The American Worker in the Age of AI

Insights from the KPMG American Worker Survey

American Worker Survey
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AI and the changing American workplace

The AI age has arrived, but much of its momentum is coming from a surprising source: the American worker.

Most employees are already integrating artificial intelligence (AI) into their daily routines, testing its limits, and reporting gains in productivity and higher-value work, according to new KPMG research. At the same time, workers are also navigating anxieties about job security and what an AI-driven future means for their careers.

These themes are among the key findings in our annual American Worker Survey, which captures a workplace that continues to undergo rapid changes on multiple fronts. And while AI adoption is top of mind, its influence has ripple effects across this year's results. It's reshaping how and where work gets done, how value is defined and measured, and the opportunities and challenges facing workers at every career stage.

But even as AI advances rapidly, value creation at the organization level remains a work in progress. Unlike traditional top-down enterprise transformations, AI's gains are being driven by employees from the ground up. Yet value realization remains incomplete because many organizations still define success too narrowly. Bottom-line return on investment (ROI) matters, but so do morale, retention, and career growth.

This year's findings also highlight emerging structural changes that both workers and their companies must address head-on: skills that aren't keeping pace, unique new challenges for early-career employees, and expanding responsibilities for managers—learning AI themselves, translating fast-moving strategy shifts into daily practice, and resetting culture in the age of AI.

Technology may be advancing at remarkable speed, but the story of work in 2025 is still human at its core.

Survey participants

We surveyed more than 2,100 US-based employees representing a wide variety of industries, including financial services (18 percent); technology, media, and telecommunications (17 percent); industrial manufacturing (16 percent); consumer and retail (12 percent); healthcare (10 percent); government and education (10 percent); life sciences (7 percent); energy (5 percent); and agency, professional services, and other (5 percent).

Among this year's participants, 19 percent work for organizations of 100,000 or more employees, 16 percent for organizations with 50,000 to 99,999 employees, 28 percent for organizations with 10,000 to 49,999 employees, and 36 percent for organizations of 5,000 to 9,999 employees.

Our participants reflect today's multigenerational workforce, with 41 percent Millennials (29–44), 29 percent Gen X (45–60), 24 percent Gen Z (18–28), and 6 percent Baby Boomers (61 or older). Our participants were overwhelmingly full-time employees (95 percent), with a small number of part-time or temporary workers (5 percent).

Of the total number of respondents, 66 percent were managers and 34 percent nonmanagers; 49 percent do their work at their company office, 9 percent are remote, and 42 percent are hybrid employees (working both remotely and at the office). For gender, 52 percent were women; 48 percent men; and the remaining <1 percent were nonbinary, transgender, or declined to identify.

Key survey findings

1 Humans are driving AI's progress in the workplace

Our survey shows AI adoption today is being pulled forward by the workforce: Employees are in the driver's seat, not just along for the ride. Across industries, functions, and roles, workers are experimenting with AI on their own, weaving it into daily tasks, and discovering how it can be a force-multiplier for growing their capabilities.

The adoption levels are striking. Nearly 9 in 10 workers now use AI at least weekly, and half use it daily—up nearly 20 points from last year. And these aren't just edge cases. Employees are leveraging AI for the everyday work that keeps organizations running: data analysis, administrative tasks, research, technical troubleshooting, customer service, idea generation, and more. Confidence is high: 76 percent say they feel prepared to use AI in their roles and 84 percent want more training to build skills.

Managers are central to this story. They are using AI at higher rates than other workers, and they are reinforcing the shift through hiring: 76 percent say they actively look for AI-capable talent—a clear indicator that AI skills are becoming table stakes for advancement.

Yet this wave of adoption comes with tension. Workers are enthusiastic, but anxious: 52 percent worry that AI could eventually displace their jobs—nearly double last year's figure. Organizations must recognize this tension and seize the moment by reshaping workforce strategies now for an AI-driven future. That means planning for new skills and roles, guiding employees through change, and creating clear career pathways so that people feel supported.

It's a mutual commitment. By fostering an environment that encourages adaptability and continuous learning, both the business and its employees can channel today's worker-led momentum into sustainable enterprise-wide progress.

87%

of respondents use AI weekly, and 51% use it daily

73%

believe AI and automation can provide new career opportunities

Leadership's calls to action

- **Double-down on employee-led gains:** The top worker-level utilizations—sharper data analysis, reduced administrative tasks, more time for client interactions—should guide investment in training.
- **Act with structure and governance:** Employees are moving forward with AI. Don't wait for use cases to bubble up on their own. Provide guardrails, encourage responsible experimentation, and identify innovations that can scale.
- **Realign strategies for future readiness:** Leaders must rethink how their organization operates and identify the skills and roles essential for a future driven by AI. Commit to upskilling and redeploying teams to harness these changes and optimize the balance between the human and digital workforce.

