

*Handshake* | *Network Trends*

# Enter your pay transparency era

Gen Z leads a long overdue shift  
in the salary conversation

# Gen Z wants to be shown the money

—and policymakers and employers are answering the call. Economic uncertainty, higher cost of living, and increasing state and local legislation around pay transparency are shifting the conversation on the delicate subject of salary. Our sixth Handshake Network Trends report leverages platform data and user sentiment to answer the questions:

1. Salary—and pay transparency—is a top factor for Gen Z jobseekers, but are expectations for starting salaries realistic (or equitable)?
2. Will new salary transparency laws reframe how employers advertise salary?

# Key takeaways

**1** Gen Z wants stability: 4 out of 5 respondents said **job stability, benefits, and a high starting salary** made them more likely to apply for a job.

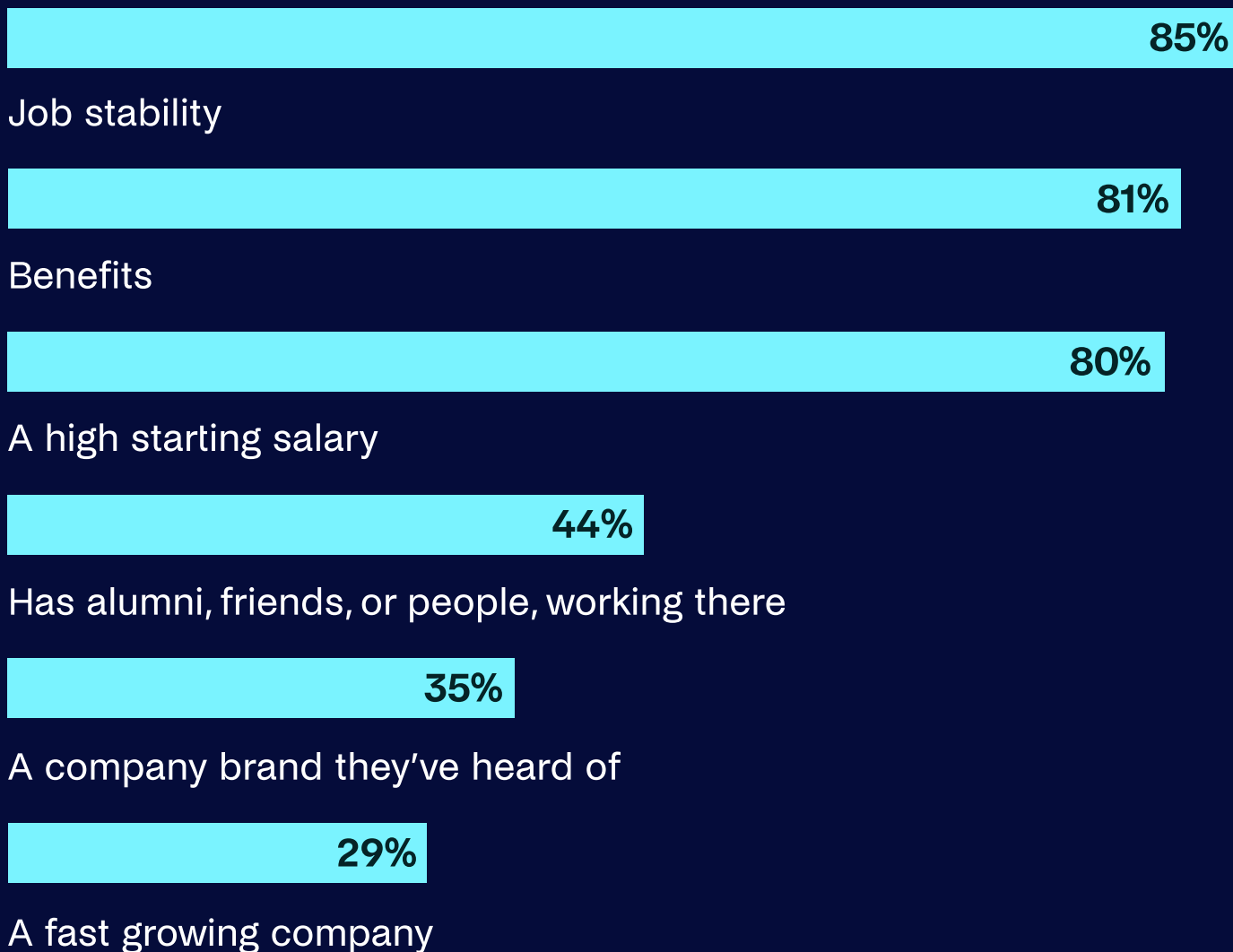
**2** Women enter the workforce with lower salary expectations than men: even with pay transparency leveling the playing field, **women still expect \$6.2k less than men.**

