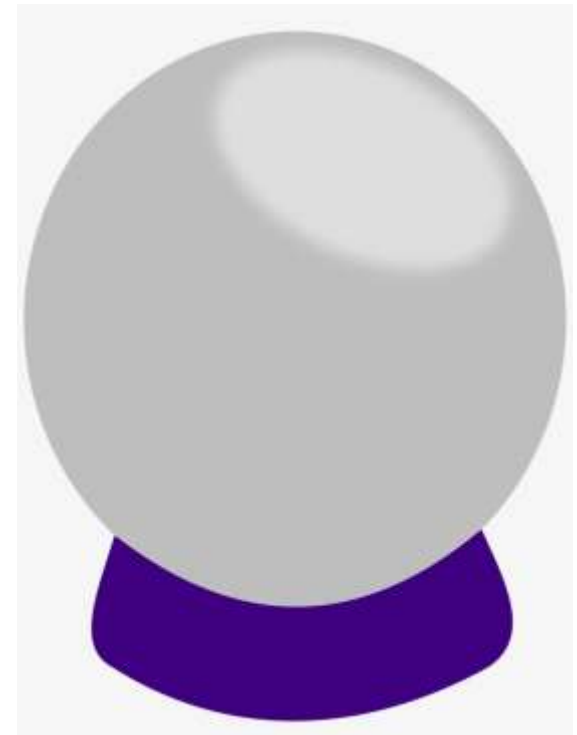


# Graduate Labour Market

**Rose Watson**  
**Careers and Employability**  
**Service Manager**



# The Graduate Labour Market

**FAKE NEWS**

**THE  
TRUTH**

# ‘There aren’t enough jobs for graduates’



# ‘There aren’t enough jobs for graduates’

- 35,555 UK graduates from 2017 were known to be in professional level jobs six months after graduating (71.4% of employed graduates)
- 68% of graduates questioned said that their qualification was a requirement or gave them advantage in getting their job
- Annual Population Survey data showed that at the end of 2017, there were 14.47m people working in professional level jobs in the UK. This translates to 45.3% of the workforce
- APS data also shows that the UK added 298,100 new professional level jobs last year
- Employers continue to report persistent skills shortages

# ‘Graduates only work for big business’



# ‘Graduates only work for big business’

- Last year, 30% of graduates went to work for companies with fewer than 250 employees (37% when hospitals are removed), and one in six were with companies with fewer than 50 employees.
- SMEs especially important in the telecoms, arts, design, architecture, marketing/PR/advertising, sport/fitness, law, web design
- SME graduate employment stronger in London and south of England, and in non-urban areas
- The proportion entering SMEs does seem to be falling, though

# **‘The graduate labour market has been hit by Brexit’**



# ‘The graduate labour market has been hit by Brexit’

- **Not yet.....**
- Times Top 100 Hundred employers increased graduate recruitment by 4.3% in 2018 following post referendum dip (High Fliers 2019)
- UK’s top employers are increasing their graduate vacancies by 9.1% in 2019, the highest annual rise in graduate recruitment since 2010.(High Fliers 2019)
- However: many recruiters are concerned about the UK economy post Brexit.
- Generally a lag of a year between recession hitting and graduate hires falling



**‘Most of the graduate jobs  
are based in London and  
the South East’**



# **‘Most graduate level jobs are based on London and the South East’**

- Most graduates start their careers either where they went to university or in their home region
- 20% started career in London, with further 10% in South East
- Birmingham, Manchester, Leeds, Glasgow, Edinburgh, Oxford, Liverpool, Belfast, Bristol, and Cardiff

**‘Most graduate recruiters  
favour people from certain  
universities’**



# **‘Most graduate recruiters only take people from certain universities’**

Most recruiters state that applications treated equally at point of application

However, many employers target their campus based awareness raising activities towards certain universities

Manchester, Bristol, Birmingham, Warwick, UCL, Cambridge, Nottingham, Durham, Leeds and Oxford

**‘The average starting salary  
for new graduates is  
£22,000’**



# ‘Average starting salary for graduates’

The average salary for graduates in full-time employment in the UK was £21,776 (HECSU and AGCAS)

High Fliers state median starting salary of £30,000

Salaries have not increase substantially in past 5 years

# **‘Aldi has one of the highest starting salaries for graduates’**



# ‘Aldi has one of the highest starting salaries’

The highest published graduate starting salaries for 2019:

- Law firms; Linklaters (£47,000), White & Case (£46,000), Baker McKenzie (£45,000), Freshfields Bruckhaus Deringer (£45,000), Allen & Overy (£45,000) and Hogan Lovells (£45,000)
- TPP (£45,000)
- Aldi (£44,000)