2 Workers are gaining value from AI, but employee-level KPIs are lagging

While AI use is surging, definitive enterprise-wide measures of impact are still taking shape. Survey respondents say AI is helping them boost productivity in multiple areas, proving its potential in daily workflows. But while many companies have started to quantify AI's topline impact on costs and ROI, they have yet to capture some of the more qualitative measures in ways that matter to both employees and the organization.

On one hand, three in four employees say AI helps them focus on higher-value work and reduces repetitive tasks. Yet they also expect that AI will be able to handle more than half of their role within two years, and just one in three are unconcerned about job displacement. This duality points to a fundamental disconnect: Employees are creating real value, but they're not confident those gains will translate into long-term security.

Other signals reinforce the gap. Most organizations provide AI training, yet most employees say they need more. And although 75 percent of respondents say their company has shared an AI vision, anxieties about job security are growing.

This disconnect isn't because adoption is stalling. It's because many organizations haven't fully updated their strategies to keep pace with AI-driven changes. Employees are demonstrating every day that AI makes them more effective. But many companies still measure value through a narrow lens. In a recent survey of executives, for example, leaders overwhelmingly reported profitability and productivity gains from AI, but insights on the workforce impact were more mixed.[1]

Until leaders expand their view of ROI to include measures like engagement, retention, and growth, adoption will continue to outpace impact.

77%

of respondents say AI helps them focus on higher-value work

74%

say AI has reduced the amount of repetitive work they do

Leadership's calls to action

- **Broaden and measure ROI:** Develop comprehensive metrics that encompass both quantitative and qualitative value. Focus on key performance indicators (KPIs) that reflect organizational effectiveness, such as improvements in the operating model, enhanced productivity gains from both digital and human contributions, and staff-driven innovations.
- **Track the people impact:** Measure employee engagement, satisfaction, and career development alongside traditional metrics like cost savings. This ensures a fuller picture of AI's value and supports continuous, sustainable growth.
- **Share the gains:** Workers want benefits to flow back to them in the form of more meaningful work, flexibility, and career opportunities.
- **Earn trust:** With a growing number of employees worried about displacement, transparent communication and visible investments in people are essential for sustaining adoption.

[1] KPMG AI Quarterly Pulse Survey, June 2025.

3 Return-to-office is climbing, but divides by generation, gender, and career stage remain sharp

While AI dominates the conversation about how work is done, where employees do that work remains a defining issue. Half of employees are now fully back in the office, and preferences for in-person work are climbing: 4 in 10 say they would rather be fully in-office—double last year's rate.

But averages only tell part of the story. Return-to-office (RTO) is not experienced the same way across the workforce. For some, especially early-career employees, it represents a career-boosting opportunity through networking and growth. For others, particularly late-career workers and women, it can feel more burdensome.

Generational differences are striking. Gen Z respondents are almost twice as likely as Boomers or Gen X to say they are more productive in the office (72 percent versus 39 percent), with mentoring, skills development, and culture as key reasons.

Gender differences are also pronounced. Half of men prefer being fully in-office, compared with just 31 percent of women. That gap underscores how work models intersect with broader equity concerns, including caregiving responsibilities.

AI is also influencing workplace dynamics and preferences. The integration of digital and human employees is transforming how teams connect and function—AI is becoming a coworker, not just another technology tool. And workers who log more office time report greater success in building new skills and applying them in their careers, suggesting that location decisions affect how employees learn and grow in an AI-powered workplace.

Flexibility remains important as organizations rely more on alternative work models, with 63 percent incorporating contingent or part-time roles into their workforce—making this a growing consideration for culture and career development.

These findings confirm that the single-model workplace is over. Organizations that view work location and flexibility as strategic choices—not just logistics—will be better positioned to attract talent, retain mid-career professionals, and accelerate early-career growth. As ways of working shift, leaders must also help employees understand how AI is fundamentally changing work and give them the tools and support they need to adapt.

