

Media Release

FOR IMMEDIATE RELEASE 5/18/11

John J. Heldrich Center for Workforce Development
Rutgers, The State University of New Jersey

Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy

National survey of College Graduates from 2006 to 2010 finds...

- **Just over half of recent college graduates are working full-time; half are working in jobs not requiring a BA or BS degree.**
- **The median starting salary of students graduating in 2009 and 2010 was 10% lower than the salary received by those who entered the workforce in 2006 and 2007. College educated women continue to earn less than college educated men.**
- **The vast majority of college graduates are satisfied with their college education, but three quarters would do something different during college if they could start college over again.**
- **The majority of college graduates believes that their generation will not do better than the one that came before them; not even half expect to have more financial success than their parents.**

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Copies of ***Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy*** are available online at <http://bit.ly/ijwR4>

A new nationally representative survey of 571 graduates from four year colleges and universities from the classes of 2006 through 2010 documents the difficulties young people encountered as they entered a volatile labor market that eventually plunged into a deep recession. While graduates are satisfied with their decision to complete a four-year degree, a large percentage reports they are struggling to find full-time, permanent jobs with benefits that will lead to fulfilling careers.

Fifty-three percent of the graduates in the survey are working full-time, and 21 percent are attending graduate or professional school. Fourteen percent are either unemployed (7%) or employed part-time looking for full-time and work (7%). The median salary of all employed recent graduates in their first full-time job after finishing school is \$30,000. College graduates who obtained their first job during the recession in 2009-10 suffered a 10% "penalty" in reduced starting salaries compared to those who entered the workforce in 2006 and 2007.

The survey also shows that half of all recent graduates are working in jobs that did not require a BA or BS degree. Yet, 62% believe they will need even more formal education if they are to be successful in their chosen career.

These are some of the main findings of ***Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy***, a new report from the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey. The Heldrich Center interviewed a national sample of 571 graduates of four year colleges and universities in April 2011, using the web-enabled KnowledgePanel® conducted by Knowledge Networks of Menlo Park, CA.

The survey also found that the majority of college graduates believe that their generation will not do better than the one that came before them. Not even half expect to have more financial success than their parents; one in five expect to do less well than their parents and another 31 percent say they expect to do equally well.

Professor Carl Van Horn, Director of the Heldrich Center and a co-author of the study, commented

"Young college graduates entering the labor market between 2006 and 2010 are competing with millions of unemployed college graduates -- who may be just slightly older -- in one of the worst economies in a

generation. They are struggling to find full-time work and many are working in jobs that do not require a four-year degree. Most wish they had taken a different major, done another internship, or started their job search sooner. The majority of recent graduates are convinced that they will need even more education if they are to succeed in a highly competitive workforce."

Among the other main findings of the survey:

- Between a quarter and a third of graduates made significant accommodations in order to get their first job — taking a position that paid a lot less than expected; working below what they regarded as their level of education, or accepting a job outside their area of interest.
- Despite some concerns, two thirds of recent college graduates were satisfied with their first jobs, even if it was not what they had hoped for when they entered college.
- Among first generation college graduates, 62% say they expect to do better financially than their parents; but only one third (34%) of those from families where both parents completed college expect to do better than their parents.
- Slightly more than a quarter said they took their first job just to get by while looking for a better opportunity in the future. The same number said they have started their careers, with the remainder in stepping stone jobs to a career.

Recent college graduates enter the working world with a median debt of \$20,000, with no observed differences between students who graduated before or during the recession; 83% of those students still owe most of what they borrowed. In addition to borrowing to pay for college 83% of students in the national survey say they worked at least part-time during the school semester and nearly a quarter worked full-time while in college. Half report that their parents also contributed towards financing their education. Just under half of graduates say they still rely on their parents for financial help. Nearly one in four graduates report that they still live with their parents.

Almost three quarters of recent college graduates have no second thoughts about their decision to attend college, believe that their degree is as valuable as they thought it would be when they enrolled, and say that their college

education prepared them to be successful in their first full-time job. Yet, these graduates are also critical of some aspects of their college education. They are somewhat critical of the preparation they received from their college placement office, and one third is still not working in the field in which they were educated. The number working in an unrelated field is larger for students who graduated during the recession — 43% — compared to just 22% for pre-recession graduates.

While they are satisfied with their college education, three in four recent graduates say they would have done some things differently while in college. Large percentages say they would have more carefully about their choice of major (48%), done more internships or worked part-time (47%) and started looking for work sooner, while still in college (38%).

Professor Cliff Zukin, a co-author of the study, commented,

“The dismal sense of college graduates’ financial future is yet another sign of the corrosive effect of the Great Recession. Even young graduates of four year colleges and universities, who are typically optimistic about their futures, are expressing doubt in another cornerstone of the American dream — that each generation can enjoy more prosperity than the one that came before it.”

The John J. Heldrich Center for Workforce Development is based at the Edward J. Bloustein School of Planning and Public Policy, at Rutgers University. It is one of the nation’s leading university-based research and policy centers dedicated to raising the effectiveness of the American workplace through improved workforce education, placement, and training. The Center identifies innovative workforce practices and practical policy changes that can help Americans receive the education and training they need to be productive and prosperous in a global knowledge economy. Learn more at www.heldrich.rutgers.edu.