

# JOB OUTLOOK 2007

Student Version

## What Are You Doing After Graduation?

Your chances of having a good job—maybe even the perfect entry-level job—are better than ever. According to *Job Outlook 2007*, employers plan to hire 17.4 percent more new college graduates from the class of 2007 than they did from the class of 2006.

"This marks the fourth straight year that employers have projected percentage increases in the double digits," says Marilyn Mackes, executive director of the National Association of Colleges and Employers (NACE), the organization that performs the annual survey.

More employers across all sectors—service, manufacturing, and government/nonprofit (see page 7)—are planning to hire more new graduates.

Top 10 degrees in demand (bachelor's degree level)
Accounting Business administration/management Computer science Electrical engineering Mechanical engineering Information sciences and systems Marketing/marketing management Computer engineering Civil engineering Economics/finance

Service sector employers are predicting an increase in new college hiring of 19.8 percent, surpassing the other sectors. Manufacturers are planning a healthy overall increase of 9.5 percent, and government/nonprofit employers plan an increase of 9 percent.

The growing demand for new graduates is a result of an increased

demand for employers' products and services; in addition, employees—baby boomers—are retiring or nearing retirement age, and other employees are leaving organizations for new opportunities. Indications are that employers expect the good job market to continue—or perhaps get better. Many employers plan to keep a close eye on the needs of their organizations by reassessing their work forces on a monthly or weekly basis and recruiting as needed.

Employers in the South expect the biggest increase in hiring 2006-07 college graduates: They plan to increase hiring by just over one quarter—25.5 percent—and more than half—62 percent—plan to be on campuses in spring 2007 to recruit many of those new hires. Employers in the West also plan a solid increase in the number of new college graduates they plan to hire from the class of 2007. On average, they plan to increase their hiring by 23 percent, adding approximately 17 more new graduates per organization. Employers in the Northeast say they will increase hiring by almost 17 percent; Midwestern employers project an average increase of 10 percent.

Employers in all regions said they would increase starting salary offers from 4 percent to more than 10 percent.

Top degrees in demand (master's degree level)
M.B.A. Electrical Engineering Computer Science Computer Engineering Mechanical Engineering

"Employers are optimistic about their hiring plans," says Andrea Koncz, NACE employment information manager. But "don't sit back and wait for an employer to find you. The better job market doesn't mean finding a first job will be an easy ride," she says. "If you want a job at or soon after graduation, you'll need to work hard at your job search."

### ***Which majors are in most demand?***

Employers plan to target business, engineering, and computer-related degrees at both the bachelor's and master's degree level in 2006-2007. The list of top 10 degrees in demand at the bachelor's degree level contains many of the same majors as last year, but in a slightly different order. This year, the list is topped by accounting, and followed by business

### Who's hiring (bachelor's degree level)

Major	Most Interested Employers
Accounting	<ul style="list-style-type: none"> <li>● Accounting(public)</li> <li>● Banking (commercial)</li> <li>● Petroleum &amp; allied products</li> <li>● Utilities</li> </ul>
Business Administration /Management	<ul style="list-style-type: none"> <li>● Banking (commercial)</li> <li>● Transportation services</li> <li>● Agriculture &amp; products</li> </ul>
Computer Science	<ul style="list-style-type: none"> <li>● Computer software development &amp; data processing services</li> <li>● Research organizations</li> <li>● Electrical &amp; electronic machinery &amp; equipment manufacturers</li> </ul>
Electrical Engineering	<ul style="list-style-type: none"> <li>● Utilities</li> <li>● Electrical &amp; electronic machinery &amp; equipment manufacturers</li> <li>● Aerospace manufacturers</li> <li>● Petroleum &amp; allied products</li> </ul>
Mechanical Engineering	<ul style="list-style-type: none"> <li>● Automotive &amp; mechanical equipment manufacturers</li> <li>● Aerospace manufacturers</li> <li>● Petroleum &amp; allied products</li> </ul>

administration/management, computer science, and electrical and mechanical engineering.

