

The Graduate Market in 2020

Annual review of graduate vacancies & starting salaries at the UK's leading employers



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New to graduate recruitment?

Get off to a flying start.

For the last 25 years, **High Fliers Research** has conducted detailed research into the graduate recruitment market in the UK, providing the country's leading employers with a unique insight into the attitudes and aspirations of final year university students.

Now, the company is delighted to offer **professional training** for new or recently-appointed graduate recruiters through intensive **one-day courses**, available regularly throughout the year at the High Fliers Research Centre in London. The courses have been designed to provide a highly practical insight into best-practice graduate recruitment and are ideal for those with up to 12 months experience of working in recruitment marketing or selection.

For more information about future training courses or to book a place, please call Carla Smith on 020 7428 9000 or email carla.smith@highfliers.co.uk

Foreword

Executive Summary

The Graduate Market in 2020 is a study of the latest graduate vacancies and starting salaries at the UK's one hundred best-known and most successful employers, conducted by **High Fliers Research** during **December 2019**:

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **increased by 6.2%** in 2019, the largest annual increase in recruitment for five years.
- **Public sector** organisations were the largest employers of new graduates in 2019, overtaking the UK's leading **accounting & professional services** firms for the first time.
- Graduate recruitment at the country's leading employers is **expected to rise by a further 3.3% in 2020**, with employers in twelve out of fifteen key industries and business sectors planning to recruit more new graduates this year.
- During the ten years since the end of the recession, graduate vacancies at the UK's leading employers **rose by 39%**, with **eight annual increases** recorded over the decade.
- However, when compared to the 2007 pre-recession peak in recruitment, graduate vacancies grew by **just 7%** in twelve years. Over the same period, the number of graduates leaving university in the UK jumped by **more than 37%**.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the sixth consecutive year in 2020, at a median starting salary of **£30,000**.
- Fifteen of the country's best-known graduate employers are paying salaries in excess of **£45,000** this year.
- The most generous salaries in 2020 are those on offer from the **investment banks** (median of £50,000), **consulting firms** (median of £45,800), **law firms** (median of £45,000) and **oil & energy companies** (median of £38,500).
- The highest published graduate starting salaries for 2020 include law firms **Clifford Chance** (£48,000), **White & Case** (£48,000), **Baker McKenzie** (£48,000), **Linklaters** (£47,000), consulting firm **Newton** (£45,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).
- The number of work experience places available at the UK's leading graduate employers is expected to **increase by 3.0%** in 2020.
- **More than four-fifths** of the country's top graduate employers are offering **paid** work experience programmes for students during the 2019-2020 academic year, providing a record total of **13,514 places**.

- Over three-quarters of employers provide **paid vacation internships** for **penultimate year students** and more than two-fifths offer **course placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Substantial numbers of employers now also have work experience places for **first year undergraduates** – over a quarter of organisations offer paid internships and more than a third of employers run introductory courses, open days and other taster experiences for first year students.
- During the last decade, the number of work experience places on offer to university undergraduates has **increased by more than 50%**, outstripping the rise in graduate vacancies over the same period.
- Fewer than a fifth of the country's leading graduate employers have **increased** their graduate recruitment budgets for the 2019-2020 recruitment round.
- Employers have been actively marketing their 2020 vacancies at an average of **24** UK universities, the highest number recorded to date, using a variety of campus **recruitment presentations**, local **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of **social media**, university **careers fairs**, **skills training events** and **recruitment websites** during this year's recruitment campaigns – but did less **advertising** in sector & local careers guides.
- The ten universities **targeted** by the largest number of top graduate employers in 2019-2020 are Manchester, Birmingham, Warwick, Bristol, Cambridge, Nottingham, Leeds, University College London, Sheffield and Oxford.
- Over half the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and two-fifths believed the quality of applications had improved.
- Together, the country's top employers have received **10% more graduate job applications** so far, compared with the equivalent period in the 2018-2019 recruitment round.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2020**, the annual review of graduate vacancies and starting salaries at the UK's top employers, produced by **High Fliers Research**.

This research, conducted during December 2019, examines how many graduates the leading employers recruited in 2019 and assesses their latest recruitment targets for 2020.

It also analyses the starting salaries on offer to new graduates, the number of paid work experience places that are available to students & recent graduates, and reviews the promotions being used by employers to publicise their graduate vacancies during the 2019-2020 recruitment season.

This is the fifteenth year that High Fliers Research has produced its independent assessment of the graduate job market. The research is based on a study of graduate recruitment at the organisations named as *The Times Top 100 Graduate Employers* for 2019 in a poll of 19,712 final year students to find “Which employer offers the best opportunities for graduates”.

About High Fliers Research

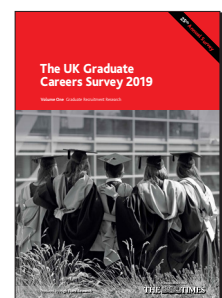
Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 150 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position in the graduate job market.

The company is best-known for *The UK Graduate Careers Survey*, its comprehensive annual study of over 20,000 final year undergraduates at thirty-four leading universities, which is supported and funded by up to 75 national and international employers each year.

The survey gives employers a unique insight into the career expectations and aspirations of final year students – just weeks before they graduate – and provides a definitive record of their search for a graduate job.

High Fliers Research also hosts *The National Graduate Recruitment Conference*, a one-day event held exclusively for graduate recruiters in September each year; *The National Graduate Careers Conference*, an annual briefing on the graduate job market for careers advisers from the UK's leading schools & sixth form colleges; plus *The National Higher & Degree Apprenticeship Conference* for the UK's leading apprenticeship employers.

Internationally, High Fliers Research has worked closely with the **Australian Association of Graduate Employers**, the **South African Graduate Recruitment Association** and the **New Zealand Association of Graduate Employers** to carry out their annual surveys of graduate employers, new recruits and young managers.



