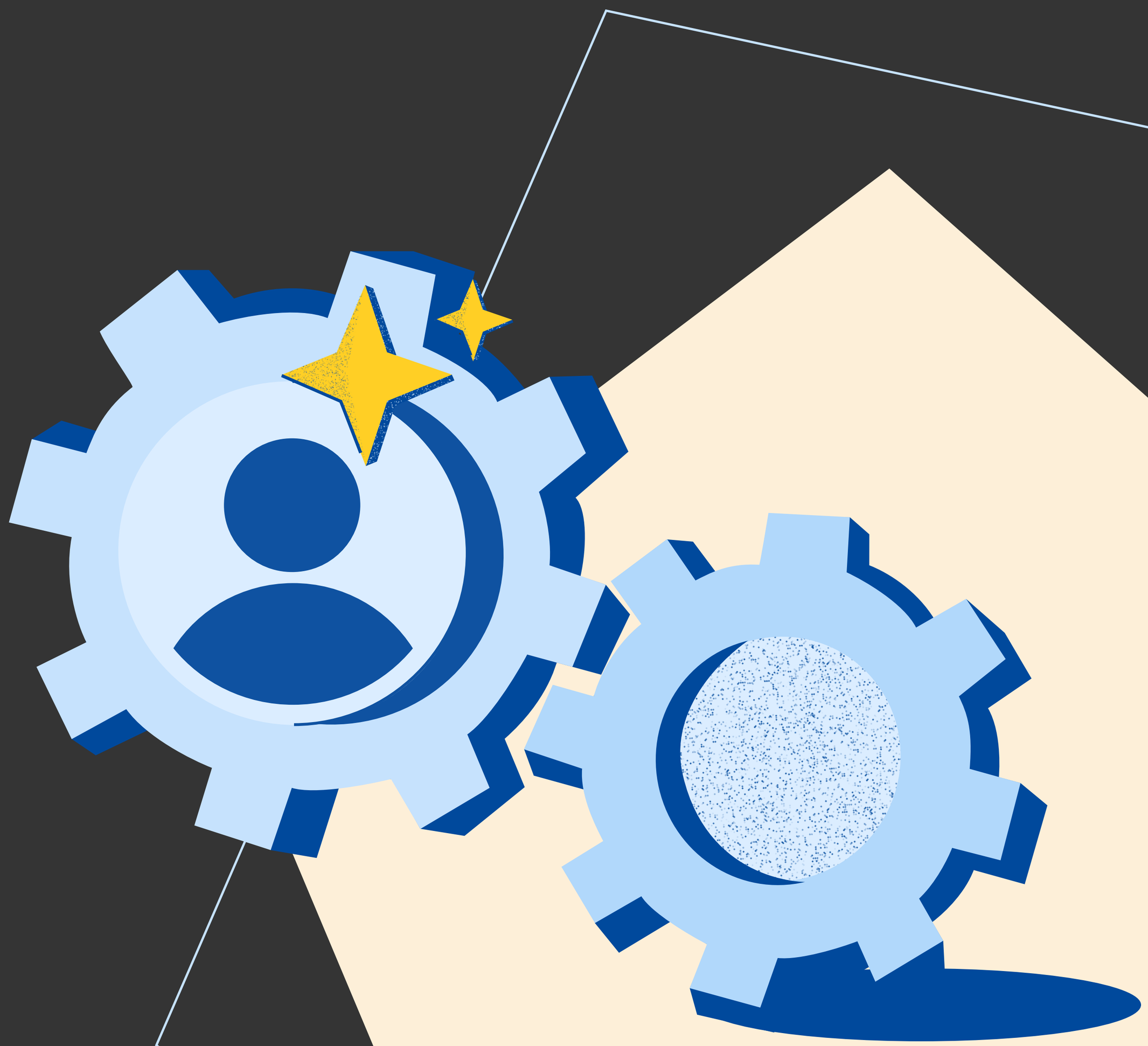
AI and the Future of the Workforce

Deel Policy Report November 2025



deel.

Foreword

AI isn’t a future disruption.

It’s a present-day business imperative.

At Deel, AI isn’t abstract. We see it transforming how work gets done for our 35,000 customers and 1.5 million workers across more than 150 countries.

Deel’s data, released in this report, shows a 40% increase in the share of companies opening new AI roles in 2025. And it’s no longer just tech driving the trend. Finance, education, and manufacturing are expanding AI teams too.

