

# Record of Business Graduates

## In the Business World

COMPILED BY THE BUREAU OF BUSINESS RESEARCH FROM INFORMATION ASSEMBLED BY THE OFFICE OF THE DEAN

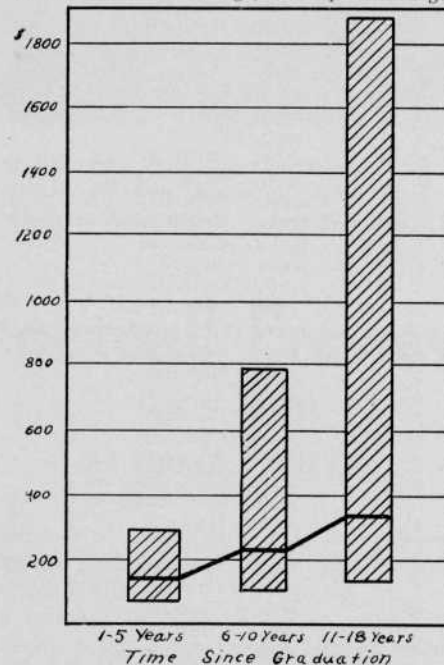
COLLEGE training is desirable because of the cultural values that it offers to an individual, as well as the material advantages of income and position. Cultural values, of course, are not susceptible to measurement because of their highly subjective nature, but the material advantages of college training in business can be measured and evaluated from the later experience and success of graduates in the business world. An appraisal of this kind is of value both to the College of Business Administration and its graduates. A study has therefore been made, with the cooperation of graduates and the Dean of the College, to determine the usefulness in business of the training offered by the College.

Subjects of inquiry fall into four principal categories, which are: (1) relation of University training to positions now held by graduates, (2) success of those who earned all or most of their college expenses as compared with those who were less dependent on their own earnings, (3) ownership of business concerns by graduates, and (4) positions and salaries after graduation.

Since 1936 information on these subjects has been compiled from three questionnaires returned by graduates of the College. The first of these questionnaires requested information as of 1938 on the business in which the graduate was engaged, his position, and his salary. A total of 247 replies were received which constituted a sample of 19 per cent of all individuals who had received degrees up to that time. A second questionnaire was sent in 1939 to a representative group of 110 individuals from whom 61 replies were received. This second questionnaire was a much more comprehensive one; thirty different items of information classified under five main headings were requested. Finally in June, 1941, a third questionnaire similar to that of 1938 was sent, from which 312 usable replies were received, or a sample of 20 per cent of the total of 1,567 individuals who received degrees in business from 1924 through August, 1940. The purpose here is to present the most outstanding facts revealed by the data contained in the last questionnaire.

As to the first subject of inquiry, it is found that most graduates, when they first enter the University, come with the intention of preparing themselves in some specific phase of business. Moreover, the majority of individuals have used this special training in the business world after graduation. Consequently, the University has served a recognized need and the results of its instruction can be observed.

MONTHLY SALARIES OF GRADUATES IN BUSINESS ADMINISTRATION  
(Heavy line shows average, bars represent range)



Approximately three-fourths of all students select as their major study a phase of business, such as accounting or banking, on the basis of their special interest. Family influence and connection are a minor determinate in planning a college course. Likewise, the individual student's appraisal of his special ability plays a minor part in the selection of his major subject. This special interest in some phase of business appears to arise from an experience background, since nearly two-thirds of all individuals choose a major subject in which they have had some background of business experience prior to or during their college careers.

Students who at the time of entering the University have not selected a specific phase of business in which they plan to major, usually make such selection in their junior

years. By the beginning of the senior year, approximately ninety per cent have made such a selection and only one-tenth make their final plans during their last year in the University.

Approximately two-thirds of all graduates make use of the preparation which they receive in some particular phase of business in obtaining their first position. But the relative number making use of their special preparation in the positions they now hold is 55 per cent. It is less common, however, for individuals receiving salaries lower than \$2500 to make direct use of specialized training in the business world than is true in the case of individuals who receive salaries above \$2500 after leaving the University.

A second result of the investigation provides information on the extent to which students earned the cost of their education. It is found that 45 per cent of all graduates earned half or more of their University expenses. But the other 55 per cent, who earned less than half of the cost of their college education, were later more successful in business. This latter fact indicates that a student who earns all or a major part of his expenses is somewhat less likely to be most successful in the business world. A probable explanation is that an individual who must devote a great part of his time to earning a livelihood cannot get the maximum benefit from studying or he cannot benefit from social development and adjustments. No other explanation is apparent, especially since later success is not associated with ownership of a business, but seems to be due solely to the qualifications of the individual.

