**College Employment Survey**

**Career Centers: An Uptick in Recruiting Reflects Improved Prospects for 2011 Grads**
- *A Spike in Internships Suggests Even Better Job Prospects for the Class of 2012*
- *Demand for Techies Fuels Rebound Across Range of Industries; But MBA Hiring Lags*
- *More Employers Attending Job Fairs, But Students’ Perceptions of Job Market Still Dim*

By Gary Rosenberger

NEW YORK (EconoPlay) Oct. 22 – An upturn in the number of employers recruiting on campuses this fall points to the first decent upswing in job prospects for college grads in three years – but the real jobs bounty is still about another year away, say college career centers.

Technology (across a broad range of industries) and automotive appear to be leading this modest turn.

Federal hiring is also growing, reflecting concerns about the looming mass retirement of government workers. But austerity budgets at the state and local level are dragging down overall government hiring in a big way.

Financial services and consulting firms are still at the top of the recruiting leader board in absolute numbers. But MBA hiring now lags almost every other industry in growth terms.

While more students are landing full-time jobs relative to 2008, 2009, and 2010, the real spike is in internships, which suggests a much better job outlook for underclassmen than for this year’s crop of seniors.

Those lost years also raise concerns about a “talent gap” that will hinder the transition of entry-level workers into middle management later on. And nobody really knows what is happening to all these young people whose career paths were derailed right at the start.

In fact, flat attendance at career fairs on the part of students would indicate that few are convinced the recession is really over.

The greatest hardship awaits those who opted for grad school two years ago to wait out the recession, and now find their job prospects little improved but their debt burden exponentially worse.

“I see a lot of Michigan-based companies hiring MBAs in the two entryways of internships and entry-level, full-time hiring,” said Joe Garcia, director of the MBA Career Services Center at the Eli Broad Graduate School of Management at Michigan State University.

“But is full-time hiring happening at the same pace as internship hiring? The answer is no. Internships are where we see the real spike,” he said.

Still, for the Class of 2011, there’s just enough activity “to put a lot more smiles on people’s faces” – and that spike in internships suggests that “even better job prospects await the Class of 2012,” Garcia said.
Job postings are more “substantive” than they were in the prior two years. “What we often saw was a case of employing people to do a task as opposed to a permanent hire,” Garcia said. “These were three, four, five month assignments – and in a bad economy people would take that.”

The Talent Gap

But that attitude is changing as corporations begin to worry again about their shrinking pipeline of middle-management workers, and the need to train future managers.

The recovery in automotive has been key. “In Michigan, the economy goes the way of the Big Three. So not only do we see more recruiting from them, but also from their tier 1, 2, and 3 suppliers. All the complementary businesses are also doing better,” Garcia said.

Companies are aware of the dangers of a talent gap but could do little about it. “Most recruiters have programs to replace retiring workers with fresh MBA talent. But they were handcuffed by the poor economy and the demands of their shareholders,” he said. “They might have been more comfortable hiring a greater number of people, but they didn’t shut down either.”

“Our job fairs are very well attended this fall,” said Patricia Rose, director of career services at the University of Pennsylvania. But only by employers.

Employer attendance is up over 20% from last year and student attendance is “up a little bit,” she said.

She is not surprised to see so little variation in student attendance because students have the same vested interest in meeting with recruiters whether times are good or bad.

“But the big variable is employer attendance. The fact that there are more employers doing more interviewing suggests student job prospects should improve for the Class of 2011 over what the prior two classes experienced,” she said. “So things are getting better – at least for students graduating from top schools.”

Those who graduated in those tougher recession years “probably wound up on their feet.” Rose has no specific follow-up data on their job hunt, but she has noticed a number of recent grads representing their firms at career fairs (they wear a special ribbon).

Banks, consulting firms, and Teach for Americas are the top recruiters, with the last one an employer of choice, not of last resort, as some might assume. “Teach for America hired more than 40 of our students last year, and they were selected in a very competitive process,” Rose said.
The school has a career fair specifically devoted to the federal government, which did step up its recruiting when the private sector was faltering. “There is a deep concern over what will happen when a whole generation of baby boomers retires from government,” Rose said.

**An I/T Revival**

“Things are picking up in Charlotte, even though our unemployment rate hasn’t gone down that much,” said Denise Dwight Smith, director of the University Career Center at UNC-Charlotte.

Employer participation at the fall career fair was up 50%, with many of those showing an interest in establishing “a structured and very formal internship program,” she said.

I/T jobs are leading the way across a gamut of industries, including healthcare, financial services, and information systems. “There is still some cautiousness, but things are definitely different from last year and I’m glad about that,” she said.

Engineering grads are having varying degrees of success, while architecture majors are still victims of a weak residential and commercial construction market. But education, nonprofits, and other employers that are tied to stimulus funding are doing less hiring for fear that the stimulus money is running out, she noted.

Nobody is taking anything for granted. She has spotted freshmen talking to career counselors – this is a time when most don’t even know what their majors will be. “Counseling appointments are up 20 percent from last year, which suggest more hope that there will be work available when students do graduate,” Smith said.