**3** Gen Z isn't out of touch with salary requirements: respondents indicated a high starting salary is **below the \$100k mark.**

**4** Employers nationwide are including salary info in their job postings: in total, there are **1.3x as many full-time jobs with salary data on Handshake since 2020.**

# Gen Z job seekers want stability, benefits, and \$\$\$

Which factors make students more likely to apply for a job?



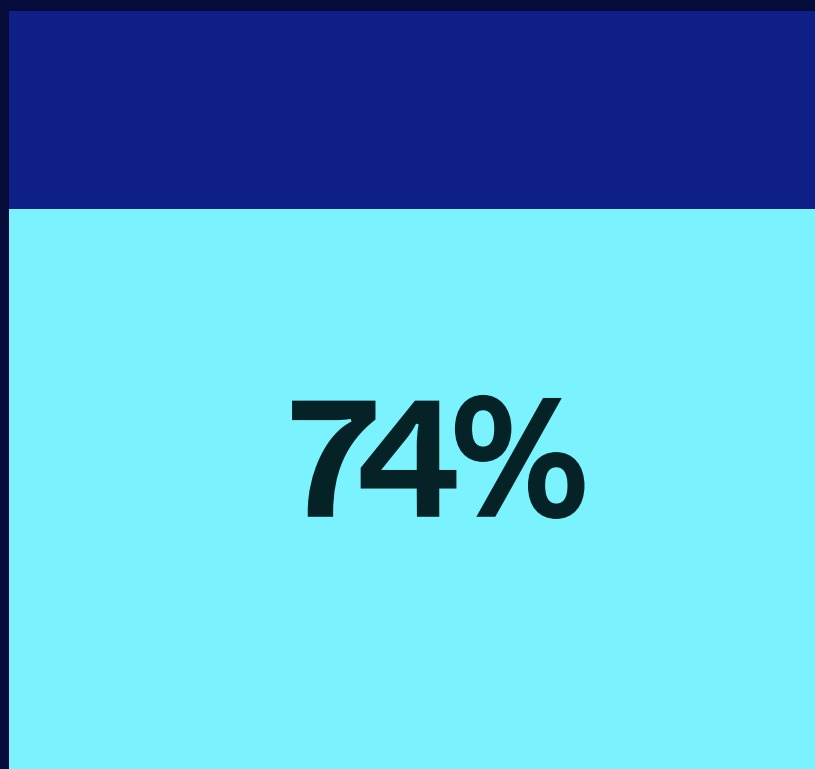
In a survey of over 1,800 Handshake college-grad job seekers, 4 out of 5 respondents are prioritizing what matters—Gen Z is prioritizing stability above all else.

# Economic stress = greater focus on money

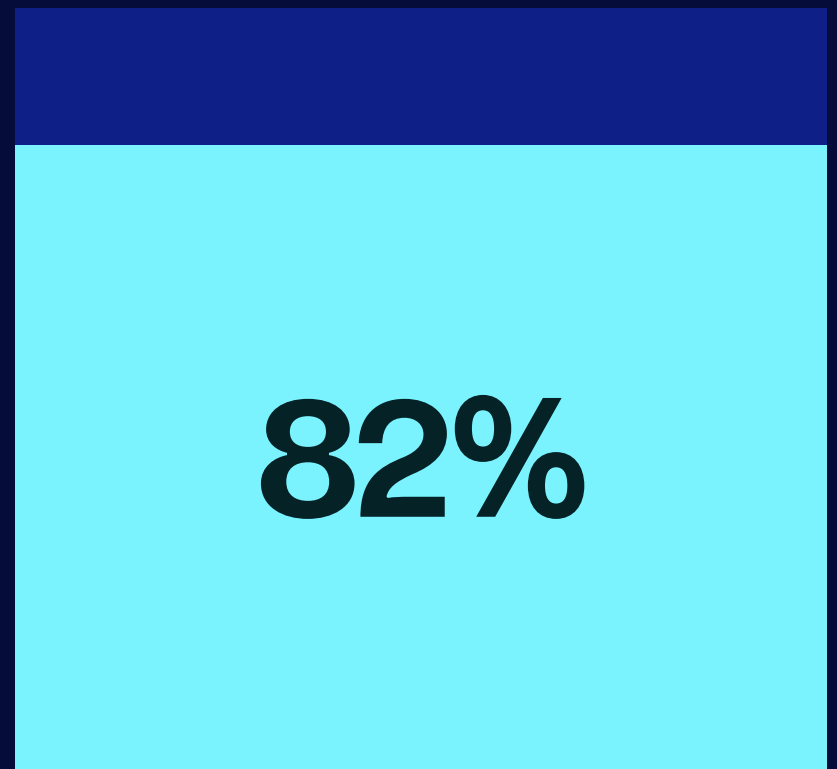
As layoffs and hiring freezes flood the news cycle, the class of 2023 has sharpened their focus on a starting salary. Notably, they are trying to keep up with the increased cost of living.

