



NACE ENVIRONMENTAL SCAN
*A working document to support the strategic planning
of NACE members*

NACE ENVIRONMENTAL SCAN 2024

This environmental scan focuses largely on trends in higher education and the economy as we emerge from the COVID-19 pandemic with a “new normal” in terms of workplace modalities and expectations. In addition, this scan is being conducted in a world climate where war is occurring on two continents: in Europe and the Middle East. The scan includes current demographic data as well as projected data and special survey data of the past year, with an eye toward the resulting repercussions that will drive significant changes in higher education, business and industry, the economy, and the labor force.

Chief among these data and, perhaps, most relevant to the NACE membership:

- *The impact of COVID-19 on the economy and higher education is still evolving, although we can identify that hybrid work modalities are here to stay.*
- *While the economy remains strong with low unemployment and continued job growth, overall, employers are projecting less hiring for the Class of 2024 than previous years.*
- *Despite media narratives, employers very much value the college degree.*
- *The attacks on diversity, equity, and inclusion have gained strength in higher education.*
- *Mental health remains a significant concern for our profession, and one that we need to focus on at the organizational levels.*

Bachelor’s Degree Enrollments

There were approximately 10.78 million students enrolled in bachelor’s degree programs at just over 2,400 four-year, degree-granting institutions in the United States for the start of the 2022–2023 school year.

Undergraduate enrollments decreased by 0.5% in September 2022 compared to September 2021; full-time undergraduate enrollments fell by 0.6% during the same period.

Demographically, they are distributed as follows:

- 57.0% Female; 43.0% Male
- 48.9% White
- 11.4% Black
- 19.1% Hispanic
- 7.4% Asian
- 3.7% International
- 4.2% Multiracial
- 0.6% Native American
- 4.5% Race/Ethnicity Not Reported



Two-Year School Enrollments

There were approximately 4.66 million students enrolled in associate degree programs at just under 1,300 two-year institutions in the United States for the start of the 2022–2023 school year.

Two-year enrollments decreased by 0.6% in September 2022 compared to September 2021; full-time undergraduate enrollments fell by 1.8% during the same period.

Demographically, they are distributed as follows:

- 58.0% Female; 42.0% Male
- 43.5% White
- 13.4% Black
- 26.5% Hispanic
- 6.0% Asian
- 1.2% International
- 4.0% Multiracial
- 0.9% Native American
- 4.3% Race/Ethnicity Not Reported

Selective School Enrollments

The demographics for selective institutions are considerably different. For the top 100 most selective institutions based on the percent of admissions relative to applications, there is a slightly more balanced gender profile, while there are significant differences in the racial-ethnic distribution.

Demographically, enrollments at the most selective four-year schools were as follows for September 2022:

- 54.7% Female; 45.3% Male
- 39.0% White
- 6.0% Black
- 15.7% Hispanic
- 19.1% Asian
- 11.0% International
- 5.7% Multiracial
- 0.2% Native American
- 3.3% Race/Ethnicity Not Reported

U.S. Economy

Despite fears of a recession, inflation, and rising interest rates, the U.S. job market continues to be quite strong. As of January 2024, the [unemployment rate](#) stood at 3.7%, among the lowest rates in recent history, and job growth continues to outpace expectations. Further, in 2023, [inflation continued to fall](#), and [the major stock indexes](#) showed double digit gains.

According to our latest [Job Outlook report](#), only 20% of respondents are planning for a recession in the 2023-24 recruiting year; however, there are significant differences across



industries. Two-thirds of respondents in information industries are bracing for a recession; 57% in finance, insurance, and real estate; and 50% in transportation. In contrast, no employers in oil and gas extraction, construction, food and beverage manufacturing, and social services are planning for a recession.

Despite the strong economy, overall hiring projections are anticipated to slightly decline.

