The Job Market Outlook for Grads

The class of 2020 confronted a once-in-a-lifetime crisis. Despite improving conditions, the next cohort still battled Zoom classes, canceled internships, and hiring freezes. So how is 2022 shaping up for new graduates?

ZipRecruiter's inaugural report, "The Class of 2022: The Job Market Outlook for Grads" reveals that today's graduates are entering a very different job market. There are lots of rewarding opportunities open to them, and employers are rolling out the red carpet to attract them. However, it's not all roses—in-person internships are scarce and more competitive than ever. And inflation is packing a punch.

Ian Siegel, ZipRecruiter Co-Founder and CEO



[&]quot;Young people spend a large share of their income on food, rent, and gas, so inflation is hitting them hard. But new grads are well-positioned to go after job opportunities now that can set them up for long-term success. Fortunately, the class of 2022 is entering a very favorable job market. If you graduate into a slow market, the negative effect on your earnings can last 10–15 years. But if you graduate into a hot job market like we're seeing today, the benefits can last a lifetime."

The Current Situation

01

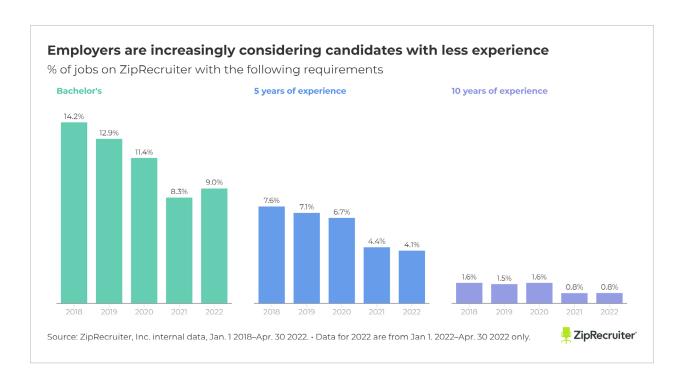
How the Pandemic Lowered Barriers to Entry for Recent Grads

During recessions, when there are many unemployed college graduates to choose from, employers tend to become pickier, <u>demanding degrees</u> and experience for jobs that don't necessarily require them. In a tight labor market, however, where jobs are plentiful and workers are scarce, employers are forced to do the opposite—to broaden their recruitment efforts and invest more in on-the-job training (OJT).

2022 has given us the <u>tightest labor market on record</u>, with around two job openings for every unemployed person. To combat labor shortages, employers have lowered the experience requirements for many roles, making new graduates eligible for jobs that were once out of reach. Employers who once insisted on five years of prior experience are opening doors for first-time job seekers, fresh out of college—especially those who demonstrate curiosity, the ability to learn quickly, and the ability to work independently.

That means you have a unique opportunity to get off to a running start in your careers, with greater seniority and higher pay than a new graduate would typically have. Since future promotions and pay raises are often linked to your starting point—and since your financial well-being, retirement savings, and ability to buy a home depend on your earning history—the benefits of graduating into a red-hot labor market could compound.





9%
of job postings in '22 noted a bachelor's degree requirement vs. 14% in '18

4%

of job postings in '22 noted a requirement for 5 years of experience vs. 8% in '18

02

Workplace Benefits New Grads Love—and Where to Find Them

The median monthly asking rent in the U.S. <u>rose 17%</u> over the past year—far outpacing growth in wages. Many new graduates will struggle to find affordable housing, and to come up with the cash for a security deposit—unless, that is, their first job provides generous compensation and a signing bonus, or the flexibility to work from anywhere.

The two-thirds of new graduates who borrowed for college each have about \$28,400 in student loan debt, on average. While those loans are still on pause thanks to federal student loan forbearance, graduates know they may soon have to start repaying them—unless they find a job at a company offering generous student loan assistance.

There are many challenges facing new graduates. But the current labor market could be the source of solutions that ease some of the difficulties. The number of job postings on ZipRecruiter offering benefits and perks has jumped dramatically since the pandemic. (See the fastest-growing perks below.) For example, signing bonuses, which were once only given to 4% of U.S. workers, have now become ubiquitous. A ZipRecruiter survey of Americans who started jobs in the last 6 months found that 22% of recent hires were paid a signing bonus. And among first-time hires just starting their careers, that share was even higher, at 33%.