As the year progressed, the class of 2023 became even more likely to apply to a job with a high starting salary.

Summer 2022



Fall/Winter 2022



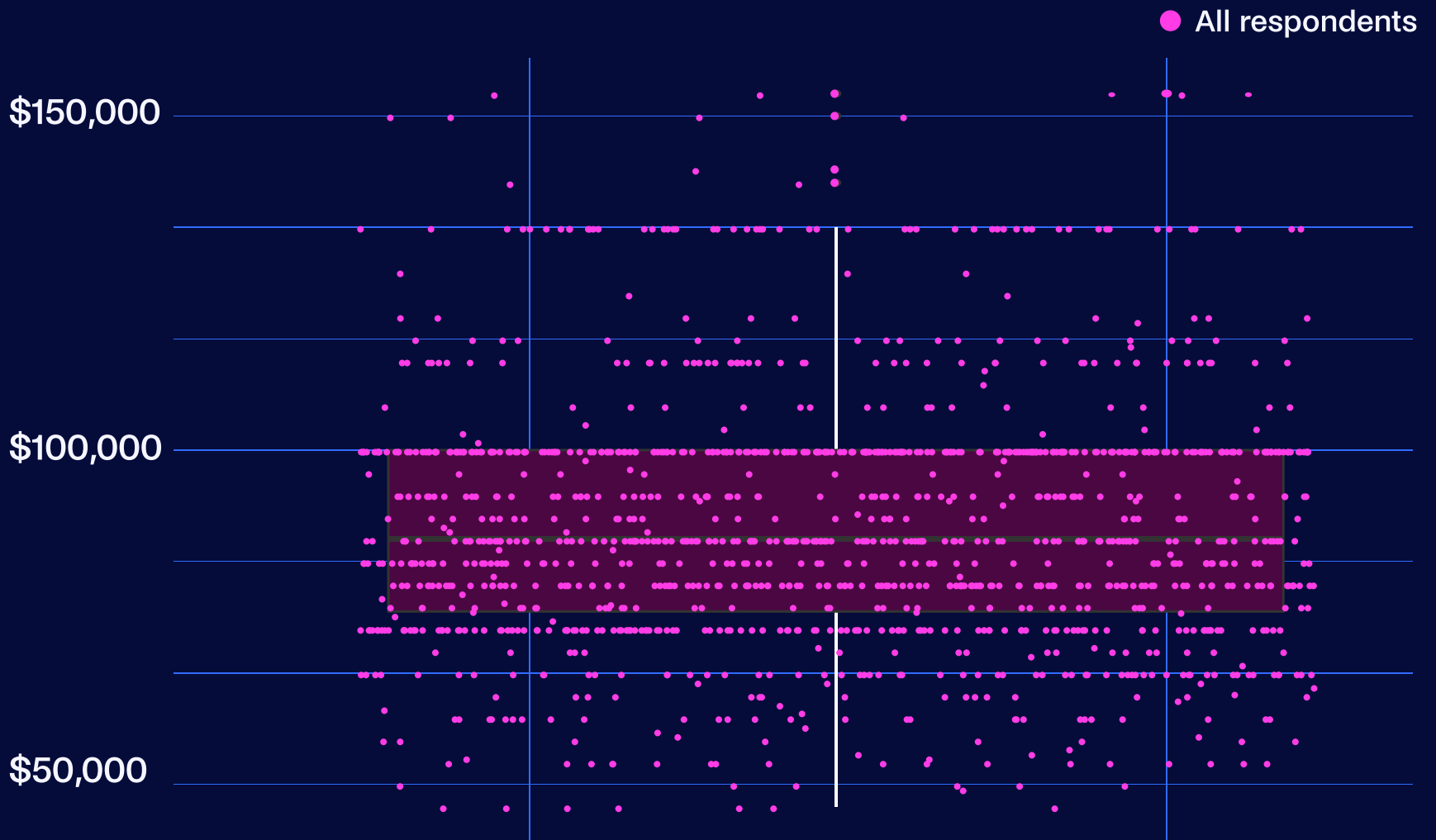
*"I want a job that will offer me a greater starting salary and an annual growth due to the inflation rates and continued increased cost of living. This will help with job stability and employee satisfaction which promotes good employee turnover."*

