

RECRUITING TRENDS

2009-2010



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Recruiting Trends 2009--2010

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Recruiting Trends 2009-2010

A Michigan State University Publication

prepared by

The Collegiate Employment Research Institute
and
The MSU Career Services Network

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Executive Summary

The college labor market has hit bottom! And a steep plunge it took. Last year's initial estimate of a decline of 8% to 10% became a rout as employers may have shed 35% to 40% of their hiring targets. Large employers (4000+ employees) expected to hire 114 bachelor graduates per company early last fall. By the end of the year, these employers had actually hired 66 per company. We expect hiring to remain at levels similar to the conditions at the end of the 2008-2009 recruiting season. This projection is based on information provided by over 2500 employers to Michigan State University's 2009-2010 *Recruiting Trends* survey. While the figures show that total hiring will be down less than 2% and bachelors degree hiring about the same, these changes are statistically equivalent to "no change" in hiring this year. Looking out across the proverbial landscape, however, we see withered, failing seedlings, some green shoots and several patches of brown. In other words, the market runs from tentative optimism to doom and gloom.

Despite recent media reports that small employers are hurting as the economy continues to struggle, small employers (<500 employees) remain the backbone of the college labor market and expect to increase hiring over the next 10 months. Why the discrepancy with other sources? In checking with several sources, two distinct groups seem to dominate the landscape. The first group has begun shutting down in the face of tight credit, fewer customers, recalled commercial loans and poor business plans. The second have been strategic, poisoning themselves for growth and hires if certainty emerges in the economy. These are our tentatively optimistic respondents.

The bad news comes from medium size employers, those second and third tier purveyors of goods and services to larger firms and organizations. Now feeling the full tsunami of the economic downturn, these companies continue to cut labor and hiring projections, down nearly 11% this year. Our largest employer respondents, falling between the two extremes, are trying to keep a steady course while still shedding some jobs.

Employers seem to have several messages this year:

- **Flexibility.** They seek candidates across all majors who can slide into a variety of positions as needed or can adapt quickly to changing conditions. Their focus is on candidates with a mix of technical aptitude and essential soft skills.
- **Technical disadvantage.** Except for computer science (IT), the market for technical graduates is somber. Traditional hiring sectors for engineers such as manufacturing, architectural and engineering services, engineering design and development are all reducing their hiring.
- **Business shift:** Demand for business majors is holding steady, except for accounting, which is down. Companies are repositioning themselves for more internet business and seek candidates with acumen in this area.

What majors are employers seeking that pop-out with positive hiring news? E-commerce, entrepreneurship, environmental sciences, information science, information systems (management and computer), interactive computer design, statistics, nursing, and social work.

Students seeking employment will face fierce competition. Hiring levels per company are at the lowest levels in several decades, even after adjusting for the number of small employers who responded. Companies expect to hire about 30 individuals per company. Our newest grads might not face competition from experienced labor, as many companies are focusing on new college grads rather than candidates with more experience. Still, there are simply not enough jobs to go around. Students need to continue to be **FOCUSED, DIRECTED, and CONNECTED.**

Social media has captured the attention of those involved in the hiring process. While it may seem like everyone is doing it, only 25% of respondents are engaged in social media strategies (mainly Facebook and LinkedIn) with mixed results on their effectiveness. However, these early adopters should not be ignored as their hiring projections are up 10% for this year. Back on campus, interviewing and career fair attendance will be down, particularly the former. One plausible explanation for the drop in interviewing is that many employers are leveraging their internship programs by making offers before the interns even return to campus.

Coming out of this economic quagmire is nothing less than a slog. It is going to take time for companies to begin hiring. Retirements are pending, but the perennial question is: When? Until conditions improve, students will have to be patient and persistent to find success. To open doors, students need to focus on their skills and competencies while building solid professional connections. To land a job, students will have to remain steadfast through another bad year.



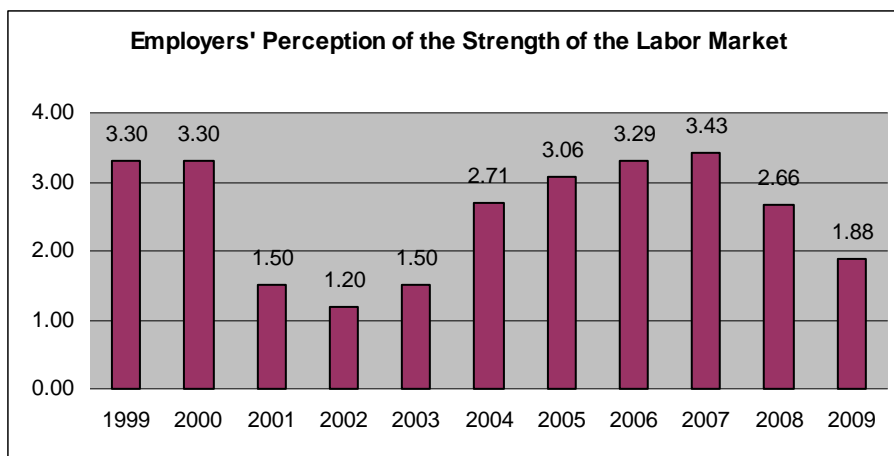
General Overview

“I just wish things would return to normal.” We are greeted by this statement frequently in our contact with many students, advisors, faculty, and human resource representatives. Even more common: “When things return to normal, I’ll begin... (fill-in the blank).” We will not be returning to *normal* after the economy pieces itself together. Even with the quiet, cautious optimism beginning to emerge, the college labor market will only rebuild gradually and, apparently, on the back of small employers. The labor market contraction witnessed last year was probably 3 or 4 times more serious than predicted in the 2008-2009 *Recruiting Trends*. In fact, average hires per company/organization are at lows never experienced by this report. Although predicted many times before, the voracious appetite for college labor will reappear when baby boomers actually do retire. Until then, employers are confining their hiring to selected technical related talent, business majors (except accounting), or the graduate that has the full package of extraordinary critical thinking, communication skills, leadership, initiative, and an innovative spirit.

This year’s report is based on over 2,500 respondents, of which approximately 2,259 provided useable information with 1,846 including complete hiring figures used for the projections. We continued our focus on fast-growth companies and expanded our efforts to ensure a representative sample of employers, assuming the prevailing economic situation would reduce responses. We expanded our pool of university supporters from 12 to 29. As a result of their efforts, our sample is the **largest, broadest geographically, and most diverse mix of employers** we have ever tapped for *Recruiting Trends*. Our campus partners significantly improved our responses from employers with fewer than 500 employees.

