Job prospects dimmer this spring

By SUSAN SKORUPA

Thanks to the merger mania that swept through corporate America in 1986, student job prospects for this spring seem dimmer than last springs, two recent national surveys of company hiring plans indicate.

And grads this year are likely to be tested for drug use or even AIDS before getting a job.

Michigan State's annual survey, released in late Dec., found that big companies in particular have cut back their plans for hiring new college grads.

A Northwestern University study released at the same time predicts demand for 1987 grads will morror 1986 hiring, but employers say they will screen applicants more closely than before, and starting salaries while increasing an average of 2.1 percent will lag behind inflation.

Both Michigan State and Northwestern observers blame the unprecedented wave of corporate mergers and acquisitions that reached record levels last year.

"Downsizing,consolidations,mergers and acquisitions have cost the country jobs in some of our biggest and best paying corporations," says Victor Lindquist, Northwestern's placement director and author of the annual Endicott—Lindquist Report.

About 56 percent of companies Lindquist surveyed said they'd intentionally reduced their managerial staffs during the last year through reorganization, hiring, freezes, termination without severance or early retirement incentives.

Michigan State's annual survey of 700 businesses also found the biggest companies are the ones cutting back the most, reports MSU survey co-author Patrick Scheetz.

For example, companies with more than 10,000 employees said they'd hire 9.3 percent fewer new college grads this spring, Scheetz says. Firms with 5,000 to 10,000 employees will cut new grad hiring by 1.5 percent.

General Motors, for one, faced with falling profits, announced in late Dec. it will halt college recruiting efforts altogether.

In reponse, area colleges are trying to bring smaller firms to campus to recruit. "We're expanding or job days to small and medium sized companies," says Janis Chabica, director of Cooperative Education at the University of Michigan—Flint.

But, while hiring will increase among smaller companies as much as 6.7 percent in companies with 500 to 1,000 employees overall hiring will slip 2.4 percent nationally, Scheetz says.

"This year, the demand will be in mid sized and small companies," he explains. "Many larger organizations are merging and downsizing. if they can't make a product they need themselves, they're farming the job out to smaller companies. Hence the growth of smaller operations."

Better technology also is making it easier for companies to increase productivity without adding staff, Scheetz notes.

"There's an element of global competition now so companies are looking to do more either fewer employees."

Firms also are cutting hiring plans because they're unsure what 1987's economy will be like, Lindquist agrees.

"Only three percent (of the firms surveyed) expect a (business) downturn, but some employers are still cautious about 1987 because of concerns about the economy, the continuing exportation of American jobs, the deficits in foreign trade and our national debt."

Nevertheless, hotel and restaurant management, marketing and sales, education, electrical engineering, computer science, retail and accounting majors should get a lot of job offers, Scheetz says.

The surveys show overall demand has shifted from manufacturing to service jobs. Engineering opportunities are down nine percent and non-engineering opportunities are up five percent, Lindquist adds.

Students majoring in civil and mechanical engineering, home economics, agriculture, geology and advertising will probably have the hardest time getting jobs, the surveys suggest.

Top starting salaries will go electrical, mechanical and chemical engineers, all breaking the $29,000 per year mark.

But the flat demand and the large number of graduates mean higher salaries will go to students with the best grades and internship experience, Lindquist says.

Geographically, the southwestern states will offer the most opportunities, followed by the Northeast, the Southeast, North Central, South Central and Northwest regions.

"Two years ago the south central area had one of the highest hiring rates in the country," Scheetz recalls. "Now it places fifth out of six, and you can probably blame the drop on the energy industry."

The students who are recruited, moreover, may face yet another obstacle before actually winning jobs this spring.

One third of Lindquist's 230 respondents now test job applicants for drug use, a 136 percent increase in the number of testers. An additional 19 percent say they'll start testing in then next year.

The College Placement Council (CPC) reports that nearly 30 percent of the firms that recruit on campuses now screen applicants for drug use. Another 20 percent plan to adopt the practice within two years.