*Chemical Engineering Major,  
Class of 2023*

*"Even before the economic stuff going on today, I was still applying to any job within my field I can do. I don't have a preference on what industry or job title I work for. I just want a high salary and benefits in a job. "*

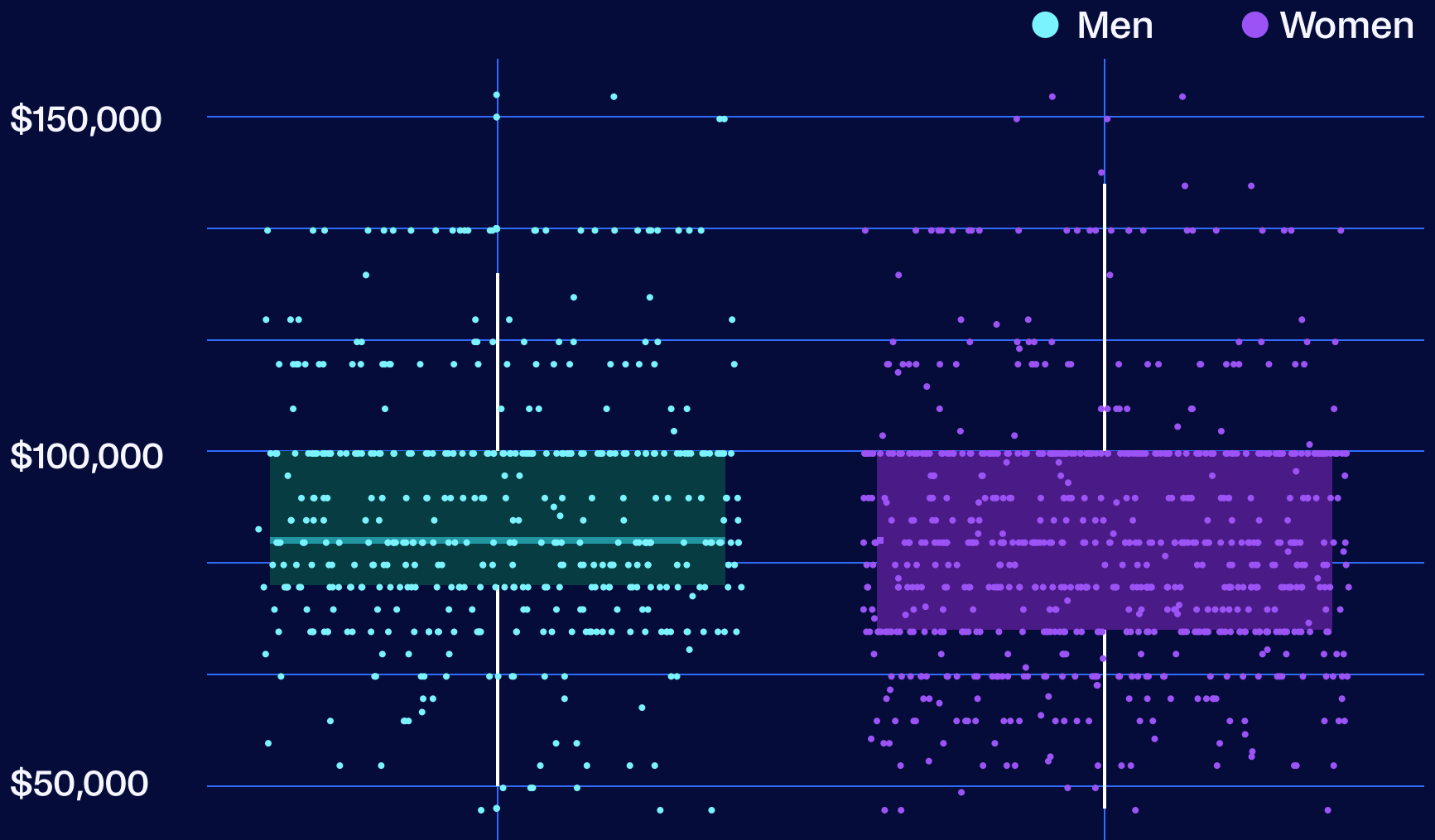
*Industrial & Systems Engineering Major,  
Class of 2024*

