



JOB OUTLOOK 2006



National Association of
Colleges and Employers
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Figure 1 Respondents by sector and type of employer

Employer Type	Number of Respondents	Employer Type	Number of Respondents
SERVICE EMPLOYERS		MANUFACTURING EMPLOYERS	
Accounting (Public)	9	Computers & Business Equipment	3
Advertising	2	Electrical & Electronic Machinery & Equipment (incl. Communications)	23
Architecture	1	Food and Beverage Processing	7
Banking (Commercial)	5	Household & Personal Care Products	2
Communication Services	5	Metals & Metal Products	2
Computer Software Development & Data Processing Services	6	Mining	2
Consulting Services	9	Packaging & Allied Products	1
Engineering/Surveying	8	Paper & Wood Products	2
Environmental/Waste Management	1	Petroleum & Allied Products	4
Financial Services	8	Pharmaceuticals	2
Hospitality (Amusements/Recreation/ Fast-Food Restaurants)	2	Printing	2
Hospitality (Hotels/Motels/ Full-Service Restaurants)	4	Rubber Products	1
Insurance	8	Scientific Equipment & Industrial Measuring Instruments (incl. Medical Supplies)	3
Merchandising (Retail/Wholesale)	16	Stone, Clay, Glass & Concrete Products	1
Personnel Supply Services	1	Textiles & Apparel	3
Research Organizations	10	Widely Diversified	1
Transportation	5	Other Manufacturing Employers (NEC)	8
Utilities	14	GOVERNMENT/NONPROFIT EMPLOYERS	
Other Service Employers (NEC)	7	Education	1
MANUFACTURING EMPLOYERS		Government (Federal)	13
Aerospace	6	Government (State & Local)	4
Agriculture & Products	1	Health Services (excluding hospitals)	1
Automotive & Mechanical Equipment	7	Hospitals	4
Building Materials & Construction	11	Social Services/Private Agencies	2
Chemicals & Allied Products	10	Other Nonprofit Employers (NEC)	2

ABOUT THE *JOB OUTLOOK 2006 SURVEY*

Figure 2 Respondents by size of department for which they recruit

Department Size	Percent of Respondents
Fewer than 500 employees	20.2%
500-1,000 employees	11.7
1,001-2,500 employees	13.8
2,501-5,000 employees	14.6
5,001-10,000 employees	16.2
More than 10,000 employees	23.5

The *Job Outlook* survey is a forecast of hiring intentions of employers as they relate to new college graduates. Each year, the National Association of Colleges and Employers (NACE) surveys its employer members about their hiring plans for the upcoming class of new college graduates and other employment-related issues. The *Job Outlook 2006* survey covers employers' hiring intentions and related issues for the college class of 2005-06.

To date, two sections of the *Job Outlook 2006* survey have been conducted. The first part, the *Job Outlook 2006 Fall Preview*, was conducted August 8 through August 19, 2005, via e-mail and was sent to 1,054

members. Of those, 1,015 received their e-mail survey. Responses were received from 256 members, a 25.2 percent response rate. Results were released to members on September 2, 2005. (Those results can be accessed at www.nacweb.org/pubs/JobOutlook/joboutlook2006/.) Selected results from that survey are reported here again to provide context and for the convenience of NACE members.

From mid-August through September 30, 2005, NACE collected data for the second part of the *Job Outlook 2006* survey. The survey was mailed to 1,069 members. Responses were received from 250 members, a 23.4 percent response rate. This report focuses largely on the results of that survey.

Of those responding, 48.4 percent were service-sector employers, 40.8 percent were manufacturers, and 10.8 percent were government/nonprofit employers. (See Figure 1.) (Please note: Among those classed in the government/nonprofit sector, 17 of the 27 respondents were federal and/or state government employers; consequently, responses may not be reflective of nonprofit employers.)

By size of department for which they actually recruit, the biggest group of respondents (nearly one-quarter) recruit for departments with more than 10,000 employees. (See Figure 2.)

By region, 33.2 percent of respondents are from the South, 27.2 percent represent organizations in the Midwest, 22.4 percent are from the Northeast, and 17.2 percent are from the West.

For a list of organizations that supplied data for this report, see "Survey Respondents," page 26.

Totals throughout the report may not equal 100 percent due to rounding.

NACE plans to update the job market information once more in the 2005-06 academic year: The *Job Outlook 2006 Spring Update* (data collected late March through early April) will give NACE members a final update on hiring for 2005-06 new college graduates. Results will be available in mid-April.

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THE JOB OUTLOOK IS POSITIVE FOR THE THIRD CONSECUTIVE YEAR

Figure 3 Hiring expectations 2003-04 and 2004-05 vs. 2005-06, by percent of respondents

Intention	Percent of Respondents 2003-04	Percent of Respondents 2004-05	Percent of Respondents 2005-06
Increase hiring	50.7%	61.4%	66.5%
Maintain hiring at last year's levels	21.3	22.7	15.3
Decrease hiring	28.0	15.9	18.2

Figure 4 Employers rate the overall job market for new college graduates 2004-05 vs. 2005-06, by percent of respondents

Schedule	Percent of Respondents 2004-05	Percent of Respondents 2005-06
Poor	0.0%	0.4%
Fair	19.9	5.8
Good	56.4	47.4
Very Good	22.1	39.9
Excellent	7.0	6.5

Employers Predict 14.5 Percent Increase In New College Grad Hiring for 2006

Employers expect to hire 14.5 percent more new college graduates in 2005-06 than they did in 2004-05. This is the third consecutive year in which the job outlook for new college graduates has been positive, and it is the third consecutive year in which the increase in college hiring has hit double digits.