Our country’s highly watched economic benchmarks are beginning to show life, even though the messages may be confusing, inconsistent, and possibly misleading. Consumer confidence remains low. Savings rates have improved and credit card debt is slowly decreasing. Consumers show very little resolve to go on the spending spree that some observers eagerly anticipate. To right the economic ship, consumption—the largest contributor to economic vitality—needs to be realigned to more historic levels. Saving our way out of a recession will not be as fun as spending our way out. Remember 2004, when we were pulling out of a recession and retail was leading the economy with 70 hires per company? Last year, the number of retail hires fell to fewer than 14 per company. Companies from other sectors are also reducing average hires to similarly low levels. The country’s struggle in dealing with rising health care costs, rising gasoline prices (thank the weak dollar), and rising cost for credit could possibly negate any short run gains in hiring this year.

Demographics still favor young adults. Unfortunately their “get a job” free card delivered at birth cannot be played yet. Boomers expect to stay working five to seven years longer than planned in order to maximize any retirement funds they have and await a less confusing health care situation. Young adults can expect the employment pipeline to continue to be plugged at one end awaiting the boomers’ exit. Until then, they will have to draw upon their resiliency, patience,



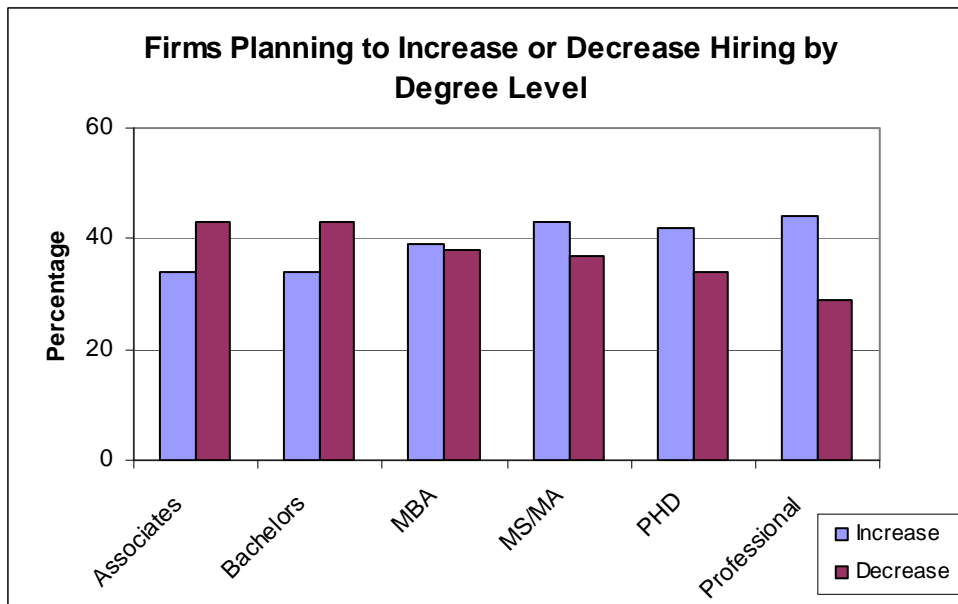
Employer Intentions

Employer Certainty. This year, 27% of our respondents reported they had **definite plans** to hire college graduates during the 2009-2010 academic year. This category experienced a decline of 20% when compared to last year. An additional 42% (16% higher than last year) will enter the season **uncertain** as to their hiring intentions. We encouraged firms and organizations that were not hiring in 2010 to contribute to the survey for a complete picture of the market. Although only 12% indicated that they would **not be hiring this year**, this percentage is nearly twice that of last year.

Of the employers who reported hiring graduates last year, only 5% had no plans to hire this year. For employers who made no hires last year, 30% will extend their hiring freeze another year. However, 70% have intentions of hiring in the face of uncertainty.

Direction of Hiring Plans. There were fewer employers with **definite** hiring plans this year. However, of those with definite plans, 44% expect to increase their total hires compared to last year, while 37% will decrease their total hires this year. Approximately 20% of employers with definite plans will maintain hiring at the same level as last year.

This initial sign of optimism reflects federal employment statistics that suggest overall loss of jobs has slowed and may be improving in some regions of the country. Other sources of employment trends (Manpower, for example) describe a situation that is stabilizing, with fewer employers laying off workers and more beginning to add temporary staff. Productivity figures continue to improve, suggesting that those employees on the payroll are working more hours. Employers may have cut back too deeply last year and need to bring new talent on-board this year.



College Hiring for 2009-2010

Approximately 1,846 respondents provided complete hiring information, representing 75,200 college graduate hires from all degree levels. **Overall, total hiring will decrease by just less than 2%.** This small change is statistically no different than zero. In other words, **the market has hit bottom!** Bachelors degree hiring, which accounts for 61% of this years' hires, will experience less than 1% change in hiring from that recorded last year. MBA hiring will increase, while masters degree hiring will decline based on the weaker market for accounting graduates.

Comparison of College Hiring Between 2009 and 2010 (All Respondents)

	NUMBER	AVERAGE HIRED 2009	AVERAGE EXPECTED 2010	CHANGE
Total Hiring	1845	26.8	26.2	-2%
Associates	502	8.0	7.8	-2%
Bachelors	1699	20.3	20.0	-1%
MBA	403	4.5	5.0	+11%
MS/MA	538	12.2	10.8	-11%
PhD	202	5.9	7.1	+20%
Professional	155	7.4	6.3	-12%

- **The average number of total projected hires per company in this year's survey is 26.** In last year's forecast, employers expected 46 individuals per company. The eight-year comparison (see table) of projections to the following year's reported actual hires shows that, in most years, both figures show close agreement. In years when the market expands (2007), companies underestimate their actual hires, and then overestimate when the market begins to slow down (2008).

8-Year Comparison Between Projected and Actual

Year	Projected	Actual
2002-03	35	35
2003-04	35	47
2004-05	42	41
2005-06	50	46
2006-07	49	61
2007-08	64	46
2008-09	46	50
2009-10	46	27

- The projection for 2009 was made in September 2008 a month prior to the collapse of the economy. When the wreckage was moved aside, employers had significantly **reduced their hiring, 30-40% lower than the predicted reduction target of 8%.** The significant drop in this year's predicted average hires per company (26) versus last year's prediction (46) is not simply a reflection of this year's larger pool of respondents, in which many more small employers are represented. It is a reflection of how far off companies were in their projections versus actual hiring because of the rapid downturn in the economy.