*(High Fliers 2019)*



**‘Getting a first class degree  
will improve a graduate’s job  
prospects more than gaining  
a masters**



# ‘First class degree or Masters?’

- Graduates with a 1<sup>st</sup> less likely to be either unemployed or working. If working more likely to be at graduate level and earning more
- Graduates aged 21-30 with a 1<sup>st</sup> class degree earned on average £3,000 more than those who got a 2:1 (who in turn earned £2,500 more than those who got a 2:2 or 3<sup>rd</sup>) *BIS Graduate Labour Market Statistics 2015*
- Graduates with a full time Masters more likely to be unemployed but if working more likely to be in graduate work and earn slightly more. May be ‘holding out’ for right job
- Value of work experience ‘over a third of all employers indicated that graduates had little or no chance of success at interview without prior work experience’ *High Fliers 2019*

# What other factors can impact on a graduate's job prospects?

- Economy/ industry trends
- Location/ geographical mobility
- Background – networks, confidence, aspirations etc
- Skills and abilities
- Previous experience
- Disability
- Ethnicity
- Gender
- Personal factors such as motivation, resilience, ability levels, self-presentation

**‘today’s students are  
all snowflakes!’**



# ‘todays students are all snowflakes’

- Students have significantly inflated expectations, both of themselves and of others (Curran and Hill 2017)
- Increasing trend towards Perfectionism, (particularly socially prescribed perfectionism), so feel that have to keep up, links to depression and anxiety
- ONS survey showed that 46% of students displayed anxiety on a daily basis about finding a graduate job

# ‘Graduates aren’t work ready when they leave’



## **Student life**

**Student as consumer**

**Clear tasks**

**Flexitime**

**Quest for perfection**

**Peers**



## **Employee life**

**Employer as consumer**

**Ambiguous tasks**

**Working week**

**Quest for efficiency**

**Hierarchies**

# It's not *what* you know, its *how* you know

*'82% of employers pay little or not attention to what a student has studied' (ISE)*

*'Employers aren't interested in what your students know. They are interested in what they can do with what they know' Stuart Norton*  
Advance HE



# Top 5 soft skills most needed by employers in 2019

- Creativity
- Persuasion
- Collaboration
- Adaptability
- Time management

Linked In Learning

# World Economic Forum 2018

*‘some jobs will disappear, others will grow and jobs that don’t exist today will be come commonplace. What is certain is that the future workforce will need to align its skillset to keep pace’*

WORLD  
ECONOMIC  
FORUM

COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

Global Challenge Insight Report

## The Future of Jobs

Employment, Skills and  
Workforce Strategy for the  
Fourth Industrial Revolution

January 2016



# World Economic forum

## 2022 Skills Outlook

### Growing

- 1 Analytical thinking and innovation
- 2 Active learning and learning strategies
- 3 Creativity, originality and initiative
- 4 Technology design and programming
- 5 Critical thinking and analysis
- 6 Complex problem-solving
- 7 Leadership and social influence
- 8 Emotional intelligence
- 9 Reasoning, problem-solving and ideation
- 10 Systems analysis and evaluation

Source: Future of Jobs Report 2018, World Economic Forum



### Declining

- 1 Manual dexterity, endurance and precision
- 2 Memory, verbal, auditory and spatial abilities
- 3 Management of financial, material resources
- 4 Technology installation and maintenance
- 5 Reading, writing, math and active listening
- 6 Management of personnel
- 7 Quality control and safety awareness
- 8 Coordination and time management
- 9 Visual, auditory and speech abilities
- 10 Technology use, monitoring and control

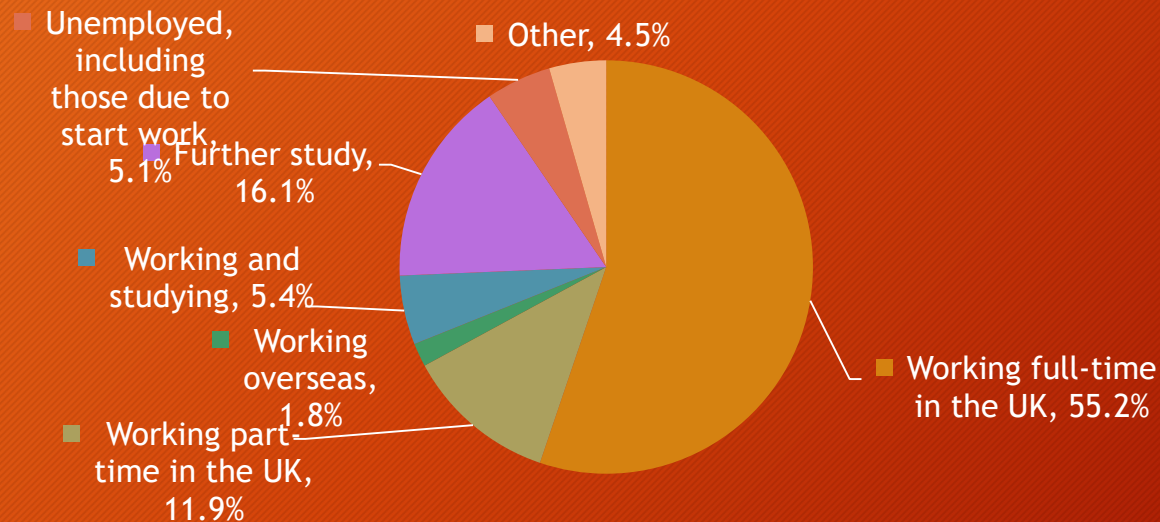
Charlie Ball (Prospects)