Top Ten Fastest-Growing Work Perks Since The Pandemic	Growth Rate (2019-2021)	Number of Job Postings Per 100,000 That Offered The Perk in 2021
Sabbatical	783.54%	6.3
Signing bonus	778.59%	10,180.2
Remote work	580.84%	2,859.0
Fertility assistance & new baby benefits	339.39%	5.3
Pet insurance	296.07%	62.4
Mental health & wellness benefits	270.45%	72.6
Vacation stipend	238.54%	30.4
Pay on demand	233.38%	6,440.9
Birthday off	204.58%	7.3
Volunteer PTO	192.91%	11.6

ZipRecruiter, Inc. internal data, Jan. 1, 2019- Dec. 31, 2021.

Searching on ZipRecruiter for perks you like, rather than for job titles, is one way to find employers who need to fill vacancies particularly urgently and are rolling out the red carpet for candidates to do so: 401k matching, medical and dental insurance, life and disability insurance, employee discount programs, employee stock purchase programs, student loan repayment up to \$30k, large signing bonuses, enormous flexibility, generous time off, and more. With about 20,000 jobs offering \$10k signing bonuses, about 75,000 jobs offering student loan repayment, and about 350,000 jobs offering \$1000 signing bonuses, now is a great time for graduates to leverage what employers have to offer and start building a successful financial future.

Key Takeaways:

33%

of first-time hires in the past 6 months were paid a signing bonus

90k

job postings offer student loan repayment as a perk

03

Internships: The Missing Rung on the Post-COVID Opportunity Ladder

Entry-level jobs are now well above pre-pandemic levels, but internships have yet to recover fully. Many companies' internship programs were canceled during the pandemic, and have still not resumed. Part of the problem is that many companies have yet to return to the office, or have only done so very recently. Others will never return and have suspended, or curtailed, their office operations indefinitely—and with them, their internship programs.

Internships have always been a great way for young people to gain real-world experience, shadow experienced professionals, and make critical networking connections. But the traditional internship model will need to change in the new world of remote and hybrid work. Remote internships are growing quickly, but still make up less than 1% of all internships nationwide, so it could take years before their growth offsets the overall decline.





"We used to have summer internships for college students and new graduates at our various offices, but they were canceled during the pandemic, and we haven't brought them back. I'm not even sure how we could, given that most of our employees work remotely now. Interns used to look over their mentors' shoulders, network over lunch, and gain exposure presenting their projects at large team meetings. It wouldn't be the same." - Hiring manager at a technology company

Key Takeaways:

10%

decline in internships, once a launchpad for new graduates' careers

1%

of all internships nationwide are remote with many programs still on hiatus

04

Show Me the Money: Expectations vs. Reality

Every year, there are multiple articles saying that college graduates have unrealistic early career salary expectations. "This year's college grads think they'll earn over \$100,000 from their first job. In reality, they'll make half as much," says Fortune Magazine. "College graduates are overestimating the salaries they'll start out at by \$50,000," says CNBC.

ZipRecruiter research suggests otherwise. Every month, ZipRecruiter surveys 1,500 job seekers and asks them how much they would need to be paid to accept a job. Among new graduates, wage expectations seem firmly grounded in reality. In fact, some may be aiming too low.

For the past year, labor market conditions have been unusually favorable to job seekers and workers, giving them a boost in bargaining power. Record-high numbers of job openings have <u>coincided</u> with record-high numbers of workers quitting their jobs and record-low numbers of unemployed job seekers per opening.

The situation has boosted job seeker confidence but sent business confidence to record lows. Almost half of small businesses have reported job openings that could not be filled in recent months, and of those trying to hire, 93% of business owners have reported few or no qualified applicants for the positions they were trying to fill. Staffing shortages have forced some businesses to reduce their hours, cancel services, and forgo revenue. Against that backdrop, new college graduates are in high demand and have substantial negotiating power. Many are even receiving offers that are higher than they expect.



