions that have initiated such plans to date)

Strong Regional Institutions

- Creighton University
- Lehigh University
- USF University of San Francisco
- Stevens
- University of North Carolina Charlotte

Online Leaders

- DeVry University
- University of Phoenix

Leading Global Brands

- USC
- University of Florida
- The Ohio State University
- Purdue University

Source(s): Proprietary Validated Insights data derived from institutional announcements

Institutions are incorporating AI into their existing courses and/or offering new coursework in how to use AI

There have been two primary strategies for integrating AI into the curriculum at an institution-wide level. Institutions are embedding AI use into existing courses, or they are adding additional coursework or learning opportunities related to AI.

Institution incorporates AI skills into a broad range of courses across the spectrum	Institution offers standalone AI coursework that is a part of the curriculum for all students
Example: PURDUE UNIVERSITY	**Example:** THE OHIO STATE UNIVERSITY
Details: Announced in December 2025 and beginning in Fall 2026, it is now a graduation requirement for undergraduates at Purdue University to demonstration 'AI working competency'.	**Details:** Announced in June 2025 and starting for the incoming class in Fall 2025, all undergraduates are required to take a seminar devoted to the effective use of generative AI.

Source(s): Proprietary Validated Insights data derived from institutional announcements

Institutions are also, alternatively moving to offer AI coursework, including embedded certificates, to all undergraduates

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In addition to more stringent *requirements* that all students possess AI skills, many more institutions have moved to make AI training simply *available* to students.

Example:	BGSU BOWLING GREEN STATE UNIVERSITY	**Details:** In 2025, Bowling Green launched their "AI + X" bachelor's degree where students can combine AI skills with another complementary field of study.
Example:	VALPARAISO UNIVERSITY	**Details:** In 2026, Valparaiso announced the launch of their 12-credit "AI Practitioner Certificate", available to all students, regardless of major.
Example:	THE UNIVERSITY OF MEMPHIS	**Details:** In 2025, Memphis launched their "AI for All" minor available to all undergraduates.

Source(s): Proprietary Validated Insights data derived from institutional announcements

Summary & Recommendations

Institutions must embed AI fluency/literacy across all programs.

The role of artificial intelligence in the modern workforce, as shown in hiring expectations and salaries, is expanding rapidly. Yet only **1%** of higher education institutions have moved to make AI an institution-wide teaching and training priority.

Given recent trends, projections, and the overall positioning of higher education providers, this is a missed opportunity to-date. Moving to an institution-wide approach to teaching AI literacy will serve students, graduates, and education providers immediately and throughout the next decade.

As students grow more focused on outcomes, institutions that produce AI-ready graduates will be poised for future, **sustainable enrollment growth**.

Appendix & Sources

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