40%
prefer full in-office work

49%
work fully in-office

58%
feel more productive when working on-site

Key actions

- **Involve employees in planning:** Engage workers in shaping RTO and hybrid policies to improve buy-in and reduce equity gaps.
- **Support early-career talent:** Ensure mentoring, coaching, and culture-building are in place so that in-office time delivers meaningful benefits.
- **Guide workplace shifts:** As work models evolve—where employees work, how teams stay flexible, and how AI factors into collaboration—provide the clarity and support people need to adapt and stay connected.
- **Integrate flexibility:** Hybrid, contingent, and part-time workers are now part of the core workforce, and caregivers continue to be a critical consideration. One-size-fits-all RTO policies that don't provide flexibility for this growing part of the workforce risk impacting skills development and retention.

4 Upskilling trails adoption, leaving early-career workers most at risk

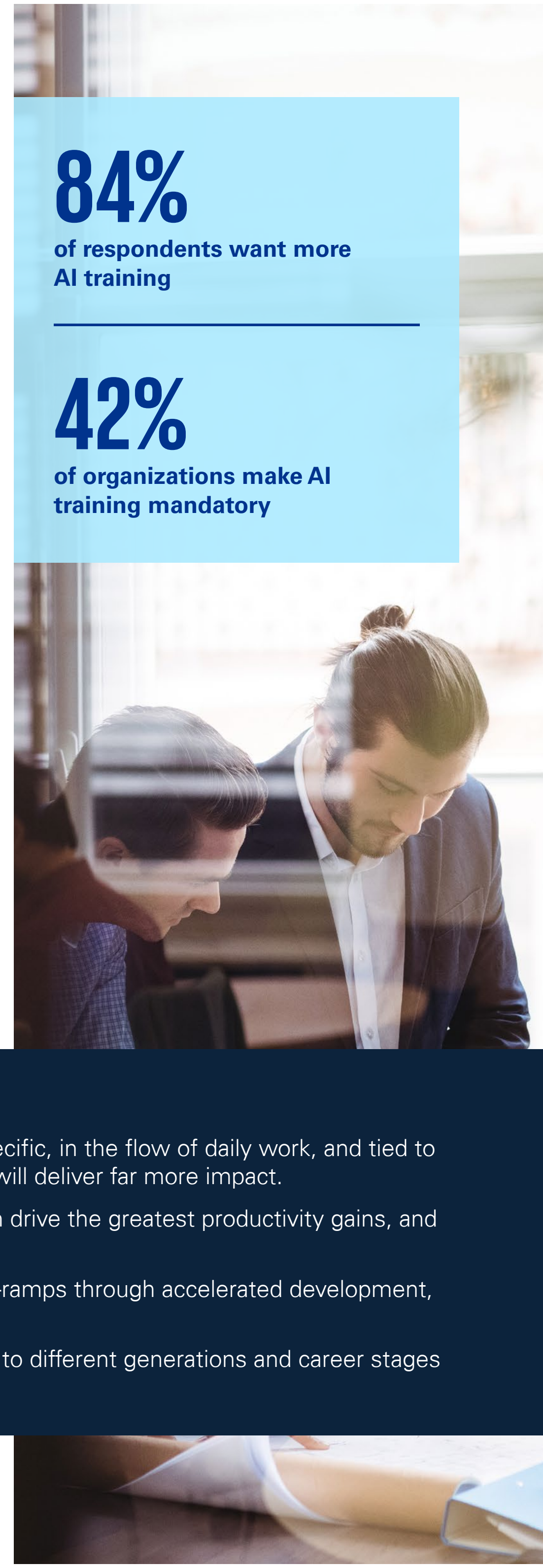
Organizations are investing in AI training, but it isn't enough—and it isn't always effective. While 85 percent of companies provide some form of training, 84 percent of respondents want more. Commitment is another issue: Less than half of organizations make AI training mandatory, sending a mixed signal about its importance.

There are also growing implications for early-career employees. While 6 in 10 Gen Z workers believe AI could replace their role within two years, only 3 in 10 older employees believe that. Without better training and accelerated development pathways, younger workers risk having fewer on-ramps to pursue higher-level roles.

That puts new pressure on managers and mentors. With the bottom of the ladder narrowing, apprenticeship and coaching are even more critical. More than 70 percent of employees believe AI can help boost their capabilities and career opportunities—but in-person relationships and informal learning remain critical for building both technical and human skills. The mix of requirements is also shifting: Early-career workers need stronger communication and critical thinking, while leaders must deepen their grasp of AI's technical side to lead effectively.

Degree divides persist as well. Two-thirds of nondegree employees say skills gained through apprenticeships or certifications give them the confidence to match the proficiency of peers with four-year degrees. Yet 41 percent of this nondegree group say their skills are disregarded, and nearly half report limited advancement opportunities. Even as AI accelerates learning, the degree credential remains a barrier.