Companies are integrating AI not only to stay competitive, but to reimagine and reengineer how work gets done. We’re in the middle of a fast-moving transformation. Deel has a unique vantage point to help customers, partners, and the public understand how AI is reshaping the workforce.

Deel is leading the way in our own products and operations. We work with many of the world’s leading tech and AI companies, and we’ve built AI into our systems that power employment compliance, streamline workflows, and support workers globally. We use Legal AI to draft, review, and process contracts, and other AI tools to support clients with regulatory compliance and guidance. We’ve even created new jobs, like our AI Librarians, who train and maintain the knowledge systems behind these tools.

Beyond our own approach to AI adoption, we believe there’s still much to learn about AI, its role, and its effects. This report brings together insights from Deel, our partners, and policymakers to explore how AI is reshaping work and how companies and workers can stay ahead. It’s our first detailed report on this topic, but it certainly will not be our last.

Shuo Wang
Co-Founder & Chief Revenue Officer, Deel

From the Editor

2025 marks a turning point in the history of AI. In just a few years, governments have shifted from global cooperation to a race for national advantage. Businesses are rewriting job descriptions, and workers are already starting to feel the impact.

Previously, the Biden Administration and Europe led global efforts around AI Safety in pursuit of an international consensus. This year, the direction changed. The Trump Administration has made advancing the domestic AI industry a top priority. Other countries are following suit. Even in Europe, the tenor has shifted. Policymakers are intent on avoiding dependence on U.S. AI providers the way they became reliant on American cloud services. The White House has even likened this moment to the space race.

Two major developments in July underscored this shift.
The Trump Administration released its AI Action Plan, a sweeping initiative focused on innovation, infrastructure, and competitiveness, including proposals for AI upskilling and training. At the same time, China proposed a new global AI cooperation body in an effort to position itself as an alternative to U.S.-led frameworks. These moves reflect not just rivalry, but a contest to shape labor markets in the AI era and decide who leads the next generation of the global workforce.

AI’s effects are no longer speculative. Less than three years after the launch of ChatGPT, it is already reshaping how companies hire, manage, and evaluate workers. Jobs are changing, new roles are emerging, and policymakers are racing to keep up (or, in some cases, choosing not to regulate). AI will shape economies and geopolitics for decades to come.

That is why this report matters now. Drawing on Deel’s global data, it shows how AI is changing work: where jobs are at risk, where new roles are emerging, and how governments are responding.

This report bridges technology and policy to capture this moment of change. It highlights how AI is transforming work today, what’s coming next, and how governments and businesses can ensure it empowers rather than replaces workers.

Nick Catino
Global Head of Policy, Deel

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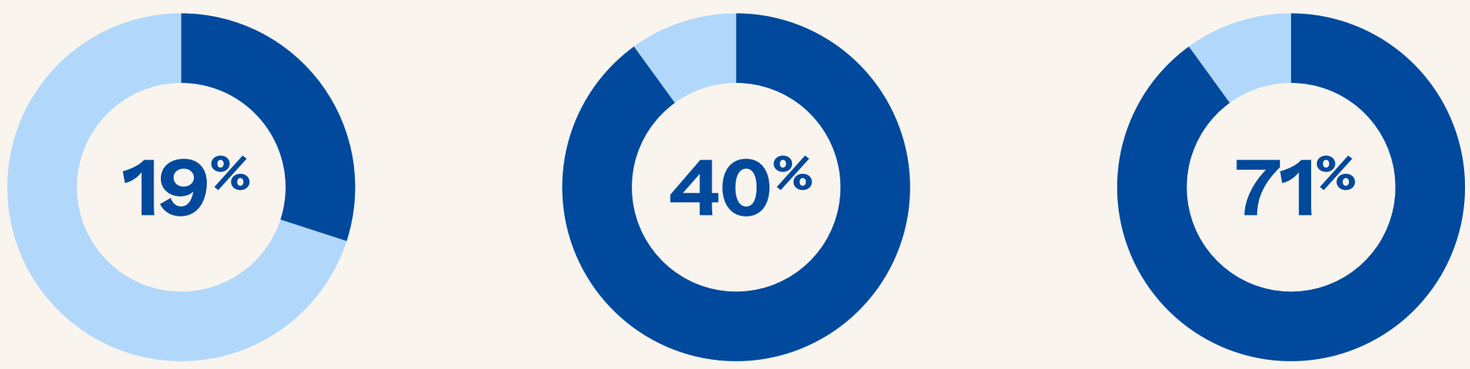
How AI is Already Changing Jobs

From disrupted entry-level roles to the rise of new AI-driven positions, the workforce is being reshaped faster than any past economic shift.