# On average, Gen Z defines a high starting salary as \$82k.



Gen Z grads are in tune with realistic starting salaries by industry. While most say a “high” starting salary would make them more likely to apply to a job, two-thirds of respondents’ idea of “high” is still under \$100k. Although expected salary differs by industry, no subgroup in our analysis feels a “high” starting salary is above six figures.

# But Gen Z women expect a **\$6.2k** lower average salary compared to men.

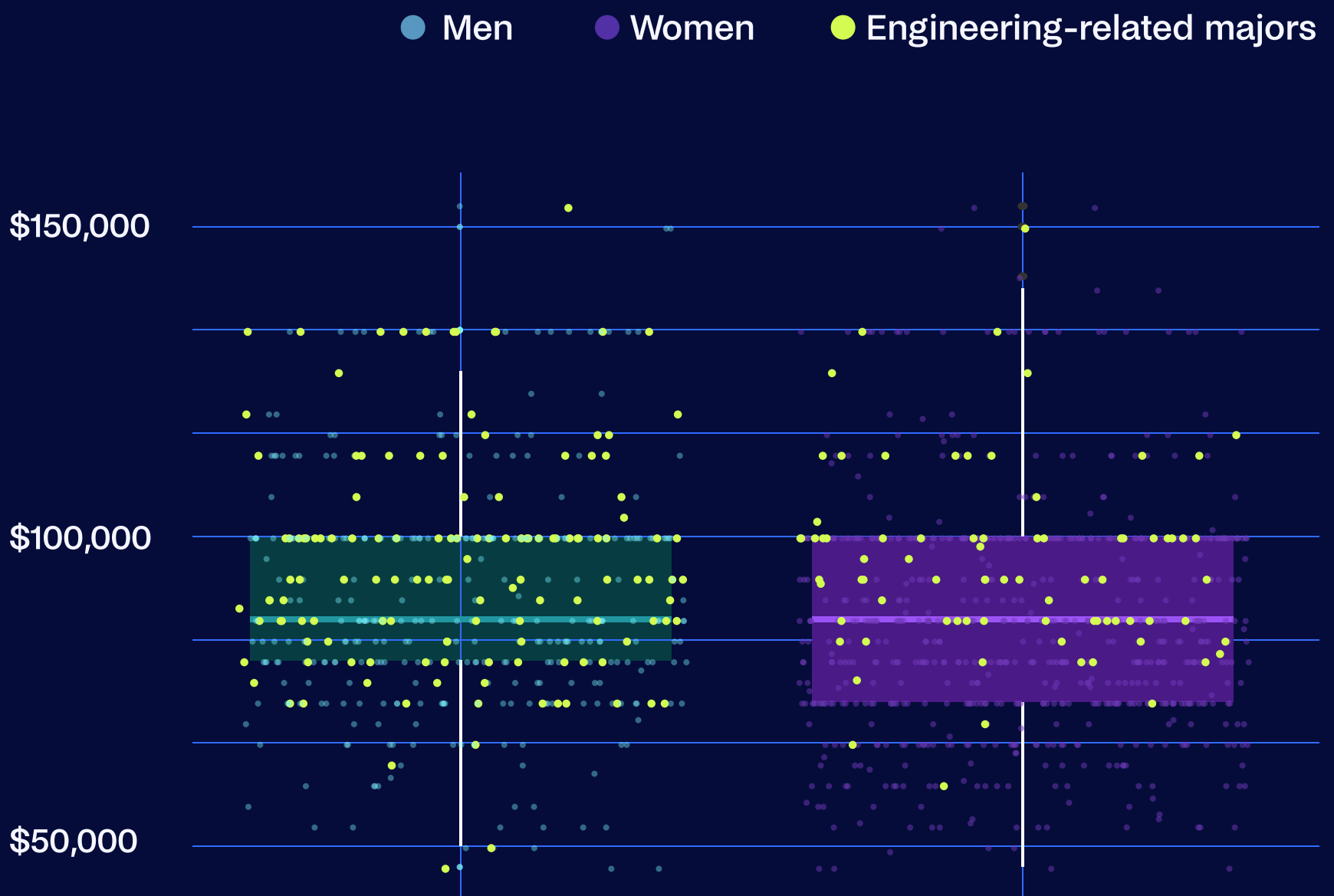


There are notable gaps in expectations for what's achievable in a starting salary. In aggregate, women respondents set a lower "high" starting salary compared to men, which was also consistent for women across all racial/ethnic groups. This