The overall risk is clear: Without stronger training, mentorship, and pathways for younger employees, AI could erode some of the career tracks that have traditionally launched the workforce. Closing the training gaps and empowering managers to guide learning will be critical to ensuring AI opens opportunities, rather than narrows them. This also connects to return-to-office dynamics: In-person environments can help early-career employees replace disappearing entry-level tasks with mentorship and accelerated growth.



84%

of respondents want more AI training

42%

of organizations make AI training mandatory

Leadership's calls to action

- **Expand and personalize AI training:** The most useful approaches are role-specific, in the flow of daily work, and tied to real tasks—not generic webinars. Tailoring training to how people like to learn will deliver far more impact.
- **Prioritize high-impact skills:** Pinpoint the critical skills and tasks where AI can drive the greatest productivity gains, and direct training investment accordingly.
- **Protect early-career pathways:** As AI erodes entry-level work, create new on-ramps through accelerated development, mentoring, and apprenticeship models.
- **Mind the gaps:** Address barriers facing nondegree workers, and tailor training to different generations and career stages to ensure equal access.

5 Managers' roles are expanding as the pressure to deliver grows

Managers are in the spotlight across our survey, reflecting how the dynamic workplace of the last few years is reshaping what "supervision" means.

This year, 80 percent say they are directly responsible for employee well-being, up from 63 percent last year. Two-thirds report mediating workplace conflicts—a sharp increase from 44 percent a year ago. Managers also drive career development: coaching young employees, helping teams apply new AI tools, and translating strategy into daily practice.

Their role in the office is also becoming more important. As RTO patterns rise, managers are the linchpin for ensuring in-person time delivers on its promise—especially for early-career workers seeking mentorship and growth. Their presence and engagement influence whether RTO is seen as a career accelerator or a burden.

This expanding scope underscores how central managers have become to organizational culture and performance. But it also reveals a mounting challenge. In the age of AI, managers must shift how they lead both people and a digital workforce—driving change, addressing challenges, and guiding teams through reskilling. By providing clarity on changing roles and linking them to the company's future direction, managers can help employees adapt and thrive in impactful new ways.

The future of AI in the workplace will be shaped by managers as much as algorithms. Their ability to balance technology, people, and culture will play an outsized role in whether organizations can turn AI adoption into lasting impact.

58%

of managers use AI daily, compared to 38% of nonmanagers

81%

of managers say they are responsible for well-being

66%

of managers have mediated conflicts in the last year

Leadership's calls to action

- **Make RTO count:** Ensure managers are present and equipped to turn in-office time into a career lever for younger employees.
- **Support growth:** Provide training in leadership, coaching, and change management so managers can thrive—and advance their own careers—as their responsibilities expand.
- **Redefine expectations:** Acknowledge that the manager's job now means covering new capabilities, and then resource and structure the role accordingly.

In the driver's seat: How the American worker is shaping the AI-powered workplace

Our 2025 American Worker Survey reveals a workplace defined by both momentum and uncertainty. Employees are leaning hard into AI adoption, often moving faster than their organizations. They are redefining value in their daily work, adapting to new RTO mandates, and pushing for training that is more relevant and accessible. Managers, meanwhile, are being asked to shoulder broader responsibilities—from employee wellness to AI execution.

These findings tell a clear story: Workers are driving progress in the age of AI. They are not waiting for permission—they are adapting, learning, and creating value. But organizations are still catching up in how they measure impact, structure career pathways, and support the managers who hold it all together. They must also prepare for brand new challenges, such as managing "agent sprawl" as AI tools become a growing part of the workforce alongside human talent.

For human resources and business leaders, the implications are urgent:

- **Operate differently:** Operating models must adapt to reflect how AI is reshaping work—and leaders must clearly communicate the roles and skills needed to support that shift.
- **Redefine value and governance:** ROI must expand beyond efficiency and cost savings to include outcomes like morale, retention, and growth. Organizations also need updated governance models that account for the complexities of a growing population of AI agents.
- **Balance flexibility:** RTO and hybrid arrangements are not one-size-fits-all; success requires bridging generational, gender, and career-stage divides.
- **Protect early-career pathways:** As entry-level tasks disappear, new routes into careers must be built through training, mentorship, and accelerated development.
- **Make training meaningful:** Move beyond box-checking. Training should be role-specific, personalized, and tied to real tasks.
- **Empower managers:** Provide the new tools, resources, and development they need to succeed as culture shapers, mentors, and AI adoption leaders.

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