- Companies who plan to **increase their hiring this year** will add approximately 33 bachelors graduates per company, which represents a 37% increase over last year.
- Companies who plan to **decrease their hiring** will add approximately 15 bachelors graduates per company, which represents a 21% decrease over last year.
- Companies who are **more likely to increase hiring** are primarily those 1) with 500 or less employees, 2) in the non-profit, manufacturing, and retail sectors, 3) recruiting across the entire U.S. or South Central, Southwest, and Northwest regions of the country, and 4) those using social media, internship programs, and direct contact with faculty as hiring strategies.

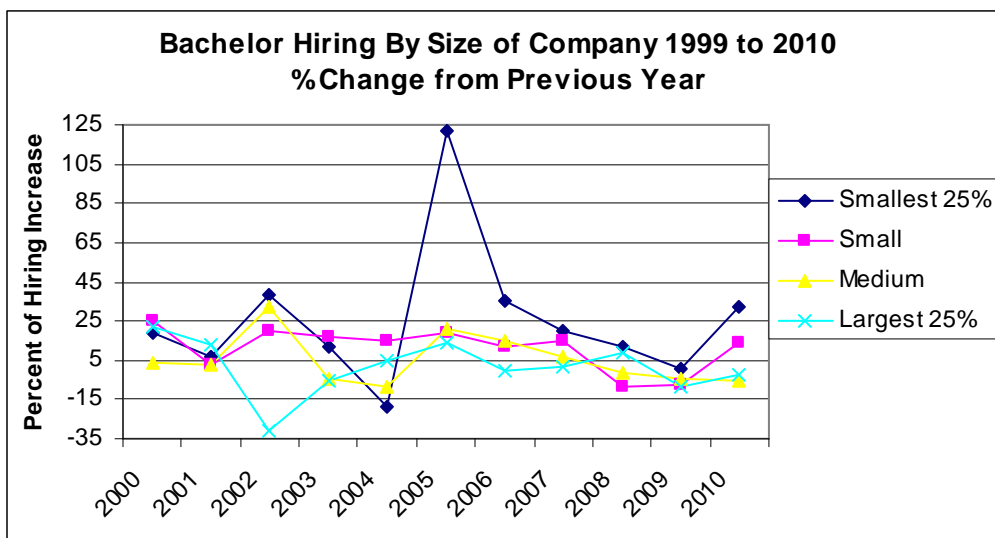


Company Size: Small Employers to the Rescue!

The critical role small employers play in creating new jobs for the college labor market has been stressed loudly and consistently over the past decade. The terrible economy has cut a wide swath through small employers. Those firms who lacked access to credit or who could not adjust to the situation have gone to the sideline. However, the strong showing by small employers encouraged by our supporters to participate demonstrate that they have come to play. The average size of responding firms was 10,847 employees versus 13,511 last year. By comparison there were fewer firms with over 500 employees than in previous years.

- **Small establishments** (< 8 employees) are typically omitted from this study because as single proprietor establishments, such as medical clinics, advertising/event planning business, and staffing agencies, they hire inconsistently over the years. However, among the 126 establishments in this category, some owners indicated that they were start-ups, a new contributor for this study. These firms plan to increase associate, bachelor, and MBA hiring by more than 20%, or 1 to 2 individuals per firm. These firms will decrease masters hiring slightly and leave Ph.D. levels unchanged.
- **Fast growth companies** (9-100 employees) are closely followed in this study, comprising 30% of the sample. Fast growth companies expect to increase hiring across all degree levels, with total hiring up 26%. Of the total five hires per company, four of these will be at the bachelors level.
- **Small companies** (101-500 employees) report hiring targets will be up more than 15% over last year. These companies will make 11 total hires per company, of which eight will be at the bachelors level. MBA hiring will be up strongly; master hiring will be down (-5%) while Ph.D. hiring will remain the same.
- **Medium-size companies** (500-3999) are dealing with serious economic challenges. The tsunami triggered by the auto and banking sector collapses has swamped these employers. Jobs continue to be lost, down 11% for total hires. Even though these companies will make an average of 16 bachelor hires this year, hiring is down 10% from last year. All other degree levels are similarly impacted.
- **Large companies** (>4000) will decrease total hiring by 3%. Large companies have shrunk their hiring significantly over the past 18 months. Last year they expected to make 114 bachelor hires. By the end of the year, they had made only 66 bachelor hires, 42% less than projected. This year they plan to make 64 bachelors hires per company. Only MBAs will enjoy a modest gain in employment among those firms.

In the chart below, the smallest companies, despite being more volatile, tend to consistently provide more opportunities. Large companies experience slow, predictable change with little increase in new jobs.



Academic Major

Hot Majors

E-Commerce
 Entrepreneurial
 Environmental Sciences
 Information Systems (all)
 Statistics
 Nursing
 Social Work
 Multimedia
 Web Design

Employers appear to be seeking talent across all majors, avoiding pursuing the specific concentrations they have over the past few years. The wider distribution of majors being sought can be attributed to 1) a much larger sample embracing a different mix of employers, and 2) weaknesses in several industrial sectors critical to college hiring. When compiling these numbers, we asked each respondent to identify the academic majors they actively seek. A company could identify a number of majors. The figures reported in this section do not reflect total change in hiring as reported in other sections. The figures should be interpreted as tendencies. For example, “companies seeking computer science majors for their talent pool are tending to increase, decrease, or hold hiring constant this year.”

Earlier in the fall, we suggested that this year’s labor market would 1) favor technically trained graduates, 2) bring a weaker market for business graduates, and 3) lack opportunities for all other graduates. Our projections were not very good. Only computer science graduates—specifically those in information systems fields—will be favored. Engineering is in a slump, except for civil and computer engineering. Business majors will find more opportunities, except for accounting. Other students should be encouraged as one third of the employers hiring this year are looking for the best talent, regardless of major. What emerges from this review of majors is:

- Employers want flexibility and are willing to look broadly for talent.
- Academic training that can bolster the company’s internet presence has priority.
- Service-oriented companies bring a broader perspective on what defines a quality candidate compared to manufacturing, accounting, and banking (the historical collaborators in college campus recruiting) who tend to focus on technical skills.

✓ **Only a limited number of jobs are being offered this year. Competition will be fierce!**

All Majors: Over 600 companies indicated that they would consider any graduate for a position; at 33% of respondents, this figure is at a historic high. These companies will be hiring approximately 26 individuals per company, an increase of 6%.

