Issue 03 | 2026

Grassroots Research® Market Monitor

Campus Hiring in the AI Era -US
Data Center Buildout Trends–US
Cybersecurity Trends–US
Consumer Spending–US
Gen Z Entertainment Trends–US
Quantum Computing –US

Campus Hiring in the AI Era–US

Grassroots® conducted interviews with U.S. campus career services directors and independent college career consultants to assess how artificial intelligence is influencing recruiting activity, entry-level hiring requirements, and internship demand. While AI is rapidly changing how employers evaluate talent, respondents indicated that campus recruiting remains relatively stable, with companies increasingly seeking candidates who can combine AI fluency with strong interpersonal skills.

Despite concerns that AI could reduce hiring opportunities for recent graduates, recruiting activity has held up well. Approximately 71% of sources reported no meaningful change in employer participation in on-campus recruiting or career fairs over the past 12–18 months. Several sources noted that the biggest shift has been the increased use of virtual interviews rather than a decline in hiring activity itself. One source described recruiting activity as "fairly the same over the last couple of years," while another observed that virtual interviews remain far more common than before the pandemic.

Although technology recruiting has softened relative to prior years, broader employer engagement with universities appears largely intact. Among those who commented, 80% said adoption of AI is not the primary factor influencing recruiting activity today, with economic conditions, corporate hiring priorities, and recruiting process changes playing larger roles. At the same time, sources highlighted rapidly increasing employer demand for AI-related skills. One source noted that job postings requiring AI capabilities increased from 13% last fall to 35% this spring, adding that AI is being used to "augment entry-level work, not replace it." The clearest impact of AI is visible in employer expectations for new hires. Among sources who commented on entry-level technology roles, 100% said employers are now seeking some degree of AI awareness for positions in software development, operations, and customer service. Another noted that employers "want graduates who understand how to use AI tools effectively while remaining adaptable as technologies evolve."

Sources were nearly unanimous that technical proficiency alone is not enough. Approximately 88% identified communication, teamwork, problem solving, and critical thinking as the skills increasing most in importance. Sources said that as AI automates routine tasks, employers are placing greater value on capabilities that are difficult to replicate through technology. Internships also remain a critical pathway into full-time employment. Approximately 93% of



sources reported stable employer demand for internships and co-op programs, while 83% of sources said these programs frequently lead to full-time hiring opportunities.

Overall, sources expect AI to continue reshaping hiring requirements rather than reducing hiring demand. As employers look to improve productivity and integrate AI into everyday workflows, candidates who can pair AI literacy with strong communication, adaptability, and real-world experience appear best positioned to succeed. One source noted that "understanding AI is important, but it remains secondary to communication, problem solving, intuition and iterative thought processes."

20260806-5812503-18541109

Cybersecurity Trends–US

Grassroots® conducted interviews with cybersecurity resellers, distributors, and consultants to assess spending trends, evolving security priorities, and the impact of artificial intelligence on demand. Sources indicated that cybersecurity spending remains resilient despite generally flat IT budgets, supported by growing threat awareness, AI adoption, and rising compliance requirements. Approximately 83% of sources expect their average client's cybersecurity spending to increase over the next 12 months, with projected growth averaging roughly 10%.

Cybersecurity priorities are also evolving. Sources ranked endpoint detection and response (EDR/MDR) as the top spending priority for 2026, followed by security training, identity management, AI guardrails, and SASE/zero trust solutions. Artificial intelligence is emerging as both a cybersecurity opportunity and risk. Approximately 39% of sources said growing interest in AI has increased customer demand for cybersecurity solutions, while many reported rising concerns around protecting intellectual property and securing AI-enabled workflows. Sources identified log analysis and vulnerability detection as the most common cybersecurity use cases for AI.

However, industry standards governing the security of AI agents remain unclear, with broad discussion but little consensus on best practices. High-profile cyber breaches continue to support spending momentum with sources noting that breaches affecting peers or companies within the same industry tend to have the greatest influence on purchasing decisions. Approximately 67% of sources reported increased awareness of cybersecurity risks and a greater willingness among SMBs to invest in protection. While cost sensitivity remains a factor, sources indicated that cybersecurity is increasingly viewed as a necessary business investment rather than a discretionary expense.

Consumer Spending–US

Grassroots® surveyed U.S. consumers to assess household spending trends, credit usage, energy price sensitivity, housing demand, travel plans, and live event demand. Consumers remain resilient but increasingly selective, with household spending holding broadly stable as 43% reported higher spending, 48% said spending was about the same, and 10% said spending was decreasing.