The Times Top 100 Graduate Employers

As part of the research for *The UK Graduate Careers Survey 2020*, a total of 19,712 final year students from thirty-four leading universities were asked the unprompted question “Which employer do you think offers the best opportunities for graduates?”.

Between them, finalists named over 1,500 different organisations during the survey – the one hundred employers with the most student votes formed *The Times Top 100 Graduate Employers* for 2019.

It is these employers that are included in the research for **The Graduate Market in 2020** report:

<i>Accenture</i>	<i>DLA Piper</i>	<i>MI5 - The Security Service</i>
<i>Admiral</i>	<i>Dyson</i>	<i>Microsoft</i>
<i>AECOM</i>	<i>Enterprise Rent-a-Car</i>	<i>Morgan Stanley</i>
<i>Airbus</i>	<i>ExxonMobil</i>	<i>Mott Macdonald</i>
<i>Aldi</i>	<i>EY</i>	<i>Nestlé</i>
<i>Allen & Overy</i>	<i>Facebook</i>	<i>Network Rail</i>
<i>Amazon</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Newton Europe</i>
<i>Apple</i>	<i>Frontline</i>	<i>NHS Leadership Academy</i>
<i>Army</i>	<i>GCHQ</i>	<i>Norton Rose Fulbright</i>
<i>Arup</i>	<i>Goldman Sachs</i>	<i>Penguin Random House</i>
<i>ASOS</i>	<i>Google</i>	<i>Pinsent Masons</i>
<i>AstraZeneca</i>	<i>Grant Thornton</i>	<i>Police Now</i>
<i>Atkins</i>	<i>GSK</i>	<i>Procter & Gamble</i>
<i>BAE Systems</i>	<i>Herbert Smith Freehills</i>	<i>PwC</i>
<i>Bain & Company</i>	<i>Hogan Lovells</i>	<i>RBS</i>
<i>Baker McKenzie</i>	<i>HSBC</i>	<i>Rolls-Royce</i>
<i>Bank of England</i>	<i>Huawei</i>	<i>Royal Air Force</i>
<i>Barclays Bank</i>	<i>IBM</i>	<i>Royal Navy</i>
<i>BBC</i>	<i>Irwin Mitchell</i>	<i>Santander</i>
<i>BDO</i>	<i>J.P. Morgan</i>	<i>Shell</i>
<i>BlackRock</i>	<i>Jaguar Land Rover</i>	<i>Siemens</i>
<i>Bloomberg</i>	<i>John Lewis Partnership</i>	<i>Sky</i>
<i>Boots</i>	<i>Johnson & Johnson</i>	<i>Slaughter and May</i>
<i>Boston Consulting Group</i>	<i>KPMG</i>	<i>Teach First</i>
<i>BP</i>	<i>L'Oréal</i>	<i>Tesco</i>
<i>BT</i>	<i>Lidl</i>	<i>Think Ahead</i>
<i>Charityworks</i>	<i>Linklaters</i>	<i>TPP</i>
<i>Citi</i>	<i>Lloyds Banking Group</i>	<i>UBS</i>
<i>Civil Service Fast Stream</i>	<i>Local Government</i>	<i>Unilever</i>
<i>Clifford Chance</i>	<i>Marks & Spencer</i>	<i>Unlocked</i>
<i>CMS</i>	<i>Mars</i>	<i>Virgin Media</i>
<i>Deloitte</i>	<i>McDonald's Restaurants</i>	<i>Vodafone</i>
<i>Deutsche Bank</i>	<i>McKinsey & Company</i>	<i>Wellcome Trust</i>
		<i>White & Case</i>

Chapter 2

Graduate Vacancies

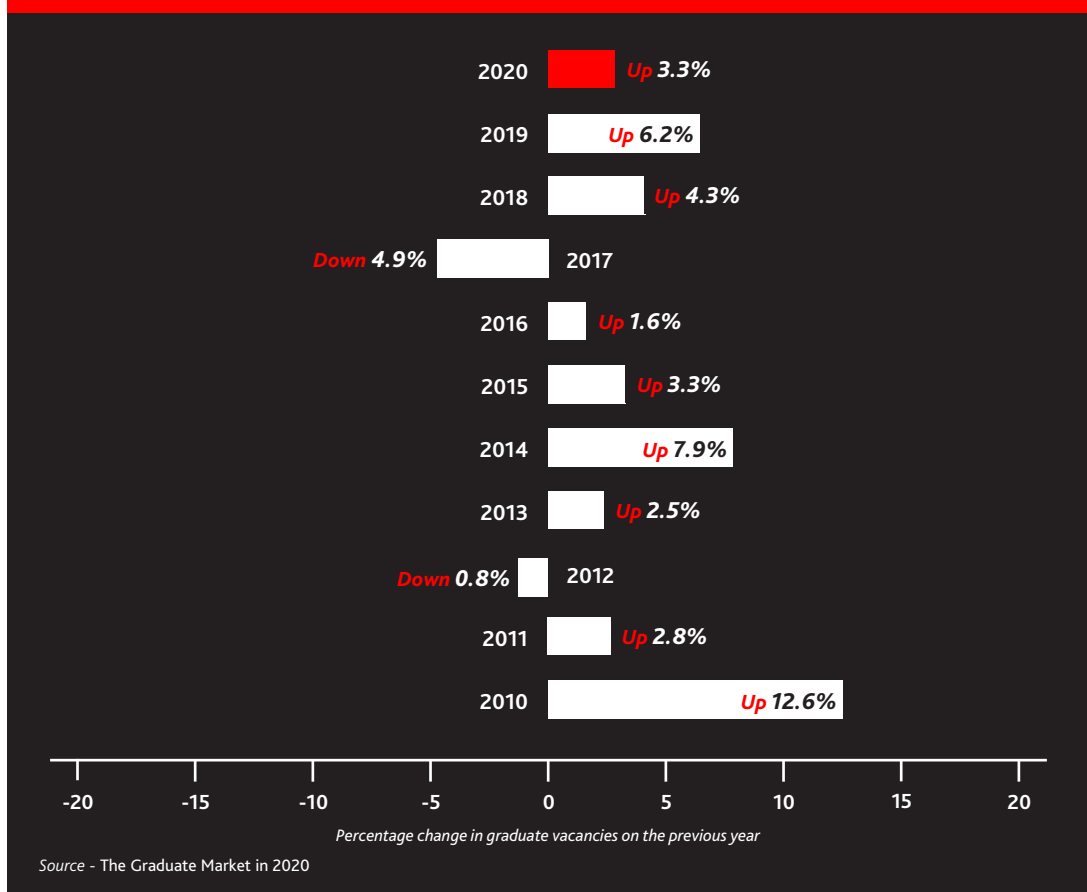
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2020, compared with actual recruitment in 2019. Graduate vacancies for 2020 are typically positions with an autumn 2020 start date, promoted to final year university students during the current 2019-2020 academic year.