Employers in all sectors report positive hiring plans, but service employers have the most aggressive plans: They project hiring 21.6

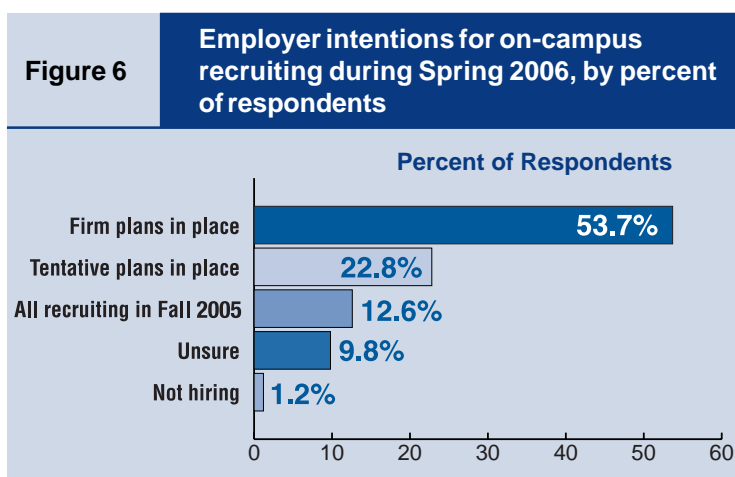
percent more new college grads in 2005-06 than they hired in 2004-05. Manufacturers plan to hire 8.2 percent more new college graduates in 2005-06, and government/nonprofit employers expect to hire 3.2 percent more new grads. (For more, see "Analysis by Sector," page 7.)

Overall hiring projections provide another sign of the positive trend in college hiring: Over the past three years, the percentage of employers projecting increases in their college hiring has grown steadily, from 50.7 percent in 2003-04 to 61.4 percent in 2004-05, to 66.5 percent this year. (See Figure 3.)

In addition, nearly 94 percent of respondents rated the overall job market for new college graduates as very good, good, or excellent, up from just over 80 percent last year. (See Figure 4.)

Figure 5 How often employers will reassess hiring needs 2004-05 vs. 2005-06, by percent of respondents

Schedule	Percent of Respondents 2004-05	Percent of Respondents 2005-06
Quarterly	26.8%	26.2%
Annually	27.4	24.6
Monthly	20.1	23.4
Weekly	15.3	17.6
Other	7.0	8.2



By type of employer, public accounting firms (n=9) and consulting services firms (n=9) were most optimistic—both rated the job market specific to their industries between “very good” and “excellent.” Engineering/surveying firms (n=8), building materials and construction firms (n=11), and financial services firms (n=8) are also optimistic about the job market specific to their industries, with their assessments ranging from “good” to “very good.” Driving the job markets within these specific industries? Among those who offered an explanation, increased demand was the most commonly cited reason, but some commented on a rebounding economy, and others mentioned attrition due to the aging work force. (Note: A few respondents rated the job market in their specific industry as poor; however, there were not enough data in any one industry to report.)

Most employers expect to keep a close eye on new college hiring throughout the year; 26.2 percent say they will reassess their needs on a quarterly basis, 23.4 percent plan to reassess on a monthly basis, and nearly 18 percent

expect to regauge their college hiring plans on a weekly basis. (See Figure 5.)

On-Campus Recruiting Plans

Employers expect to spend more time on campus this year to recruit new college graduates. More than half of respondents (53.7 percent) report firm plans to recruit on campus in Spring 2006, and 22.8 percent have tentative plans to do so. (See Figure 6.) The up tick in on-campus recruiting is yet another sign that college recruiting is heating up; in comparison, in 2004-05, only 42.2 percent of employers had firm plans to recruit on campus in the spring.

ANALYSIS BY SECTOR

Service

By sector, services employers project the biggest increase in college hiring: They expect to hire 21.6 percent more new college graduates in 2005-06. In addition, by sector, services employers are more likely than their counterparts in the manufacturing and government/nonprofit sectors to have firms plans to recruit on campus in Spring 2006; nearly two-thirds have plans in place.

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 62.2 percent
- Tentative plans in place 20.2 percent
- All recruiting to be done in Fall 2005 10.1 percent
- Unsure of their plans 6.7 percent
- Not hiring, no plans for spring recruiting 0.8 percent

Salary expectations

Nearly three-quarters of service sector respondents (72.9 percent) report plans to increase their starting salary offers. On average, they expect to up salary offers by 3.8 percent.

TOP 5 UNDERGRADUATE MAJORS

Accounting
 Business Administration/management
 Economics/Finance (incl. Banking)
 Computer Science
 Information Sciences & Systems

Manufacturing

Manufacturers expect to hire 8.2 percent more new college graduates in 2005-06.

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 44.0 percent
- Tentative plans in place 23.0 percent
- All recruiting to be done in Fall 2005 18.0 percent
- Unsure of their plans 13.0 percent
- Not hiring, no plans for spring recruiting 2.0 percent

Salary expectations

Approximately seven out of 10 manufacturing respondents (72.2 percent) say they will increase their starting salary offers to new college graduates; the average expected increase is 3.5 percent.

TOP 5 UNDERGRADUATE MAJORS

Mechanical Engineering
 Electrical Engineering
 Accounting
 Chemical Engineering
 Business Administration/management

Government/Nonprofit

Government/nonprofit employers plan to hire 3.2 percent more new college graduates. (Note: Federal government employers, in particular, expect to increase their overall new college hires by 22.8 percent.)