All Business and All Technical: Approximately 30% of companies indicated that they needed talent in these areas without restrictions on specific major. Hiring will remain unchanged from last year’s level. Technical graduates will more likely be courted by smaller companies.

Business: Across all business majors companies appear to be expanding opportunities by 3% to 4%. Larger companies are more active with these majors. The exception is accounting. Even with additional companies beyond the CPA firms seeking accounting majors, hiring could be down 3% at the bachelors level and 5% at the masters level.

✓ **E-Commerce and entrepreneurial focused students will have a breakout year.**

Engineering: Evidence suggests it is going to be a tougher year than expected in engineering. Overall companies seeking engineering talent expect to hire 4% to 5% fewer individuals this year. Electrical and mechanical engineers will be impacted the most. Civil and computer engineers will hold steady. A typical firm seeking engineers will hire between 45 and 50 individuals.

Environmental Sciences: The hottest group of majors, with over 300 companies seeking this type of talent, can expect opportunities to expand by 6%. We can attribute this increase to stimulus funds and renewed interest in energy and environmental sustainability.

✓ **Statistics majors are cool! Nearly 300 companies indicate they are interested in statistically trained individuals. Opportunities in these companies will increase 11%.**

Communications: Last year was terrible for communication majors of all stripes. Approximately 250 companies or organizations are seeking communication talent in this year's pool, especially interactive media, public relations, and advertising/sales majors. Opportunities are expected to increase by 3% to 4% in these companies, which may brighten the prospects for these graduates.

Health: We still have not been able to obtain solid information to project demand for health technicians, health technologists, and therapists of all kinds. Information on nursing and social work indicates good markets for both this year.

Education: In most cases, K-12 schools are unable to project their needs for next year. Opportunities outside K-12 systems appear to be shrinking. Stimulus money may avert some of these cuts. However, non-academic positions in higher education are going to be very tough to find this year, as colleges and universities may be cut by more than 10% in most states.

Computer Science: The general sense is that IT graduates will be in high demand this year. However, employers seeking computer science and programmers are cutting back by 2% to 3%. This might be due to perceptions of limited supply of candidates, yet employers are eager for information systems (management and computer), security systems, and information sciences. In these companies, hiring will be up 4% to 6%.

Most Requested Majors 2009-2010

Major	Percent of Employers Seeking
All Majors	33%
All Technical	33%
All Business	29%
Accounting	32%
Finance	28%
Computer Science	24%
MIS Computer Science	21%
MIS Business	20%
Communication	19%
Human Resources	18%
Economics	18%
Electrical Engineering	17%
Information Science	17%



Hiring by Industry Sector

Every piece of economic data is shrewdly analyzed to find of signs of a pulse beating in the economy. A year after the banking sector collapse, the economy appears to be coming to life. Not every where and not in every sector! We expect to see improving health among basic sectors, such as steel, chemicals, and electronics since orders are beginning to come for product. Other sectors are still in **critical** condition, especially construction, automotive and aerospace, and banking/finance, and retail. We organized employer responses based on their type of service or goods, produced through their North America Industrial Classification Code (NAICC). We sorted across classifications for companies and organizations that contribute (as best we can tell) to agriculture and food processing, health care, environmental services, and non-profits. Each sector or grouping will respond to specific conditions, including capital availability, global integration, and labor dependency.

Agriculture and Food Processing: Overall hiring is down 4% in this sector. However, agriculture production (including farm services) and food processing are up 25% and 7% respectively. Dampening growth are cuts in agriculture support firms, such as lending services and agricultural research services, derived from agricultural extension and experiment station organizations and USDA.

Non-Profit Organizations: Young adults were seeking positions with non-profits, including Teach for America, The Peace Corps, and AmeriCorp, before the economic trouble began. They have every reason to continue looking to non-profits this year. A record 153 non-profit organizations, all types and sizes, responded this year. Partly due to available stimulus funds and partly due to a shift in perception in the role of non-profits in the economy, these organizations plan to increase hiring by 20%.

Government: When the private sector shed jobs, unemployed workers sought highly publicized openings with the federal government. A consistent source of jobs over the past five years for now college graduates, the door maybe closed this year with hiring down 11%. Expect more job losses at the state and local level as stimulus funds run out in 2010.

Public Accounting: Nothing seems to phase public accounting whether its good or bad economic news, unless it's horrible economic news! For the first time since 2001, public accounting is cutting positions, down 8% for bachelors and 12% for masters. Large cutbacks are coming at the larger firms.

Professional Services: Hiring among the consulting services (engineering, computing, research, and marketing) holds steady at last years pace. Architecture and engineering services are slumping while computer services, scientific and environmental research, and marketing research move ahead.

Manufacturing: Thanks to small manufacturing companies in basic metals, chemicals, electronics, machinery, and plastics, employment is expanding by 12%. Employers are adding 18 individuals per company.

Sectors that continue to contract opportunities this year include utilities, construction, bank/financial, real estate, health, and environment. **Education** reported a decline of about 11%. K-12 education provided only partial information because they will not know until spring their hiring needs. Positions are being cut in other educational services, such as tutoring, English as a second language, foreign study programs, and significantly non-academic positions at colleges and universities.

Opportunities are expanding with insurance agencies, wholesale distributors, and information services (telecommunications). A surprise was the increase in positions offered by small **retail operations** that are not associated with seasonal hiring.