The Graduate Market in 2018 report confirmed that the country's top employers cut back on their graduate recruitment in 2017, following the UK's vote to leave the European Union in the summer of 2016. This was the first drop in recruitment for five years and the largest annual decrease in graduate vacancies since the recession in 2008-2009.

Graduate recruitment rebounded during 2018 and the latest research reveals that the UK's leading employers stepped-up their recruitment significantly in 2019 and plan further increases this year (see *Chart 2.1*).

Chart 2.1 How Employers' Vacancies for Graduates Changed from 2010 to 2020



Graduates Recruited in 2019

Following the unexpected dip in graduate vacancies in 2017 in the aftermath of the UK’s decision to leave the European Union, graduate recruitment recovered well in 2018 and the country’s top employers began the 2018-2019 recruitment season in a more confident mood, with higher targets for their 2019 graduate intake.

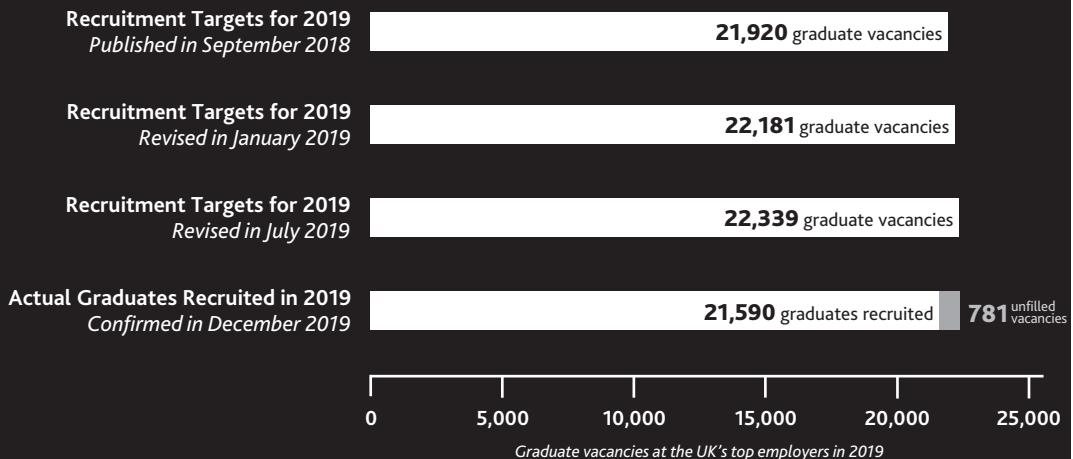
These recruitment targets increased again by the mid-season assessment of graduate vacancies in January 2019 (see *Chart 2.2*) and had risen further by July 2019, when the final estimate concluded that the number of new graduates hired in 2019 could be almost 10% higher than the previous year.

The latest research shows that a total of 21,590 graduates actually started work with the organisations featured in *The Times Top 100 Graduate Employers* in 2019, a welcome 6.2% increase on recruitment in 2018 (see *Table 2.4*) and the highest annual rise in graduate vacancies for five years. The increase in recruitment would have been even higher than had been predicted in July 2019, but a number of major employers struggled to recruit graduates for their harder-to-fill vacancies. Over 700 graduate roles were left unfilled (see *Chart 2.2*), either because graduates turned down or reneged on employers’ job offers, or because employers hadn’t received sufficient applications for their more specialist vacancies.

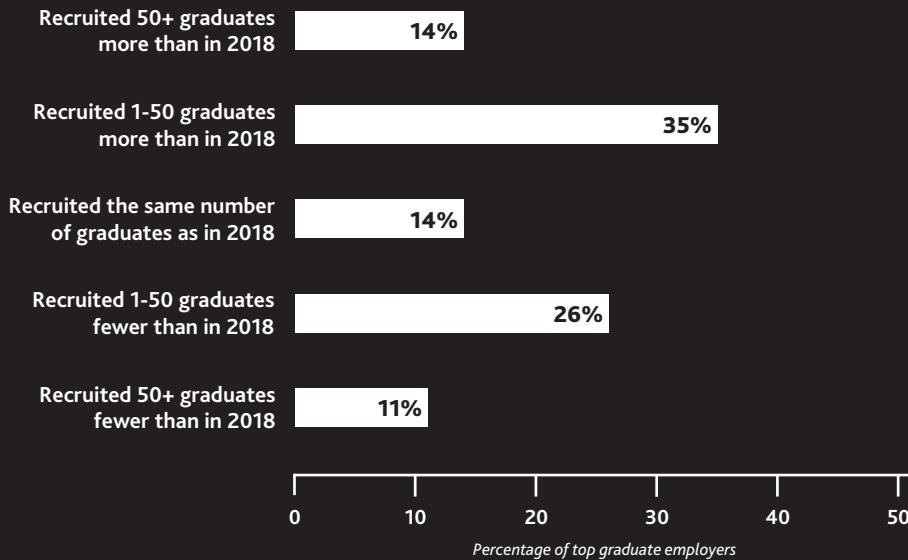
In all, half the country’s leading employers expanded their graduate vacancies in 2019 (see *Chart 2.3*). Graduate recruitment increased in seven of fifteen key industries and business sectors, with the biggest rise recorded at public sector employers, where vacancies leapt by more than a quarter year-on-year, adding more than a thousand new graduate roles (see *Table 2.4*). There were, however, fewer graduate roles available in the Armed Forces, at the leading engineering & industrial companies, and at banking & financial institutions. This data confirms that, for the first time, the UK’s top public sector employers recruited more graduates in 2019 than the leading accounting & professional services firms.