Education Level	Expected Annual Salary⁵ (Age 25-34)	Median Salary ⁶ (Age 25-34
No formal education	\$22,754	\$29,300
High school or equivalent	\$29,303	\$35,000
Some college, no degree	\$42,712	\$39,700
Associate's degree	\$31,123	\$40,000
Bachelor's degree	\$45,865	\$55,700
Graduate/professional	\$67,715	\$70,000

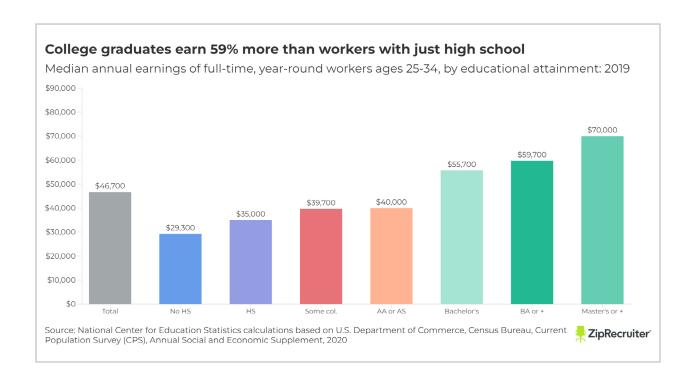
^{5.} Source: ZipRecruiter monthly Job Seeker Confidence Survey administered to an online sample of 1,500 job seekers between the 10th and 16th each month of 2022 and weighted to the U.S. Census Bureau's American Community Survey. Respondents may be employed, unemployed, or not currently in the labor force, but must reside in the United States and have indicated a desire to find a new job "in the next six months" in order to be included in the sample.

According to data from the U.S. Census Bureau, full-time employees between ages 25 and 34 with a bachelor's degree earn about 59% more than those with just a high school diploma. And successfully completing even more schooling is associated with an additional boost. Full-time workers in the same age bracket with graduate degrees earn 26% more than those with bachelor's degrees.

The chart below shows the median annual earnings of full-time workers aged 25 to 34 in 2019, and how they differed by education level. Since each bar shows the median, half of all workers in the relevant education category earned more, and half earned less. Wages have been growing rapidly over the past year, however. So you may find you are able to command significantly more, especially if you did well in college, have some prior work experience, prepare a good resume, and interview well.



^{6.} Source: National Center for Education Statistics calculations based on U.S. Department of Commerce, Census Bureau, Current Population Survey (CPS), Annual Social and Economic Supplement, 2020.



59%

College grads earn this much more than workers with only high school diplomas

\$45.9k

amount college grads expect to earn vs. the \$55.7k they can command

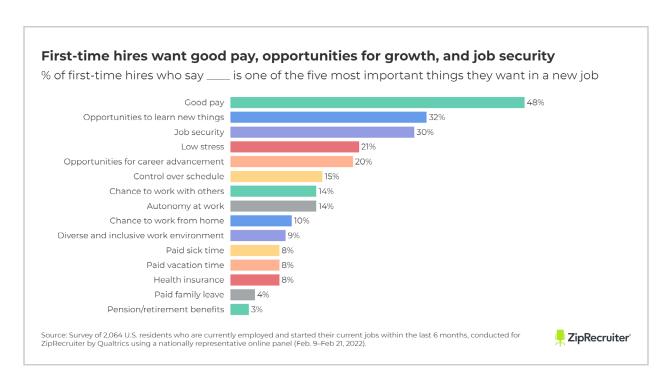
05

What New Graduates Want in a Job

Of course, money isn't everything. When we asked recent first-time hires what they were looking for in a job, they told us that pay and job security come first. But they also care about the opportunity to learn and grow, and about having flexibility and autonomy.



There is also a clear generational divide in the workforce, with first-time hires caring substantially more about diversity and inclusion and having a low stress role vs. paid sick leave and paid family leave, when compared to their older or more senior counterparts. They also care less about traditional perks, such as retirement benefits.