Sources commented that spending expectations improved modestly, with 42% expecting higher spending over the next 6 months, up from 38% in April, while upside was disproportionately driven by higher-income consumers, including 59% of $150,000+ households expecting increased spending. 42% of consumers reported higher credit card balances over the past 3 months, with credit usage skewing more toward everyday essentials at 34% than discretionary spending at 12%. Energy prices remain a key swing factor for consumer behavior, with 34% of sources reporting a significant household budget impact and another 39% reporting some impact.

If energy prices rise further, consumers are most likely to cut back first on dining out at 35%, followed by travel or entertainment at 23%, while if energy prices decline, 46% would save or pay down debt. Sources said housing demand is stabilizing but still constrained, with home purchase intent improving to 30% from 25%, while 33% said higher mortgage rates caused them to delay buying a home. Delayed housing dollars are being redirected mainly into everyday spending at 61% and savings or investing at 53%, while discretionary uses such as dining, travel, and live events declined versus April.

Data Center Buildout Trends–US



Grassroots® conducted interviews with data center developers, consultants, infrastructure experts, and academics to assess how AI demand is shaping U.S. data center construction. Sources indicated that demand remains exceptionally strong, driving a rapid increase in development activity, but bringing new capacity online is becoming increasingly challenging as power, infrastructure, labor, and permitting constraints intensify. Approximately 86% of sources said the pace of new data center construction has accelerated over the past 12–24 months as technology companies race to expand AI computing capacity.

However, sources emphasized that announced projects continue to outpace the industry's ability to deliver operational facilities. "The pace has accelerated, but actual openings are not keeping up with announced demand," one source said, citing interconnection timelines, transformer availability, permitting challenges, and capital discipline as key obstacles. Constraints throughout the ecosystem are becoming more apparent with 86% of sources citing power availability as a major challenge to bringing new AI data center capacity online. One source said, "Power is the headline issue," while another noted that successful projects depend on coordinating power, site control, permitting, financing, and demand. Among sources who commented, approximately 67% said the environment has become more difficult than it was a year ago.

Developers are adapting by becoming more flexible in how projects are pow-
[illegible] sources were interviewed, 50% said new AI-focused developments

20260806-5812503-18541109

are increasingly incorporating behind-the-meter power solutions, while the remaining 50% described a mix of utility power and dedicated generation assets. The industry's development strategy is also evolving. Approximately 83% of sources reported a shift in siting decisions compared with previous development cycles, while roughly 71% said local factors such as permitting timelines, zoning approvals, infrastructure readiness, and community acceptance now play a significant role in project outcomes. One source said the market is becoming "more disciplined," with investors and developers increasingly focused on whether projects can realistically become financeable capacity within achievable delivery timelines. Another said that permitting, zoning, and community opposition can delay projects by 12–24 months.

Supply chain challenges and cost pressures remain additional concerns. Sources most frequently identified transformers, switchgear, generators, cooling systems, and other electrical components as current bottlenecks. Among those who commented on cost inflation, 40% said power infrastructure and grid interconnection costs are rising the fastest, while another 40% pointed to electrical equipment. Labor shortages and execution capacity were also cited as challenges. "The hardest costs to mitigate are long lead-time electrical components," one source said. Looking ahead, sources remain constructive on long-term growth. Among those who commented, 50% expect future AI development to favor fewer, very large campuses, while 33% anticipate more modular and distributed facilities. While views differ on deployment models, most agreed that demand remains strong and there is little evidence of widespread overbuilding. Instead, attention is increasingly focused on execution, infrastructure development, utility coordination, and the industry's ability to convert AI demand into operational capacity.

Gen Z Entertainment Trends - US

Grassroots® conducted an online survey of U.S. Gen Z consumers (ages 16–27) to assess entertainment preferences across movie theaters, concerts, and malls. Sources suggest that in-person experiences remain highly relevant to Gen Z and may be benefiting from a broader shift toward physical connection and social engagement. Of the three, sources said mall visitation remains the most common out-of-home activity, with 49% visiting a shopping mall in the past year compared with 44% attending a movie theater and 7% attending a concert.

Sources also noted that malls rank as Gen Z's most important social activity at 42%, ahead of movie theaters at 31% and concerts at 27%. Sources reported improving demand across all three categories, with 59% of respondents reporting higher interest in movie theaters versus both 6 and 12 months ago, 57% reporting higher interest in concerts, and 55% reporting higher interest in malls.