Employers who said they recruit M.B.A. graduates are planning to hire 22.1 percent more M.B.A. graduates than they did in 2005-06. Manufacturers offer the most opportunities for M.B.A. grads, planning a 32.4 percent increase in their hiring. M.B.A. hiring is somewhat varied in the four geographic regions. Employers in the Northeast, Midwest, and South are planning increases, while Western employers are planning an overall decrease in M.B.A. hiring of 11.1 percent.

At the doctorate degree level, employers will mainly target engineering and computer-related degrees.

### **Employers looking for graduates with associate degrees, too**

#### **Top degree-areas in demand (associate degree level):**

Technology  
Engineering  
Computer Science  
Business

As with four-year graduates, associate degree grads are looking at a better job market in 2006-07 than they did in 2005-06. In last year's *Job Outlook* survey, about a third of employers reported that they planned to hire associate degree graduates in 2005-06. In 2006-07, about 40 percent of employers plan to hire associate degree grads, with government/nonprofit employers leading the way (42 percent), followed by service sector employers (40 percent), but followed closely (at 37 percent of respondents) by manufacturers.

Two-year grads holding technology/engineering degrees, computer science, and business administration/management degrees are most in demand. Jobs will also be there for those who want to work in insurance and hospitality, as well as in electrical and electronic machinery and equipment, and in agricultural products.

And there's more good news for associate degree grads, of those respondents who said they were looking for associate degree grads, 8.5 said that they would hire from *all* majors.

Employers like hiring new graduates with associate degrees. Associate degree graduates often have more work experience than four-year graduates and have developed a good work ethic, making them a good choice for entry-level hiring. In addition, they often enter the work force with a special skill set unique to the positions they seek, so employers need to do less training with these graduates.

And this year, new graduates holding associate degrees look very attractive to a wide range of potential employers.

In addition, most two-year grads have realistic expectations in terms of salary and promotions, hence, they have more longevity in the world of work (and perhaps leverage in the job market).

### **International grads find a market for their services**

The 2007 *Job Outlook* survey also shows that 31 percent of responding employers plan to hire international students for full-time permanent positions in 2006-07. This is an improvement over last year when 24 percent had plans to hire these students.

Employers expressed an interest in graduates with mechanical and electrical engineering degrees, computer science, and chemical and civil engineering degrees. By employment sector, manufacturers were most interested in hiring international students. Over one-third of manufacturers (34 percent) expect to hire international students in 2006-07.

Nearly one-third of service employers (29 percent) plan to add them to their work force in 2006-07; 23 percent of government/nonprofit employers plan to hire international students.

By type of employer, electrical and electronic machinery and equipment manufacturers, petroleum and allied products manufacturers, and building materials and construction firms are the best bets for international students. Close to half of the respondents in each of these three categories plan to hire international grads in 2006-07.

#### **Top degrees in demand (doctorate degree level)**

Electrical Engineering  
Computer Science  
Computer Engineering  
Mechanical Engineering  
Chemical Engineering

#### **Why do employers want new college graduates?**

Because you:

- are enthusiastic and motivated
- are future leaders of our organizations
- provide fresh ideas
- have cutting-edge skills
- are a diverse applicant pool at the college level
- will accept lower salaries than college graduates who have several years of work experience
- tend to be centrally located, so are easier to find.

## Why do employers want to hire you—the new graduate?

### Employers rate the importance of specific qualities/skills

Qualities	Rating
Communication Skills	4.7
Honesty/integrity	4.7
Interpersonal skills (relates well to others)	4.5
Motivation/initiative	4.5
Strong work ethic	4.5
Teamwork skills (works well with others)	4.5
Computer skills	4.4
Analytical skills	4.3
Flexibility/adaptability	4.3
Detail-oriented	4.2
Organizational skills	4.0
Leadership skills	4.0
Self-confidence	4.0
Friendly/outgoing personality	3.9
Tactfulness	3.9
Well-mannered/polite	3.8
Creativity	3.7
GPA (3.0 or better)	3.6
Entrepreneurial skills/risk-taker	3.3
Sense of humor	3.2
Bilingual skills	2.3
(5-point scale, where 1=not important, 2=not very important; 3=somewhat important; 4=very important, and 5=extremely important)	

It's not your skills. When you reach the workplace, you'll find a lot of people with your skills—and with experience that you don't have.