Tristram Hooley (Institute of  
Student Employers)

# 10 things students should know about the UK graduate labour market

### 3. It doesn't look too bad

2017 graduates after six months



Data comes from HESA Destination of Leavers of Higher Education 2016/17



### 3. It doesn't look too bad

#### Most common professional level occupations for new graduates from 2017

Nurses	15830	Specialist teaching and other educational professionals	2135
Marketing	5975	Sales accounts and business development managers	1960
Medical practitioners	5710	Social workers	1900
Primary and nursery teaching	5475	Management consultants and business analysts	1895
General and niche business professionals	4055	Legal associate professionals	1860
Programmers and software developers	3915	Graphic designers	1755
Finance analysts and advisers	2895	Photographers, audio-visual and broadcasting equipment operators	1660
Human resources, recruitment industrial relations officers	2805	Midwives	1640
Chartered and certified accountants	2405	Secondary education teaching professionals	1600
Welfare and housing	2290	Sports coaches, instructors and officials	1595
Business sales executives	2170	Events managers	1540
Pharmacists	2165	Arts officers, producers and directors	1510

Data comes from HESA Destination of Leavers of Higher Education 2016/17

### 3. It doesn't look *too* bad (right now)

- 14.47m people working in professional level jobs in the UK
- Or 45.3% of the workforce
- 329,325 first degrees awarded to UK domiciled graduates last year. Rise of 12,635 on 2016 – up about 4%
- The majority were working after six months – 74.3%
- Unemployment was at 5.1% - lowest rate since 1988/89.
- APS data also shows that the UK added 298,100 new professional level jobs last year
- But warning signs now showing