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 51.9 percent
- Tentative plans in place 33.3 percent
- All recruiting to be done in Fall 2005 3.7 percent
- Unsure of their plans 11.1 percent

Salary expectations

All but one out of the 20 government/nonprofit employers responding reports plans to increase salaries to bachelor's degree candidates in 2005-06; on average, they expect to increase starting salary offers by 4 percent.

TOP 5 UNDERGRADUATE MAJORS

- Computer science
- Mechanical engineering
- Electrical engineering
- Accounting
- Mathematics (incl. statistics)
- Biological sciences/life sciences
- Computer engineering

ANALYSIS BY REGION

Northeast

Among the regions, employers in the Northeast seem to offer the best outlook for 2005-06 college graduates; overall, employers in this region expect to increase their college hiring by 25.8 percent.

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 39.3 percent
- Tentative plans in place 26.8 percent
- All recruiting to be done in Fall 2005 21.4 percent
- Unsure of their plans 10.7 percent
- Not hiring, no plans for spring recruiting 1.8 percent

Salary expectations

Starting salary offers are expected to rise in the Northeast, where 80 percent of employers plan to up their salary offers to bachelor's degree candidates. (In comparison, last year 56.4 percent of Northeast respondents reported such plans.) Overall, employers in this region expect to increase starting salary offers by 3.2 percent.

TOP 5 UNDERGRADUATE MAJORS

Electrical Engineering
 Mechanical Engineering
 Accounting
 Information Sciences & Systems
 Chemical Engineering

Midwest

On the surface, it appears that employers in the Midwest expect to increase new college grad hiring by a miniscule 0.8 percent. However, that number is skewed by a single responding organization that projects cutting college hiring by 73 percent due to reorganization. When that respondent's data are removed, the hiring projection for this region is an increase of 9.1 percent.

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 40.9 percent
- Tentative plans in place 22.7 percent
- All recruiting to be done in Fall 2005 19.7 percent
- Unsure of their plans 15.2 percent
- Not hiring, no plans for spring recruiting 1.5 percent

Salary expectations

Roughly four out of five Midwestern employers (80.4 percent) expect to increase starting salary offers to bachelor's degree candidates. The average increase projected is 3.6 percent.

TOP 5 UNDERGRADUATE MAJORS

Accounting
 Mechanical Engineering
 Electrical Engineering
 Economics/Finance (incl. Banking)
 Marketing/Marketing Management

South

Employers in the South report plans to increase college hiring by 17.6 percent. (As mentioned in the “About the *Job Outlook 2006 Survey*” section, hiring projections were provided for this survey prior to Hurricane Katrina.)

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 68.3 percent
- Tentative plans in place 17.1 percent
- All recruiting to be done in Fall 2005 6.1 percent
- Unsure of their plans 7.3 percent
- Not hiring, no plans for spring recruiting 1.2 percent

Salary expectations

Among employers in the South, 71.4 percent plan to increase starting salary offers to bachelor’s degree candidates. The average projected increase is 4.1 percent.

TOP 5 UNDERGRADUATE MAJORS

- Business Administration/Management
- Accounting
- Mechanical Engineering
- Electrical Engineering
- Economics/Finance (incl. Banking)

West

Employers in the West plan to increase new college hires by 15.8 percent in 2005-06.

Spring recruiting outlook (by percent of respondents)

- Firm plans in place 64.3 percent
- Tentative plans in place 28.6 percent
- All recruiting to be done in Fall 2005 2.4 percent
- Unsure of their plans 4.8 percent

Salary expectations

Two-thirds of employers in the West (66.7 percent) plan to increase starting salary offers to bachelor’s degree candidates. Their average projected increase is 4.1 percent.

TOP 5 UNDERGRADUATE MAJORS

- Electrical Engineering
- Computer Science
- Mechanical Engineering
- Computer Engineering
- Accounting

WHO IS IN DEMAND?

Figure 7 Top 10 degrees in demand (bachelor's degree level)

Mechanical engineering
Electrical engineering
Accounting
Business administration/management
Economics/finance
Computer science
Information sciences and systems
Marketing/marketing management
Computer engineering
Chemical engineering

Employers Seek Grads in Business, Engineering, Computer-Related Fields

It's no surprise: As is typically the case, employers participating in the *Job Outlook* survey expect to target graduates with degrees in business, engineering, and computer-related fields at both the bachelor's and master's degree level. (See Figures 7 and 9.)

Figure 8 provides information about which types of employers are most interested in specific degrees.

At the doctoral level, employers say they are most interested in graduates with engineering, science, and computer-related degrees. (See Figure 10.)

Figure 8 Who's hiring (bachelor's degree level)

Major	Most Interested Employers	Percent of Respondents
Mechanical engineering	Aerospace manufacturers	100%
	Automotive & mechanical equip. mfg.	100
	Utilities	100
Electrical engineering	Electrical & electronic machinery & equip. manufacturing	96
	Utilities	86
	Automotive & mechanical equip. mfg.	71
Accounting	Accounting (public)	100
	Insurance	88
	Aerospace manufacturers	83
	Utilities	79
Business admin/mgmt.	Food and beverage processing	100
	Insurance	100
	Merchandising (retail/wholesale)	86
	Financial services	75
Economics/finance	Banking(commercial)	100
	Transportation services	100
	Financial services	88
	Insurance	88

Figure 9	Top degrees in demand (master's degree level)
	M.B.A.
	Electrical engineering
	Mechanical engineering
	Accounting
	Computer engineering

Figure 10	Top degrees in demand (doctoral degree level)
	Electrical engineering
	Mechanical engineering
	Chemical engineering
	Chemistry
	Computer engineering

Three-Quarters of Employers Plan to Raise Starting Salaries

Just over three-quarters of respondents (75.1 percent) expect to increase salary offers to bachelor's degree candidates. That's not a significant change from last year, when approximately 70 percent said they would raise salary, but it does show forward momentum in the college job market and steady increase in demand for new college graduates. Although salary increases vary depending on degree, type of employer, and other factors, on average employers expect to raise starting salary to bachelor's degree candidates by 3.7 percent, the same average increase they projected last year.

