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Not Wanted: '02 Graduates Seeking Jobs
By LYNNLEY BROWNNIN

BOSTON – When the millions of students who are set to graduate from college this spring started out in the late 1990's, the stock market was on a bull run and the dot-com frenzy was in full swing. At colleges across the country, career-services offices fashioned makeshift interview booths to accommodate the companies on a hiring binge.

Fresh-faced 22-year-olds commanded signing bonuses of \$10,000 or more. People with bachelor's degrees in engineering or computer science often had a dozen job offers, some with six-figure salaries. Liberal arts majors found plenty of opportunities, too, working for Internet companies and consulting and financial firms.

Those heady times are gone. With the economy still struggling, layoffs increasing and corporate America wary about the near future, students who complete their undergraduate degrees this year face the worst job market for college graduates in nearly a decade. "It's not like people even want a job in their major – they just want a job," said Sakara A. Bey, a senior at Tufts University who is majoring in engineering psychology. "It's become a prize possession."

Amid a severe retrenchment in hiring that began last summer, said Marilyn F. Mackes, executive director of the National Association of Colleges and Employers, "the job candidate is no longer calling the shots." The association calls this year's job market the tightest for graduating seniors since 1994, when companies began hiring again – slowly – after the 1990-91 recession.

Ms. Mackes estimated that there would be 20 to 25 percent fewer jobs for students who graduate with bachelor's degrees this year, typically in May or June. That does not surprise Nathan I. Perlis, 21, a biology and Judaic studies major at Tufts, who has long planned to go to medical school. "Out of 20 friends, I have one who actually has a job," he said in December, about two months after the peak recruiting season at most colleges. "A lot aren't even looking because they know it's so hard."

At Boston University, barely 50 companies came to a two-day recruiting fair in October, compared with about 100 the previous year, said Richard A. Leger, director of career services at the university. Many companies had just instituted hiring freezes, he said, and even those that showed up were, in many cases, there simply to maintain a presence on the campus. Among the no-shows at a B.U. off-campus job fair last month in New York, he said, were Ogilvy & Mather, the advertising agency, and Zenith Media, a communications company that is part of the Zenith Optimedia Group.

Recruiters may not return soon. In January, the unemployment rate was 5.6 percent, the highest level since April 1995. The unemployment rate for college graduates who are 25 or older nudged down to 2.9 percent last month from 3.1 percent in December – the highest level since April 1993, according to the Bureau for Labor Statistics. Economists expect jobless figures to continue to rise, although at a slower pace. Layoffs have been pronounced in the financial services, consulting, manufacturing and technology industries. Particularly hard hit has been the travel industry.

"You send companies e-mail messages and they say 'We're on hold,' or you never hear back," Mr. Leger said. "It's like we're the ones having to do the recruiting."

Michael J. Walsh Jr., B.U.'s director of career services for engineering students, said 34 companies pledged to come to a job fair for engineering majors earlier this month, compared with 59 companies last year. Seven of the companies agreed to come after Mr. Walsh waived the \$250 participation fee for them.

Worse, only 12 companies, mostly military contractors, have signed up to recruit B.U. engineering students this spring, compared with 20 last year. While Mr. Walsh would not name companies that had dropped out, he said they included major computer and software concerns and struggling or defunct dot-coms.

The drought has spurred him to cold-call prospective employers and scan local help-wanted ads for leads.

But such efforts may not bear fruit for another six months. Philip D. Gardner, director of the Collegiate Employment Research Institute at Michigan State University, said that most of the 290 companies surveyed by the institute in October were likely to resume hiring in the summer when students are not on campus and are hard to track down.

FleetBoston Financial (news/quote), the large bank based in Boston, said it planned to hire only about

half as many new graduates this year, mostly as financial analysts and loan officers, according to James E. Mahoney, a spokesman. He noted, though, that last year was a record hiring year for the company. EMC (news/quote), a data storage company based in Hopkinton, Mass., about 35 miles west of Boston, plans to reduce its hiring of fresh graduates this year by half, to several hundred people, said Greg Eden, a spokesman. Not all companies are closing their doors. Gillette, which has headquarters in Boston and makes a range of personal goods besides razors, will hire 13 new graduates to start in late spring, one fewer than last year, said Stephen K. Brayton, a spokesman.

The sudden shift in the job market has led students to plan for futures they never envisioned. That may not necessarily be bad, though. "I'm looking at Teach for America and FEMA," said Adam D. Babin, 21, an advertising major at B.U., referring to a high-school teaching program and the government's emergency-management agency. "Everyone's either going to do something unrelated to their major or move back home."

Around a dozen undergraduates interviewed at Tufts and Boston University late in December said the dwindling number of jobs was also prompting many of them to apply to graduate school in their disciplines or to law school. The Law School Admission Council, an industry organization in Newtown, Pa., said that as of Jan. 26, applications to law school from people of all ages were up 25.2 percent over last year.

But more schooling is not an attractive option to Pavan Pant, 21, an engineering and computer systems major at B.U. "A lot of kids simply don't want to go to grad school after four years in college," Mr. Pant said. He is hoping that his internship last summer at I.B.M. (news/quote) will lead to a job at the company but he does not yet have an offer.

Compounding their troubles, many seniors will have sizable student loans to pay off after graduation. David S. Stein, a clinical psychology major at Tufts with \$20,000 in student loans, said he hoped to land an \$18,000-a-year job at a home for troubled children and families in Needham, Mass. But if he gets that job, he said, he will have to live with his parents, ask them for money and take out more loans. Other students said they were scrambling for part-time internships that might become full-time paying jobs. Jean M. Papalia, director of career services at Tufts, said approximately 100 students participated over winter break in one- to two- week internships arranged by the university at local companies and organizations, up from 70 the previous year. The number of companies recruiting at Tufts last fall was much lower, she said, though she could not provide details.

Mr. Gardner of the Collegiate Employment Research Institute said that many engineering and computer science majors would probably receive at least one offer. But starting salaries will not be as stratospheric as in years past. The average high- end salary for computer science majors has fallen from around \$65,000 to the low \$50,000's, Mr. Gardner said. Liberal arts majors are finding the job market particularly tough.

Amanda K. Bronesky, 21, a senior majoring in international relations and Spanish at Tufts, said she was crushed when EF Education, a language school company based in Cambridge, Mass., dropped out of a Tufts career fair in October. But Ms. Bronesky said she hoped to land an internship, paid or unpaid, at Explorica, an educational exchange company in Boston. Her backup plan is to live with her parents in Denver, and work as a waitress.

"Before the economy got bad, jobs were just given to students," said Ms. Bey, the Tufts senior, whose plan is to apply to graduate programs in engineering psychology. "Now the companies are saying, 'Come and find me.' "