According to [Job Outlook 2024](#), the growth in hiring and the positive outlook of the job market that characterized the past few years seems to be shifting. After three years of positive hiring projections, this year's Job Outlook showed overall hiring is projected to drop from last year's by about 2%. This projected decline is against a backdrop of continued positive U.S. Department of Labor job reports—33 back-to-back months of job growth in the United States. During the month our survey was in the field (September 2023), the economy exceeded job growth projections—[adding 336,000 jobs](#)—almost double what economists were projecting. Our data highlight that perhaps this growth will slow over the next several months as the Class of 2024 enters this labor market later this spring. Looking a bit deeper, we find that the top factors driving this decline include budget cuts and some uncertainty about the economy. The declines are being driven in certain industries—accounting services, computer and electronic manufacturing, information, and retail trade. In contrast, some industries remain committed to increasing hiring—this is led by those in social services, engineering services, and construction.

In addition to the changing economy, workplace changes that emerged during COVID appear to be permanent. In fact, [despite calls to “return to the office”](#) from employers and the media narrative, hybrid work appears here to stay. In our latest Job Outlook report, we see very little change in the work modality of job positions from last year: 45% of all new-hire positions and 48% of all positions for entry-level hires are hybrid. This indicates that workplace modality changes that were popularized during COVID lockdowns have become baked into our workplace cultures. These findings are also consistent with the desires of college students: 42% of students responding to our 2023 student survey report that they prefer hybrid working conditions, as opposed to fully in person or fully virtual.

Finally, as we look at 2024, while there are signs of the [labor market slightly cooling](#), i.e., slightly lower job gains than previous months and workers quitting jobs at lower rates, unemployment and lay-offs remain low. [Federal forecasters are predicting](#) that a cool-down on wage increases and that individuals' pandemic-era savings may be more depleted in 2024, thereby lowering consumer spending. They predict unemployment may be at 4.1% by the fourth quarter of 2024 and slower job growth.

Starting Salaries of College Graduates

In comparison to the Class of 2021, the Class of 2022 saw their salaries increased for every degree level except for the associate degree. Our [First Destination Survey](#) also showed that increases in educational level were not only correlated with higher salaries, but also higher salary increases between 2021 and 2022. Thus, in a rebound year for new college hires after the pandemic, the higher the educational level the better the graduate did in the job market. The average salary for the bachelor's degree was 29% greater than the average salary for the associate degree; the average master's salary was 25% percent greater than for the bachelor's; and the doctorate translated into an average salary 31% above that of the master's.



However, inequities in pay remain a systemic form of discrimination in our labor market. In recent years, [First-Destination Survey data](#) has found that the pay gap has stood at around 81% for recent college graduates—that female graduates earned an average of 81 cents for every dollar male graduates earned. For the Class of 2022, the average salary for a female graduate was 82.4% that of a male graduate's average salary. However, data from our student survey point to a widening of that gap. Early data for the Class of 2023—derived from [NACE's 2023 Student Survey](#)—indicate that Class of 2023 male graduates had a median starting salary of \$72,500; for women, the median starting salary falls at \$52,500. This equates to a gap of 72%—widening more than 10%.

The Value of Higher Education

Over the past several years, there has been a great deal of attention to questioning the value of higher education. There are many factors contributing to this, including increasing costs of a college education; attacks on curriculum and faculty, particularly around critical race theory, gender studies and diversity programs; and an increased focus on skills. For the first time, [NACE surveyed employers and students on the value of higher education](#). We found that employers overwhelmingly value the college degree: Despite the media's attention to the idea of eliminating the college degree as a job requirement and some state policies that eliminate it for many public-sector jobs, just slightly more than a quarter (26%) of employers report that there have been discussions and/or policy changes to remove the college degree as a key requirement for entry-level positions. In contrast, 58% said there have been no discussion or policy changes over the past 18 months, and 16 % were unsure.

The top drivers for these conversations and policy changes are 1) focus on skills instead of the degree, 2) equity in recruiting, and 3) talent shortage. It is important to note that no employer reported a lack of confidence in the college degree was a driver. In fact, among those employers that did report that there have been discussions or policy changes about removing the college degree, the reasons guiding those decisions are a result of a focus on hiring for skills, not a belief that the college degree lacks value.

In terms of actual change in degree requirements, more than three-quarters of companies (77%) say that the percentage of entry-level positions with bachelor's degree has stayed the same over the past three years, 11% of companies say the percentage has increased in their organizations, and 12% report it has decreased for them.