Similarly, nearly as many employers (74.8 percent) expect to raise starting salary offers to master's degree candidates. Like bachelor's degree grads, their average projected salary increase matches what it was last year: 4 percent.

Benefits Offered to New College Graduates

Compared to last year, there aren't many major changes to the benefits employers are offering to new college graduates; many of the benefits listed show a change of less than 5 percent in the number of respondents offering them. This year, however, we see that 100 percent of respondents are offering medical and life insurance, both ranked as "highly important" benefits by students responding to NACE's *2005 Graduating Student & Alumni Survey*. (See Figure 11.)

One benefit that employers appear to be offering less and less each year is a pension plan. This year, just 57.3 percent of employers will offer pension plans to new college graduates, compared to 64.9 percent that offered them in 2004-2005 and 70.2 percent that offered them in 2003-2004.

Figure 11 **Benefits and policies**

Benefit/ Policy	Percent of Respondents Who Offer	Student Rank*
Medical insurance	100.0%	1
Life insurance	100.0	6
401(k) retirement plan	99.2	3
Dental insurance	98.8	5
Annual salary increases	94.8	2
Employee assistance/ counseling program	91.5	14
Tuition reimbursement	87.0	4
Casual dress policy	86.2	15
Planned social activities	70.4	16
Bonus/commission plans	63.8	11
Flextime	62.0	9
Frequent performance reviews (more than one per year)	60.5	12
Family-friendly benefits	58.2	8
Pension plan	57.3	7
More than two weeks vacation	47.4	10
On-site fitness center	38.7	17
Stock options	30.8	13
Telecommuting	29.6	18
Day care facilities	16.3	20
Company car	8.5	19
Payback of existing student loans	2.8	N/A

*Source: NACE 2005 Graduating Student & Alumni Survey

The number of employers offering stock options rose slightly this year. In the 2004 *Job Outlook* survey, 41.8 percent of responding employers offered stock options, and in the 2005 *Job Outlook* survey, the number dropped to only 25.7 percent who offered them. This year, the number of employers that will offer stock options to 2005-06 college graduates has increased to 30.8 percent.

Like stock options, bonus/commission plans had similar activity in the percentage of responding employers who are offering them to new college graduates. In the 2004 *Job Outlook* survey, 74.8 percent of respondents offered bonus/commission plans, and in the 2005 *Job Outlook* survey, only 57 percent of respondents said they offered those plans. This year, 63.8 percent of respondents noted that they will offer bonus/commission plans to new college graduates.

Signing Bonuses

Signing bonuses are not expected to be the “norm” for most 2005-06 graduates, but there is some movement in terms of employers offering bonuses. Among respondents, roughly two out of five (42.9 percent) reported that they offered signing bonuses to 2004-05 graduates, and 43.9 percent reported that they have plans to offer signing bonuses to 2005-06 graduates. (These figures are right in line with the information gained from employers in the NACE 2004 *Employer Benchmark Survey*, in

which 40.9 percent of responding employers said they offered signing bonuses to 2003-04 graduates, and 42.1 percent reported that they would offer them to 2004-05 graduates.) In addition, almost three in four employers (74.3 percent) that plan to offer signing bonuses will

only offer them to *selected* graduates, not *all* graduates. At the bachelor's, master's, and doctoral degree levels, students with accounting, electrical engineering, and computer sciences degrees will be the students most likely to be offered signing bonuses.

Figure 12 Percent of employers offering signing bonuses to 2005-06 graduates*

Employer Type	Percent Offering Bonuses	Number of Respondents
Banking (Commercial)	100.0%	5
Transportation Services	80.0	5
Consulting Services	77.8	9
Public Accounting	66.7	9
Engineering/Surveying	62.5	8
Chemicals & Allied Products	55.6	9
Building Materials & Construction	54.5	11
Aerospace	50.0	6
Computer Software Development & Data Processing Services	50.0	6
Research Organizations	50.0	10
Electrical & Electronic Machinery & Equipment (including Communications)	47.6	21
Communication Services	40.0	5
Automotive & Mechanical Equipment	42.9	7
Food and Beverage Processing	42.9	7
Financial Services	37.5	8
Insurance	37.5	8
Utilities	30.8	13
Government (Federal)	25.0	12
Merchandising (Retail/Wholesale)	25.0	16

*Only categories with five or more respondents are included.

Figure 13 Average signing bonus expected to be offered, by major at the bachelor's level, and M.B.A.s		
Major	Average Bonus (Projected)	Number of Respondents
M.B.A.	\$6,100	5
Accounting	2,479	12
Business Administration/ Management	2,750	6
Computer Science	3,188	8
Civil Engineering	1,679	7
Electrical Engineering	2,625	8
Mechanical Engineering	3,900	5

Employers in the service sector are most likely to offer signing bonuses to 2005-06 college graduates; 47.5 percent of service employer respondents are reporting that they plan to do so. Of responding manufacturing employers, 44.9 percent plan to offer signing bonuses to 2005-06 college graduates, while 23.1 percent of government/nonprofit employers plan to do so. Among employers with five or more respondents, commercial banks (n=5) and transportation services firms (n=5) are most likely to offer signing bonuses to 2005-06 graduates, while merchandising (retail and wholesale) firms (n=16) are least likely to do so. (See Figure 12.)