Key Takeaways:

48%
of first-time hires care about pay above all, but opportunities to learn come in next

care about health insurance, sick time, & PTO, placing less emphasis on "traditional perks"

06

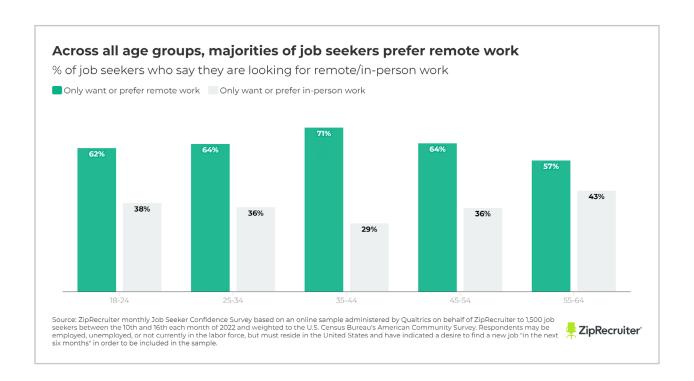
Why Younger Workers Want Remote Work

Across all education levels and age groups, majorities of job seekers tell us that they would prefer to find remote work. Having navigated remote schooling during the pandemic, many new graduates are comfortable with Zoom interviews and remote collaboration. They are also coming of age at a time when workplace norms have changed.

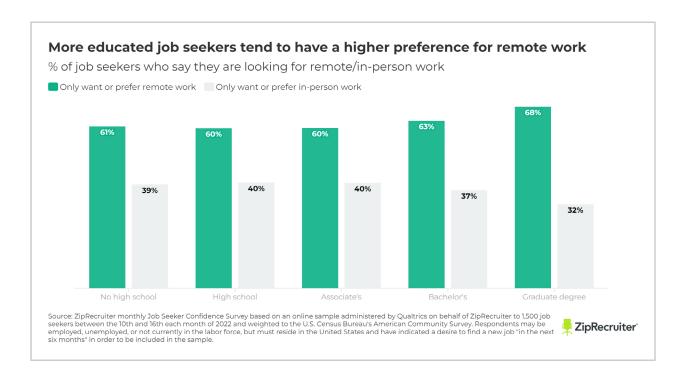
Working remotely can allow young people to save on transportation costs, to save on rent while living at home, and to combine a full-time job with freelance or gig work. Remote work also typically comes with more schedule flexibility and autonomy.

"More than 6 in 10 job seekers want remote jobs, but only 1 in 10 jobs is remote. So if you're applying for remote jobs, expect more competition and send more applications. If, on the other hand, you're prepared to work in an office, the odds swing to you."

-Julia Pollak, ZipRecruiter Chief Economist







Access to remote work differs dramatically across industries and occupations, with some more than 80% remote, and others less than 1% remote. If the ability to work from home or to work from anywhere is attractive to you, here are some of the entry-level roles where the opportunity is most widely available.

Top 10 Entry-level Job Titles With The Highest Share of Remote Postings in 2021		
Rank	Title	Percent of Total ¹³
1	Claims Processor	82.0%
2	Mortgage Loan Officer	78.7%
3	Entry-level Engineer	42.9%
4	4 Life Insurance Agent 34.4%	
5	5 Legal Document Specialist 32.6%	
6 Talent Agent 31.5%		31.5%
7 Finance Advisor 24.7%		24.7%
8 Health Information Specialist 17.0%		17.0%
9	9 Sales Consultant 16.6%	
10	Financial Sales Professional	16.3%

^{13.} ZipRecruiter, Inc. internal data, Jan. 1, 2019- Dec. 31, 2021.

6 in 10

workers would prefer to find remote work but only 1 in 10 jobs is remote

16%

of entry level sales gigs allow remote work, but several insurance gigs are more flexible

In The Market

07

Where To Start

Most Common Industries for First Jobs Out of College

Where do young people typically start their careers? Restaurants and retail stores are common starting points and were the top answers among first-time hires who started their jobs in the last six months in a recent ZipRecruiter survey. But the list of industries was long.

Almost every industry needs accountants, customer service staff, salespeople, marketers, web designers, schedulers, and software developers. So no matter what you studied and what your skills are, you will likely be able to choose from a wide range of organizations and industries.

