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Job Climate for the Class of 2008 Is a Bit Warmer Than Expected

By KATE MURPHY

Given that the economy is flagging, this would seem an inauspicious time to be graduating from college and looking for full-time employment.

Job prospects this year, however, have been better than career counselors and recent graduates had expected. Employers are still extending offers, just not as many as last year.

Economists said the class of 2008 has been helped by employers concerned by the impending exodus of baby boomers from the work force. But they warn that the job market is going to get tougher as the full extent of the nation's financial problems emerges, and they predict a growing inequality in access to employment between elite and lower-achieving students.

As a result of the tighter job market, applications to graduate schools and service-oriented programs abroad are expected to increase in the fall.

"Things are not good but they aren't really bad yet either," said James Tarbox, director of career services at San Diego State University. Of the 23 campuses in the [California State University](#) system, half have had a decline in campus recruiting last semester.

Indeed, MonsterTrak, a career development and job search Web site based in Los Angeles, reported that 59 percent of 1,200 employers surveyed nationwide in February expected to hire 2008 graduates in the spring or summer, a drop of 17 percentage points from last year. And 29 percent said they were unsure, nearly twice as many who were undecided in 2007.

Companies in the troubled financial and housing sectors like [Citigroup](#), [Merrill Lynch](#), [Home Depot](#) and the home builder [D. R. Horton](#) have pulled back the most, according to college career counselors. And, of course, [Bear Stearns](#), after its collapse, had to rescind its offers to new graduates.

Regardless, many in the class of 2008 have found employment. Preliminary surveys conducted by university and college career counselors indicate that the percentage of students who had found jobs by graduation was about the same as last year. The salaries were also comparable to last year, which, given inflation, could be interpreted as a decline.

But this year's graduates reported that they had fewer choices than the class of 2007. "They might have received one or two job offers when last year they might have gotten four or five," said Al Cotrone, director of career services and student affairs at the [University of Michigan](#) School of Business in Ann Arbor. Undergraduates, as well as graduate students, are jumping at any opportunity. "When the economy is like it is, they are accepting what they get as soon as they get it," he said.

Thomas Holstien, a 22-year-old finance major at the University of Texas at Austin, said his job search over the last several months yielded two job offers from banks in Houston. But said he was leaning toward working in Washington as a senatorial staff assistant for three to five years partly because, he said, "maybe by then the financial sector will be better off."

Experts said the aging of baby boomers was insulating recent graduates somewhat from the sluggish economy.

"Employers can't afford not to fill the pipeline," said John Challenger, chief executive of Challenger, Gray & Christmas, a recruiting and consulting firm in Chicago. In addition, some companies are laying off longtime employees and replacing them with new graduates at lower salaries. "Employers only want the cream" of the graduating class to fill these positions, he said.

Many companies, including the [Walt Disney Company](#), McKinsey & Company and [Pfizer](#), are offering paid and unpaid internships to new graduates rather than full-time positions. “In uncertain times, employers are more cautious and want a known quantity before they decide to hire,” said Michael Profita, director of career services at Skidmore College in Saratoga Springs, N.Y.

Sarah Rossetto, a 22-year-old communications major from San Diego State University, started a paid internship in public relations at an agency in San Diego the day after her graduation this month. “My hope is that it will lead to a permanent job,” she said. “It’s good experience no matter what.”

Career advisers and placement agencies said that entry level, career track or management training positions were going to only the most motivated and competitive candidates who graduated at the top of their class and have, through an internship or otherwise, demonstrated their ability.

“It’s not going to work to just post a résumé on a Web site anymore,” said Randy Miller, chief executive of ReadyMinds, a career counseling service based in Lyndhurst, N.J. His business, in fact, has had a 15 percent increase in clients, 2008 seniors and other job seekers, since March, when the economy “really started to sink.”

The graduates who are struggling to find work now typically earned degrees from less prestigious institutions and were not the top students.

“A poor economy magnifies the differences between student groups,” said Lawrence Katz, a professor of economics at [Harvard](#). “Those graduating from spectacular schools with spectacular grades will continue to do well, while those in the middle and lower end will have a much harder time finding jobs and will be offered much lower salaries.”

Moreover, entry-level hiring lags behind economic conditions. “If you look at the last recession in 2001, the job market didn’t fully reflect economic reality until 2002,” Mr. Katz said. Indeed, career services

directors at universities predicted that the class of 2009 might suffer. “We’re braced for even more declines in recruiting and hiring next year,” said Mr. Tarbox at [San Diego State](#).

Some recent graduates are choosing to end their job search and further their education instead. Graduate school preparation programs like Kaplan and Princeton Review report double-digit increases in enrollment in the last few months, far outpacing the same period last year.

Other recent graduates are choosing to wait out the economic downturn by engaging in more adventurous or service-oriented pursuits. “This generation perhaps because of 9/11 wants meaningful work and experiences,” said Mr. Challenger, of the outplacement consulting firm. “They aren’t just in it for the money.”

Travis Roe-Raymond, a 22-year-old religious studies major at [Skidmore College](#), said he initially looked for community development jobs on the East and West Coasts but is now planning to lead bicycle tours in France for the summer before leaving for China to teach English for a year.

After that, he is unsure what he will do. “I guess the idea is to leave now and come back when the economy is better,” he said. “But I’ll cross that bridge when I get to it.”