What automation did in 100 years, and global trade in 50, AI could do in 10.

By 2030, the World Economic Forum (WEF) projects 92 million jobs will be disrupted or dislocated. That's more than the population of Germany or Vietnam. AI is one of the forces driving this shift.

History shows how disruptive shifts in work and industry fuel backlash, social unrest, protectionism, and rising nationalism. AI could trigger similar forces, only now faster, with less time to adapt.



- Employees using AI weekly *(Gallup, 2025)*
- Using AI a few times a year *(Gallup, 2025)*
- Worried about job displacement *(Reuters/Ipsos, 2025)*

AI at Work: Faster Uptake, Slower Trust

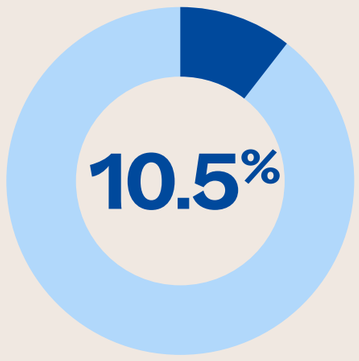
Workplace changes are already visible. In the U.S., Gallup reports 19% of employees now use AI a few times a week, and 40% a few times a year. That's nearly double from two years ago. Yet trust is lagging: 51% of workers say they're uneasy with AI handling sensitive tasks like payroll. A Duke study finds workers using ChatGPT are often viewed as less competent, suggesting stigma around AI use at work.

Beyond bias, AI can also produce "hallucinations," outputs that are wrong or fabricated. Without training and review, these errors create real risks, underscoring the need for human oversight and AI literacy.

Still, job descriptions and roles are quickly changing. For now, AI may be primarily a productivity aid that helps workers move faster and smarter. However, a Reuters/Ipsos poll found 71% of workers are worried about job displacement.

AI May Become a Threat to Entry-Level Work

For generations, entry-level jobs offered a way in, building experience, skills, and leadership pipelines. Many of those roles could become automated.



Since 2023, unemployment among U.S. workers in their early 20s has climbed to 10.5%.

That's a four-year high and more than double the national rate. At least one study from Stanford has suggested that employment opportunities for workers in their early 20s in AI-impacted jobs are dropping. However, of note, a subsequent study from Yale found no "discernible disruption" since ChatGPT's 2022 release.

If AI displacing younger workers proves to be a real and lasting trend, then a generational crisis could be part of the future of work, with younger people locked out of meaningful careers and companies hollowing out the talent needed for future leadership.

AI Isn't Just A Disruptor: A New Class of Jobs Is Emerging

AI isn't just replacing work, it's also creating it. The same WEF report that forecast 92 million jobs disrupted by 2030 also projects 170 million new roles, a net gain of 78 million, many driven by AI.

Deel is a leading example. We developed a new role: AI Librarians. These specialists train, maintain, and validate our knowledge systems, acting as human-in-the-loop safeguards for compliance and accuracy. This job didn't exist five years ago. Now it's essential and growing quickly.

Beyond that, product, engineering, and content roles are evolving to center around AI. It's transforming how tools are built, workflows designed, and knowledge shared.

Together, these shifts point to something bigger: AI won't just change how we work. It could redefine what work even is.

"How do we use AI to make workers more productive, actually make jobs better?"

Chike Aguh
Former Chief Innovation Officer, U.S. Department of Labor
(Deel Policy *Summit, 2024)*

Global AI Policy: From Consensus to Competition

One could make the case that AI regulation did not begin with AI. It began with data. The EU's General Data Protection Regulation (GDPR), enacted in 2018, set a global standard for how personal information is collected, stored, and used. Data protection became the foundation for lawful AI and machine learning, since models are often trained on vast amounts of personal and behavioral data.

Since then, governments have shifted toward AI-specific rules, especially as generative AI enters the workplace. What began as a coordinated international effort is now giving way to national competition, with each country defining its own standards, priorities, and regulatory approach. In 2025, policymakers around the world are increasingly focused on three priorities: talent, industry, and infrastructure.

The EU AI Act (2024) was the first comprehensive AI law, introducing tiered risk categories depending on system use. AI tools used in HR and employment are classified as high-risk, requiring strict measures for risk mitigation, transparency, human oversight, and continuous monitoring.