A third important fact is that most graduates do not own either wholly or in part the business in which they are employed. Those owning their business entirely are only 11 per cent of the total reporting. This relative number is 20 per cent for those who have been away from the University ten years or longer and 8 per cent for graduates

TABLE I  
RELATION OF THE EARNING OF UNIVERSITY EXPENSES  
TO SALARIES AFTER GRADUATION  
(Classes of 1924 through 1941)

	Graduates whose salaries are above the average		Graduates whose salaries are below the average		Total all Graduates	
	No.	%	No.	%	No.	%
Earned 50% or more of expenses prior to or during attendance at the University	54	45	91	47	145	46
Earned less than 50% of expenses prior to or during attendance at the University	65	55	102	53	167	54
TOTAL	119	100	193	100	312	100

of the last ten years. Besides those owning the business entirely, 13 per cent of the total are part owners, including stockholders—20 per cent for graduates of over ten years ago and 13 per cent for graduates of the last ten years. The percentage employed in a business controlled by a member of the family is 11.

The fourth and most significant conclusions are revealed by data on positions and salaries after graduation.

Graduates, after leaving the University, do not find responsible positions with commensurate salaries immediately. It is usually a problem for graduates to find any kind of a job at first and after their first employment is found they commonly occupy subordinate positions for several years. But their training enables them to advance in the business world so that within a few years after graduation the proportion of business executives and administrators is high among the various types of employment.

The most successful graduates, those now earning salaries over \$2500 a year, chose their first position primarily because of its opportunities for advancement and secondarily because the first position was the only one available. Family connection ranked third and special interest in the work ranked fourth. On the other hand, nearly half of the lower-salaried group took their first job primarily because it was the only one available, while special interest in

the position was a secondary reason. Advancement opportunities and family connection were third and fourth in importance as reasons offered by this latter group.

Considerably more than one-half of all graduates obtained their first position through the placement bureau of the dean's office or through their own unsolicited application, without family aid or influence. But one-fourth of the higher paid group made use of family connections, while only one-tenth of the lower paid group obtained their first jobs through family influence.

Salaries of graduates for the first year are usually low; they are commonly no higher than those paid to individuals without a college education. But the average of all monthly salaries for the first five years is \$130 a month, with a range between \$60 and \$292. After a few years of experience, the effect of college training shows in higher incomes. The average for the sixth through the tenth years after graduation is \$224. During his second five-year period the range widens appreciably, between \$90 and \$792 a month. Ten years after graduation an extreme range from \$120 to \$1,875 per month is found. The average for graduates who have been away from the University over ten years is \$313. It is to be noted, however, that in all groups of graduates, a few never earn more than persons without University training, although they may still derive cultural benefit from their education.

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TABLE II  
DISTRIBUTION OF GRADUATES OF THE COLLEGE OF BUSINESS ADMINISTRATION  
ACCORDING TO OCCUPATION OR PROFESSION  
(Classes of 1924 through 1941)

	Percentage Distribution of Graduates Engaged in Classified Occupations and Professions		
	Graduates of 1 - 5 years ago %	Graduates of 6 - 10 years ago %	Graduates of 11-18 years ago %
Administrative and Executive Officials Professions (Professors, Attorneys, and Certified Public Accountants)	15	30	50
Accountants	6	6	8
Salesmen	10	4	17
Secretaries	8	17	4
Clerical and other Office Workers	8	2	4
State and Local Governmental Officers	30	18	5
Federal Government and Army Officers	3	8	2
Unclassified Occupations	10	10	10
	10	5	
Total Graduates Reporting	100%	100%	100%
Number of Graduates Reporting	167	87	61

TABLE III  
AVERAGE MONTHLY SALARIES OF GRADUATES OF THE COLLEGE OF BUSINESS  
ADMINISTRATION CLASSIFIED ACCORDING TO TIME SINCE GRADUATION  
AND ACCORDING TO OCCUPATION OR PROFESSION  
(Classes of 1924 through 1941)

Occupation or Profession	Graduates of 1 - 5 years ago	Graduates of 6 - 10 years ago	Graduates of 11-18 years ago
Administrative and Executive Officials Professions, (Professors, Attorneys, Judges, and Certified Public Accountants)	\$170	\$259	\$382
Accountants	161	241	277
Salesmen	130	290	226
Secretaries	136	258	400
Clerical and other Office Workers	90	137	143
State and Local Governmental Officers	104	139	200
Federal Government and Army Officers	129	161	212
Unclassified Occupations	166	220	264
	125	298	
Average for Group	\$130	\$224	\$313