The Northeast region has the largest percentage of respondents (47.3 percent) that plan to offer signing bonuses to 2005-06 college graduates. In the South, 45.6 percent of respondents plan to offer signing bonuses to 2005-06 college graduates. In the Midwest, 41.8 percent of responding employers plan to offer signing bonuses to new college graduates, and 39.5 percent of Western employers are planning to do so.

Of the employers that plan to offer signing bonuses to *all* entry-level college hires in 2005-06, the average bonus will be \$3,490. Even though the range of the signing bonuses reported is \$500 to \$7,000, more than half (56 percent) of these respondents plan to offer signing bonuses greater than the average of \$3,490 to *all* entry-level college hires. (See Figure 13 for average bonuses to selected majors.)

Regardless of whether employers are offering signing bonuses to *all* or *selected* new college hires in 2005-06, slightly more than three-quarters of respondents (76.4 percent) plan to pay the signing bonuses at the start of the job. Only 7.5 percent of respondents plan to pay the bonus upfront, and the remaining 16 percent indicated various other time intervals that range from as early as two to three weeks before starting date to as late as six months after starting date.

Little Movement in Demand for International Students

There is not much improvement over last year in the job outlook for international students. Less than one-quarter of respondents (23.5 percent) reported plans to hire international students in 2005-06, just a small up tick from last year, when 22.2 percent expressed interest.

Most of the interest among employers who plan to hire international students centers around graduates with degrees in electrical engineering, computer science, chemistry, chemical engineering, and business administration/management.

By employment sector, manufacturers appear to have the most interest in hiring international students; 28.1 percent reported plans to hire international students. That's a shift from last year, when service-sector employers were most likely to hire international graduates. This year, 21.4 percent of services employers reported interest in international students (down from 29.1 percent last year), and 16 percent of government/nonprofit employers reported plans to hire these students.

By type of employer, best bets for international students include electrical/electronic machinery and equipment manufacturers and research organizations. In addition, although just three chemicals and allied products manufacturers and four computer software development and data processing services employers responded

to this question, all said they expect to hire international students in 2005-06.

The Outlook for Associate Degree Graduates

The job outlook for associate degree students shows some improvement this year, with one-third of respondents (33.1 percent) reporting plans to hire associate degree graduates. In comparison, last year 28 percent of employers reported such plans for 2004-05.

Also no surprise, most interest focuses on graduates with degrees in business, technology, and engineering-related fields. By employment sector, 40.7 percent of government/nonprofit employers, 35.6 percent of services employers, and 27.8 percent of manufacturers expressed interest in hiring associate degree candidates.

Insurance companies and engineering/surveying appear to be the "best bets" for associate degree graduates. Also of interest: All six respondents representing hospitality companies reported plans to hire these graduates.

KEY BENEFITS OF HIRING ASSOCIATE DEGREE CANDIDATES

When asked what the benefits are to hiring associate degree candidates, employers cited several interesting reasons:

- Many associate degree graduates have a technical skill set that is useful in certain positions.
- Associate degree graduates are more likely to have "hands-on" experience and need less training than other graduates.
- These graduates tend to have more work and/or life experience than other graduates; as a result, they tend to already have a good work ethic.

HOW EMPLOYERS VIEW CANDIDATES

Figure 14	Employers rate the importance of experience	
	Relevant work experience	4.0
	Internship experience	4.0
	Any work experience	3.8
	Co-op experience	3.4
(5-point scale, where 1=not at all important and 5=extremely important)		

Employers Say Experience Is Important

Employers say it's important that new college graduate candidates bring experience to the table. (See Figure 14.)

Employers gave highest ratings to "relevant" work experience and internship experience, but note that "any" experience also earned a high rating. The message is clear: Employers look for experience in their new hires.

Employers Seek Grads With Communication Skills, Integrity, Strong Work Ethic

Assuming candidates have met the degree, skill set, and other basic requirements for the job, what makes one better than another? Employers say the candidate with communication skills has the edge. (See Figure 15.)

Since NACE's *Job Outlook 1999* report, employers have consistently cited communication skills (written and verbal) as the most important skill or attribute for job candidates, and that's the case again this year. Other top qualities, skills, and attributes employers look for in candidates include honesty/integrity, teamwork skills, a strong work ethic, and analytical skills—the same items that consistently top the lists.

A word of caution: Don't be lulled into thinking GPA isn't key. Although it's rated lower than some other attributes on Figure 12, most employers (70.4 percent) say they screen candidates on GPA. Manufacturers are most likely to screen on GPA—81.2 percent said they do so—but two-thirds of service employers (66.4 percent) and nearly half of government/nonprofit employers (48.1 percent) reported that they screen candidates on GPA.

GPA cutoffs ranged from a low of 2.0 to a high of 3.6, but the biggest group (53.6 percent) say 3.0 is the minimum GPA they will consider. Others say that their cutoffs vary by position, department, and the student's major.