Since GDPR, governments have gradually introduced AI-specific frameworks of their own, reflecting different national approaches:

Global AI Regulation Timeline

Year	Jurisdiction	Milestone
2018	EU	GDPR sets global privacy and data standards.
2019	OECD	AI Principles (non-binding) endorsed by 46 countries initially shaping the early consensus around trustworthy, human-centric AI.
2021	China	AI Code of Ethics emphasizes safety, fairness, and controllability.
2021	UNESCO	Recommendations on the Ethics of AI, endorsed by 193 Member States, emphasizing human rights, fairness, and accountability.
2023	Singapore	National AI Strategy 2.0 launches, focusing on talent and trust (with 2022 AI Verify framework).
2023	U.S.	Biden Executive Order on "Safe, Secure, and Trustworthy AI" directs agencies to address transparency, bias, and workforce risk (later rescinded in 2025).
2024	EU	AI Act adopted, regulating high-risk AI systems in hiring, HR, and education, with full enforcement in 2026.
2025	U.S.	Trump AI Action Plan prioritizes deregulation and innovation. Meanwhile, state-level AI rules proceed (e.g. California, Colorado, Texas).
2025	China	Announces Global AI Governance Action Plan, seeking to coordinate international standards.

With **New Zealand** releasing its National AI Strategy in July 2025, all 38 members of the **Organisation for Economic Co-operation and Development (OECD)** now have national AI strategies, although many remain in early stages of implementation.

Some countries are taking different regulatory paths:

United Kingdom

issued general and sector-specific guidance instead of a unified AI law.

Canada

previously debated the Artificial Intelligence and Data Act (AIDA) to regulate “high-impact” AI systems. After the 2025 election, the new Government shifted to a broader national AI strategy of scale, adoption, trust and sovereignty.

Japan

favors voluntary principles and nonbinding guidance rather than strict rules.

There is no single global model. For companies operating across borders, this patchwork presents significant compliance challenges. At the same time, most frameworks converge on a set of internationally recognized principles: transparency, explainability, human oversight, risk management, and bias mitigation. These principles now offer a baseline for responsible AI deployment even as national rules diverge.

Finally, many argue that AI does not always require entirely new regimes. Existing laws on privacy, equality, anti-discrimination, labor rights, consumer protection, and workplace safety already apply to many AI use cases. The challenge for policymakers is not drafting new laws, but updating and enforcing those that already apply to AI.

> “Our research shows that AI adoption produces better outcomes for organisations, their workers, and society when innovation and governance go together.”
>
> **Anna Thomas MBE**
> Founding Director at the Institute for the Future of Work (UK)

Regulatory Trends: AI at Work

As AI transforms how companies hire, manage, and evaluate workers, policymakers have moved from abstract principles to concrete rules that directly shape the workplace. The most active areas fall into three categories:

1

Fairness in Hiring & Promotion

Governments are targeting algorithmic bias in recruitment and advancement. Policymakers also treat employment-related AI systems as “high-risk,” triggering strict compliance requirements.

- **New York City**’s Local Law 144 requires annual audits of automated employment decision tools.
- **Colorado**’s AI Act mandates fairness impact assessments for HR-related AI.
- The **EU** AI Act classifies employment systems as “high-risk,” triggering strict obligations around decision-making and human oversight.

2

Worker Data & Transparency

Rules are expanding employee rights and requiring greater visibility into how AI systems make decisions.

- The **EU’s** GDPR and AI Act, and **California**’s Privacy Rights Act strengthen employee data protections and mandate explainability.
- U.S. states are passing new laws. While the No Robo Bosses Act was vetoed, **California** added oversight for AI in employment decisions. And, though **Texas’s** new law is narrower than initially proposed, it prohibits intentional misuse of AI systems.