Industry	Share of All First-time Recent Hires Currently Employed in the Industry ¹
Food & Beverages	17.65%
Retail	12.35%
Advertising & Marketing	7.06%
Automotive	5.29%
Education	5.29%
Healthcare & Pharmaceuticals	5.29%
Business Support & Logistics	4.71%
Entertainment & Leisure	4.71%
Finance & Financial Services	4.12%
Construction, Machinery, and Homes	3.53%

^{1.} Survey of 2,064 U.S. residents who are currently employed and started their current jobs within the last 6 months, conducted for ZipRecruiter by Qualtrics using a nationally representative online panel (Feb. 9-Feb 21, 2022).



Top 10 Entry-Level Job Titles for New Graduates

The following job titles have the largest numbers of entry-level positions on ZipRecruiter right now for new graduates.

Job Title	Current Average Wage (As of May 1, 2022) ²	Number of Open Entry- level Roles (As of May 1, 2022, Rounded to the Nearest 10,000) ²
Sales Representative	\$41,746	220,000
Software Engineer	\$67,751	210,000
Software Developer	\$57,646	180,000
Engineer	\$49,110	180,000
Business Analyst	\$39,106	130,000
Recruiter	\$34,018	120,000
Finance	\$42,734	120,000
Marketing	\$38,699	60,000
Accountant	\$40,777	60,000
Account Executive	\$43,244	50,000

^{2.} Salary estimates (ZipEstimate) are derived from employer job postings. They are not verified by employers; actual compensation can vary considerably.

The Hottest Job Markets in the U.S. Right Now

The decision about where to move after graduation can have huge implications for your career prospects. In some cities, employment is growing, wages are rising, and rapid growth in job postings signals further employment growth ahead. The unemployment rate is low and there are relatively few applicants per job opening, putting each candidate in a relatively strong position. In other cities, job markets are relatively stagnant and dysfunctional.

"The unemployment rate ranges from 1.7% in Logan, Utah to 12.3% in El Centro, California. That can make all the difference when you're looking for a job."

-Julia Pollak, ZipRecruiter Chief Economist

Let's say you want to be a teacher, for example. Vermont's school population has been <u>shrinking</u> for decades, and schools keep closing or consolidating. The result is limited opportunities for advancement for teachers and a higher chance of being laid off. Meanwhile, Montana can't build schools fast enough to keep up with the recent <u>population boom</u>, so teachers are in high demand and are more likely to find opportunities for growth. Whatever your career interests, there may be some cities likely to provide a better launchpad for your career and others that are less advantageous.

"From the biotech capital of Boston, to the fashion capital of New York, to the country music capital of Nashville, to the tech capital of Silicon Valley—different parts of the country are best for different kinds of careers. Choose wisely. Starting a career in healthcare at a top-ranked hospital in Massachusetts, for example, could expose you to best practice and innovation, setting you up for lifelong career success."

-Renata Dionello, ZipRecruiter Chief People Officer



Hottest Job Markets for the Class of 2022						
Metro Area	Employment Growth Score	Job Posting Growth Score	Competitiveness Score	Wage Growth Score	Unemployment Rate Score	Overall Job Market Score
Fayetteville- Springdale- Rogers, AR-MO	89.00	100.00	57.50	87.30	94.20	86
Missoula, MT	61.60	96.80	94.20	80.60	75.70	82
Harrisonburg, VA	70.80	67.60	89.90	82.90	87.30	80
Asheville, NC	83.50	79.20	76.30	88.20	71.10	80
Austin-Round Rock, TX	99.40	98.30	32.40	86.10	80.10	79
Boulder, CO	89.90	66.20	60.10	98.00	80.10	79
Charlottesville, VA	57.80	98.60	85.00	58.40	91.60	78
Fort Wayne, IN	68.20	85.30	61.00	85.50	87.30	78
Naples- Immokalee-Marco Island, FL	76.30	80.10	41.00	92.80	95.70	77
San Jose- Sunnyvale-Santa Clara, CA	86.70	97.70	16.80	97.10	87.30	77

Source: Author's calculations based on year-over-year job posting growth, Apr. 2021-Apr. 2022, from ZipRecruiter, Inc. internal data; job market competitiveness as measured by average number of job applications per posting in ZipRecruiter, Inc. internal data; year-over-year wage growth, Q1 2021-Q1 2022, from the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; metro area unemployment rate from the U.S. Bureau of Labor Statistics, Current Population Survey; employment growth from the U.S. Bureau of Labor Statistics, Current Employment Statistics State and Metro Area Estimates.



