



Unemployment Rate for College Grads drops to 2.1%

Among workers age 25 and older who graduated high school but did not attend college, the national unemployment rate was 3.8 percent in December 2018, down from 5.0 percent during the prior year. The national unemployment rate among people age 25 and older with a bachelor's degree or more dropped to 2.1 percent in August of 2018 and has been holding steady since then. The unemployment rate among college graduates was as high as 2.4 percent in 2017 and as recently as November 2010 was 5.0 percent. Clearly the labor markets continue to tighten for both college graduates and those with high school degrees.

Jobless claims dropped by 19,000 in the past week, which is near historically low levels. The U.S. created a surprisingly robust 304,000 new jobs in January. As long as the economy keeps creating jobs and unemployment stays low, the U.S. is likely to keep growing and break the record for the longest expansion ever. This means that hiring will be a more challenging endeavor than ever.

At Scientific Search we're of course working primarily with college graduates and many of our clients are experiencing issues because of the low unemployment rate among college graduates. These issues include: *more difficulty finding interested candidates with the appropriate skills, candidates turning down offers to stay with current employer, and candidates deciding to accept the most appropriate of multiple offers.*

Working with an experienced recruiting firm can help solve the first issue of Identifying interested candidates with the appropriate skills. Things to look for in a recruiting firm include number of years of experience in recruiting, low staff turnover, expertise in the specific types of positions you're hiring for, significant resources including large internal database and multiple recruiters in your niche, and a high-quality customer service approach to working with clients and candidates.

We find the best way to combat potential turndowns by candidates is by addressing the candidate's compensation expectations from the beginning. Of course, it's illegal in many jurisdictions to ask about current compensation (see update below). Asking what a candidate is expecting in a new position is legal throughout the US and it's important to get that information early to help determine if they are a good match from the start. At Scientific Search we define compensation expectations as a piece of every candidate presentation, so clients can see the entire picture when determining whether or not they want to meet with that candidate.

In addition to obtaining desired compensation, it's also critical to understand the candidate's motivation of considering new opportunities. Is it solely about compensation or are they primarily interested in career advancement? Do they want to work with new technology or need to shorten their commute? Are they in danger of a layoff at their current employer? Scientific Search recruiters make sure they understand the candidate's personal motivation for considering a change and we communicate that as part of our candidate presentation.

Fortunately, or unfortunately, whenever we're hiring, we're working with people. Because of this fact, the compensation picture is a moving target and changes based on how the candidate is feeling about their job and work experience that day, what others are telling them about their search and prospects, and how their other interviews are going. *We help our clients address this by basing our fee on the salary we present with the resume if it is lower than the salary that is ultimately offered to the candidate (with account Manager approval).*

We also determine other benefits the candidate may be seeking, many deeming these benefits as important, some even more so, than salary. Some of those include vacation, time off, health benefits, flexible scheduling, maternity/paternity leave, relocation assistance or providing some other type of compensation such as profit sharing or bonuses. We then relay these to our clients.

The low unemployment rate can present more challenges to hiring professionals, but these challenges can be met with a well thought out plan and an experienced and knowledgeable team executing that plan.

Update on Salary Laws

In January of 2018 we sent a newsletter outlining which states and municipalities had bans on asking about salary history. Most, if not all, the legislation was part of an effort to help women receive equal pay for equal work. Proponents argue that women are disproportionately harmed when an employer asks about their past salary rates, a move that could ensure women who were underpaid at their first job continue to be underpaid throughout their careers. This creates a cycle and causes harm, especially for minority women.

We thought it would be helpful to provide you with an updated list of where the restrictions apply. Last January there were 6 statewide bans and 2 municipalities where it was illegal to ask about salary history. As of January 2019 it's now illegal across 12 states and in 10 municipalities.

States: California, Connecticut, Delaware, Hawaii, Massachusetts, Michigan, New Jersey, New York, Oregon, Pennsylvania, Puerto Rico (territory), Vermont, and Wisconsin.

Municipalities: San Francisco, CA; Chicago, IL; Louisville, KY; New Orleans, LA; NYC, Albany, Suffolk and Westchester Counties, NY; and Philadelphia and Pittsburgh, PA (note that municipalities located in states with state-wide bans have additional requirements related to salary history over and above the state requirements).

For more details about what you can do to mitigate the effects of the unemployment rate in your company or about salary laws in your city or state, or, please feel free to ask your Scientific Search recruiter to provide additional information.