

## **2008 Corporate Recruiters Survey—New York and New Jersey Regional Outlook**

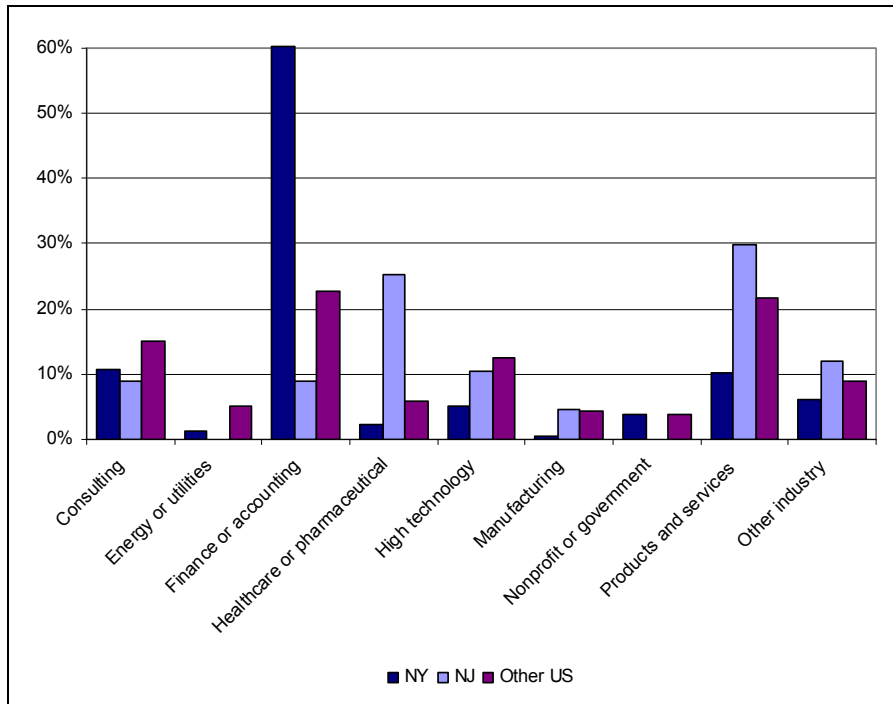
### **Key Findings**

- Business schools that work with employers in NY state are likely to be heavily focused on companies in the financial sector—60% of the respondents from NY companies worked for finance or accounting firms.
- Employers in NY were more likely than employers in NJ and the rest of the U.S. to hire recent MBA graduates (71%) and recent graduates with bachelor's degrees (56%) in 2007. However, NY companies plan to reduce the MBA headcount among new hires by 12% in 2008.
- Companies in NJ, and especially in NY, relied on MBA graduate talent more than firms in other U.S. locations did. For example, in 2007, more than one-third (34%) of all new hires at NY companies and one-fourth (25%) of new hires at NJ companies came from the pool of recent MBA graduates—recent MBA graduates accounted for only 14% in other parts of the U.S.
- Although base salaries for MBA graduates are expected to be similar across U.S. regions, the 2008 expected total annual compensation for recent MBA graduates at NY firms—\$118,444, on average—is significantly higher than that expected in other U.S. areas.