Figure 15	Employers rate the importance of candidate qualities/skills	
	Communication skills (verbal and written)	4.7
	Honesty/integrity	4.7
	Teamwork skills (works well with others)	4.6
	Strong work ethic	4.5
	Analytical skills	4.4
	Flexibility/adaptability	4.4
	Interpersonal skills (relates well to others)	4.4
	Motivation/Initiative	4.4
	Computer skills	4.3
	Detail-oriented	4.1
	Organizational skills	4.1
	Leadership skills	4.0
	Self-confidence	4.0
	Well-mannered/polite	3.9
	Friendly/outgoing personality	3.8
	Tactfulness	3.8
	Creativity	3.6
	GPA (3.0 or better)	3.5
	Entrepreneurial skills/risk-taker	3.2
	Sense of humor	3.2
(5-point scale, where 1=not at all important and 5=extremely important)		

WHAT COLLEGE CANDIDATES LACK

Ironically, communication skills not only top employers' list of most-desired skills, but also their list of the skills most lacking in new college graduates.

Many employers reported that students have trouble with grammar, can't write, and lack presentation skills. Poor communication skills are often evident in the interview, where students are unable to articulate, as one employer said, "how what they have done relates to/contributes to the position" they are seeking.

In addition, respondents pointed to other skills and attributes that had made their "wish list," and cited those qualities and abilities as lacking in many new college graduates, e.g., relevant work experience, strong work ethic, teamwork skills, and the like. Respondents also faulted new college graduates for not conducting themselves in a professional manner.

This reinforces the value of internships and co-op assignments for students and employers alike. Although not everything can be "fixed" with an internship or co-op assignment, students can build many of the skills employers find lacking. An internship, for example, is not just an opportunity to gain experience, but it's also a setting for students to model professional behavior, learn what it means to work in a team, and practice interpersonal communication.

Figure 16
Benefits of hiring new college graduates, by percent of respondents

Benefit	Percent of Respondents
Gives us the opportunity to mold future leaders of our organization	90.7%
New college graduates are enthusiastic and motivated	89.1
New college graduates provide fresh ideas	79.8
New college graduates have cutting-edge skills	47.2
It is easier to identify a diverse applicant pool at the college level	41.5
It is easier to fill positions because students are centrally located	22.2
New college graduates will accept lower salaries than college graduates who have several years of work experience	19.4

Benefits of Hiring New College Graduates

Although employers can be critical of new college graduates and their short-comings, they also recognize the many benefits associated with hiring new college graduates. (See Figure 16.)

Chief among those benefits: Hiring new college graduates gives the organization the opportunity to mold its future leaders. The enthusiasm and motivation that new college graduates bring to the workplace is a close second.

Note that less than 20 percent of respondents cited “lower salaries” as a benefit to hiring new college graduates. Clearly, the value new graduates bring to organizations goes well beyond payroll budget considerations.

DRUG SCREENING

This year, 69 percent of respondents say they will conduct drug screening tests, up from just over 59 percent last year. Among those who report plans to conduct drug screening, a few said that the tests are required based on the location of the position.

Appearance Counts

You may not be able to judge a book by its cover, but a candidate's "cover"—overall grooming and interview attire, for example—is likely to be judged by prospective employers. (See Figure 17.)

Employers were given a list of appearance-related attributes and asked to rate the degree of influence that each attribute would have on

their opinion of a candidate. The results mirror those of last year, with a candidate's overall grooming exerting the most influence.

Perhaps just as important as those attributes that have a strong influence on employers are those that exert a slight influence. When an employer has to make a choice among candidates, these are items that could make or break a candidacy.

Figure 17 Candidate physical attributes and their influence on employers, by percent of respondents

	No Influence	Slight Influence	Strong Influence
Grooming	6%	21%	73%
Nontraditional Interview Attire	13	38	49
Handshake	22	45	33
Body Piercing	26	43	31
Obvious Tattoos	25	46	29
Nontraditional Hair Color	26	46	28
Unusual Hairstyle	30	49	21
Earring (male)	54	34	12
Beard	73	22	5
Mustache	83	16	1

Advice From Employers

Once again this year, employers provide three pieces of advice to prospective hires.

- **Do your homework.**

As has consistently been the case in *Job Outlook* reports, the top piece of advice employers offer to students is to research the companies and positions for which they are applying. With so many resources available, including the Internet, information at career centers, and the opportunity to visit with employers at career fairs, employers say that students have no excuse for being uninformed. Unfortunately, employers say that's often the case.

- **Get related work experience.**

A student who has related work experience has a distinct advantage over candidates who lack this experience. Employers say that internships and co-op assignments are the best way for students to gain “real world” experience. Moreover, as employers

say internships and co-ops are among the most effective methods for recruiting new college graduates—and look to their programs for job candidates—students who participate in such experiences have a “foot in the door” when it comes to hiring.

- **Be prepared.**

To employers, perhaps there is nothing worse than a candidate who is unprepared for the interview. In fact, when asked about his worst interview experience, one employer said he asked a candidate, “What did you do to prepare for today’s interview?” The answer was, “Nothing.”

Respondents recommend that students take part in mock interview sessions or, at least, practice on their own to prepare. To show they are interested, students should have a list of questions prepared in advance. Employers also say being punctual, dressing appropriately (the interview is “not Saturday night,” says one respondent), and acting in a professional manner are all important.

Worst Interview Experiences

In most cases, employers described worst interview experiences that centered around the candidate being unprepared and/or unprofessional, or simply not showing up for the interview. These were the “standard” bad experiences, but some that qualified as “worst” interviews make no-shows or no-nothings seem mundane.

Still, worst interview experiences can be instructive as to what to do—and what not to do—in the interview.

Do be punctual.