Sources said increased movie theater interest is primarily driven by more appealing films (53%) and the shared social experience (46%), while mall interest is supported by in-person shopping (46%) and spending time with friends (40%). The findings show Gen Z's renewed interest in community-oriented, real-world experiences. Sources commented that digital entertainment and AI-enhanced at-home options are not replacing out-of-home activities but are instead making consumers more selective about which experiences are worth leaving home for.

Quantum Computing–US

Grassroots® conducted interviews with US-based academic researchers, quantum hardware vendors, and industry infrastructure participants to assess how quantum error correction (QEC) workloads are being deployed today, where semiconductor spending is heading, and which compute architectures are best positioned as quantum systems scale.

QEC infrastructure remains heterogeneous, with most sources describing a split architecture in which field-programmable gate arrays (FPGAs) handle latency-critical control and decoding functions while graphics processing units (GPUs) support artificial intelligence/machine learning (AI/ML)-based decoding, simulation, and higher-level workloads. One source said, "FPGAs handle the time-critical work," while GPUs are used for "heavier, more computational workloads." Latency emerged as the key constraint. Most sources commented that control loops operate on microsecond or sub-microsecond timescales, and sources warned that if decoders cannot keep pace, "syndromes pile up" and performance degrades. One source noted that custom ASIC solutions could reduce latency from roughly 4–5 microseconds to "hundreds of nanoseconds."

Sources also highlighted clear tradeoffs between GPUs and custom silicon. While GPUs were viewed favorably for AI/ML-centric workloads, simulation, and large-scale decoding, several sources commented that data movement, scheduling overhead, and non-deterministic execution make GPUs less suitable for real-time QEC. As one source stated, "GPUs are amazing" for AI workloads, but "when one needs an answer in less than a microsecond," FPGAs are preferred. Looking ahead, most sources agreed ASICs represent the long-term end state because of their latency and power-efficiency advantages, but sources said adoption remains gated by evolving QEC architectures, decoder algorithms, and insufficient deployment volumes. Investment today remains concentrated in FPGA- and GPU-based infrastructure, with one source expecting GPU+Quantum Processing Unit (QPU) integration to remain "one of the biggest themes in quantum computing" over the next 2–3 years.

20260806-5812503-18541109

About Grassroots Research®

The Grassroots Research® division combines a variety of resources and methodologies, including in-house employees; a global network of independent, experienced journalists and consumer researchers; more than 50,000 industry contacts; and online panel surveys. We use this network to apply innovative market research and investigative journalism techniques to identify stock and sector trends before our competitors do.

Advantages:

- Continuous exchange of information between Grassroots® analysts and our investment professionals
- Expertise of independent journalists and consumer surveys to reach sources on the ground
- Technological tools to target consumer and business panels online
- Timely business insights via quick turnaround times
- 30+ years of experience conducting customized investigative market research around the world

Resources:

- Access to thousands of consumers in more than 60 countries via targeted online consumer and business panels
- On-the-ground investigators who conduct quantitative market research among consumers
- 55+ reporters who conduct interviews with industry experts
- In-house team based in the US
- 50,000+ industry contacts worldwide from a wide range of industries, including consumer, technology, healthcare, materials, industrials, energy and financials companies

Grassroots Research®

Lead Research Analyst, Grassroots Research:
Michele Rumfola

Research Analyst, Grassroots Research:
Phil Simon

Grassroots® Market Monitor is published quarterly by Grassroots Research, a division of Voya Investment Management.

Voya Investment Management
200 Park Avenue, New York, NY 10017, USA
phone: 415.954.5400

www.voya.com

Grassroots Research® and Grassroots® are registered trademarks of Allianz Global Investors GmbH (AllianzGI), and are used by Voya Investment Management (Voya IM) pursuant to a licensing agreement with AllianzGI. Research data used to generate Grassroots® reports may be paid for by commissions generated by trades executed on behalf of clients. Certain information may be received from sources Voya IM considers reliable; Voya IM does not represent that such information is accurate or complete. Nothing contained herein should be construed as (i) an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. No part of this material may be i) copied, photocopied, or duplicated in any form, by any means, or ii) redistributed without prior written consent.

20260806-5812503-18541109

©2026 Voya Investments Distributor, LLC, 200 Park Ave, New York, NY 10017 All rights reserved.