\$42k

is what beginner sales reps can expect on average among more than 200k openings

100k+

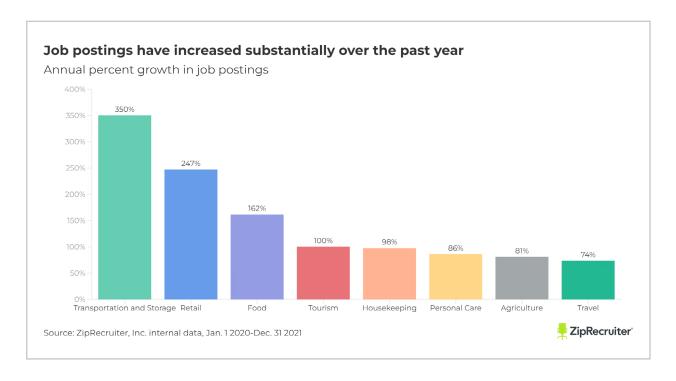
entry-level jobs are open in the recruiting field during the ongoing Great Resignation

08

The Search for Growth

Best Short-Term Outlook: Growth in Job Postings

At ZipRecruiter, our crystal ball may not look 10 years into the future, but changes in job postings one month do tend to show up in employment figures in the following months. Based on recent trends in job posting data, here are the industries experiencing the fastest growth in employer demand for workers and in wages right now.





Industries With the Fastest Growth in Job Postings

Industry	YoY Growth in Job Postings	Current Average Wage ¹⁰
Arts & Entertainment	58.24%	\$59,723
Technology	56.03%	\$62,326
Engineering	43.23%	\$106,860
Business	33.53%	\$73,229
Science	26.73%	\$74,162
Education	23.69%	\$41,515
Legal	20.54%	\$45,927
Non Profit	20.22%	\$55,292
Manufacturing	19.60%	\$27,246
Real Estate	19.34%	\$70,778
Tourism	19.27%	\$52,657
Energy & Environment	19.02%	\$60,313
Construction	15.78%	\$34,514
Personal Care	14.09%	\$28,247
Food	10.87%	\$38,878

^{10.} ZipRecruiter, Inc. internal data, Apr. 2021-Apr. 2022.

Key Takeaways:

58%

annual growth in job postings in arts and entertainment between April 2021 and April 2022

\$74k

is the current average wage in the sciences, which are seeing the fastest wage growth



Jobs With the Best Future Outlook

Job opportunities are growing in some occupations, and shrinking in others. If you enter a growing occupation where the future is bright, you are likely to enjoy strong earnings growth and career advancement opportunities. If you make the wrong bet, however, you are more likely to experience career setbacks along the way—such as layoffs or lengthy periods of wage stagnation.

Of course, it is tough to predict the future. How should a 22-year-old be expected to know which industries will rise and which will fall? To some degree, our career choices are a gamble. Fortunately, the U.S. Bureau of Labor Statistics (BLS) has a <u>pretty</u> good record of guessing right, most of the time. Here are the occupations for college graduates that the BLS expects will add the most jobs over the next decade.

Jobs with the Best Future Outlook		
Occupation	Projected Employment Change, 2020- 2030 (in thousands)	
Software Developers and Software Quality Assurance Analysts and Testers	409.5	
Registered Nurses	276.8	
General and Operations Managers	226.3	
Market Research Analysts and Marketing Specialists	163.6	
Medical and Health Services Managers	139.6	
Management Analysts	124.4	
Financial Managers	118.2	
Elementary School Teachers, except Special Education	101.7	
Project Management Specialists and Business Operations Specialists, all other	99.2	
Accountants and Auditors	96	

Source: U.S. Bureau of Labor Statistics, Employment Projections Program, selected occupations that typically require a bachelor's degree for entry



410k

software developer/QA testing jobs are expected to be added in next 10 years

277k

nursing jobs are expected to be added in the next 10 yea

09

Sought-After Skills

Top 20 Soft Skills in Demand in 2022

In college, you probably focused on choosing the right major and classes, and keeping your GPA up. But many CEOs, business owners, and hiring managers will tell you they have other criteria for hiring candidates, which may be even more important. "Above all, I'm looking for someone honest, reliable, personable, and open to learning," one hiring manager told us.

