



MILLENNIAL JOB SEEKER PERCEPTIONS AND BEHAVIORS

CareerRookie

Introduction: Millennial Job Search Behaviors

Recruiting recent college graduates as they complete their four year education is a big business with an estimated 15.6 million undergraduate students in the United States according to a Department of Education study¹. Many employers across the country invest valuable time and money to attract the best and brightest recent college graduates to join their organizations. With baby boomers exiting the work force and downsizing trends, recent graduates are a cost effective solution.

Hiring recent college graduates is beneficial, but how much is known about their job search behaviors? Millennials, the population born between 1980 and 2001,

have different expectations than generations before them and more importantly, those assumptions are changing rapidly. Some of the generalizations about Millennials are that they have a heightened sense of entitlement to higher salaries and praise, and they are not grateful for the opportunities offered to them. We'll explore the most popular job industries for Millennials, their expected salary and how recent graduates search for job opportunities. This will help guide employers as they hire recent college graduates for internship opportunities and entry-level positions.

Millennial Starting Salary Expectations

Millennials are characterized by their optimism, drive and technical savvy but also by an inflated sense of self worth and high expectations from their employer according to *The Trophy Kids Grow Up: How the Millennial Generation is Shaking Up The Work Place*.² This is particularly evident when looking at salary expectations of recent Millennial college graduates at a time when average starting salaries are hard to pinpoint. According to the U.S. Department of Education the average starting salary in 2008 was \$46,000 and even though they have not released salary information for 2009, other sources indicate starting salaries for recent graduates may have dropped as low as \$39,900 in 2009, indicating that starting salaries for recent college graduates could continue to decline in 2010.

Thirty-Five percent of recent graduates indicated they are expecting their annual starting salary to fall between \$30,001 and \$40,000. For a generation characterized by a high sense of self worth, their expectations fall in line with reality.

In a recent CareerRookie survey we asked recent college graduates about their salary expectations and how those expectations compare with what they believe they deserve. Thirty-Five percent indicated they are expecting their annual starting salary to fall between \$30,001 and \$40,000. For a generation characterized by a high sense of self worth, their expectations fall in line with reality. Even taking into account the possible 14% year-over-year decrease into 2010 their expectations are still realistic in the current environment. When asked what they would like to earn, as opposed to what they expect to earn, 32% of the same recent graduates indicated a starting salary between \$40,001 and \$50,000 suggesting they would like to earn more, but their expectations are realistic.

The Importance of Salary to Millennials

Traditionally the factors most important to recent college graduates when choosing their first job are thought to be work-life balance, training and development, corporate, social and environmental responsibility, and diversity. However, in our survey, recent college graduates indicated the most important factor when considering

a job or an employer is salary followed by advancement opportunities and location. Recent college graduates are seeking the most lucrative opportunities with room to grow instead of focusing on factors that will not directly benefit them in the short term. These preferences are consistent across race except for company provided benefits which recent African American graduates chose as their third preference instead of location.

Work/life balance and environmental responsibility may still be important when recent college graduates set out to build a career, but given the current economic environment they are most likely just looking for a job. In fact, according to our recent survey results recent graduates indicated environmental responsibility and company financials as the least important factors out of 17 different options, indicating a possible shift in priorities.

Job Types and Salary Impact

The types of jobs recent college graduates seek also plays a role in what they can expect for a starting salary. According to the U.S. Department of Education the most popular majors are business, social sciences, history, health sciences and education.³ According to our survey of recent college graduates, the most popular occupations to search for were in healthcare, banking/financial services, and government/social services which is in line with the most popular majors offered by colleges and universities. When asked what industry recent graduates hope to work in the most popular categories were management, healthcare, marketing and government. These job types are consistent across race with the exception of Government, specifically Social Services, which ranks second with African Americans and fourth with Caucasians.

Even with all this information there is a disconnection between the majors selected and starting salary information. For example, bachelor's degrees in management and healthcare are not standard degrees offered at most colleges and universities, but business disciplines such as finance and accounting or nursing degrees are commonly offered. Accounting, Finance and Nursing majors can all anticipate starting salaries of over \$40,000 according to Michigan State University's Recruiting Trends 2009-2010 report, but the students we asked indicated they expect a starting salary of between \$30,001 and \$40,000.⁴ This indicates that many students may actually be underestimating their starting salary amount.

Where Recent Graduates Search

The location of a job is also an important factor for recent college graduates when looking for their first opportunity post graduation. Our survey asked recent graduates if they would prefer their first job to be within fifty miles of their permanent address, within fifty miles of where they went to school or if they were open to moving to a new location. Our results showed that fifty-eight percent are looking for a job near their permanent address, twenty-two percent would prefer to be employed near their school and twenty-two percent are interested in employment in an alternative location. When asked if they would consider a higher starting salary to move to what they consider a less desirable location, only seven percent indicated they would not consider it and fifty-five percent said they would consider a move but only to certain locations.

How Do Recent College Graduates Find These Opportunities?

The willingness of recent college graduates to relocate makes attracting the right talent to an organization a challenge. Since they seem more interested in a high starting salary than the location of the position, recent graduates are using a variety of methods to apply to positions. The top resources used by recent college graduates are employer websites and on-line job boards and at the bottom of the list were demographic specific websites, reiterating their interest in keeping their search as broad as possible. Despite their tendency to be more geo-specific than on-line job boards, on-campus career fairs ranked third among the top resource used by recent college graduates.

Survey Methodology

Job seekers between the ages of 18 and 26 were invited to complete a survey sponsored by CareerRookie and CareerBuilder in January, 2010. Only job seekers between these ages that had not found a full time job and were graduating with a bachelor's degree in May or June 2010, or had graduated in December 2009 or January 2010 were determined to be qualified. In total, 307 job seekers qualified for our survey and contributed to the results contained in this report.

About CareerRookie

CareerRookie is CareerBuilder's collegiate job site connecting employers with students and recent graduates looking for internships, part-time jobs and entry-level careers. CareerRookie offers job postings, branding, and data and reporting capabilities to meet employers collegiate recruitment needs. CareerRookie research is designed to better assist employers with the development of their collegiate recruitment programs.

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Sources Sited

¹ National Center for Education Statistics, Fast Facts, <http://nces.ed.gov/fastfacts/display.asp?id=98>

² Ron Alsop, *The Trophy Kids Grow Up: How the Millennial Generation is Shaking Up The Work Place* (San Francisco: Jossey-Bass, 2008)

³ National Center for Education Statistics, Fast Facts, <http://nces.ed.gov/fastfacts/display.asp?id=37>

⁴ Michigan State University, Collegiate Employment Research Institute (CERI) "Recruiting Trends 2009-2010" (2009). <http://ceri.msu.edu/wp-content/uploads/2010/01/RT20092010.pdf>