What you do have, however, is motivation. You're more likely to be enthusiastic about the job you're taking, say almost all of employers surveyed. And you're likely to offer fresh ideas and different viewpoint to the employers and organizations that want to hire you.

Even though employers can easily cite the shortcomings of new college graduates, they're looking for you as someone they can mold to be a future leader within their organizations.

### ***What employers want (and you need to have)***

Each year the survey is conducted, employers name the skills and qualities in the "ideal candidate." They also compare their desires to the skills and qualities the current crop of graduates actually possess.

A good GPA is, of course, important.

Employers look at other attributes, too. In fact, year after year, the number one skill employers say they want to see in job candidates is good communication skills: the ability to write and speak clearly. Unfortunately—in spite of requesting this skill year after year—many employers also report that college graduates lack good grammar and writing skills.

Employers also want new hires who are honest, have teamwork skills, and have a strong work ethic.

### ***What college candidates lack***

Ironically, communication skills not only top employers' list of most-desired skills, but also their list of the skills most lacking in new college graduates.

Many employers reported that students have trouble with grammar, can't write, and lack presentation skills. Poor communication skills are often evident in the interview, where students are unable to articulate, as one employer said, "how what they have done relates to/contributes to the position" they are seeking.

In addition, employers pointed to other skills and attributes that had made their "wish list," and cited those qualities and abilities as lacking in many new college graduates, e.g., relevant work experience, strong work ethic, team work skills, and the like. They also faulted new college graduates for not conducting themselves in a professional

manner.

## ***Get experience—and learn how to highlight it on your resume and at your interview***

What this means is, you need some real-world experience before graduation. Although you won't learn everything about the workplace with an internship or co-op assignment, you can build many of the skills employers find lacking. An internship, for example, is not just an opportunity to gain experience, but it's also a setting for you to learn professional behavior, learn what it means to work in a team, and practice interpersonal communication. An internship or co-op position helps you see the professional skills employers seek in action—and helps you learn how to fit into the world of work.

Plus, hands-on experience may lead to a full-time job offer. Employers say they look within their own student programs

to recruit new graduates. In addition, many employers said they offer higher salaries to new graduates who have any co-op or internship experience than they do to those who do not have that experience.

Further, practical experience is an element that employers will look for on your resume—whether it is with their organization or another. While employers prefer "relevant" work experience, having any work experience is better than no work experience. If you get this valuable experience before graduation, you'll have a distinct advantage over job candidates who lack the experience.

### **Where will you find your employer?**

You may not have to go very far to find your first full-time employer: Check with your career services office to find out when companies you are interested in will be on campus. Employers find on-campus recruiting—company information sessions, career fairs, interviews—to be an effective way of finding and hiring new graduates. Take a look at the list of places employers seek new graduates and you'll know where to begin your search!

### **Your first full-time job will come with benefits**

You've heard it before—but it bears repeating—salary isn't the only thing you should consider when choosing among potential employers. Benefits are part of your salary.

Employers seem to be right in line with what new graduates are looking for in benefits packages. Medical insurance is ranked as highly important by students responding to the *NACE 2006 Graduating Student & Alumni Survey*, and it's offered to new hires by all of the employers who responded to the job market survey. Most employers offer life and dental insurance, too, which rank among the top five benefits new graduates want the most.

<b>Benefits Offered to New College Graduates</b>
Medical insurance
Life insurance
Dental insurance
401(k) retirement plan
Annual salary increases
Employee assistance/counseling program
Tuition reimbursement
Casual dress policy
Planned social activities
Bonus/commission plans
Flextime
Frequent performance reviews (more than one per year)
Family-friendly benefits
Pension plan
More than two weeks vacation
On-site fitness center
Telecommuting
Stock options
Day care facilities
Company car
Payback of existing student loans

### **Where employers are looking for new graduates**

- On-campus interviews
- Employer's internship program
- Employee referrals
- Employer's co-op program
- Career/job fairs
- Job postings on the college web site
- Faculty contacts
- Job postings on the company web site
- Student organizations/clubs
- Commercial job boards
- Internet resume data bases
- Job postings to career offices (printed)
- Request resumes from career offices
- Recruitment advertising (print)
- Newspaper advertising (campus and/or local newspapers)
- Career/job fairs(virtual)
- Internet banners
- Video interviewing