These findings are very much in line with trends we have learned about in other NACE research. [In Job Outlook 2024](#), the percentage of employers that screen candidates by GPA stands at 38%. However, in its place is academic major, followed by experience (via internships or work in industry) and competency in career readiness skills. It appears that skills-based hiring is not a substitute for the degree, but instead employers are looking for candidates to *demonstrate* their proficiency in the skills that they are gaining in college, rather than depending on the GPA as the sole measure.

Finally, employers not only value the college degree, but they also value higher education institutions. For the first time, we explored the value employers place on certificates for new college graduates and found that three-quarters of responding employers view college/university-based certificates as of the highest quality. This indicates that the value of the certificate is tied to the curriculum and rigor of academia. In contrast, just 14% of respondents



think certificates earned through online providers, e.g., Coursera, LinkedIn, EdX, are of high quality.

Our findings are also in line with Georgetown University's Center for Education and the Workforce (CEW) report, "[After Everything: Projections of Jobs, Education, and Training Requirements Through 2031](#)." CEW projects that the United States will have 171 million jobs in 2031, an increase of 16 million net new jobs from 2021. A significant majority—72% of jobs in the country—will require postsecondary education and/or training.

According to CEW, changes in the economy are driving the growth in jobs that require a college degree by 2031. Specifically, the fastest-growing industries require workers with disproportionately higher education levels compared to industries with slower growth. Further occupations are becoming more complex, requiring higher levels of education to complete them. To put this in perspective, the CEW report highlights that in 2021 10% of jobs went to workers without a high school education while 36% went to workers with at least a bachelor's degree. By 2031, that gap will widen. At that time, only 6% of jobs are projected to go to workers without a high school education and 42% of jobs will go to workers with a bachelor's degree or higher.

DEI, Higher Education, and Corporate Programs

The murder of George Floyd in 2020 ushered in a racial reckoning and amplified social justice actions toward a more equitable and fair society. Higher education institutions along with corporate organizations reviewed their policies and programming with an equity lens, along with their commitments to the Black community.

However, over the past three years, and particularly the last 12 months, we have seen an organized attack and rolling back of laws, programs, and policies. In June 2023, the U.S. Supreme Court [ended affirmative action](#) in admissions, ruling that colleges must use colorblind admissions policies. On the heels of that, states have begun their own rollbacks. For instance, [in Texas](#), state law prohibits public institutions of higher education in the state from establishing or maintaining DEI offices. [In Florida](#), the governor signed a law banning public universities from using state dollars to fund any activities about "diversity, equity and inclusion" or "political or social activism." The law defines DEI as "any program, campus activity, or policy that classifies individuals on the basis of race, color, sex, national origin, gender identity, or sexual orientation and promotes differential or preferential treatment of individuals on the basis of such classification." While these attacks DEI are bubbling from the state level as we enter 2024, they [are distributed throughout the country](#) as other states move to enact similar legislation.

And following the resignation of Harvard President Claudine Gay Congresswoman Virginia Foxx (R-NC), chair of the Committee on Education and the Workforce, [released a statement](#) noting, "Postsecondary education is in a tailspin. There has been hostile takeover of postsecondary education by political activists, woke faculty, and partisan administrators. College campuses are a breeding ground for illiberal thought." She has opened up a [formal investigation](#) into Harvard, MIT, and University of Pennsylvania (and to be expanded to other institutions) into the learning environments. A recent [Wall Street Journal article](#) also highlighted the attacks on DEI in colleges, noting that Christopher Rufo of the Manhattan Institute think tank said in a social-media post that he stated: "We must not stop until we have abolished DEI ideology from every institution in America."



[Industry leaders](#) have also begun to rollback DEI programs and initiatives. Google, Meta, and other large companies have dropped their DEI-related positions and other DEI resources, such as professional development. Elon Musk, CEO of Tesla and executive chair of X, has said quite clearly that “[DEI must DIE](#)” in a post on the social media platform.

These attacks, both explicit ones and more covert reversing of DEI programming and initiatives, are expected to continue in 2024.

