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With Finance Disgraced, Which Career Will Be King?

By [STEVE LOHR](#)

In the Depression, smart college students flocked into civil engineering to design the highway, bridge and dam-building projects of those days. In the Sputnik era, students poured into the sciences as America bet on technology to combat the cold war Communist challenge. Yes, the jobs beckoned and the pay was good. But those careers, in their day, had other perks: respect and self-esteem.

Big shifts in the flow of talent can ripple through the nation and the economy for decades with lasting effect. The engineers of the Depression built everything from inter-city roads to the Hoover Dam, while the Sputnik-inspired scientists would go on, often with research funding from the Pentagon, to create the building-block innovations behind modern computing and the Internet.

Today, the financial crisis and the economic downturn are likely to alter drastically the career paths of future years. The contours of the shift are still in flux, in part because there is so much uncertainty about the shape of the economic landscape and the job market ahead.

But choosing a career is a guess about the future in which economics is only part of the calculation. Prestige, peer expectations and the climate of public opinion also matter. And early indications suggest new career directions that are tethered less to the dream of an immediate six-figure paycheck on Wall Street than to the demands of a new public agenda to solve the nation's problems.

The deep recession has clearly battered industries — and professions — whose economics were at risk before the downturn. Law firms are laying off lawyers as never before and questioning the industry's traditional unit of payment, the billable hour. Journalism is reeling from the falloff in advertising and the inability of newspapers and magazines to make a living on the Web.

Still, the industry whose troubles are having the greatest impact on the rethinking of careers, especially at the nation's elite universities, is the one at the center of the country's economic downturn — finance. For years, the hefty paychecks and social status on Wall Street proved irresistible to many of America's brightest young people, but the jobs, money and social respect there are much diminished today.

"In choosing careers, young people look for signals from society, and Wall Street will no longer pull the talent that it did for so many years," said Richard Freeman, director of the labor studies program at the [National Bureau of Economic Research](#). "We have a great experiment before us."

What will the new map of talent flow look like? It's early, but based on graduate school applications this spring, enrollment in undergraduate courses, preliminary job-placement results at schools, and the anecdotal accounts of students and professors, a new pattern of occupational choice seems to be emerging. Public service, government, the sciences and even teaching look to be winners, while fewer shiny, young minds are embarking on careers in finance

and business consulting.

For the highest-paid business fields, the outlook is for a tempering correction instead of an all-out exodus. At [Harvard](#), for example, about 40 percent of undergraduates in recent years went into the most lucrative corporate arenas like finance and consulting, based on surveys at the school year's end. "That certainly won't be the case this year," observed Lawrence Katz, a professor and labor economist [who has studied undergraduate career choices at Harvard going back to the 1960s](#). "We're seeing students who would have been part of the [Ivy League](#) pipeline to Wall Street in the past considering very different career paths."

Kedamai Fisseha, a 21-year-old senior, is one of them. An economics major, Mr. Fisseha says he always assumed he would go into finance, and his summer internship last year was at the investment bank Morgan Stanley. Yet after Wall Street's meltdown, job prospects there have withered. Instead, he is interviewing with [Teach for America](#), a nonprofit group that recruits college graduates to teach in hard-to-staff schools for two-year stints. (After that, only one-third stay in the classrooms, though two-thirds remain in education.)

Mr. Fisseha regards the turn of events as an opportunity to broaden his horizons. "It's been liberating, and lucky for me," he said. "But your situation does dictate your preferences."

Graduate schools of government and public policy are seeing a surge of applications. In a survey of its members released last week, the National Association of Schools of Public Affairs and Administration found that 82 percent reported an increase in applications this year, and many saw the largest percentage jumps in several years, or ever. The most-cited reason was the expectation by students that government will be hiring.

Still, the appeal of public sector careers extends beyond job openings, say school officials. The laissez-faire presumption that government is not the solution but the problem, dating back to the Reagan era, has been cast aside, they say.

The government's need to step in with financial bailouts and recovery programs to steady the economy is seen as the immediate proof, they say, but not the only one. The environment, energy and health care also pose huge, complex challenges. "Young people today understand that government has a powerful role to play in solving these problems," said Sandra Archibald, dean of the Evans School of Public Affairs at the [University of Washington](#), where applications this year are up 26 percent.

Government school officials also point to an Obama effect: his election as an endorsement of government activism.

The economy, other long-range policy issues and the new administration, according to David Ellwood, dean of Harvard's Kennedy School of Government, add up to a "benevolent perfect storm," which could lure talented people to public service in a way not seen in decades.

Yet even before the economic crisis, Mr. Ellwood said, there were signs of a drift among young people toward trying to work on public problems, influenced by everything from the 9/11 attacks to [climate change](#).

Matthew McKnight attended Phillips Exeter Academy and was a freshman at [Dartmouth College](#) during the 9/11 attacks. The event and its aftermath, he recalled, left him with a conviction that he should serve his country "because of the opportunities I'd been given." After graduating from college, Mr. McKnight joined the [Marines](#). His four years in the military included a stint at the State Department in a counterterrorism unit, and he recently returned from 13 months in the field in Iraq.

This fall, Mr. McKnight, 25, is headed to the Kennedy School for a joint-degree program with the Harvard Business School. He may work in the private sector for a couple of years at some point, he said, but he plans to make his career in government service. Mr. McKnight's particular experience, to be sure, is unusual. But, he said, "There is a big crop of people, like me, who grew up in a different time when public policy and public issues have been at the center of things."

At leading business schools, too, a shift in career patterns is evident. Last year, 64 percent of the graduating class from the Darden School of Business at the [University of Virginia](#) went into finance or consulting. Graduation is still a couple of months away, but that percentage will be well down this year, especially in finance, said Jack Oakes, director of the career development center. Jobs in investment banking, for example, are running at less than half the level of last year, while more students are showing an interest in government jobs.

Patricia Foglesong, a second-year student at Darden, turned down a job offer from a major consulting firm. Instead, she is considering two government jobs, one with the Secret Service and another with the Park Service.

"Am I going to be a federal employee for the next 30 years? Probably not," Ms. Foglesong said. "But public-private partnerships are going to be increasingly important in almost any field. And the timing is right to do this."

The sciences could well rise in the new pecking order of career status. The Obama administration wants to double federal spending in basic research over 10 years and triple the number of graduate fellowships in science.

There are already signs of a renewed interest among students in science and technology. For the first time in six years, enrollment in computer science programs in the United States increased last year, according to a university survey last month. At [Stanford University](#), the number of students taking the introductory computer science course increased 20 percent this year, said Eric Roberts, a professor of computer science.

"What we need to do is to broadly educate as many people as possible in science, so the most talented people find their way into the field," Mr. Roberts said. "That's what happened in the Sputnik era."

Don Chamberlin, a professor of computer science at the University of California at Santa Cruz, was a member of the "Sputnik generation," when American schoolchildren were encouraged to pursue careers in science, after the launch of a tiny satellite in 1957 appeared to give the Soviets a lead in missile technology used in nuclear strikes. As a teenager, he endangered his family garage in California with his rocket kits and later went into the fledgling field of computer science. He was a leading scientist in a team of IBM researchers that created the SQL database, an unseen technology that nonetheless animates every credit card purchase and A.T.M. banking transaction.

In the early 1960s when he was choosing a career, Professor Chamberlin recalled, technical people were respected and well paid. Money, he said, was part of the equation. "But the bigger part of the motivation for me," he said, "was that I would be doing exciting and important work and that my contributions would be appreciated."

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