It’s not clear to her whether 2008, 2009, and 2010 grads are still roaming around looking for work. But there seems to be less use of campus career centers from alums than in prior years. “Maybe they found jobs or maybe they’ve given up the search,” she said. “But for the Class of 2011, it definitely looks brighter.”

Robin Meyer, director of campus recruiting at Williams College in Williamstown, Massachusetts, also sees “definitely more hope for the Class of 2011.”

“Companies that took a year off from recruiting are coming back and new companies are coming to our campus,” she said.

These companies are coming from the usual categories of finance, consulting, nonprofit, and education, “there’s just more of them,” she said.

Like others, she has no definitive answers to what became of the recession classes. “My best guess is that they got jobs, but later. If students normally find jobs in three months, it took them six months, but that’s just an educated guess,” she said.
She notes that the fallback choices, like grad school, tend to be popular in bad economic times but also expensive, so that option isn’t open to all.

Instead she recommends networking. “We tell students to reach out to their fellow grads, to alums, or to friends of friends. Eighty percent of jobs and internships are found through networking,” she said.

“We are cautiously optimistic that the Class of 2011 will potentially have an even stronger rate of success than the class of 2010,” said Pamela Mittman, assistant dean of career services and leadership development at the NYU Stern School of Business.

“The largest recruiters are interviewing in significant quantities this fall indicating a positive year,” she added.

Competing for Students

Many of those recruiters are pursuing more “aggressive” hiring targets this year. “We are seeing increased competition for business and engineering grads at all campuses at which we recruit,” said Jeff Beavers, director, global university relations at Whirlpool.

“Consulting firms, financial services, and even manufacturing companies seem to have all increased hiring projections for May and June grads in comparison to 2009 and 2010,” he said.

His own “informal benchmarking” with peers at other companies suggests that “most have increased targets for entry-level talent by 20 to 25 percent, Whirlpool included.”

The MBA job market is also improving. “But it appears to be at half the rate as undergraduates,” Beavers noted.

“Internship hiring remains very strong, as a way to also hedge future hiring needs and maintain a strong employer brand,” he said.

But recruiters also seem to be running into a wall from students who perhaps haven’t gotten the message that the recession officially over.

Marie Artim, vice president, talent acquisition management for Enterprise Holdings, sees a discrepancy between the growing number of employers looking to recruit young talent and the number of students showing up to hear them out.

“Some of this is could be due to more employers coming back on campus that were absent the past couple of years, as well as the increase in students opting to hold off on the job search for post-graduate degrees, or who still aren’t confident in the job market,” she said.

More companies are also looking to tap into the reservoir of young talent through internship programs. “We see internships as a valuable talent pipeline,” Artim said. “This is something we
are seeing in many companies. It provides a great opportunity for students to explore employers and it can get a great potential candidate into our company to grow as an employee.”

“We’re recruiting aggressively. I’d say 50 percent over last year,” said James Morton, senior vice president, First Investors Corp. in Lombard, Illinois. “We are trying to raise our sales force from 700 to 1,000.”

While these are mostly commission-only sales jobs, in this economy there are plenty of takers, he said.

When the National Association of Colleges and Employers conducted its 2010 Spring Update survey, it found that employers were planning to hire 13.5% more new college grads in 2011 than they did in 2010, said Andrea Koncz, NACE’s employment information manager.

Over 29% of responding employers said they plan to hire more graduates in 2011 and just 9% planned to reduce their hiring targets. Most of those hiring cited “maintaining their talent pipeline” as their primary reason to recruit students, she said.

By far the biggest expected increase came from auto manufacturers (up 83%). Next in line were wholesale trade (up 62%), engineering services (up 42%), retail trade (up 35%), utilities (up 30%), and oil and gas extraction (up 21%).

Financial services held flat at negative 0.3%. But in sheer volume terms the industry is hiring more than anyone else, by far. The worst performing category was government (down 10%).

NACE’s Salary Survey showed average offers to be “slightly lower” than in recent years, “but the difference isn’t drastic,” Koncz noted.

What Students Say

We are going to give two students the final word.

Will Gibson and Jonathan Westfield are both attending an elite masters of economics program at Duke University, but with job prospects slim they are taking matters into their own hands and organizing a job fair in New York to showcase themselves and their fellow students.

“Let me give you the straight scoop. Job prospects are not good,” said Gibson, who found his way into the program after being laid off at the height of the meltdown, taking time off to regroup, and then opting for an advanced degree in quantitative economics.

He wants to enter the world of finance, even though about half of his class will probably opt for a career in academics or government.

But the big investment banks seem to prefer undergrads they can mold over those who come to them with highly specific analytic skills. “We see ourselves as the Grand Canyon to their clear blue, shallow lake,” Gibson said.
Westfield graduates in January, and is in final interviews with two potential employers. Gibson graduates in May, but is having less luck.

He says he is willing to do almost anything to get his foot in the door. “Ultimately, the successful people are the ones who are willing to put in their time, work in an office doing dead-end work, but at least be on a payroll,” he said.

The U.S. Department of Labor is scheduled to release non-farm payrolls data for October on Friday, Nov. 5 at 8:30 a.m. ET. Please note the above commentary also reflects hiring conditions for the summers of 2011 and 2012.

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