highlights the longstanding issue of gender pay disparity: women's salary expectations are lower from the start, potentially reflecting historical pay gaps.



# Choice of major affects salary expectations, too.

Salary expectations were the highest amongst Engineering-related majors, the one field where women respondents were in the minority.



# Required or not, employers nationwide are including salary info in their job postings

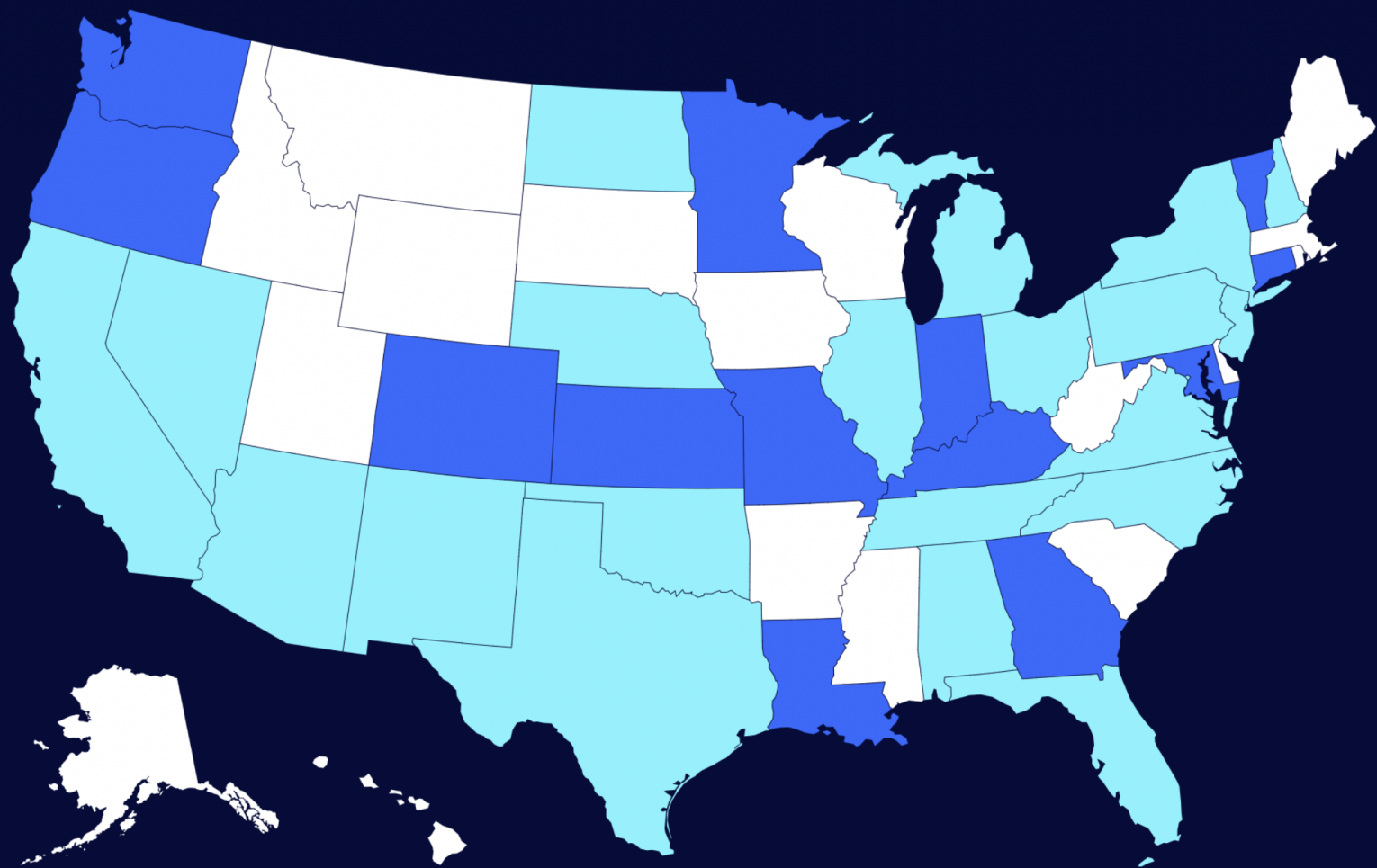
Knowing economic stability is top of mind for Gen Z, employers are offering up salary details. While legislation in Colorado, Washington, California, and New York reflects broader calls for transparency in job listings, employers in other states are making moves towards increased pay equity, too.