3 Skills & Workforce Transition

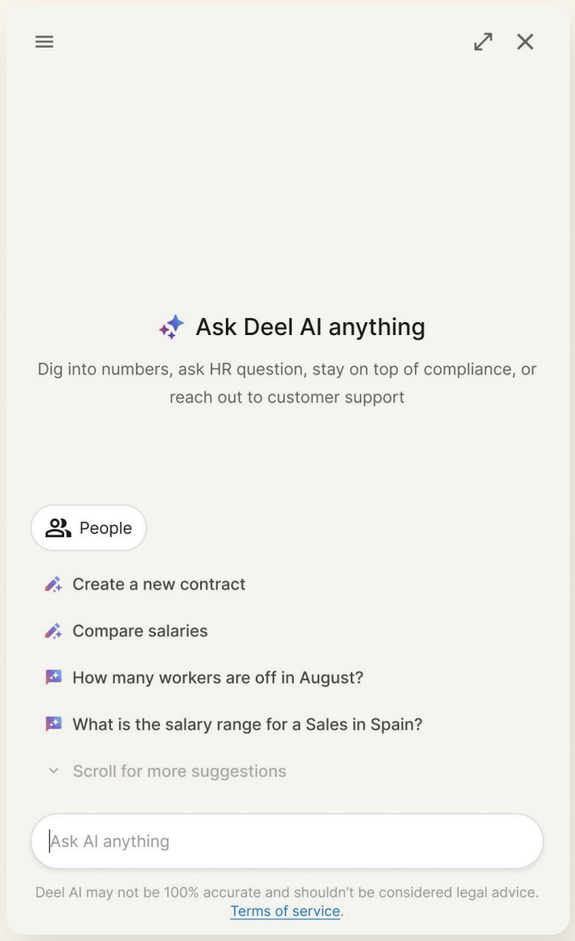
Governments are coupling regulation with investment in reskilling and AI literacy to help workers adapt.

- The **U.S.** AI Action Plan directs funding toward retraining and apprenticeships.
- **Singapore** embeds AI literacy into national skills programs and SME initiatives.
- The **EU** AI Act requires organizations to train staff on responsible AI use. The Digital Europe Programme (DIGITAL) allocated €1.3B to build digital skills, including AI and cybersecurity.
- The **UK** aims to train 7.5M workers in AI skills by 2030, supported by a £187M national initiative embedding digital and AI capabilities across education and workforce programs.

> "We have to center workers in the conversation about how we use AI - to enhance their jobs, not just rush to adopt AI for excessive automation."
>
> **U.S. Representative Ro Khanna (D-CA)**
> (Deel Policy Summit, October 2024)

> "We must focus on creating value for humans. No matter how advanced AI becomes, humans are still the most important."
>
> **Dr. Leslie Teo**
> Senior Director, AI Singapore (Deel + AmCham Singapore event, May 2025)

Deel AI as a Case Study in Responsible Adoption



Deel shows how AI can power responsible innovation in the workplace while keeping compliance and trust at the center.

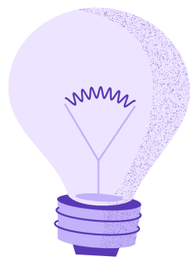
Deel uses AI to simplify some of the most complex challenges in global HR and payroll. Our platform integrates AI across four core areas:

Global Compliance

Answers local labor law questions (e.g., "What's the maternity leave policy in France?") using validated data from experts in 150+ countries.

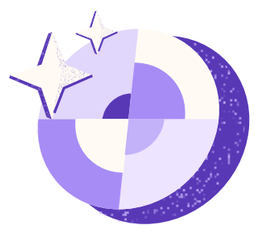
Product Support

Guides customers through workflows, reducing support time and friction (e.g., "How do I add a contractor in Brazil?").



Workforce Insights

Turns workforce data into actionable intelligence, from compliance risks to organizational planning.



AI Workforce

A hub for companies to launch and manage AI agents for HR and payroll, with options for custom or third-party integrations.

It's not just how we use AI ourselves. It's how we help others do the same. Leading AI companies like **Anthropic, Hugging Face, and ElevenLabs** rely on Deel to manage their global teams. Hugging Face, for instance, cut payment processing time by 50%, consolidated five systems into one, and onboarded 70+ workers through Deel while meeting strict HR and legal requirements.

Internally, Deel runs on **OpenDeel**, our AI-powered knowledge base maintained by 200+ experts and validated by AI Librarians. These human-in-the-loop specialists continuously update knowledge sources to ensure accuracy, compliance, and reliability. Every AI feature we launch is built with safeguards: sandbox testing before rollout, geography-specific data protections, and human oversight.