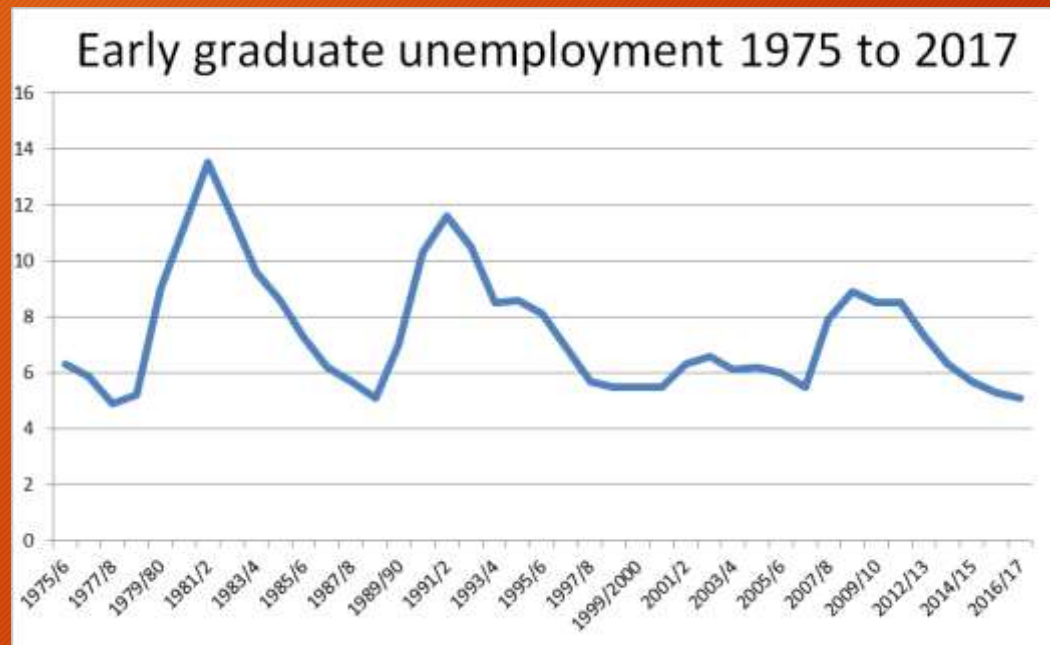
## 4. A new recession is possible



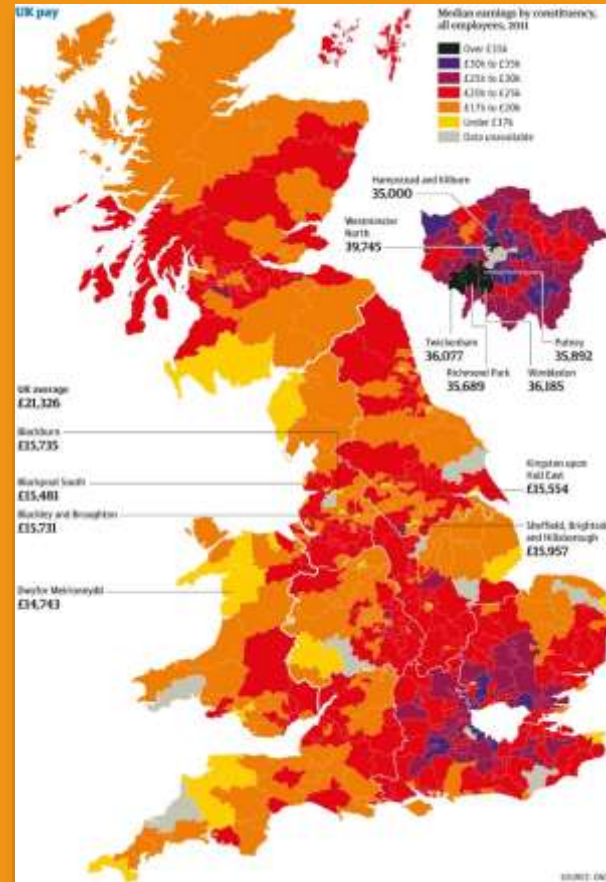


# Impact on graduates

But if/when it comes, graduates will modestly, but not excessively, affected



## 5. Place matters!



## 5. Place matters! London's the most important graduate jobs market in the country

- 14.7% of the UK population lives in London
- 19.8% of UK graduates live in London
- 22.4% of 2016 graduates started their career in London. Many of those jobs were confined to a relatively small area of London.
- Starting salary for graduates in London was £24,991 compared to £22,399 for UK as a whole

## 5. Place matters! But you don't have to work in London, and most graduates don't

Where 2017 graduates went to work

London	41,290 graduates
Birmingham	4670
Manchester	4420
Leeds	3625
Glasgow	3370
Edinburgh	2530
Liverpool	2445
Bristol	2390
Belfast	2385
Sheffield	2145
Cardiff	2115
Newcastle	1945
Nottingham	1790
Leicester	1545

- Graduates are becoming more concentrated in large cities
- Around a third of all graduates starting work in England last year were in one of 4 cities - London, Birmingham, Manchester or Leeds.
- The periphery may be losing out on their share of graduates
- Evidence that graduate mobility is stagnating or even falling



## 7. There are currently significant shortages of graduates

Hardest graduate jobs to fill

Highest proportion of HTFs	Proportion of all vacancies that were HTF last year
Medical practitioners	93.0%
Veterinarians	86.8%
Draughtspersons	72.6%
Nurses	72.1%
Electronics engineers	63.3%
Electrical engineers	58.8%
Civil engineers	57.9%
Quantity surveyors	56.6%
Web design and development professionals	54.1%
Design and development engineers	53.9%
Environment professionals	52.6%
Pharmacists	52.5%
Estimators, valuers and assessors	52.2%
Programmers and software development professionals	50.0%

## 8. Life isn't fair



# Hires by characteristic

Characteristic	Average proportion of hires	UK population average <sup>a</sup>	Higher education average <sup>a</sup>
% State schooled	57%	91%	90%
% Female	46%	51%	57%
% First-generation graduate	31%	NA	40%
% BAME	26%	14%	22%
% Free school meals	13%	12%	NA
% LGBTQ+	6%	2%	5%
% Disabled	5%	18%	12%

# Employers want to increase the diversity of their workforce

- Current hires are not representative of the population. those who have attended state schools, women, first generation graduates and disabled people are the most under-represented groups.
- Almost all employers are prioritising diversity. With some very focused on multiple diversity strands.
- 77% are changing attraction and marketing.
- 67% are changing recruitment and selection.



# 3 key messages for your students?