Hot Labor Summer and Worker Power

This past summer was branded “Hot Labor Summer,” as workers and unions engaged in collective action, drawing attention to the growing income inequality and successfully re-negotiating contracts. After decades of declining union power and density, we have begun to experience a resurgence of collective actions to improve workers’ economic security. The Teamsters union, for example, used the threat of a UPS strike to achieve most of its bargaining goals, including significantly improved wages for part-time workers. The five-month Writer’s Guild of America strike succeeded in winning the first major union contract that created standards governing the use of AI and a way to enforce those standards. [Most notable is that the contract guarantees that AI is not considered a “writer,” that companies cannot force writers to use AI, and that companies must disclose if writers are given any AI-generated material to work with.](#) Currently, the United Auto Workers have expanded their strike to more manufacturing plants. A series of shorter strikes—such as those among Starbucks workers, coal miners, and healthcare workers—have also yielded positive results for workers.

Further, recent data from the [Federal Reserve of New York](#) show that workers (regardless of union status) are demanding higher pay. Specifically, the lowest annual pay workers would accept for a new job climbed to a record high of \$78,645 in July, up from \$72,873 at the same time last year.

While the success of the labor movement and higher worker wage expectations indicate a change in worker power, gender inequities remain. Men reported that the lowest annual wage they would accept was \$91,000 as compared to the \$66,000 expected by women. These data are similar to NACE’s own data on recent college graduates. Findings [from NACE’s 2023 Student Survey](#) found that female graduating seniors expect to earn 16% less than their male counterparts. This expectation gap mirrors the actual pay gap that men and women face in their first jobs post-graduation. Moreover, when we look at the intersection across race and gender, the expectation gap holds.

The Great Resignation and Mental Health in Our Profession

The Great Resignation—workers leaving their jobs for better pay and work environments—has dominated the narrative for the past two years. For the first time, [NACE surveyed members of our profession to better understand how these factors are impacting our field.](#) Is the Great Resignation happening in career services and university recruiting? Yes, there is likely to be a significant amount of movement over the next few years. Almost 40% of responding college members are somewhat or extremely likely to look for new employment opportunities, and more than one-quarter (26.8%) of recruiters report the same intent. Most expect to look outside of their current institution/organization.



The reasons that motivate members to search for new jobs vary, but pay is the main driver for both career services and recruiting professionals. Among college members, 80% reported pay as their motivator, and more than half (52%) report the opportunity to work remotely is a significant reason they are looking for new work. This is followed by opportunities for promotion/greater work responsibilities (44%) and greater flexibility in hours (39%).

Among responding recruiters, the drivers are slightly different. Pay tops the list—57% identified this as their reason for moving on—followed by opportunities for promotion and greater work responsibilities (45%). However, the third driver for recruiters involves the work itself: Nearly 41% said they are searching for more meaningful work. (In contrast, less than 20% of career services practitioners identified this as a motivator.) Rounding out the top four reasons for employer members is the opportunity for remote work (31%).

In addition, mental health concerns appear quite common in our field. Both career services and recruiting professionals reported mental health challenges, with college members reporting higher levels of emotional distress. For example, 81% of employer members and 83% of college members reported feeling nervous, anxious, or on edge, and 53% of employer members and 58% of college members said they were unable to stop worrying. Half of responding college members said they experienced feeling down, depressed, or hopeless, along with 41% of employer members.

Given the high levels of anxiety and depression, it is no surprise that many members say they are burned out: More than half (54%) of employer members and more than two-thirds (68%) of college members reported experiencing burnout. Among those experiencing burnout, the frequency of such feelings is alarming: Among career services practitioners reporting burnout, 18% say they experience burnout more than half of the month—and 11% say they experience it every day. Among employer members reporting burnout, 15% say they experience it more than half of the month.

For both career services and recruiting professionals, the workplace is the leading source of stressors that negatively impact mental health. More than half of both groups cited workplace demands and responsibilities as a factor, and 38% percent of college members and 20% of employer members pointed to workplace culture as impacting their mental health. However, **many other factors have played a role**, including family responsibilities (41% of employers and 43% of college members), political/social issues (41% of employers and 42% of college members), and financial concerns (31% of employers and 42% of college members).