- The student arrived 30 minutes late then announced he had to go to the rest room.
- The candidate was a day late [for the interview], and was obviously “on something” (i.e. drugs, medicine).
- The student was 20 minutes late. I called him on cell phone and he said he had to get gas and “thought” about calling to tell us he would be late.

Don’t drink or use drugs.

- A [candidate] asked to leave the room in the middle of the interview. He went to the rest room and [apparently] snorted a line of cocaine before he returned to finish the interview.
- The candidate came to interview [exhibiting] obvious signs of marijuana use.
- The person appeared to be drugged.
- [The candidate] smelled of alcohol, and his eyes were glassy through the entire interview.
- The applicant was visibly intoxicated and wanted my job. When I told him what I made and the hours worked, he passed out.

Do dress and act appropriately—and practice good grooming.

- The applicant cursed every other word.
- The candidate referred to me as “honey.”
- [The candidate wore] casual attire, cursed during interview, and told me about [his] “party time” the previous night to excuse [his] lack of focus.
- The student went into tirade about [his] alcoholic father.
- [The candidate’s] outfit was incredibly inappropriate and [the candidate] could not carry on a conversation.

- [The candidate was] poorly groomed with overwhelming body odor.
- [The candidate was] smelly and rude.
- Someone interviewing for a software developer position showed up in a T-shirt and shorts. We paid for him to come to town.
- The person came in smelling so bad that I had to open the door.

Don't answer your cell phone.

- His cell phone rang three times, and the candidate asked me to hold.
- The candidate interrupted the interview to take a cell phone call. It was very distracting.
- A student got a call on his cell phone and talked [on it] for 40 minutes of a 45-minute interview.

And, don't do any of these...

- [In an e-mail, a candidate] slandered the company to the recruiter and told execs that [the job] qualifications were unrealistic and unfair.
- After the technical portion of the interview, the candidate stated that he would never want to work for a company that screened their candidates "like that."
- The candidate told interviewers that he has broken many Internet privacy laws.
- A candidate directed racial slurs and stereotypes at others during the interview and referenced [his own] poor behavior (drinking) as well.
- A female applicant asked many questions about working in a "male-dominated" industry, then advised the career services director that I had asked those questions.
- The person didn't know [which organization he was] interviewing with, and [made] reference to a different organization throughout the whole interview.
- The student said, "Times being what they are, I can't be too particular, so I'm interviewing with *you*."

EFFECTIVE COLLEGE RECRUITING

Figure 18	Employers rate the effectiveness of recruiting methods
On-campus recruiting	4.4
Organization's internship program	4.3
Employee referrals	4.1
Organization's co-op program	3.9
Career/job fairs	3.8
Faculty contacts	3.7
Internet job postings (campus web site)	3.7
Internet job postings (own company web site)	3.6
Student organizations/clubs	3.5
Internet job postings (commercial career web site)	3.4
Job postings to career offices (print)	3.2
Request resumes from career offices	3.2
Internet resume data bases	2.9
Recruitment advertising (print)	2.6
Newspaper advertising (campus and/or local newspapers)	2.5
Career/job fairs(virtual)	2.4
Internet banners	2.3
Video interviewing	2.0

(5-point scale, where 1=not at all effective and 5=extremely effective)

On-Campus Recruiting Cited as Most Effective Recruiting Method

Employers cited on-campus recruiting as the most effective method for recruiting new college graduates. (See Figure 18.) Last year, on-campus recruiting shared the top spot with internship programs.

Despite the rating, employers aren't expecting big changes in their on campus visits. Overall, respondents projected a 5.9 percent increase in campus visits; on average, that works out to each respondent adding one more campus to their roster.

Interestingly, the top five rated methods are "high touch." As high-touch recruiting methods tend to require a greater investment of resources (time, staff, money) than many high-tech methods, this is a good indication that employers are serious about their college recruiting goals.

Challenges in Recruiting

- **Competition**

Respondents say competition is the number-one challenge they face in recruiting new college graduates in 2005-06.

Employers expressed concern about competing with others—especially those organizations that have done a good job in branding themselves among the college population and those that can offer higher salaries. Respondents also cited competition for graduates who have specific degrees that are in short supply.

Competition also gives rise to other challenges, such as the ability to extend offers earlier to new college graduates and the ability to adjust recruiting schedules quickly.


- **Finding the right candidate for the position**

Several employers noted that finding the right candidate for the position is the biggest challenge they face in 2005-06.

Among the hurdles they cited: Some positions require a specific (hard-to-find) skill set, others require that the candidate has completed specific course work, and others require security clearances. In a competitive market, candidates who can meet stringent qualifications are all the more difficult to find and attract.

Finding and attracting diverse candidates was also cited by several candidates, including one who is challenged to find “underrepresented female engineers” and another who is tasked with “finding males in the social services field.”

- **Attracting students to specific locations and industries**

With more employment options available to new graduates, some employers now must grapple with attracting talent to locations (rural areas and areas with a high cost-of-living were cited as examples) or industries that are perceived as less desirable. 

WHO'S THE JOB SEEKER? PARENTS IN THE RECRUITING PROCESS

How do parents influence their children when it comes to the recruiting process? Employers were asked about the roles parents play.

Most employers say that they see parents offering their children advice on the offers they receive—especially in terms of benefits and relocation issues—and helping them make well-informed decisions. This type of involvement appears to be helpful for all. For example, one employer reported that, “Students discuss their offers with their parents and, as a result, are asking insightful questions about benefit programs.”

Others say they see little or no involvement on the part of parents in the recruiting process. (In fact, a few report that they are seeing less involvement than was the case in the past, “which is good,” according to one respondent.)