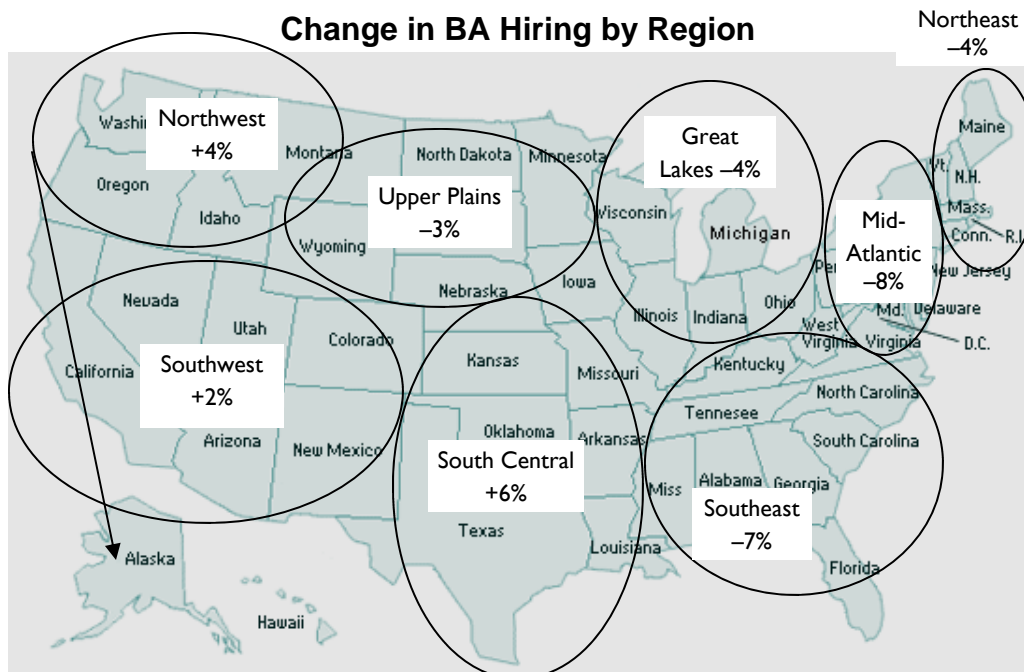
Employment opportunities will depend on location, location, location! The large companies that recruit globally will decrease hiring by 4%, reducing their average number of bachelor hires from the 169 projected last year to just 37 this year. What a retrenchment! U.S. companies that recruit across the entire country seem to have rebounded, expecting an increase of 3%. Still, their average hires have decreased 61% from levels initially projected last year.

Last year regional job losses were consistently in the double digits. This year the changes are smaller, with positive news from the western parts of the country. The eastern seaboard is still experiencing contraction with declines of 8% in middle Atlantic and Southeast states. From Texas west to California and northward along the coast, employers are indicating improvement in hiring. Across all regions the average number of projected hires per company is down 30% to 40% compared to last year.

Change in Hiring by Hiring Region

	Change in Total Hiring	Change in BA Hiring	Average # BA Hires per Company
International	-3	-4	37
USA: entire	+2	+3	41
Northeast	-5	-4	26
Middle Atlantic	-11	-8	21
Great Lakes	-5	-4	16
Upper Plains	-12	-3	25
Southeast	-8	-7	18
South central	+6	+6	25
Southwest	+3	+2	15
Northwest	+3	+4	20

Change in BA Hiring by Region



REGIONAL DEFINITIONS

- Northeast US (Maine, Vermont, New Hampshire, Rhode Island, Connecticut, Massachusetts)
- Mid-Atlantic US (New York, Delaware, New Jersey, Pennsylvania, Maryland, Virginia, West Virginia, Wash DC)
- Great Lakes US (Ohio, Michigan, Indiana, Illinois, Wisconsin)
- Upper Plains US (Minnesota, Iowa, Nebraska, North Dakota, South Dakota, Wyoming)
- Southeast US (Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, North Carolina, South Carolina)
- South-central (Oklahoma, Kansas, Texas, Louisiana, Arkansas, Missouri, Colorado, Mississippi)
- Southwest US (Arizona, Utah, New Mexico, California, Nevada, Hawaii)
- Northwest US (Alaska, Idaho, Washington, Montana, Oregon)

Shaping College Hiring

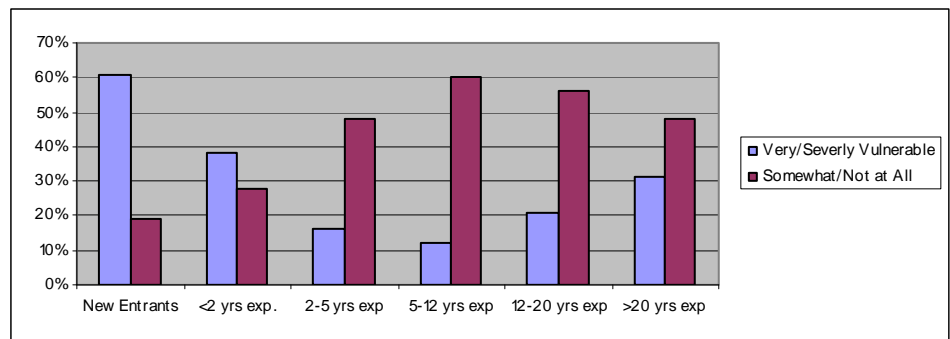
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Advancing Knowledge.
Transforming Lives.

Despite the limited number of job opportunities for new, energetic personnel, the economic distress runs through all segments of the labor force, potentially displacing skilled labor or sidetracking potential careers. Other factors may also influence how successfully new graduates transition into the work place. Will the sudden release of experienced workers influence the hiring strategies with regards to the new market? Will the recession unravel workforce succession plans, if companies even have them?

Who's vulnerable?

Job losses have affected all segments of the labor force, some more than others. The media, extracting from labor reports, have focused on men (high concentration in construction and manufacturing) and younger workers, especially those without adequate skills. Currently the unemployment rate for those with bachelors degrees and higher has moved above 6%. However, recent college grads are excluded because the reported age begins at 25. So just how vulnerable are workers depending on their experience? When posed this question, 61% responded that those entering the workforce for the first time are very to severely vulnerable to job disruptions. Those with less than two years experience fare only slightly better. Older workers seem to be in a better position, although those with more than 20 years of experience seem to be under pressure to maintain their jobs.



Availability of experienced Labor:

Over the past five years, we have been following the impact of displaced experienced labor on opportunities for new entrants into the job market. Between 2004 and 2006, when the market improved, graduates from the previous three graduating classes competed for the same job. At the same time, employers showed a preference for more mature workers. Last year, sensing a further switch to more experienced workers, we probed again but found employers—especially those facing looming retirements—favoring younger workers.

This year we were again concerned about the high number of 2009 graduates who have not yet found jobs they wanted, compounded by the high number of experienced job seekers, poised to compete directly with 2010 graduates. We specifically asked employers whether they would consider job seekers with five or more years of experience to fill entry level and early career positions. The majority responded that they would reserve entry level positions and any early career positions for new and recent graduates.

- 54% would “infrequently” or “occasionally” consider an experienced worker.
- 26% “sometimes” would consider an experienced worker.
- 21% would “frequently” or “very frequently” consider an experienced worker.