Mental Health and Recent College Graduates

While the prevalence of mental health concerns among college students is well documented, less is known about what happens after students graduate and enter the labor market. Young professionals who graduated in the last six years have come of age in an anxious and uncertain time. From the proliferation of social media, to political and cultural divisiveness, to the epic changes brought on by the global pandemic, these young people have seen the norms of human behavior rewritten in real time. About half of these young professionals had their college trajectories significantly disrupted by COVID-19, as experiences and milestones (including graduation) transitioned to virtual modalities. Many of them also started their first jobs from home.



NACE partnered with the Mary Christie Institute (MCI), the American Association of Colleges and Universities, and the Healthy Minds Network on the report [The Mental Health and Wellbeing of Young Professionals](#) to understand how college graduates in their early professional careers are experiencing wellness.

According to our study, 51% of young professionals report having needed help for emotional or mental health problems in the past year. Among these respondents, 45% believe their work environment has taken a negative toll on their mental health. The issues are persistent; 53% of respondents are experiencing burnout—defined as physical and emotional exhaustion related to one’s work—at least once a week.

Race and gender differences also surface here. In particular, women reported worse mental health overall than men. Although Black respondents reported better overall mental health than their white peers (60% vs. 52% say they have good or excellent mental health), they are less likely to feel part of the work community than white respondents (50% vs. 65%) and less likely to say they have colleagues who would support them if struggling (52% vs. 72%). This indicates that employers need to assess workplace culture and practices to ensure that all workers feel they belong in their workplace and are connected to their colleagues.

AI, Career Services, and Recruiting

Artificial intelligence (AI) continues to make inroads into our work lives. [For instance](#), 37% of business leaders report that AI replaced workers in 2023; and close to 30% of workers believe their job could be performed by AI. Within our profession, the ways it is used in career services and recruiting are evolving. In spring 2023, NACE conducted [a quick poll](#) to gain a sense of the ways AI is being used.

In regard to higher education, more than 40% of career services professionals taking part in the poll reported using AI for work tasks over the last year. Composing email and letters and answering questions were the most common uses, suggesting that users see AI as an aid to shaping their thoughts. Supporting this idea is a number of “other” responses that indicated they used AI for brainstorming.

Fewer, however, have tapped into AI for student-facing work. Among the 41% who said they used AI, only slightly more than half have used it with students. (So, only about 20% of all respondents have used it with students.) Here too, use has been largely around streamlining thought processes, with creating resumes and cover letters and helping students answer questions—most likely as part of prepping for interviews—the most frequent uses. Among those who haven’t used AI but are considering it, composing communications and working with students on various job-search-related activities were also most frequently cited as potential uses.

Our [Recruiting Benchmarks](#) report found that AI is not being used much in interviews at all. Just 18% of employers used automated video interview (AVI) in the past recruiting season. This is when neither the interviewer/interviewee are co-present, and instead the technology facilitates a recording. Just 2% of employers used AVI, AI-assisted, where not only are interviewer/interviewee not co-present for the interview, but also the technology makes



recommendations based on its interpretation of various features, e.g., facial expressions, gestures, tone of voice, keywords. The recommendations are often produced as a report to view. In addition, just 1% of employers used AI-led technology, where the interviewer/interviewee are not co-present and the technologies are used to make the hiring decision without human revision, i.e., to pass or deny candidate entry to the next phase of the recruitment process.

Virtually all respondents saw the potential for both good and bad in AI. Overall, respondents largely agreed on pluses that align with the key benefits of technology in general: Nearly 80% acknowledged AI's potential for improving efficiency, and nearly half cited its potential for reducing costs—often a byproduct of greater efficiency.

Most of the concerns cited by respondents revolve around AI's potential for exploiting human weaknesses rather than for dominating the human race. AI's potential for facilitating plagiarism, unethical behavior, misinformation, and cheating were concerns expressed by more than 65% of respondents, while far fewer cited concerns about doomsday-esque outcomes.

Public Policy

Two words sum up the first session of the 118th Congress—unpredictable and unproductive. From the 15-vote election of Speaker McCarthy to his dramatic ousting to the election of Speaker Johnson to an impeachment inquiry into President Biden, distractions in the U.S. House of Representatives dominated Congress' attention, allowing only 27 bills to make it through both chambers.

