Survey: New Grads Can Expect Modest Rise in Hiring

Modest good news for **college students**: An annual survey predicts employers will increase hiring of new four-year college graduates about 5 percent in the coming year. Demand for graduates with associate's degrees is expected to increase more sharply—by about 30 percent compared to last year's survey—while MBA hiring appears headed for an unexpected decline.

The 42nd annual survey out Thursday from Michigan State University's College Employment Research Institute collects responses on hiring plans from more than 2,000 U.S. employers. It paints a mixed picture reflecting an improving economy but also uncertainty over whether Congress and the White House will carry the country off the **fiscal cliff** in January, potentially sending the economy back into recession.

The hiring numbers are certainly better than for students who graduated at the depths of the recession, but overall indicate less aggressive hiring than the last couple of years, which survey director Phil Gardner attributed to the political situation as well as weakness in sectors like defense. The survey was conducted before President Barack Obama won a second term.

"Everybody just stopped making decisions to see how this election was going to be play out," Gardner said. "A lot of people are sitting on the fence."

For four-year college graduates, the report finds employers are looking most actively for business-related majors but demand is also strong for "all majors"—an indication many employers want critical thinking skills that can be developed in many different courses of study. Demand for engineering, accounting and computer science majors appears somewhat softer than in previous years.

As for those with MBAs—master's level business degrees—Gardner said it appears companies are more willing to fill jobs with bachelor's-only recipients, who command less salary. That's unfortunate for a glut of MBA students still coming up through the system.

"The top-school MBA grads aren't going to have a problem," Gardner said. "It's all these kids without a lot of professional experience that aren't at the top-tier programs that will probably struggle to find work that is an 'MBA job.'"

Alex Mitchell, a Michigan State journalism student scheduled to graduate in December, said he and his fellow students have long since reconciled themselves to a tough slog getting their first job. A string of internships and other pre-professional experiences in colleges is essential, and some students, he said, will have to settle for internships even after they graduate.

Personally, he's realized journalism jobs will be hard to land and is looking for work in public relations. He's optimistic, but with 15 applications out, is still looking for his first interview. He'd hoped to settle in Michigan or next-door Ohio to be near family but realizes he may have to broaden his horizons.

"I may have to reach out across some different states or maybe elsewhere around the country to get that initial position before I get back," he said. As for the market, "there's just a lot of people who've been out there a little bit longer, out of school longer, and have more experience than myself."

While higher degrees generally translate into higher earnings, there are wide variations across fields of study and careers, and students have to factor debt into the equation if they need to borrow for tuition. According to Georgetown University researchers, roughly 30 percent of associate's degree recipients earn more than people with bachelor's degrees. Those with mere certificates in engineering earn roughly 20 percent more than the average generic bachelor's degree recipient.

A recent study by The Project on Student Debt found that two-thirds of the college class of 2011 nationally finished school with loan debt, and those who borrowed owed on average $26,600—up about 5 percent from the class before. Still, most experts insist that while a bachelor's degree doesn't necessarily pay off with a first job, it eventually more than does so, in hundreds of thousands of dollars in additional lifetime earnings.

A major part of that is simply staying employed: For those 25 and older, the **unemployment rate** for those with a college degree is now just 3.8 percent. For those with some college or an associate degree it's 6.9 percent, and for those with just a high school diploma it's 8.4 percent.