It is interesting to note the considerable difference between the public and private sectors during the 2019 graduate recruitment season – vacancies grew by 12.5% in the public sector (including the Armed Forces), compared with just 3.6% in the private sector.

Chart 2.2 How Graduate Recruitment Targets Changed during 2019



Source - The Graduate Market in 2020

Chart 2.3 How Employers' Graduate Vacancies Changed in 2019, compared with 2018

Source - The Graduate Market in 2020

Table 2.4 Analysis of Graduate Vacancies in 2019, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2019, as published in Sept 2018	Recruitment target for 2019, as revised in Jan 2019	Recruitment target for 2019, as revised in July 2019	Actual graduates recruited by Dec 2019	% change from recruitment in 2018	Vacancies added (cut), compared with 2018
Accounting & professional services	4,850	5,248	5,291	4,911	▲ 6.9%	317
Armed Forces	1,600	2,100	1,534	1,686	▼ 15.0%	(298)
Banking & finance	1,790	1,575	1,515	1,421	▼ 4.0%	(59)
Charity	160	174	174	154	▼ 3.8%	(6)
Chemicals & pharmaceuticals	188	165	170	178	▲ 1.7%	3
Consulting	220	230	240	250	▲ 33.7%	63
Consumer goods	198	227	222	203	▼ 11.7%	(27)
Engineering & industrial	2,200	2,040	1,905	1,753	▼ 6.3%	(117)
Investment banking	1,530	1,565	1,643	1,605	▲ 4.2%	64
Law	888	904	941	900	▼ 0.3%	(3)
Media	935	727	731	721	▼ 6.7%	(52)
Oil & energy	168	165	165	151	▼ 8.5%	(14)
Public sector	5,018	4,656	4,943	4,957	▲ 26.5%	1,038
Retailing	785	670	775	770	▲ 21.1%	134
Technology	1,215	1,565	1,925	1,787	▲ 17.1%	261
ALL SECTORS	21,920	22,181	22,339	21,590	▲ 6.2%	1,255

Source - The Graduate Market in 2020

Expected Graduate Vacancies in 2020

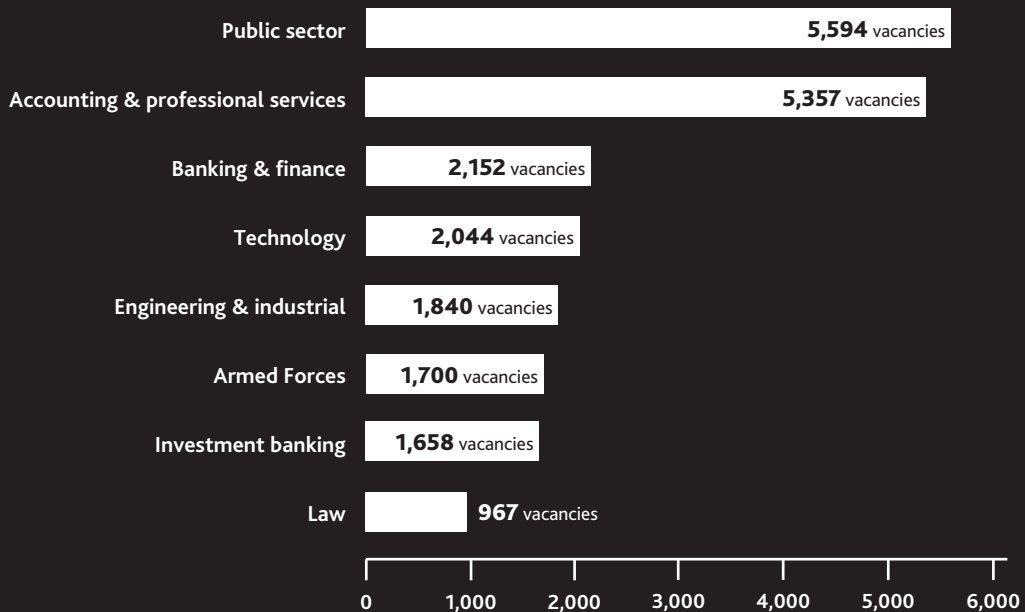
The strong growth in graduate recruitment at the UK’s leading employers in 2019 took vacancies for university-leavers to its highest level ever. Despite the economic uncertainty and political turmoil as the UK struggled to leave the EU, this upbeat mood continued at the beginning of the 2020 recruitment season, with many employers expecting to maintain or increase their graduate vacancy targets for the year ahead. The latest assessment of vacancies confirms that employers are expecting to step up their graduate recruitment by a further 3.3% this year (see *Table 2.7*).

Two-fifths of the country’s best-known employers are preparing to take on more new graduates this year, with seven organisations planning to hire more than 50 extra graduates during 2020. A third of employers expect to hire similar numbers to their 2019 intake, but a quarter warn they will have fewer entry-level vacancies. The median number of vacancies at the top employers in 2020 is 100 graduates, but twelve of the largest employers are intending to recruit more than 500 university-leavers in the coming months (see *Chart 2.6*).

The largest recruiters of graduates in 2020 are expected to be public sector employers, accounting & professional services firms, banking & financial institutions, and technology companies who have combined recruitment targets of over 15,000 graduate positions (see *Chart 2.5*). In comparison to the final recruitment figures for 2019, vacancies for graduates are set to increase in twelve of fifteen key industries and business sectors (see *Table 2.7*).