From Hype to Hiring: What Deel's Data Shows

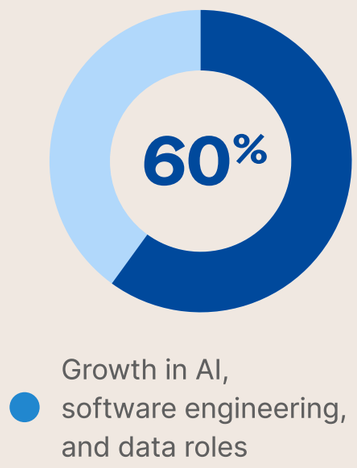
Deel's data shows AI moving fast — from hype to adoption, with rising salaries, uneven progress across markets, and new roles emerging for a younger workforce.

Deel's platform and survey data show four clear trends. First, AI hype has given way to widespread adoption. Second, global competition for AI talent is driving salaries sharply upward. Third, adoption remains uneven across markets, with skills and trust emerging as the biggest barriers. And finally, a younger, emerging workforce is taking shape, as entirely new AI roles appear for the first time.

AI's impact on work isn't just theory. It's visible in Deel's data. Over the past two years, we've published multiple reports tracking how AI is reshaping the global workforce. Together, they reveal a story of hype giving way to adoption, uneven progress across markets, and rising pressure on workers.

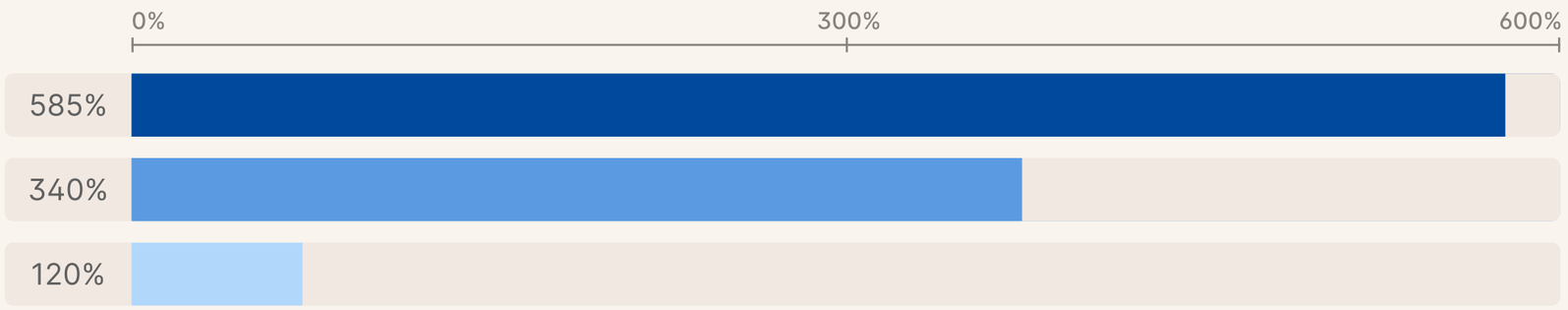
Late 2023: AI Hype vs. Reality

Our first AI Jobs Report showed early signals of growth in AI jobs. For example, roles in AI, software engineering, and data science paid through Deel grew 60% year-over-year. Companies hiring AI roles most often came from the United States, followed by Canada, the United Kingdom, and Germany. We also saw cross-border trends emerge: U.K. and Canadian firms increasingly recruited U.S. AI talent, often paying salaries well into six figures.



March 2025: AI Talent Wars

In early 2025, Deel's CEO Alex Bouaziz noted on LinkedIn that he was regularly hearing about seven-figure compensation packages for specialized AI talent. This was months before this became a national media storyline. Deel's platform data confirmed the trend:

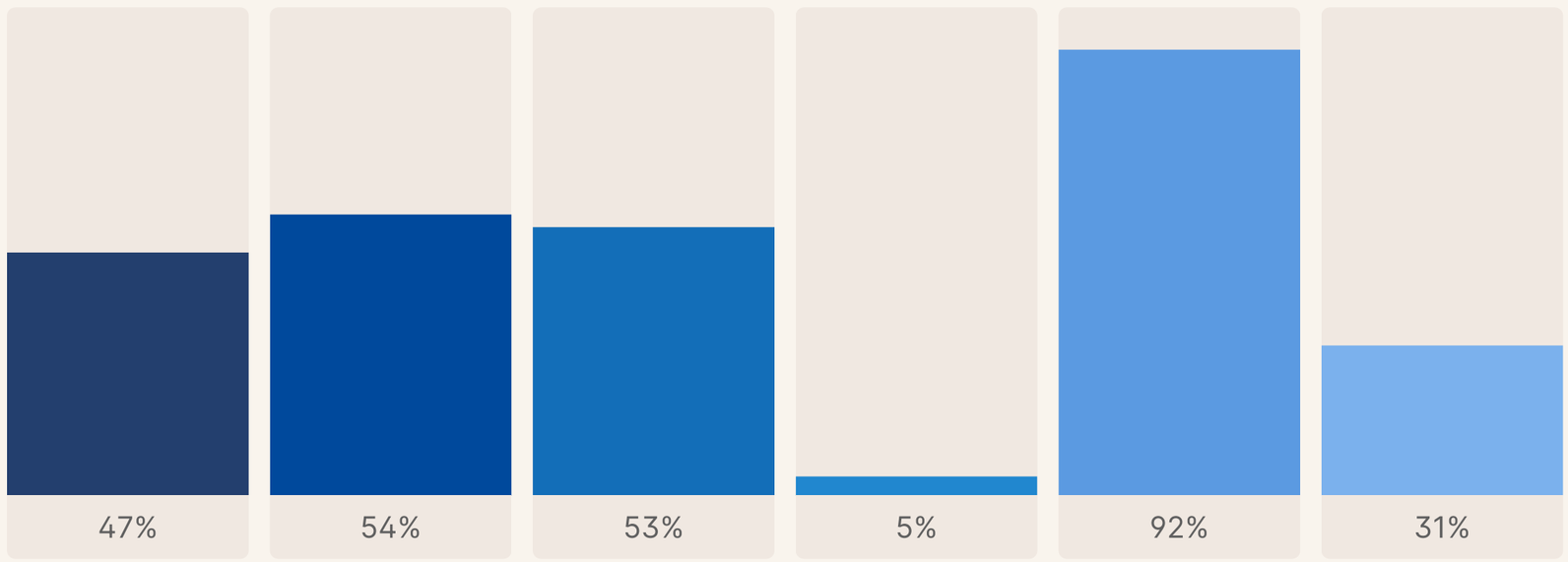


- Contracts with "AI" in job titles grew 585% from 2023 to 2024.
- AI Engineers grew 340%, while senior AI leadership roles tripled.
- Median AI salaries are now 120% higher than all other roles, with an additional 6% year-over-year increase.

The result: a widening pay gap between AI and traditional tech roles, and a fierce global competition for scarce talent.

June 2025: Singapore as a Snapshot

Deel's first AI workforce survey took place in Singapore, an APAC hub for foreign investment and global tech talent. We asked 350 business leaders how they're approaching AI adoption:

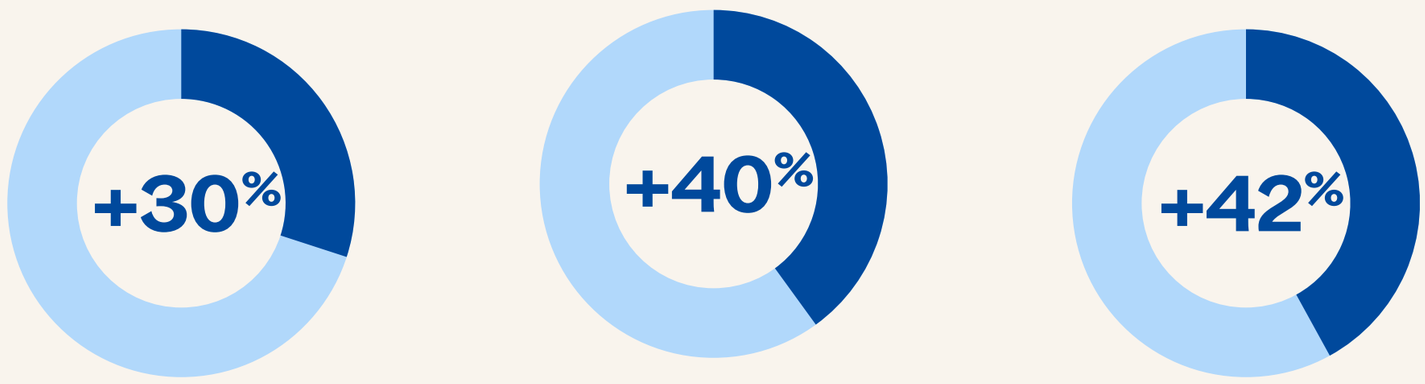


- 47% say local talent pool is unable to meet demand.
- 54% point to cost as a barrier to AI adoption.
- 53% to complexity as a barrier to AI adoption.
- Just 5% have engaged directly with national AI policy.
- 92% say government support is critical for AI scaling.
- 31% considering accelerating AI automation in response to global economic pressures, including inflation and tariffs.