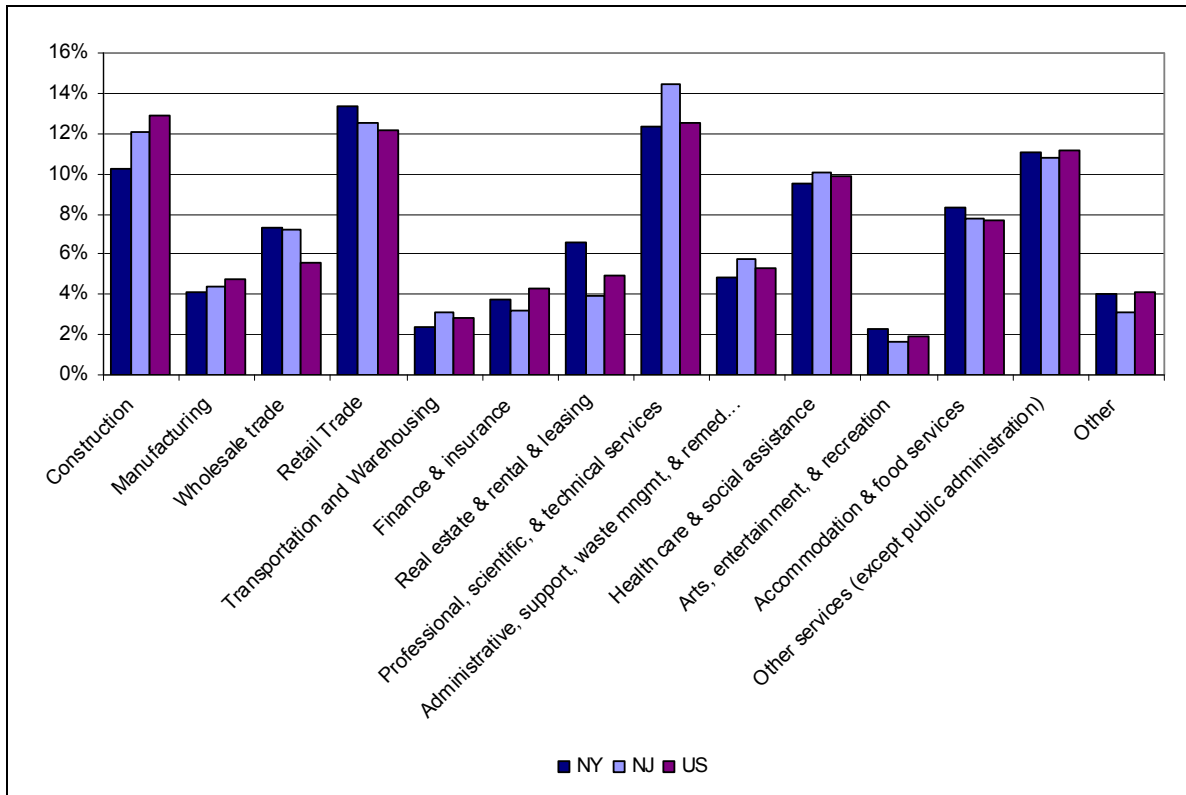
### **Employer Profile**

The survey shows that, among participating employers whose offices are located in NY state, 60% were in the finance or accounting industry—nearly three fold the percentage in other U.S. regions (Figure 1). Yet, finance and insurance firms constitute only 4% of businesses in NY state, according to the U.S. Census Bureau (Figure 2). NJ respondents were mainly from the products and services (30%) or the healthcare or pharmaceutical (25%) sectors (Figure 1). By company size, slightly more respondents in NY and NJ were from larger organizations, but the difference with those from the rest of the U.S. was not statistically significant (Figure 3).

**Figure 1: Industries Represented—NY, NJ, and the Rest of the U.S.**

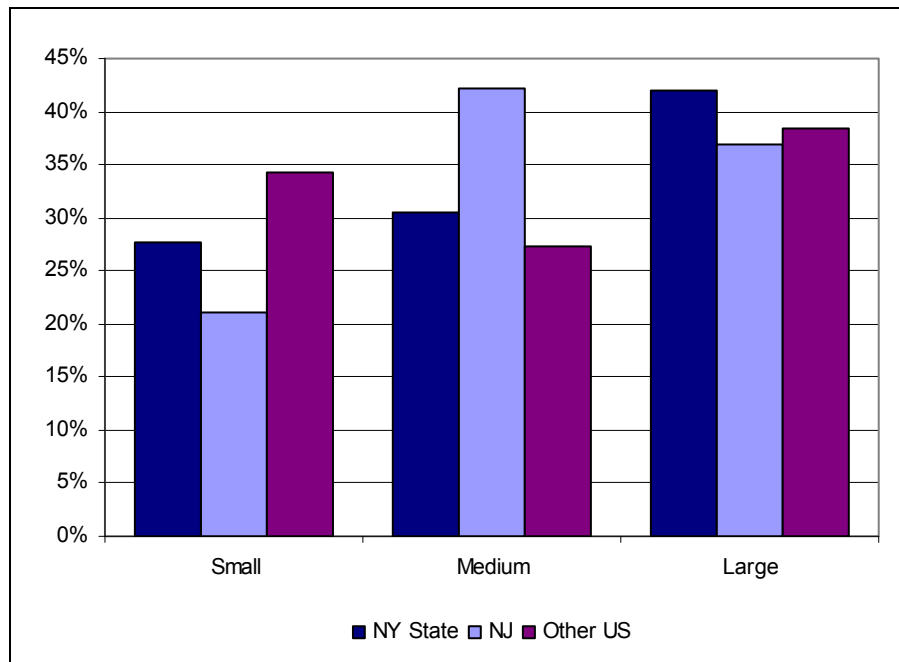


**Figure 2: NY, NJ, and U.S. Industry Profiles, Census Bureau**



Source: 2005 Statistics of U.S. Businesses, U.S. Census Bureau.

**Figure 3: Company Size Represented—NY, NJ, and the rest of the U.S.**



## Recruiting Plans and Compensation

Employers in NY state were more likely than those in NJ and the rest of the U.S. to hire recent MBA graduates (71%) and recent graduates with bachelor's degrees (56%) in 2007 (Table 1). In addition, the number of new MBA hires per company in NY in 2007 is double the numbers for the rest of the U.S., on average. However, NY employers expect to reduce the new MBA headcount among new hires by 12% in 2008 while the rest of the U.S. is looking to increase the number of MBA hires by 24%. The reduction in NY is most likely driven by declining opportunities in the financial sector.