Employers reported a number of other perks offered, including vision insurance, special work schedules, and 10 or 11 holidays per year. Others said they offer health club memberships, health and wellness time "on the clock," and yoga classes. A few said they offer nontraditional benefits such as pet insurance, clothing allowances, cell phone plans, Friday lunches, and free coffee—and one employer said that the organization gives an iPod Nano to all new campus hires.

And keep an eye on the third most frequently desired (by new graduates) benefit—the 401k. This way of saving for retirement is offered by 97 percent of employers surveyed, and it may become increasingly important as fewer and fewer employers appear to offer a pension plan. This year, less than half of employers said they would offer pension plans to new college graduates—down from 70 percent who offered them in 2004.

### **How will you invest in your future?**

Like a lot of new grads, the idea of retirement savings may feel odd: Most new grads have more than a lifetime—40 years or more—in the workplace ahead. Yet, you'll want to take advantage of the savings advantages a 401k offers—and the "free money" you'll receive if your employer offers some kind of matching savings program.

Many employers recognize that new graduates often don't have a background in personal finance, so they're offering entry-level employees a chance to meet with someone who can explain the 401k investment options. Employers who do not offer this opportunity often provide informational booklets, a phone number, or a web site where new hires can obtain information.

## Will you get a signing bonus?

It depends. If you're going into civil engineering or computer science, earning your M.B.A., or getting your doctorate in electrical engineering, you are more likely to get a signing bonus than if you're planning to become a librarian, a newspaper reporter, or a social worker.

Bonuses will be offered to select new college hires, and will range from \$1,000 to \$10,000, but most will fall at the lower end of the scale. Typically, the timeframe for being paid that bonus can be from just before the start of the job to the end of the first year on the job.

## Advice from employers

Just because the job market is a good one doesn't mean you can or should get cocky about getting the job you want. If you want some control over your opportunities, consider this next section your homework—it's advice employers—the people who are recruiting and hiring—offer. Most of the following sounds like common sense, but you might be surprised by the number of job candidates who blow off these details (and employers can tell which students/new graduates have taken their advice seriously).

### Research

Take 60 minutes, go online, and learn everything you can about any company you might want to work for. Your goal is to be able to articulate how you will be a good fit within the company. If you have trouble putting your research into words, ask a career services counselor for help.

### Experience

Do you know what you want to do? An internship or co-op experience (or several of these positions) on your resume will tell an interested employer that you've tested your career up close and you've learned some of the basics of the workplace. Almost three-quarters of employers say they prefer to hire students who have relevant work experience, and a little less than a fifth of employers said they are willing to consider any type of real-workplace experience.

If you're an underclassman, line up your experience as early in your college career as possible (go to your career center for leads on internships and co-op positions). Some employers recommend getting that first internship during your freshman year so that you get to know a company well and have your "foot in the door" at graduation!

### Prepare

You'd think getting organized and ready to apply for jobs would come naturally, but it doesn't. Just because you learned to write a nice thank-you note in sixth grade or put together a rudimentary resume in "career class" in high school doesn't mean you have the skills to crank out the appropriate cover letters or build resumes that attract employers. Among the skills you need to learn in college include:

- how to write a cover letter that markets you to employers.
- how to compose a well-written, error-free resume that articulates your skills and course work as a match for the company and position.
- how to interview and explain the value you can bring to a potential employer.

Take advantage of the resources on your campus provided by the career center. Trained, professional staff are available to guide you through the process and teach you how to take the various steps in the process with success. Plus, these career counselors know the employers—they work with them on a regular basis—and can put you in touch

## Employers rate the influence of attributes when choosing between two equally qualified candidates

Attributes	Rating
Has held leadership position	4.0
Major	4.0
High GPA (3.0 or above)	3.7
Has been involved in extracurricular activities (clubs, sports, student government, etc.)	3.7
Has done volunteer work	3.2
School attended	3.0

(5-point scale, where 1=no influence at all, 2=not much influence, 3=somewhat of an influence, 4=very much influence, and 5=extreme influence)

### Job search tactics

#### Target the right employers.

- Know who's hiring.
- Check with your career services office for employer schedules.
- Attend employer information sessions.
- Research potential employers.