The Singapore AI Survey offers a snapshot for other markets: even with strong infrastructure and supportive policy, success hinges on skills, talent, and trust.

NEW November 2025: AI Hiring Trends from Deel

Building on Deel's earlier reports, **new** platform data shows how quickly AI hiring is scaling worldwide:



- +30% growth in AI hiring among non-tech firms since 2024, even as tech hiring plateaued.
- +40% increase in share of companies opening new AI roles in 2025.
- 42% of AI hires are aged 25–34, underscoring the youth-driven nature of the field.

3x
increase in **AI-related job titles** on Deel from **2023 to 2025.**

~1,000
new AI Tutor and Trainer roles created **since 2023.**

Top hiring markets:
U.S. **India** **Canada** **U.K.**

Highest median salaries:
Switzerland **U.S.** **U.K.**

Takeaway:
AI hiring is now global and quickly expanding across sectors, not just tech.

Coming November 2025: Global AI Adoption Survey

This month, Deel will release its most ambitious research yet: a global survey conducted with research firm IDC of 5,500 business leaders across 22 countries exploring how AI is transforming hiring and the workforce. The results reveal a clear shift from experimentation to execution: **70% of organizations have already moved beyond pilot projects**, and **91% say AI adoption has changed or displaced job roles** within their companies.

Policy Playbook for an AI-Ready Workforce

Governments today are making decisions that will shape how AI transforms work for decades to come. This section outlines key policy recommendations for governments and industry to ensure AI drives competitiveness and opportunity for workers and businesses alike.

Talent

Governments are right to focus on AI skills. If you're not using AI, you're losing. The goal should be broad workforce fluency while attracting top global talent and keeping entry-level pathways open.

- **Get AI into the hands of users:** AI tools and literacy into schools, workplaces, and the public sector so AI fluency becomes a basic skill, not a specialist one.
- **Attract and grow talent:** Support skilled migration and reskilling while protecting entry-level opportunities that sustain long-term development.

Industry

Governments are right to focus on AI adoption across industry. Public policy should ensure that companies of all sizes have access and capability to compete, not only the largest firms.

- **Support SMB adoption:** Small businesses may lack the resources to train workers, test AI tools, or manage compliance. Targeted funding, technical assistance hubs, and sandboxes can level the playing field.
- **Enable cross-border growth:** Fragmented AI rules make it harder for businesses to expand globally. Governments should pursue common international standards that reduce friction and promote growth.

Infrastructure

Governments often define AI infrastructure in terms of chips and energy. In the workplace, infrastructure also means governance: clear standards, accountability, and company responsibility.

- **Transparency and accountability:** Workplace AI systems, especially those used for hiring and pay, should be explainable, auditable, and subject to human oversight.
- **Shared responsibility:** Governments should set smart rules and support industry standards for responsible AI, and companies must go beyond compliance to keep it fair and safe for workers.

> “It's imperative for AI companies to make work more human - building systems people can trust, that operate responsibly, and give teams the confidence to scale globally.”
>
> **Anish Acharya**
> General Partner at Andreessen Horowitz and Deel Board Member

Looking Ahead: Building on This Report

AI is rewriting the workplace in real time, and the policy choices made today will shape work for decades.

Our focus at Deel is on building tools that empower people. The best outcomes will come when innovation creates new jobs, drives productivity, and when AI is in the hands of workers and businesses everywhere.

No other company has Deel's global perspective of the workforce. We see every type of worker in almost every country, and we support many of the world's leading tech and AI companies. This report is a starting point. In the months and years ahead we will release new surveys and analysis to track how AI is changing jobs, hiring, and regulation.

The future of work will be defined by the choices made today, and by how we use AI to empower, not replace, workers.

For questions or collaboration: **policy@deel.com**

"Ten years from now, there may be an entirely new workforce we haven't even thought about yet."

U.S. Representative Kat Cammack (R-FL)
(Deel Policy Summit, October 2024)

Data & Sources: This report draws on Deel's global platform data, original surveys of business leaders, and publicly available research and policy materials. Hyperlinks throughout provide direct access to sources.

Note on AI Use

AI tools supported the drafting of this report, with all insights and analysis original to Deel. Human oversight ensured accuracy and alignment with our values.