This is good news for students. In a previous [Handshake Network Trends report](#), respondents—regardless of gender—overwhelmingly cited a clear "salary range" on a job description as the greatest motivator when applying to a position.

**In total, there are 1.3x as many full-time jobs with salary data on Handshake since 2020.**

Data from the Handshake network mirrors trends in state legislation: in 2020, 29% of all full-time job postings provided applicants with a salary, whereas in 2022, more than a third (38%) of all full-time job postings provided a salary.

# The share of jobs with salary data continues to grow in almost all states.



Change in % jobs with salary data from 2020 to 2022



With hybrid and remote work being a norm across many industries, the labor market is more fluid for both employers and job seekers, and employers are likely responding in advance of what's to come. Additionally, competition for labor during the "great recession" may have prompted companies to start disclosing competitive salaries to attract talent.

# Snapshot: new pay transparency laws in action

	New York	Colorado	Washington	California
Effective Date	Sept. 17, 2023	Jan. 1, 2021	Jan. 1, 2023	Jan. 1, 2023
Name	<u>S.9427-A/ A.10477</u>	<u>Equal Pay For Equal Work Act</u>	<u>Equal Pay And Opportunities Act</u>	<u>SB 1162</u>
Details	Four or more employees to list salary	At least one employee working in Colorado	15+ Employees	15+ Employees

# Looking ahead

This is the year of pay transparency. Responding to current market conditions, Gen Z is ushering the topic of salary to the forefront of conversations with employers. We're seeing more adoption of pay transparency policies by companies nationwide, alongside the existing laws in Colorado, California, New York, and Washington.

Understanding that the gender pay gap starts even before women enter the workforce—in fact, as early as when salary expectations are communicated—we see how essential pay transparency is to narrowing the gap and advancing equity in the workforce. Both employers and policymakers have much to gain by adopting these practices early in the game. Now is the time.

# Methodology

## About Handshake salary data:

Prior to January 2023, employers could provide a job's salary as an "estimated salary" (hourly, monthly, or annually). This analysis treats this field as a proxy for network-wide trends related to salary transparency, understanding that a) providing a single salary for a position is a higher bar than providing a range and b) employers may have provided salary information in the job description or elsewhere in the application process. As such, this report provides a more conservative picture of the full range of jobs with salary ranges. Hourly and monthly rates were converted to an annual salary. Starting January 2023, employers can now choose to add a salary range to job postings in addition to a singular salary.

## Survey:

Between August 30–September 18, 2022, Handshake surveyed 1,853 jobseekers about their thoughts on the economy and their "high" salary expectations.

**The breakdown of self-reported gender and race/ethnicity is provided below:**

	Respondents	Percent
Asian	291	16%
Black Or African American	169	9%
Hispanic Or Latine	218	12%
Native American, American Indian Or Alaskan Native, Native Hawaiian Or Pacific Islander	26	1%
Two Or More Self-Identified	187	10%
White	966	52%

Man	634	34%
Non-Binary	53	3%
Woman	1166	63%

# About Handshake

Handshake is the #1 place to launch a career with no connections, experience, or luck required. Handshake's community includes over 12 million students and young alumni around the world from 1,400 educational institutions, including four-year colleges, community colleges, boot camps, and 290+ minority-serving institutions. The platform connects up-and-coming talent with 750,000+ employers—from Fortune 500 companies like Google, Nike, and Walmart to thousands of public school districts, healthcare systems, nonprofits, and even sports teams like the LA Dodgers. Handshake is headquartered in San Francisco with offices in Denver, New York, and London and teammates working globally.

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