The biggest growth in vacancies is at banking & financial institutions, public sector employers and accounting & professional service firms, and high-street & online retailers who together have added more than 700 extra graduate positions for 2020. By contrast, there are expected to be further reductions in graduate recruitment at the country’s leading engineering & industrial companies, taking recruitment within the sector to its lowest level for seven years.

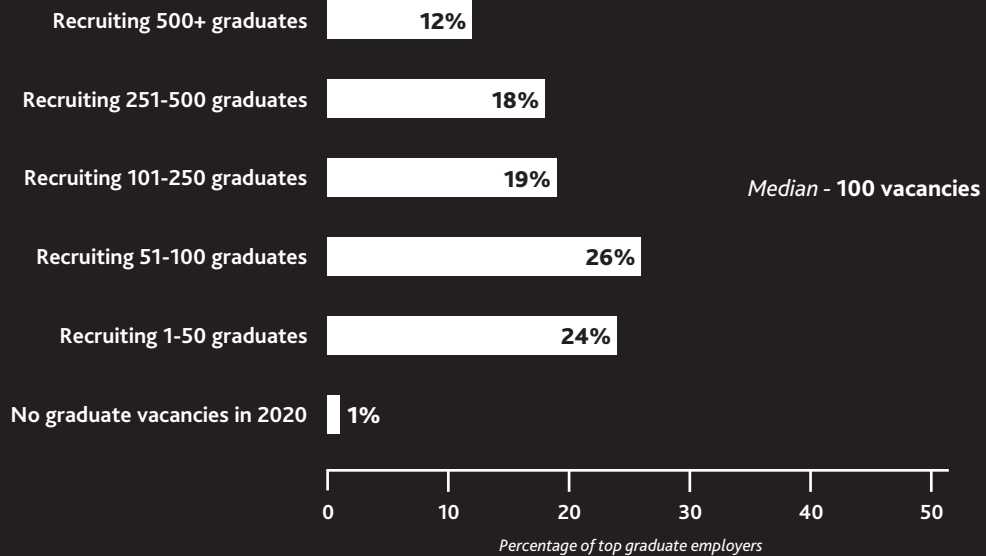
Chart 2.5 Industries or Business Sectors with the most Graduate Vacancies in 2020



Source - The Graduate Market in 2020

Number of vacancies at top graduate employers

Chart 2.6 Graduate Vacancies at the UK's Top Employers in 2020



Source - The Graduate Market in 2020

Table 2.7 Analysis of Graduate Vacancies in 2020, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2020, as published in Sept 2019	Recruitment target for 2020, as revised in Jan 2020	% change from recruitment in 2019	Vacancies added (cut), compared with 2019
Accounting & professional services	5,205	5,357	▲ 2.8%	148
Armed Forces	1,550	1,700	▲ 0.8%	14
Banking & finance	2,120	2,152	▲ 16.0%	297
Charity	162	162	▲ 14.1%	20
Chemicals & pharmaceuticals	148	150	▼ 5.1%	(8)
Consulting	230	265	▲ 6.0%	15
Consumer goods	201	185	▲ 5.7%	10
Engineering & industrial	2,348	1,840	▼ 6.6%	(130)
Investment banking	1,815	1,658	▼ 2.8%	(47)
Law	926	967	▲ 2.3%	22
Media	1,014	762	▲ 5.7%	41
Oil & energy	170	170	▲ 12.6%	19
Public sector	5,222	5,594	▲ 3.4%	184
Retailing	800	854	▲ 10.9%	84
Technology	1,814	2,044	▲ 3.9%	77
ALL SECTORS	24,625	24,760	▲ 3.3%	796

Source - The Graduate Market in 2020

A Decade of Growth in Graduate Vacancies

For university students who completed their degrees in 2007, it proved to be a boom year in graduate recruitment – the number of entry-level vacancies at the UK’s leading employers increased for the third year running and there were more opportunities for graduates in each of fourteen key industries and business sectors.

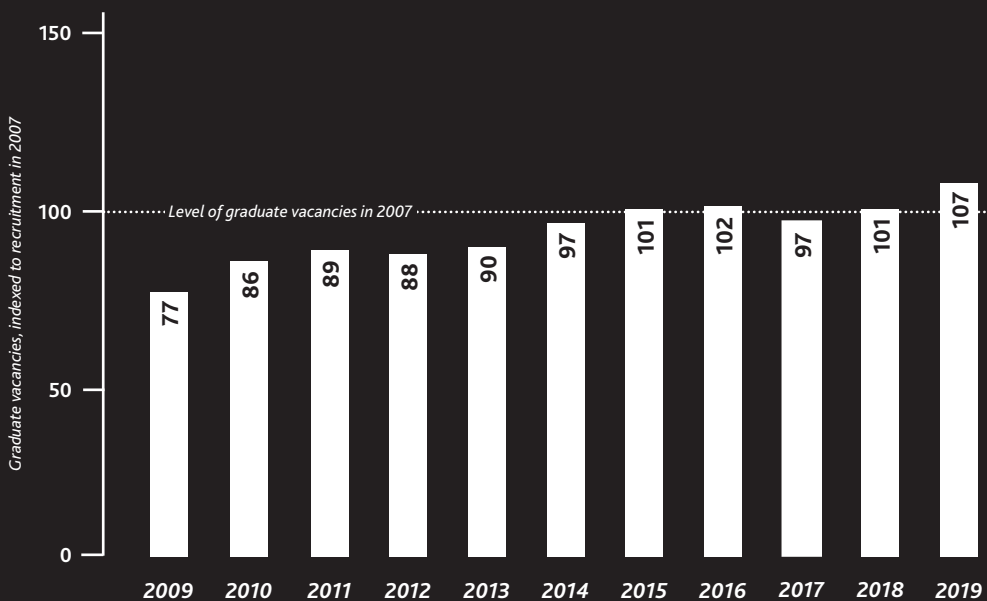
But the onset of the global financial crisis and the recession that followed in the UK had a profound effect on the graduate job market, and graduate vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by an unprecedented 23.3% during 2008 and 2009. Entry-level positions were cut in thirteen of the fourteen most sought-after employment sectors and, in all, some fifty-nine employers saw their graduate recruitment decline.

