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DATE: July 12, 2006
SUBJECT: Starting Salary Offers to New College Grads Continue to Climb

BETHLEHEM, PA—Starting salary offers to new college graduates continue to climb, extending a trend seen throughout the 2005-06 academic year, according to a new salary report from the National Association of Colleges and Employers (NACE).

The Summer 2006 Salary Survey report shows that starting salary offers are up for many disciplines at the bachelor’s degree level.

"Overall, the college Class of 2006 is doing very well in terms of starting salaries," says Camille Luckenbaugh, NACE research director. "We began reporting on their salary offers in January and we’ve seen salaries continue to rise since that time. Employers expected to face more competition for new college graduates this year, and that competition is translating into higher salaries."

All of the business disciplines experienced salary increases. The average offer to accounting grads is $45,656—up 5.5 percent from last year at this time. Business administration/management graduates also fared well; their average salary offer jumped by 6.3 percent to $42,048. A large number of offers made to these graduates came from investment banking firms, who offered on average, salaries of $53,277, well in excess of the overall average.

The average salary offer to economics/finance graduates rose to $45,112, a solid 5.1 percent increase. Financial services employers and investment banking firms provided a hefty share of the offers reported for these graduates.

Management information systems (MIS) graduates and marketing graduates also posted increases, although much more modest than those earned by many of the other business disciplines. The average offer to MIS grads rose by 2.9 percent to $45,724, while the average offer to marketing graduates inched up 0.9 percent to $37,851.

Graduates with degrees in the computer sciences also posted increases across the board. The average offer to computer science graduates rose just 1 percent to a healthy $51,305. Information sciences and systems graduates saw a more substantial increase, gaining 8.5 percent to bring their average offer to $48,593.

Among the engineering disciplines, most posted increases in their starting salary offers.

"That's not surprising, given the demand we've seen for many of the engineering disciplines," says Luckenbaugh. In a NACE survey conducted earlier in the academic year, engineering disciplines—mechanical, electrical, computer, and
chemical—accounted for four of the 10 degrees most in demand among employers.

Chemical engineering majors posted a solid 4.7 percent increase to their average salary offer, raising it to $56,335. Petroleum and coal products manufacturers made the largest number of offers to these grads and were willing to pay them top dollar—an average of $58,456.

The average offer to civil engineering grads rose 5.4 percent to $46,023, while salaries to computer engineering graduates rose 2.3 percent to $53,651. Electrical engineering graduates saw their average salary offer increase by 3.2 percent to $53,552. Mechanical engineering grads saw a similar increase: Their average offer rose 3 percent to $51,732.

Among the liberal arts disciplines, results were more mixed. In fact, as a group, liberal arts majors posted just a 0.2 percent increase over last year. However, some of the individual majors that fall into this category saw more significant changes—positive and negative. The increases and decreases, in effect, cancel each other out, explaining why there is little movement in the overall salary for this group.

History majors saw their average offer rise 3.1 percent to $32,697. Conversely, English majors experienced a 4.1 percent decrease, dropping their average offer to $30,906. Sociology majors also lost ground; their average offer fell 2.7 percent to $30,944. Psychology majors, on the other hand, posted a small increase of 1.2 percent, bringing their average salary offer to $30,218.

NACE will take one final look at starting salaries for 2005-06 graduates in the Fall 2006 Salary Survey, which will be published in early September.

About Salary Survey: Salary Survey is a quarterly report of starting salary offers to new college graduates in 70 disciplines at the bachelor's degree level. The survey compiles data from college and university career services offices nationwide. Salary Survey is issued in Winter, Spring, Summer, and Fall, with the Fall issue serving as the year-end report. (Salaries reported in this press release reflect offers to bachelor's degree candidates.)

About NACE: Since 1956, the National Association of Colleges and Employers (NACE) has been the leading source of information about the employment of college graduates. NACE maintains a virtual press room for the media at www.naceweb.org/press/.

NACE is a founding member of International Network of Graduate Recruitment and Development Associations (INGRADA).

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