Workforce Succession Plans and Retirements

Yes! I do plan to retire (maybe sooner than I expect to), as do many of my boomer peers. The question remains When? Watch a football game on Saturday and you might catch the ad that follows two boomers texting each other about retirement. Is the question when to retire or whether one can afford to retire at all? Last year close attention was paid to the impact of retirements on college hiring (see Recruiting Trends 2008-09). We did not pursue this issue further, but evidence from a variety seems to indicate:

- Boomers who lack higher level skills are retiring early (up 23% in August) because of the reduction of available jobs.
- Boomers with higher level skills are remaining in the workplace, possibly five to seven years longer than they expected just a few years ago.

When hiring begins to pick up again we expect some turbulence, even chaos, in recruiting as understaffed HR units gear up and eager workers of all stripes will flood the market, looking to improve their situation.

The level of chaos may depend on the ability of companies to invoke their work force succession plans that were crafted before the downturn. For some companies, the plan may be abandoned, while for others the plan may have to be revised. Are companies ready should the economy begin to expand?

- 43% have no plans or a very informal plan.
- 30% have an informal plan with modest direction.
- 27% have a formal plan with some degree of detail.

Evidence suggests that once hiring picks up, recruiting will be hyperactive, not well coordinated, and very chaotic. After this interlude, we can expect plans to re-assert priorities and employers becoming much more strategic.

SKILLS: Mapping Competencies

Skill and competency requirements for success in one's early career is a topic closely followed at the Institute. The skills package employers desire remains unchanged, except that employers hold higher expectations of the level of proficiency. As the stakes become higher, employers need to map out the competency requirements for their positions so that students can more clearly see what they have to do to enter and be successful in their first position.

How well do employers map the technical competencies for their positions?

- 38% do not map technical requirements.
- 26% map to curriculum of study or academic major.
- 36% map to specific technical knowledge and skills.

How frequently do employers map to the "people" or "soft" competencies associated with their positions?

- 46% never or only occasionally.
- 21% map sometimes.
- 23% map rather frequently.
- 11% map very frequently.



Trends Supporters

The following institutions, organizations and firms assisted the Institute in soliciting employers to participate in the 2009-2010 Recruiting Trends project. Their efforts were outstanding with the highest number of respondents ever. If you are searching for talent, look no further. Contact the organization nearest you!

NORTHEAST

Massachusetts Institute of Technology

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Executive Manager of Employer Services
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Trends Supporters (continued)

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FIRMS AND ASSOCIATIONS

Experience

Rocky Mountain Consortium

Scherer, Schneider, Plough

Small Business Association of Michigan

Steven Rothberg at CollegeRecruiter.com

*We appreciate the support from **MonsterCollege** for the cover design and funds to defray the costs of printing the cover. **MonsterCollege** is dedicated to helping students and recent grads find the perfect job. They help career centers bring thousands of relevant jobs and internships to students, while employers gain extended reach for entry level & internship positions.*

Recruiting on Campus

A range of strategies are available for companies to find talent. Most of them use multiple methods. This year we revised our list to include social media networks, direct contact with faculty, off-campus job fairs, and branding activities on-campus. All these strategies have emerged over the past five years. The traditional bedrock of campus recruiting, on-campus interviews, and career fair attendance, is down considerably, especially on-campus interviewing. Internship recruiting remains strong as does direct contact with faculty. The good news is that those companies visiting campus have job opportunities available.

Everyone is talking about social media as the “final solution” in college recruiting. Only 26% report using the strategy; however, these early adopters are making a powerful statement. Hiring among companies using social media is projected to be up 13%.

Recruiting: Campus Focused Strategies

	% Utilizing	Change in Total Hiring	Change in BA Hiring	Average BA Hires per company
Internships	62	+4	+4	31
Career Fairs	61	+3	+2	36
Resume Requests	54	+7	+3	31
Campus Visit/Info	48	+4	+4	44
Faculty	40	+8	+7	44
On-Campus Interviews	38	+4	+3	48

Slots to Fill

Accounting	17%
Computer Science & Engineering	16%
Sales	17%
Management Training	11%
Information Management	10%
Marketing	12%
Business Services	10%
Administrative Services	13%
Customer Service	11%

Recruiting: Other Strategies

	% Utilizing	Change in Total Hiring	Change in BA Hiring	Average BA Hires per company
Current Employees	57	+4	+5	32
National Web Provided	52	+3	+3	29
Social Media	26	+14	+13	50

Positions

Employers target new hires for a broad range of positions within their companies. Last year employers narrowed their focus to technical and business functions. In this year’s profile, engineering has slipped down. Computer related functions remain ubiquitous, as does accounting though the latter function has experienced a drop of 6% compared to last year. Sales and marketing remain two of the top functions, with 29% of companies in our pool seeking to fill these positions. What a difference four years makes! Four years ago, sales and marketing combined for more than 50% of requested positions. Each year since has witnessed a steady decline.

Starting Salaries 2009-2010

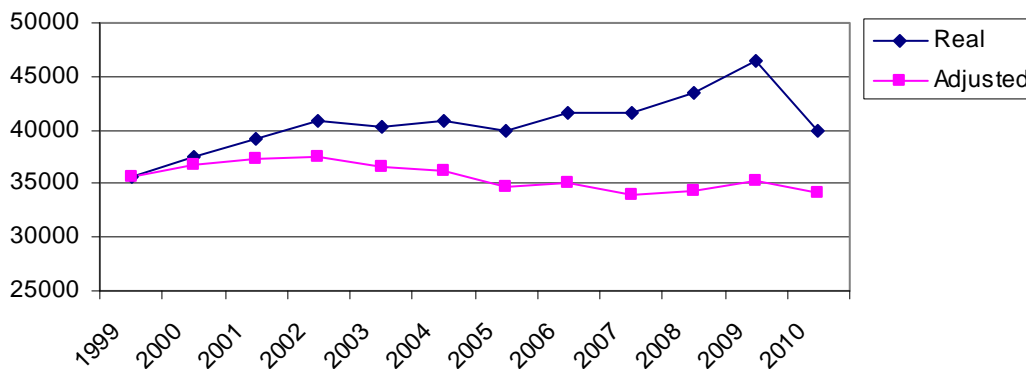
Eighty (80) percent of employers indicated they would not be raising starting salary offers above those made last year. Just two years ago, only 45% of employers did not raise salary from the previous year. For the 12% of employers who will be increasing their base salary, the increase will be approximately 3%. This year, 8% of employers will be lowering base salaries by 5%.

