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EDUCATION LIFE

A Brighter Job Market, for Some

By TARA SIEGEL BERNARD APRIL 8, 2016

New college graduates looking for their first full-time job have reason to be optimistic. After a string of dismal to lackluster years, the job outlook brightened considerably for the class of 2015. And despite uncertainty about the strength of the economy, recruiters, on-campus career specialists and economists remain generally upbeat about prospects for this year's graduates.

Michigan State University's Collegiate Employment Research Institute projects that hiring will be up 15 percent across all degree levels from last year, part of a stuttering rebound from the Great Recession and its aftermath, 2009 to 2013.

Of course, applicants' experiences will vary, perhaps significantly, depending on their field of study and position sought.

Recent graduates who majored in civil engineering and nursing had some of the lowest unemployment rates — 2.8 percent and 2 percent, according to an analysis by the Federal Reserve Bank of New York that averaged figures from 2013 and 2014, the most recent available.

In contrast, anthropology, geography and mass media majors faced jobless rates upward of 8 percent. Liberal arts majors, whose studies emphasize critical thinking, communication and creativity, were nestled in between, at 5.8 percent.

"The occupation-specific majors tend to do much better," said Jaison Abel, head of regional analysis at the New York Fed who conducted the analysis with Richard

Deitz, senior economist there. “Even within business, the more specific majors — accounting or finance — tend to do much better than those with a general major.”

Job conditions appear grimmer when viewed through the lens of another metric: the share of recent graduates (age 22 to 27 with bachelor’s degree or higher) working in jobs that do not require degrees. That number hovered at 44 percent at the end of September, high by historical standards, according to the analysis. The low was about 38 percent in 2000.

But this phenomenon, called underemployment, may not be unusual. The two economists point out that, through good and poor economic times, roughly one-third of all graduates occupy jobs that don’t require a bachelor’s degree. And even during the depths of the recession, new graduates had an advantage: Most weren’t cashiers and baristas. They held higher-paying positions in areas like office and administrative support.

What we’re seeing, Dr. Abel said, are “fairly typical trends of transitioning from college to the job market,” and many who start careers in a low-skilled service job transition to a better job after gaining experience in the labor market.

Also, there’s more than one way to define underemployment. Using the government methodology, which counts those who want a full-time job but don’t have one, including part-time and “discouraged” workers, the outcome looks less severe. Last year, the underemployment rate for 22- to 27-year-old graduates was 19.8 percent, according to data crunched by the Center on Education and the Workforce at Georgetown University. That’s down from a decade’s peak of 23.4 percent, in 2013.

Paychecks have also edged higher. The median wage for recent graduates with only a bachelor’s degree was \$43,000 in 2015, up from \$40,000 in 2014, according to the New York Fed report. (Individuals with only a high-school diploma had a median wage of \$25,000 in 2015.)

Meanwhile, the mood on campuses is encouraging. At Wake Forest University in North Carolina, the number of employers participating in on-campus recruiting

events is holding steady with 2015, when attendees rose 33 percent compared to 2014.

And at Rutgers University in New Jersey, nearly 300 employers attended its February career fair, about as many as its venues can handle. “If these 290 employers weren’t in a hiring posture,” said Rick Hearin, executive director of career services at Rutgers, “they wouldn’t invest their time and money to come to New Brunswick to recruit our students.”

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