The worst of the cuts took place at the investment banks, technology firms, chemical & pharmaceuticals companies and within the media, where vacancies halved during the course of the two recruitment rounds. Just one employment area, the public sector, managed to increase its graduate recruitment, stepping up entry-level vacancies by 45% during this two-year period.

It is interesting to benchmark how graduate vacancies have changed over the last ten years (see *Chart 2.8*). By indexing each year’s vacancies to graduate recruitment in 2007, it shows how dramatically the economic downturn affected graduate jobs over the last decade.

After the swingeing cuts in recruitment during the recession, the graduate job market bounced back convincingly in 2010 with a 12.6% increase in vacancies and a further increase of 2.8% in 2011. The recovery stalled a year later but recruitment increased once more in 2013, taking vacancies to their highest level for five years. The significant 7.9% rise in graduate hires recorded in 2014, combined with a further increase of 3.3% the following year, meant that graduate recruitment in 2015 finally matched the 2007 pre-recession peak in vacancies.

Chart 2.8 Indexing Graduate Vacancies at the UK’s Top Employers 2009 to 2019



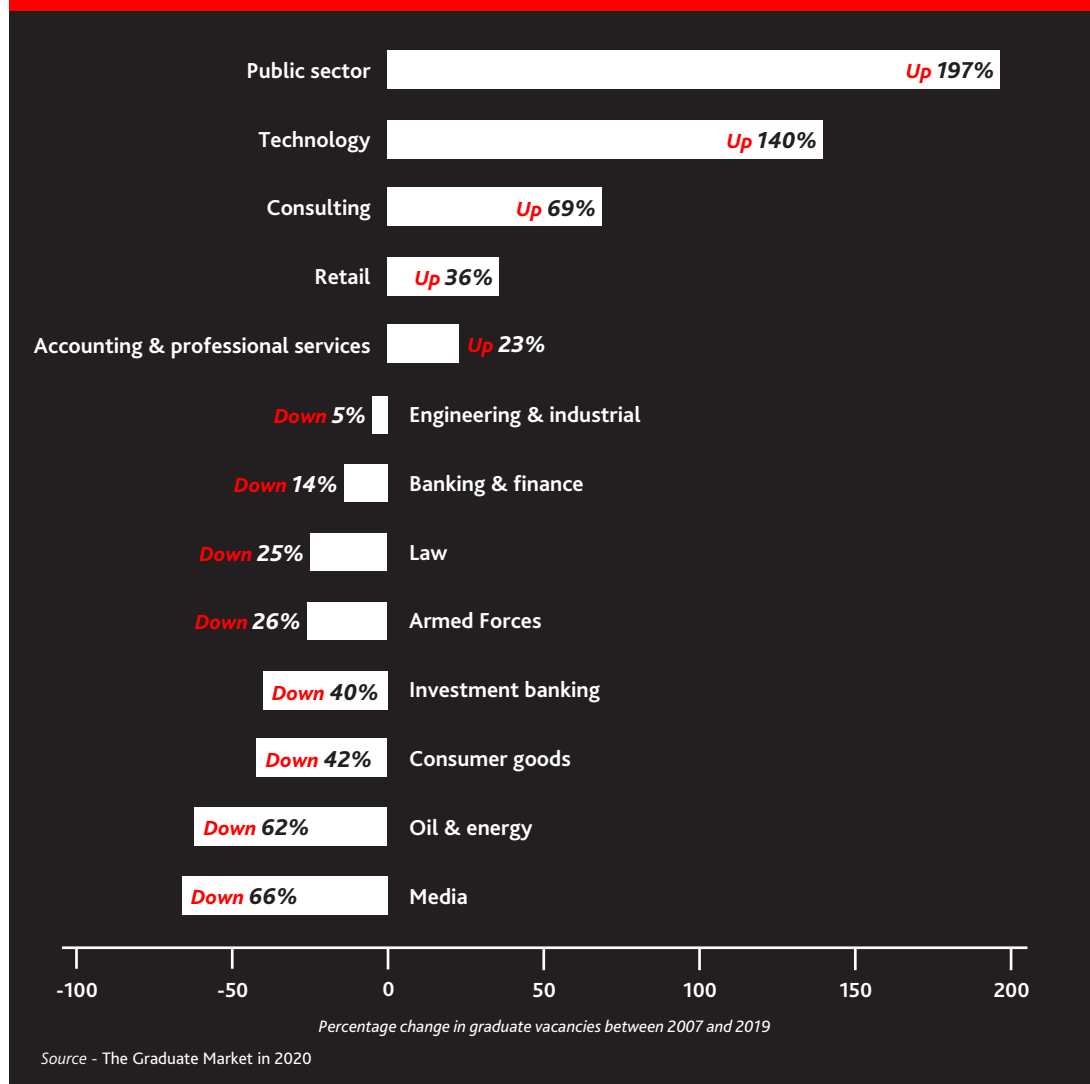
Source - The Graduate Market in 2020

Despite a dip in recruitment in 2017, following the UK’s vote to leave the European Union and the subsequent political turmoil and economic uncertainty brought by the Brexit process, graduate vacancies increased again in both 2018 and 2019. This means that during the ten years since the end of the recession in 2009, graduate vacancies at the UK’s leading employers rose by 39%, with eight annual increases recorded over the decade.

However, this substantial and consistent growth in recruitment masks the long-term impact of the recession in 2008–2009. Comparing last year’s graduate intake with the volume of new recruits hired in 2007, shows that graduate recruitment has increase by just 7% during the last twelve years (see *Chart 2.8*). By contrast, according to the Higher Education Statistics Agency (HESA), the number of graduates leaving university after completing a first degree has jumped by more than 37% over this same period.

Within individual industries and business sectors, graduate recruitment has increased in just five employment areas since 2007 (see *Chart 2.9*), most notably within the public sector where recruitment has almost trebled in the last twelve years.