"93% of employers say soft skills play a critical role in their decision about whom they want to hire. Those soft skills include things like showing up on time, willingness to learn, enthusiasm, and a can-do attitude. When you don't have work experience to sell, remember that you can still sell yourself."

Ian Siegel, ZipRecruiter Co-Founder and CEO, in Get Hired Now!

By all means, show off your GPA, academic achievements, and work experience on your resume. But don't forget to highlight your other personal qualities as well, both on your resume and in your interviews. Here are the soft skills employers have looked for most frequently in jobs posted on ZipRecruiter in the past 12 months.



Soft Skill	Number of Jobs on ZipRecruiter Listing the Skill as a Requirement ¹¹ (As of May 1, 2022, Rounded to the Nearest 100k)
Communication skills	6.1M
Customer service	5.5M
Scheduling	5M
Time management skills	3.6M
Project management	2.8M
Analytical thinking	2.7M
Compliance	2M
Ability to work independently	2M
Interpersonal skills	1.3M
Flexibility	1.3M
Problem solving skills	1.2M
Attention to detail	1M
Collaboration	900k
Innovation	900k
Mentoring	900k
English	800k
Multi-tasking	700k
Accuracy	600k
Proactive	300k

^{11.} ZipRecruiter, Inc. internal data, May 1, 2022.

Top 20 Technical Skills That Lead to Great Job Opportunities

While soft skills can be important dealbreakers, technical skills are typically the main criteria in any hiring process. The table below lists the most valuable technical skills, based on a ZipRecruiter skill value score that encompasses the following dimensions:



the number of jobs requiring the skill, annual growth in demand for the skill, the share of metropolitan areas with jobs that require the skill, and the annual earnings associated with jobs requiring the skill.

Unsurprisingly, the highest-value technical skills are dominated by difficult software engineering-related skills that can take years to master. If you're graduating, you may worry that it is too late to acquire these skills—especially if you majored in something very different. But the truth is that most new college graduates do not have advanced knowledge of these skills, and most people who use these skills in their jobs learned them after college or outside of school.

Provided you have the interest and basic aptitude required to pick up these skills, it is never too late to learn them. Since the pandemic, doing so on your own time has become easier than ever. The opportunities available for people of all ages and backgrounds to take affordable, convenient, high-quality online classes keep expanding, making in-demand credentials more accessible.

"If, as you browse the requirements in job postings, you realize you missed out on some class you should have taken in college, don't despair. Find an inexpensive, engaging, self-paced online course, and ace it. Or watch a YouTube tutorial series. Then put it on your resume. Employers like self-starters who are not afraid to learn new things."

-Renata Dionello, ZipRecruiter Chief People Officer



Technical Skill	Number of Jobs on ZipRecruiter Listing the Skill as a Requirement ¹² (As of May 1, 2022, Rounded to the Nearest 100k)
Communication skills	5.6M
Customer service	5.5M
Scheduling	2.2M
Time management skills	1.9M
Project management	1.3M
Analytical thinking	1.1M
Compliance	800k
Ability to work independently	600k
Interpersonal skills	600k
Flexibility	400k
Problem solving skills	300k
Attention to detail	300k
Collaboration	200k
Innovation	200k
Mentoring	200k
English	200k
Multi-tasking	50k
Accuracy	40k
Proactive	30k

^{12.} ZipRecruiter, Inc. internal data, May 1, 2022.

6.1m

jobs list communications as a skill of importance, followed by customer service (5.5m)

1.4m

roles exist today in software development, the leading technical skill in demand

The information in our press releases, blogs, articles, testimonials, videos and presentations should be considered accurate only as of the date thereof. We disclaim any obligation to supplement or update the information in this type of content, and any links or references therein to third party articles or other third party content does not constitute our endorsement of that third party.

