

College labor market still in high gear

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The job market for college graduates is poised for a third straight year of explosive growth, as companies in most industries seek new talent, according to the largest annual survey of U.S. employers.

Michigan State University's Recruiting Trends report projects hiring in 2015-16 will increase an average 15 percent across all degree levels - associate's, bachelor's, MBA, master's, doctorate and professional.

"Most signs point to another explosive year of growth in the [job market](#) for college graduates," said Phil Gardner, MSU economist and lead author of the survey. Now in its 45th year, Recruiting Trends surveys more than 4,700 employers and covers every state.

Driving the improved labor market for new [college graduates](#) are two main factors: company growth and employee turnover.

"Three years ago, employers rarely talked about turnover," Gardner said. "This year, the percentage of employers reporting turnover as a major driving force rose to 56 percent, an 11 percent increase over last year."

In addition, 31 percent of employers said retirements are influencing their hiring decisions - up from 19 percent last year. An estimated 10,000 baby boomers retire every day. "Baby boomer retirements will almost certainly become more critical in the near future," Gardner said, "particularly for education, government, finance and professional-service jobs."

The survey comes amid mixed economic signs. Unemployment is about 5 percent and consumer confidence remains relatively high, though the Federal Reserve's September report was somewhat gloomy and the stock market took a recent downturn, Gardner noted.

"But even if the economic headwinds strengthen, the college job market should withstand a bump in the road," he said.

Starting salaries for college grads should show a modest increase of 2 percent-5 percent this year, although some occupations - such as engineering and information technology - should see bigger boosts in starting offers, the survey found. An electrical engineer with a bachelor's degree, for example, can expect to start out at about \$61,200, a 7 percent increase from 2014-15.

"Although more employers will increase starting salaries, overall salaries may lag slightly behind inflation," Gardner said.

The survey gauges hiring by degree level, industry, company size and region. Employers' outlook is upbeat nearly across the board this year. Some highlights:

- While hiring of graduates with bachelor's degrees should see a 15 percent jump, the news is even better for new associate's and professional degree holders, with each category seeing a 23 percent spike. Master's degree hiring should be up 10 percent, the first sizable jump in several years.
- From an industry perspective, hiring in professional, business and scientific services (which includes such fields as accounting, computer services and environmental consulting) leads the way with a projected 38 percent increase. The finance/insurance, health-care, construction and education industries will be strong as well. Manufacturing, on the other hand, should see a 6 percent

drop in hiring.

- Geographically, bachelor's degree [hiring](#) should be up in all U.S. regions, ranging from an 8 percent increase in the Mountain West to an 18 percent increase in the Upper Atlantic.

Provided by Michigan State University

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