However, some employers report that parents are very involved, and not necessarily in a positive way. A few report that some parents call to see what openings are available, to check on the status of their child’s application, or to offer their son or daughter’s resume to senior managers. In one case, an employer said that a parent asked why his child didn’t receive an offer.



Job Outlook 2006

SURVEY RESPONDENTS

Below is a list of the organizations that responded to the Job Outlook 2006 survey. (Please note: Although 250 organizations responded, the list below includes 169, as 81 organizations preferred not to be listed.)

ACUITY	Costar Group	Jet Propulsion Laboratory	PITT OHIO EXPRESS
American Airlines Inc.	DCS Corporation	KPMG LLP	Pratt & Whitney
American Electric Power	DRS Technologies	Kansas Department of Transportation	Quicken Loans
AmSouth Bancorporation	Dallas Central Appraisal District	Keithley Instruments Inc.	Raytheon Company
Answer Financial Inc.	Delphi	L-3 Communications Integrated Systems	Red Lobster
Apex Systems	Dresser-Rand Company	LaSalle Bank Corporation	RSM McGladrey Inc.
Applied Manufacturing Technologies	Duke Energy Corporation	LendingTree	Ryan & Company Inc.
Applied Materials Inc.	Dynetics Inc.	The Lincoln Electric Co.	The Ryland Group, Inc.
ARAMARK	E. & J. Gallo Winery	Linde BOC Process Plants LLC	S&C Electric Co.
Arete Associates	Eastman Chemical Company	Link-Belt Construction Equipment Co.	Saint-Gobain Vetrotex America Inc.
Aronson & Company	Eastman Kodak Company	Los Alamos National Laboratory	The Schwan Food Company
Atmel Corporation	EchoStar Communications Corporation	The Lubrizol Corp.	Science Applications International Corporation
Audit Bureau of Circulations	Ecolab Inc.	Lyondell Chemical Company	Sears Roebuck & Co.
Aurora Health Care	Emerson Process Mgt. - Fisher Controls Div	M&T Bank Corporation	Selden Fox LTD
Aventis Pasteur	EnCana Oil & Gas (USA) Inc.	Marriott International Inc.	Shaw Industries Inc.
BBN Technologies	Enterprise Rent-A-Car (Missouri)	Marsh Inc.	The Sherwin-Williams Co.
BEA Systems, Inc.	Enterprise Rent-A-Car (New Mexico)	Maximus	Sodexo
BOC Gases	Ernst & Young LLP	MeadWestvaco Corporation	Southern California Edison Co.
The Babcock & Wilcox Company	Euro RSCG	Medtronic Inc.	Spectrum Astro Inc.
Barry Callebaut/Brach's Confections	Exelon Nuclear	Merck & Co. Inc.	Stanley Consultants Inc.
Bayer Corporate & Business Services	Farm Credit Financial Partners Inc.	Michelin North America	Sunoco, Inc.
Blasland, Bouck & Lee, Inc.	Federal Deposit Insurance Corporation	Milliken & Company	Sverdrup Technology Inc.
Broadcom Corporation	Federal Energy Regulatory Commission	Modern Woodmen of America	SWIFT
The Buckle	Federal Energy Regulatory Commission	National Starch & Chemical Co.	TTE Technology, Inc.
Bunge North America	FirstEnergy Corporation	Naval Surface Warfare Center (NSWC) - Naval Surface Warfare Center - Carderock	TTI, Inc.
Burlington Northern Santa Fe Railway	Forrester Construction Company	Naval Surface Warfare Center (NSWC) - Naval Surface Warfare Center - Dahlgren	Tektronix Inc.
CGI-AMS	Fox Chase Cancer Center	Naval Undersea Warfare Center (NUWC) - Naval Undersea Warfare Center - Newport	Telcordia Technologies Inc.
CSX Transportation	GEI Consultants, Inc.	Navigant Consulting, Inc.	Teradyne Inc.
Calgon Carbon Corp.	GEICO	Nicor Gas	Three Springs, Inc.
Capital One	General Atomics	North Star Resource Group	Tindall Corporation
CenterPoint Energy	General Dynamics C4 Systems	Northrop Grumman Corporation	Tyson Foods Inc.
Centex Corporation - Centex Homes	Georgia Tech Research Institute	PPL Corporation	UOP LLC
CheetahMail	Goldenberg Rosenthal, LLP	Pacific Gas & Electric Co.	USS-POSCO Industries
Chevron Phillips Chemical Co. LP	Guaranty Bank	Parsons Energy & Chemicals Group Inc.	U.S. Comptroller of the Currency
Cincinnati Children's Medical Center	Guidant Corporation	Pennsylvania Civil Service Commission	U.S. Department of Defense - Education Activity
Cintas Corporation	Harris Corporation	Pennsylvania Department of Environmental Protection	Union Pacific Railroad Company
Colorado Office of the State Auditor	Hershey Entertainment & Resorts	Pepsi Bottling Group	United Defense, L.P.
Comerica Bank	Hewlett-Packard Company	PETSMART Inc.	Visteon Corporation
Conexant Systems Inc.	Honeywell		Wachovia Corporation
CONSOL Energy Inc.	Honeywell Inc.		Watson Wyatt Worldwide
Consolidated Graphics	Hormel Foods Corp.		Westinghouse Savannah River Company
	IGT		Whirlpool Corporation
	INL		Wisconsin Public Service Corp.
	ISO		Zurich North America
	Innovative Signal Analysis		
	International Rectifier Corporation		
	Intuit Inc.		