Given that Congress punted most of their must-pass legislation to early 2024, they will return to a very busy agenda and will immediately have to deal with two critical funding deadlines set on January 19 and February 2. If they can't reach an agreement, they will need to negotiate another Continuing Resolution(s) or risk shutting down the government. Additionally, as part of the budget agreement negotiated last year to ensure the funding bills were passed on time, 1% across-the-board sequester cuts (in addition to the cuts already included in the budget agreement) were triggered in January and are scheduled to go into effect in April.

Workforce and higher education issues will remain high on the agenda in 2024. Discussions around the value of a college degree; reducing/eliminating degree requirements for certain jobs; and the role diversity, equity, and inclusion should play in employer and higher education decision-making will continue. As noted earlier in this scan, House Education and the Workforce Committee Chairwoman Foxx has already announced plans to investigate many universities to better understand where their focus is, including how they are handling antisemitism and DEI.

Congress will also pick up on last year's efforts to advance legislation that would allow the use of Pell Grants for short-term training programs and increase investments in apprenticeship programs. Work will continue to advance two major reauthorization bills impacting higher education and workforce development this year—the Workforce Innovation and Opportunity Act (WIOA) and the Higher Education Act (HEA).

WIOA workforce changes under consideration include reforming eligibility criteria for providers of workforce training, increasing accountability for training providers and state and local workforce boards, expanding the use of training accounts for individuals, adding digital literacy



to the list of core competencies included in adult education programs, tweaking how the system handles young workers, and beefing up requirements on states to fund education programs in prisons. There is also bipartisan momentum to pass paid leave legislation, including an extension of tax credits for employers, in 2024.

On HEA, the House plans to continue with a piecemeal approach. Chairwoman Foxx has said that reauthorizing the law is a priority for her. We expect to see bills focused on accreditation, [free speech](#) on campus, the [student aid system](#), and [accountability](#).

On the regulatory side, the U.S. Department of Education released its final rule on gainful employment last year. The rule is set to go into effect in July, but that timeline may change since the rule is currently being challenged in court. The Biden Administration recently announced their intent to loosen federal TRIO program rules to allow undocumented students to participate. The programs provide counseling and other resources to help disadvantaged students prepare for college. The Department of Education is continuing to review comments around their proposed Title IX rules. The first rule overhauls how schools respond to sexual misconduct on campus. The second rule expands the meaning of sexual discrimination to include gender identity and prevents schools and colleges from banning transgender student sports participation. We expect both final rules to be released in March.

The Department of Education also recently released a series of issue briefs outlining their 2024 plans to update the regulations for accreditation, state authorization, distance education, return of Title IV funds, and cash management. The administration will also be working to clean up the student loan program, make higher education more affordable, and handle more than two dozen investigations following student complaints of antisemitism on campus.

On the workforce side, we are expecting the U.S. Department of Labor's delayed final overtime rule to come out in April. The Department of Labor will also be updating Schedule A, a list of in-demand jobs for which employers pursuing work visas can sidestep certain procedural hurdles. The department is seeking to understand whether Schedule A is effective for addressing labor shortages in STEM fields and how to identify new STEM fields experiencing worker shortages.

Given that 2024 is an election year, Congress will be working on a compressed schedule to leave time for campaigning. The House is only scheduled to be in session for 28 weeks and the Senate for 29. Both will be in recess for all of August and October.

Conclusion

The preceding environmental scan provides the most updated view of the landscape as related to career development and the early career talent attraction space. In brief:

- Workplace preferences are shifting toward increased flexibility for workers (including higher education staff), and career centers in particular are shifting with these preferences.
- Despite a strong economy, there is some level of uncertainty as we move through the 2023-24 recruiting season.
- The value of higher education is strong in terms of both the views of students and employers, and the need in our labor market for a college degree.



- Attacks on DEI in higher education and the rollback of programs and initiatives in both higher education and industry will likely be amplified over the year.
- Concerns about mental well-being and resignations are a significant factor in our profession.
- With the election looming, Congress will be in session less this year, but workforce and education issues remain important.

We look forward to visiting this scan again next year to see how the landscape continues to evolve.