Chart 2.9 Changes to Graduate Vacancies since the Recession, by Sector or Industry



Summary

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **increased by 6.2%** in 2019, the largest annual increase in recruitment for five years.
- **Public sector** organisations were the largest employers of new graduates in 2019, overtaking the UK's leading **accounting & professional services** firms for the first time.
- Graduate recruitment at the country's leading employers is **expected to rise by a further 3.3% in 2020**, with employers in twelve out of fifteen key industries and business sectors planning to recruit more new graduates this year.
- During the ten years since the end of the recession, graduate vacancies at the UK's leading employers **rose by 39%**, with **eight annual increases** recorded over the decade.
- However, when compared to the 2007 pre-recession peak in recruitment, graduate vacancies grew by **just 7%** in twelve years. Over the same period, the number of graduates leaving university in the UK jumped by **more than 37%**.

Chapter 3

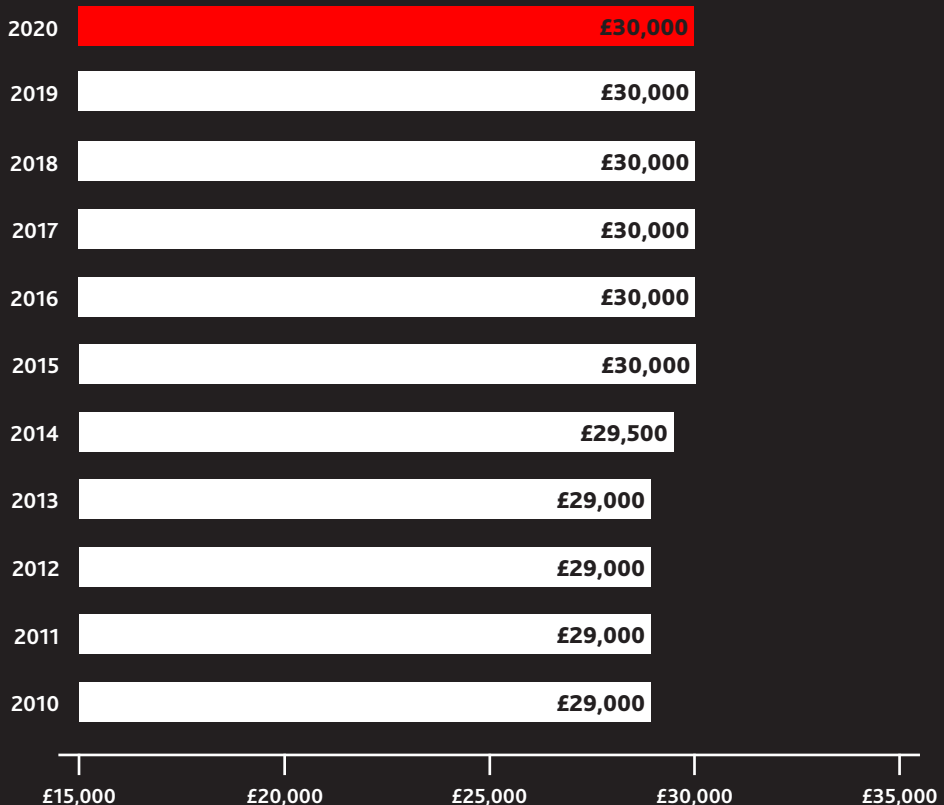
Graduate Starting Salaries

Starting Salaries for Graduates

The second part of the research examines the starting salaries that the UK's top employers are preparing to pay new graduates who are due to join their organisations in 2020, compared with the salaries paid to graduate recruits who began work in 2019. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2018-2019 and 2019-2020 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

Graduate starting salaries rose every year until 2010, but in the decade since the recession ended, there have only been two annual rises in 2014 and 2015 (see *Chart 3.1*). The median starting salary for new graduates has increased by just £1,000 over that period and has remained at £30,000 for the last five years.

Chart 3.1 How Employers' Graduate Starting Salaries Changed from 2010 to 2020



Source - The Graduate Market in 2020

Median graduate starting salaries

Graduate Starting Salaries in 2020

The median graduate starting salary on offer in 2020 from the UK’s leading employers is again expected to be £30,000, unchanged for the sixth year running.

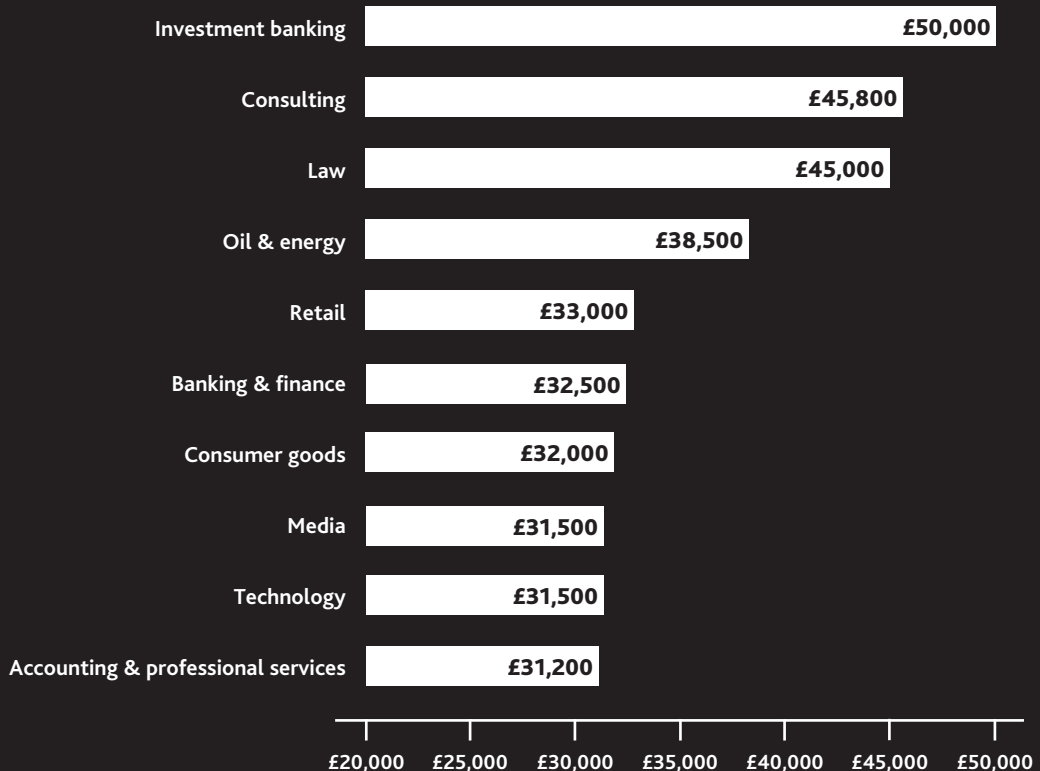
At the very top of the market there are a record fifteen organisations offering graduate salaries in excess of £45,000 this year, whereas just four employers have starting salaries of £20,000 or less (see *Chart 3.3*). Analysis of the salaries paid for individual roles shows that almost a sixth of jobs at the country’s top employers now have initial salaries of £40,000 or more.