With more employers responding, more base salary offers were reported. With fewer large employers, who tend to pay more, and more smaller employers, all starting salaries showed a downward trend. The average starting salary at the associate degree level across all majors is estimated to be approximately \$36,200 (the same as reported last year). At the bachelors level (based on all reported salaries), the figure will be approximately \$39,900. The average for companies seeking "all majors" (as opposed to targeted disciplines) at the bachelors level is \$36,600.

Other forms of incentives will be used sparingly by employers. Only 7% will offer signing bonuses. Another 20% will provide performance bonuses at the end of the first year of employment. Last year, 33% of employers chose this approach.

The following chart tracks the average starting salary (all majors) from 1999 to present. Salaries have been adjusted based on 1998 as the index year. Since 2001-2002, starting salaries have failed to keep pace with inflation.

Starting Salaries For All Bachelors 1998-99 to 2009-10
Real and Adjusted (1998 Index Year)



Selected Salaries

All Associates	\$36,200
All Bachelors	\$39,900
MBA	\$56,800
Accounting (MS)	\$49,100
Engineering (MS)	\$58,600
Computer Science (MS)	\$57,100
Engineering (PhD)	\$68,900

Selected Bachelors

Accounting	\$41,300
Finance	\$42,200
Marketing	\$38,300
Supply Chain	\$41,500
Advertising	\$35,500
Computer Sci.	\$47,500
Chemical Eng.	\$50,000
Civil Eng.	\$47,600
Electrical Eng.	\$51,600
Mechanical Eng.	\$51,000
Nursing	\$42,300
Mathematics	\$43,600
Psychology	\$36,400
Agriculture	\$37,300

Recruiting Process: Out with the Old In with the New

The typical company visits only 5 campuses a year

In soliciting areas to probe on this year's survey, members of our advisory group suggested two big issues they wanted addressed. First, what impact has the economy had on recruiting budgets and staffing? Second, will social media and internet communication tools displace traditional recruiting practices? These questions seem to be on everyone's mind at the moment.

Recruiting Budgets and Staffing: Who turns off the lights?

The recession has played havoc with recruiting budgets in many organizations. Half (50%) of responding organizations reported reductions in their recruiting budgets. Within this group, half of those have seen budgets reduced by more than 25%. Several respondents commented "a zero (no budget) option should have been included." Seven percent reported an improvement in their budgets for 2010.

Recruitment staffing has not been impacted as drastically, with only 32% indicating staff reductions. Some organizations were forced to cut 25% or more of their staff.

With these reductions, campuses can expect to see the following changes:

- 42% will reduce the number of schools they visit.
- 46% will reduce the number of career fairs they attend.
- 36% will hold fewer on-campus interviews.

How many schools does a typical organization visit? **The reported average is 10 schools with the most common response being five. Sixty percent (60%) visit between two and six schools during the year.**

With staff and budget reductions, will organizations begin to outsource their college relations and recruiting functions? Outsourcing was tried once before during the 1989-1992 recession when companies spun-off their college recruiting functions as a part of restructuring. Employers today do not appear to be interested in trying this again. Nearly 95% indicated outsourcing was not an option for college relation functions. Ten percent (10%) did indicate they were outsourcing their career fair management and the administration of their internship/co-op programs to third parties.

Organizations also expressed little interest in substituting technology for face time with students.

- 27% might use video interviewing to help reduce costs.
- 12% would request video resumes.
- 28% planned to use webinars for information sessions with students.
- 29% will use blogs to meet and converse with candidates.

Social Media: Is The Hype Real?

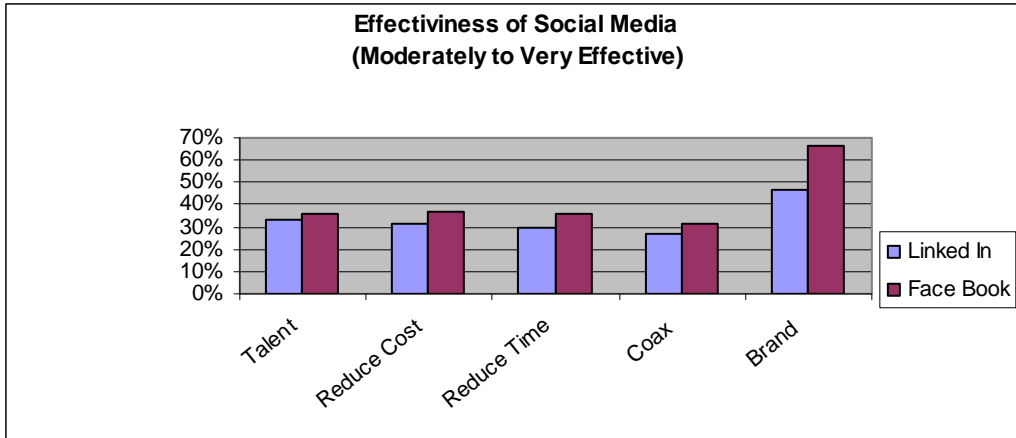
Earlier we reported that 25% of respondents used social media as a recruiting strategy with "eye-popping" hiring targets for the year. Obviously we are still dealing with early adopters. Presented with a list of available social media, employers expressed little interest in MySpace, Second Life, and Micro-Blogs. Craig's List was mentioned by some respondents but was intentionally left off our list because of concerns of who may be behind some job postings.

Employers are becoming more comfortable with LinkedIn, where 45% use it "occasionally" to "all the time" and Facebook where 34% use at the same level. Interest appears to be emerging for Twitter (22% use it to some degree) and organization blogs (15%).

Claims are put forth that these social media strategies can effectively enhance recruiting by easily identifying talent, reducing costs and time, coaxing hard to approach candidates to the table, and expanding the organization. Rated on a 5-point scale (not at all effective to extremely effective), the results are hardly an endorsement to pursue these methods.



Only brand recognition among young professionals was viewed effectively. Facebook received higher effectiveness ratings than LinkedIn, even though it is used less.



Social media effectively expands a company's brand to young adults

It appears that all parties are poorly trained in utilizing social media. More attention needs to be given to instructing students, career advisors, and human resource managers on how to maximize the utility of these networks in the job search and recruiting.

Final Thoughts

What a legacy is being left for our young adults and youth! At a time of economic unease with people uncertain they will keep their jobs or be lucky to find one if they are seeking employment, a unifying solution would be welcome. The political solutions and rhetoric currently being offered are more partisan than ever. Young adults will be handed a broken health care system, underfunded social security system, and an environment held together with rubber bands. They are suppose to revitalize these institutions while participating in an early career marked by sluggish growth in opportunities and limited salary increases.