#### Get the interview.

- Perfect your resume.
- Highlight your work/volunteer experience.
- Attend career fairs/on-campus recruiting.

#### Prepare for the interview.

- Wear appropriate interview attire.
- Research the company so that you can discuss how your skills will benefit the employer.
- Be ready to ask and respond to questions appropriately.

with the organizations where you'd like to work.

Don't be fooled. A career counselor won't find you a job or "place" you in a position. They're on campus to teach you something more important: the tools and contacts to successfully find a job today—and in the future when you're looking for your second, third, or 10th position!

Research, experience, and preparation: If you have these, you won't need "good luck" to be successful in your job search.

### **Four More Tips From Employers**

- 1. Send it error free.** Ask someone to proofread your cover letter and resume. Even the most well written correspondence falls short if it contains typographical or grammatical errors. Demonstrate that you are proficient in written communications and that you pay attention to detail by sending error-free correspondence.
- 2. Be traditional.** Sending your letter by mail or e-mail? Follow all the traditional rules for correspondence. Write in complete sentences. Do not use emoticons. Use correct punctuation. Use upper and lower case letters when appropriate.
- 3. Look and sound professional.** Be professional in all possible contact situations. Your outgoing message on voicemail should be there to give a good impression—not impress your friends with your wit. Make sure you use an e-mail address that represents you in the best light. Ditch "beerpongchampion@hotmail.com" in favor of something like yourinitials@whateverdomain.com.
- 4. Stick with the general guidelines.** Get to the interview on time. Be friendly and respectful with everyone you meet—from the receptionist to the CEO. Turn your cell phone off during your site visit. Write thank-you notes to everyone who takes time to interview you.

#### **Types of Employers**

**Manufacturing employers** – Companies that are in business for the purpose of producing goods. Examples: Automobile manufacturing companies (Ford, GM) that produce automobiles. Aerospace manufacturing companies (Raytheon, Lockheed Martin). Pharmaceutical companies (Merck, Roche, Sanofi Pasteur).

**Service employers** – Companies that are in business to provide a service to individuals. Examples: Commercial Banks provide banking services such as deposits, loans, etc. (Examples: Wells Fargo, Bank of America, PNC Bank) Insurance Companies that provide insurance such as auto, life, homeowner's insurance. (MetLife, State Farm, Cigna) Merchandising (Retail/Wholesale) include retail stores which sell various types of merchandise. (WalMart, Target, Macy's)

**Government** – Federal, state, or local government offices and agencies. Example: Military: Army, Navy, Coast Guard: branches of the Armed Forces primarily engaged in national security.

**Nonprofit employers** – Organizations that provide a service to individuals that's primary purpose is not making a profit. Examples: Educational services – schools and universities that provide educational services to individuals. (Note: Not all educational services are nonprofit.) (Non-profit) Hospitals – institutions providing healthcare services to individuals.

#### **About the Job Outlook 2007 Survey**

The *Job Outlook* survey is a forecast of hiring intentions of employers as they relate to new college graduates. Each year, the National Association of Colleges and Employers (NACE) surveys its employer members about their hiring plans and other employment-related issues.

From mid-August through October 4, 2006, NACE collected data for the *Job Outlook 2007* survey. The survey was provided to 1,137 members; there were a total of 267 usable surveys, a 23.5 percent response rate. This report focuses largely on the results of that survey.

Of those responding, 52.4 percent were service sector employers, 37.8 percent were manufacturers, and 9.7 percent were government/nonprofit employers. In addition, 38.6 percent of respondents were from the South, 25.5 percent were from the Midwest, 21.7 percent were from the Northeast, and the remaining 14.2 percent were from the West.

*Job Outlook 2007 Spring Update* (data collected late March through early April) will offer a final update on hiring for 2006-07 graduates. Results will be available in mid-April.