"The data found in our survey (of 497 national employers) cooperate other reports that drug screening programs are on the rise," says CPC spokesman Warren Kauffaman. "Clearly the study shows this is a major employment issue."

Nearly 90 percent of employers who use drug screening tests say they won't hire applicants who fail the tests. Most rank safety as the top reason for demanding such testing, followed by security, quality and reliability of products and services, productivity, health cost control and noncompany or government regulations.

Two percent of firms in Lindquist's survey also now test employees for AIDS, while another five percent plan to begin such testing in 1987.

Individual states trimming back financial assistance for colleges

By SUSAN SKORUPA

Wyoming's seven state community colleges desparately need an extra $3 million from the state. Faculty members, state Gov. Ed Herschler says, may soon start leaving if they don't get it.

To the north of here, Northern Montana College — similarly short of money last week announced it will stop offering 22 degree programs and fire 12 administrators to try to save precious dollars.

At the same time, Texas educators held a dramatic press conference in Austin, asserting that recent cuts in state college funding were causing a "slow and painful demise" of the state's campuses.

It's happening, in fact, in probably a majority of states now, as state legislatures reconvene to start their new sessions.

While most observers are busy fretting about the massive, deep cuts in federal college funding proposed by President Reagan on Jan. 5, the real crisis in college funding nationwide seems to be developing in the individual states.

"This year and in coming years, state funding for higher education will be very tight," predicts Dr. Edward Hines, director of Illinois State University's Grapevine Report, which tracks state education funding around the country.

"With state priorities for elementary and secondary education, increases for higher ed will be very hard to come by. In fact, in 10 or 15 states, decreases in higher education budgets could become a yearly occurrence."

As a result, campuses in Arizona, Nebraska and some other states are cutting back the numbers of course sections they offer. Other schools are dropping whole degree programs, leaving some students stranded in mid career on college.

To save money, some schools in Louisiana, Colorado, Montana, North Dakota, Alaska, Nebraska, Texas and Washington, D.C. are weighing proposals higher to merge or to close down entirely by next fall.

Former University of Wisconsin at Madison Chancellor Irving Shain, for one, predicted in December that a five percent cut in the amount of money the state gives the UW system may force 13 percent of the student body to drop out.

Still others think public colleges will have to impose yet another new round of steep tuition hikes for fall to compensate for the new shortage of state funds.

The cuts and mid year budget shortfalls follow several optimistic years that saw some states boost education funding substantially. But, by mid 1986, many governors and state legislators were slashing budgets for colleges and other state agencies.

"Those states heavy into oil, minerals and farming are the hardest hit," Hines says. "They don't have any other economic vase to depend on, so in those states funding for higher education is hard to come by."

With private industry and richer schools already luring faculty away from some financially strapped state colleges, most schools are examining ways to raise new money and tighten spending without cutting course offerings or faculty.

"There'll be some cutting across the board with deeper cuts in some areas and smaller ones in others, but most healthy institutions can do one time budget cuts without doing too much damage," says Dr. John Blackburn, past president of the American Association of University Presidents.

Wyoming's community colleges already are duplicating the University of Wyoming's faculty hiring freeze.

In addition, "now they are making selective cuts in operating expenses and cleaning up some programs," explains Jim Randolph of the state's Community College Commission. "I don't see any colleges making massive program changes, but if there are more state cuts and local funding shortfalls, we can expect layoffs and program cuts."

And, if the cuts deepen or continue beyond this year, administrators nationwide may have to do the same, ISU's Hines warns.

"That dosen't mean all programs will decline," he says. "But administrators will have to look closely at those programs with enrollment declines or those that are just not too highly esteemed."

Raising money through funding drives and tuition increases could help some schools out of the slump, too, he adds, "but not all schools can do that. Some have good relations with their alums or aggressive fundraising programs already in place."

While state budget shortfalls probably will mean lots of belt tightening for state colleges, Hines doubts many campuses actually will close under financial pressure.