Dartmouth

London
New York
Charlotte

# Early Careers
## H1 2026 Market Review

### Market trends, hiring data, compensation insights and what's shaping early careers recruitment in the second half of the year.

It's hard to believe we're already halfway through the year. In early careers, we'd typically expect a post-Christmas surge followed by a quieter planning period, but 2026 has defied the usual rhythm.

Despite a challenging macro backdrop, hiring activity has remained high. What's changed is the shape of demand with more varied hiring needs, evolving intake strategies, and growing complexity – much of it accelerated by the rapid rise of AI.

Early careers hiring is becoming more deliberate and strategic. No longer just about entry-level resourcing, it's now central to building future leadership pipelines, strengthening employer brand, and driving long-term capability. From buy-side firms engaging earlier than ever, to high-growth and PE-backed businesses using cohort hiring to scale, organisations are rethinking how they access and develop talent.

At the same time, diversity and social mobility remain firmly on the agenda. We've continued to invest in widening access through initiatives like our EMPOWER programme and ongoing work with the Classroom to Boardroom Foundation, helping firms build more inclusive and future-fit talent strategies.

Overlaying all of this is AI, which is no longer a future consideration, but an immediate and evolving force. From AI-generated applications to candidate use throughout the hiring process, the landscape is shifting quickly. In response, employers are placing greater emphasis on authenticity, in-person engagement, and the human skills that matter most, including critical thinking, emotional intelligence, and commercial judgement.

As we move into what is typically an even more active H2, we're excited to continue sharing insights and supporting clients through both the challenges and opportunities ahead. In this update, we outline the key themes from the past six months.

### Professional Pathways 2026: Building stronger connections, earlier

This year we hosted our third annual Professional Pathways programme, which brought together six leading firms: Arcmont, Ares, The CD&R Foundation, General Atlantic, Park Square Capital and Saltus, to introduce diverse, high-potential students to careers across private markets and wealth.

**The impact has been both immediate and measurable:**

**92%**
lof participants said the programme influenced their next steps.

**+42%**
increase in understanding of finance careers

Strong uplift in confidence across networking and decision-making

**Beyond the event, engagement remains high, with 85% of students already pursuing mentoring relationships.**

The takeaway is clear: early, meaningful engagement is critical in helping students from less privileged backgrounds build awareness and confidence, while creating a pipeline of better-prepared and more motivated talent.

To learn more or get involved, contact:
ctbfoundation@kernel-group.com

## Compensation & market dynamics: Stable pay, sharper expectations

Our 2026 Early Careers Compensation Report **(400+ data points)** shows a market defined by high candidate supply, stable base pay and more deliberate compensation design.

- Applications up 37% YoY, with no equivalent increase in roles, driving materially higher selectivity across all sectors
- Base salaries largely flat across financial services, particularly in investment banking and asset management, reflecting continued cost discipline
- Greater pay dispersion by sector and skillset, with quant, trading and technology roles commanding significant premiums (graduate packages exceeding £100k+)
- Shift from upfront pay to progression-linked reward, with clearer intern-to-analyst uplifts, structured pay bands and increased emphasis on long-term incentives
- Operational and infrastructure roles rising in importance, offering competitive market-rate graduate salaries and positioning as lower-risk, scalable entry points for firms

The result is a market where **firms must get compensation "right" just to compete**, but differentiation increasingly comes from **career development, progression clarity and overall value proposition.** Organisations that fail to keep pace with market benchmarks risk falling behind, even as pay becomes just one part of a broader talent strategy.

Register your interest in receiving the upcoming report.

## PortCo Hiring: Scaling differently

Across private equity-backed businesses, a clear shift is emerging: senior hiring alone is no longer sufficient to support growth.

Junior hiring is increasingly being used as a strategic lever, providing a more sustainable and cost-effective way to build capability without compromising quality.

Interestingly, the most effective approaches are not always large-scale graduate programmes.

Dartmouth

Many firms are starting more selectively – through a single hire, targeted longlists, or exploratory hiring – **creating optionality, skills diversity and long-term upside with limited upfront investment.**

## Private equity early careers landscape: Competition intensifies

Demand for early careers talent in private equity continues to grow rapidly, while the core talent pool remains largely unchanged.

| Buy-side Analyst hiring | Number of firms hiring Analysts |
| --- | --- |
| up 827% over three years | up 515% |

With both buy-side and sell-side competing for the same talent, firms are under increasing pressure to differentiate their approach – from earlier engagement strategies to redefined hiring processes and more compelling value propositions.

## Gen Z insights: A generation shaped by disruption

Gen Z has entered the workforce during a period of unprecedented change - from the financial crises to a global pandemic and now the rise of AI. Understanding this cohort is critical, not just for hiring, but for retention and long-term performance.

This year marks our 9th annual Gen Z report, now evolving into a quarterly series to reflect real-time market dynamics. The first release will focus on AI in recruitment and the workplace, exploring candidate behaviour, implications for employers, and practical recommendations.

Register your interest in receiving the upcoming report here.

## Early careers: Evolution, not decline

"AI is coming for junior jobs" is one of the most common narratives in the market, but the data tells a more nuanced story.

Hiring remains strong. Firms are increasing intakes, creating new roles, and continuing to invest in early talent.

The rationale is simple: while AI can enhance productivity, organisations still need to build future leaders, institutional knowledge, and judgement.

AI will undoubtedly reshape junior roles and the skills required to succeed, but notably, the firms embracing AI most aggressively are often the same ones continuing to invest heavily in early careers talent.

## Get in Touch

The early careers market is becoming busier, more complex, and more strategic.

For firms willing to adapt – whether through earlier engagement, smarter hiring models, or clearer value propositions – the opportunity is significant.

As we head into H2, we look forward to continuing the conversation.

**Get in touch to access any of the reports referenced or to discuss what these trends mean for your hiring strategy.**