**Table 1. Categories of Candidates Companies Hired in 2007 and Plan to Hire in 2008, by Location**

	NY (n = 126)		NJ (n = 44)		Other U.S. (n = 1,031)	
	2007	2008	2007	2008	2007	2008
Recent MBA graduates	71%	76%	66%	75%	67%	72%
Average number of hires per company (#)	24.1	21.1	—	—	10.5	13.0
Recent MSc in Business or Management graduates	12%	15%	14%	14%	14%	16%
Other specialized master's in business graduates	28%	27%	23%	25%	29%	32%
Graduates from disciplines other than business	31%	29%	39%	36%	36%	37%
Recent graduates with a bachelor's degree	56%	56%	39%	34%	53%	55%
Experienced direct-from-industry hires	42%	41%	48%	48%	48%	51%
Did not hire or plan to hire any of the above candidates	5%	6%	9%	5%	8%	4%

Interestingly, not only did NY companies hire more MBA graduates, they also focused their experienced-hire recruitment on those with an MBA degree. Two in five experienced direct-from-industry candidates hired by NY firms (41%) held MBA degrees compared to only 6% in NJ and 10% in other U.S. regions.

	NY (n = 62)	NJ (n = 12)	Other U.S. (n = 483)
Direct-from-industry hires	12%	54%	51%
Hold MBA degree	41%	6%	10%
MBA graduate hires	34%	25%	14%
Required additional legal documents (e.g., visa, work permit, etc.)	30%	0%	14%
Were interns at the hiring company	52%	32%	35%
All 2007 hires with MBA degree	39%	28%	19%

<sup>a</sup> The mean difference between subgroups is not statistically significant.

### Expected Compensation for Recent MBA Graduate Hires in 2008

The total annual compensation for recent MBA graduates at NY firms in 2008 is expected to be significantly higher than in other states, according to NY respondents.

	NY (n = 52)	NJ (n = 14)	Other U.S. (n = 403)
Total compensation, in U.S. dollars			
Mean <sup>a</sup> (\$)	\$118,444	\$106,544	\$103,614
Median (\$)	120,000	102,500	100,000
Base salary (%)	79%	88%	85%
Signing or starting bonus (%)	8%	6%	6%
Mean <sup>b</sup> (\$)	\$22,000	\$14,250	\$14,331
Median (\$)	\$17,500	\$15,000	\$15,000
Other compensation (%)	13%	6%	9%
Total (%)	100%	100%	100%

<sup>a</sup> F = 4.764; df<sub>1</sub> = 2; df<sub>2</sub> = 466; p < .05. Bonferroni test showed statistically significant differences,  $\alpha = 0.05$ , between NY state and the rest of the U.S.

<sup>b</sup> F = 6.157; df<sub>1</sub> = 2; df<sub>2</sub> = 266; p < .05. Bonferroni test showed statistically significant differences,  $\alpha = 0.05$ , between NY state and the rest of the U.S.

In 2008, a substantial proportion of NY employers (42%) expected to offer new MBA graduates base salaries similar to those offered in 2007.

**Table 4. Expected Change in 2008 Annual Base Salary for Recent MBA Graduate Hires Compared with 2007 Annual Base Salary, by Location<sup>a</sup>**

	NY (n = 26)	NJ (n = 14)	Other U.S. (n = 235)
Increase above the level of inflation	20%	17%	16%
Increase at the level of inflation	38%	79%	59%
Decrease	—	—	2%
No change	42%	4%	23%
Total	100%	100%	100%
Increase	58%	96%	75%
Decrease	—	—	2%
No change	42%	4%	23%
Total	100%	100%	100%

<sup>a</sup>  $\chi^2 = 23.008$ ; df = 6; p < .05.

## MBA Jobs

As expected, responding employers in NY, most of whom are concentrated in the financial industry, planned to offer recent MBA graduates job opportunities primarily in investment banking (37%) and other finance areas (36%) in 2008 (Table 5). On the other hand, most opportunities for MBA graduates in NJ appear to be in marketing and sales areas (58%).

**Table 5. Job Areas for which Employers Plan to Hire Recent MBA Graduates in 2008, by Location**

	NY (n = 97)	NJ (n = 33)	Other U.S. (n = 742)
Accounting	27%	12%	27%
Consulting	16%	15%	25%
Business development	27%	45%	31%
Investment banking <sup>a</sup>	37%	6%	14%
Finance other than investment banking	36%	36%	48%
General management	27%	33%	31%
HR or organization management	11%	18%	15%
Information technology or MIS	10%	12%	17%
Marketing or sales	34%	58%	40%
Operations and logistics	20%	12%	27%
Other job areas	9%	12%	7%

<sup>a</sup>  $\chi^2 = 34.629$ ; df = 2; p < .05.

Although proportionally more NJ companies plan to offer graduating MBAs executive-level positions (9%) than do those in other regions (4%), mid- and entry-level positions remain the core positions for which MBAs are considered, regardless of location (Table 6).

<b>Table 6. Job Levels for which Employers Plan to Hire Recent MBA Graduates in 2008, by Location</b>			
	NY ( <i>n</i> = 97)	NJ ( <i>n</i> = 33)	Other U.S. ( <i>n</i> = 742)
Entry level	58%	61%	51%
Mid-level	63%	61%	68%
Senior level	12%	9%	13%
Executive level	4%	9%	4%

Findings presented in this paper are based on analysis of the 2008 GMAC Corporate Recruiters Survey data. For questions or comments regarding the study findings, methodology, or data, please contact the GMAC Research and Development department at [research@gmac.com](mailto:research@gmac.com).

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