For green shoots to take root and flourish, several things have to happen. **Small businesses, especially fast growth and start-ups, need to be nourished** and shielded from entrenched large corporate interests. Fast growth companies are the foundation for job growth in this country. The evidence gleaned here only adds to the stream of information from a variety of sources that paints a similar picture. Yet, current political will power and government policy are focused on "too big to fail" companies and others at the expense of small firms. We need to weave together a community of small employers that our students can tap into.

Second, **a better understanding of how Boomers plan to exit the labor force.** We can expect retirements will occur but the exit process may be messy as Boomers hang on to their health care as well as attempt to maximize their retirement funds. Even the five to seven year deferment of their retirement will cause shortages throughout various sectors of the economy.

The talent wars will continue as employers elevate the performance expected of new entrants into the workforce (regardless of degree level attained) and find fewer qualified candidates. There are many signs that employers are beginning to view advanced skill and competency proficiency as a fundamental hiring factor in addition to major/disciplinary knowledge. Also, employers are actively seeking students that demonstrate flexibility and entrepreneurial acumen. One respondent from a Fortune 100 company explained that they were setting up entrepreneurial units throughout the company, hence the change in the mix of majors and skills that they want.

We will not return to NORMAL! The train that we have ridden since the 1950's has been derailed and replaced by a fleet of fast moving canoes with different agendas in how to nurture and secure talent. We will be asked to take on new roles, as agents, to help our student clients navigate the swift and changing currents of their young professional careers. How career services professionals meet the challenges ahead depends on how willing they are to be refocused, redirected and reconnected in fostering and sustaining career support networks in these crazy times.

To take advantage of opportunities in the small business labor market, **graduating students will have to pursue strategies beyond traditional campus recruiting methods.** Small businesses are less likely to visit campus to interview, attend job fairs, and speak with faculty. They are more likely to use contacts provided by current employees, conversion of interns to full-time employment and posting positions on their company's web site. Some small businesses are actively involved in using social media to identify talent.

Students have to understand that the job market benchmarks are at the lowest level they have ever been. A positive percentage swing in the market certainly should be cheered. Yet the few jobs being offered will mean that the environment will be very competitive. The best academically trained candidate might not get the job! It will go to the candidate that best demonstrates how they can add value to a company, are professionally connected, and most importantly understand the importance of entrepreneurial thinking. Last years advice still stands:

BE FOCUSED, DIRECTED, AND CONNECTED.

This year will be challenging once again. May our students find success!

Phil Gardner



Profile of Respondents

Total responding: 2,556 companies, firms, organizations, and agencies. The sample was obtained by direct mail to 700 companies and firms and e-mail initiative to another 1,000 through Michigan State University. Twenty-nine colleges and several private supporters also canvassed their conducts to generate support. 2,259 provided enough information to be included in most of our calculations..

Size (employees):

Average	10,847
Median	250
Mode	50

Recruiting Regions

International	11%
Entire US	30%
Northeast	7%
Mid Atlantic	16%
Great Lakes	24%
Upper Plains	11%
Southeast	19%
South Central	9%
Southwest	14%
Northwest	8%

Industrial Classification (Based on NAICS)

Industry	Percentage	Industry	Percentage
Agriculture Production/Services	1%	Educational Services	8%
Utilities	2%	Health/Social Assistance	7%
Construction	3%	Accommodations/Food Service	2%
Manufacturing	15%	Professional Ass/Non-Profit	4%
Wholesale	2%	Government	9%
Retail	3%	Insurance	4%
Transportation	1%	Real Estate/Leasing	1%
Bank//Finance	6%	Professional (Scientific)	25%
Administrative Services	4%		

Reading List

Some recent readings have inspired thoughts and insights to our research and analysis.

Auletta, Ken. 2009. *Googled: The End of the World As We Know It*. Penquin Press.

Beafman, O. and Brafman, R. 2008. *Sway: The Irresistible Pull of Irrational Behavior*. Doubleday.

Benkler, Yochai. 2007. *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. Yale University Press.

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Lessig, Lawrence. 2005. *The Nature and Future of Gravity*. Penquin Press.

McDonald, L. and Robinson, P. 2009. *A Colossal Failure of Common Sense*. Crown Business.

Sunstein, Cass. 2008. *Infotopia: How Many Minds Produce Knowledge*. Oxford University Press.

Tett, Gillian. 2009. *Fool's Gold: J.P. Morgan ... Wall Street Greed*. Doubleday.

Notes

A large, empty rectangular box with a dark purple border, intended for taking notes.



*Advancing Knowledge.
Transforming Lives.*



Understanding young adults and the world of work

The Collegiate Employment Research Institute was established by Michigan's legislature in 1985 and charged with collecting and analyzing information on the transition from college to work, college labor market conditions, and issues pertaining to career development. The Institute has gained recognition for its work in early socialization in the workplace, impact of co-op and internships on employment, and college labor market dynamics.

Current Research Focuses:

- Young Adults in the Workplace: Attitudes and Identity
- Internships: Converting interns to Full-Time Employees
- Building Trust and Engagement among Young Adults in Today's Workplace

Recent Publications:

Converting Interns and Co-Ops to Full-Time Employees: White paper prepared for Monster Worldwide, 2008

Unpacking Your Study Abroad Experience: CERI Research Brief 1-2008

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Job Listings



Resume Referral



Resume Drop



Interviewing



Career Fairs

"We need a talent pool that consistently produces quality, versatility and a desire to make a difference; therefore, recruiting at MSU is an imperative."
-- John J. Webb, Head of Business Alliances, Aetna

Connect with Top Talent

Fill your pipeline using these indirect recruiting options:

- Provide advice for students at any class level through the Career Advisory Network.
- Volunteer to conduct mock interviews, helping students develop interviewing skills ... a great way to network with potential candidates.
- Participate in non-traditional career events on campus, like the Career Summit, Creative Arts Forum, or Speed Networking.
- Present on industry topics to classes or student organizations.
- Offer internship or experiential learning opportunities to students.

For more details about any of these opportunities, contact us!

Why recruit @ Michigan State University?

Since 1855, MSU has grown to 14 degreed colleges offering over 200 unique programs and conferring over 10,000 degrees annually. With state of the art facilities and top-ranked programs, students learn the importance of getting hands-on experience through part-time jobs, internships, and co-ops. Because of our diversity, you can come to MSU for all of your staffing needs. In other words, we provide **one-stop shopping!**