The highest-paying sector for new graduates is again investment banking, where the median starting salary is £50,000 (see *Chart 3.2*). The top strategy consulting firms have increased their graduate salaries to £45,800 and salaries for trainee solicitors at the country’s top law firms is £45,000. Median starting salaries have also risen in the Armed Forces, engineering & industrial employers, public sector organisations and media companies (see *Table 3.4*).

Beyond the City and the legal sector, this year’s highest published starting salaries are at the consulting firm Newton and technology company TPP – which both offer new graduate recruits £45,000 – and Aldi, where the pay for graduates joining its trainee area manager programme is £44,000.

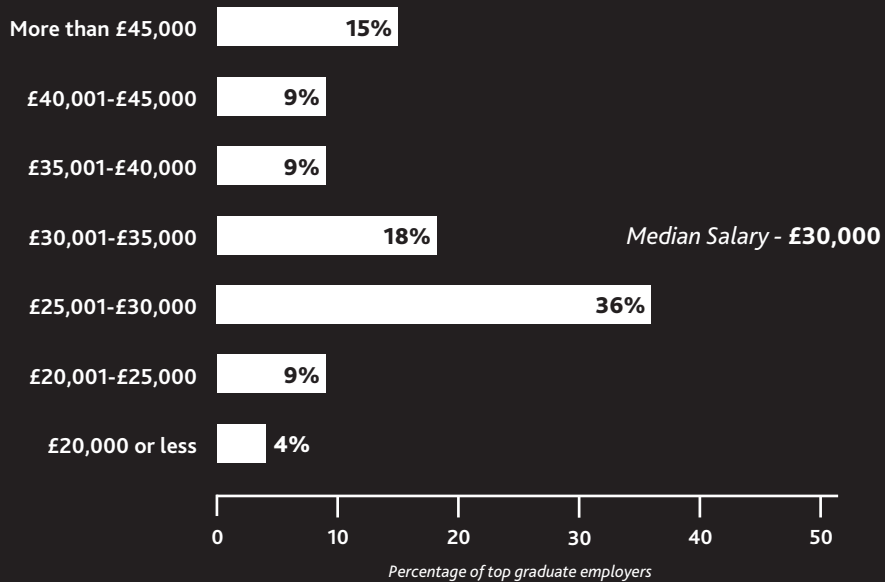
It is interesting to note that had the median graduate starting salary of £29,000 paid by the UK’s top employers in 2010 kept pace with inflation, it would now be worth over £37,400, over £7,000 more than this year’s median pay.

Chart 3.2 Industries or Business Sectors with the highest Graduate Salaries in 2020



Source - The Graduate Market in 2020

Median starting salaries

Chart 3.3 Graduate Starting Salaries at leading UK Employers in 2020

Source - The Graduate Market in 2020

Table 3.4 Analysis of Graduate Salaries in 2020, by Industry or Business Sector

Industry or Business Sector	Median graduate starting salary for 2020	Range of graduate starting salaries on offer in 2020	% change in median salary since 2019	Increase (decrease) in median salary
Accounting & professional services	£31,200	£17,500-£34,500	NO CHANGE	NO CHANGE
Armed Forces	£27,300	£26,000-£27,300	▲ 3.0%	£800
Banking & finance	£32,500	£21,500-£45,000	NO CHANGE	NO CHANGE
Charity	£19,800	£19,800-£28,000	NO CHANGE	NO CHANGE
Chemicals & pharmaceuticals	£29,300	£29,000-£30,000	NO CHANGE	NO CHANGE
Consulting	£45,800	£45,000-£50,000	▲ 1.8%	£800
Consumer goods	£32,000	£30,000-£32,000	NO CHANGE	NO CHANGE
Engineering & industrial	£28,500	£24,000-£31,000	▲ 0.7%	£200
Investment banking	£50,000	£35,000-£60,000	NO CHANGE	NO CHANGE
Law	£45,000	£26,500-£50,000	NO CHANGE	NO CHANGE
Media	£31,500	£21,000-£47,000	▲ 3.3%	£1,000
Oil & energy	£38,500	£33,000-£43,000	NO CHANGE	NO CHANGE
Public sector	£24,200	£18,000-£30,000	▲ 0.8%	£200
Retailing	£33,000	£22,000-£44,000	NO CHANGE	NO CHANGE
Technology	£31,500	£28,200-£45,000	NO CHANGE	NO CHANGE
ALL SECTORS	£30,000	£19,800-£60,000	NO CHANGE	NO CHANGE

Source - The Graduate Market in 2020

Summary

- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the sixth consecutive year in 2020, at a median starting salary of **£30,000**.
- Fifteen of the country's best-known graduate employers are paying salaries in excess of **£45,000** this year.
- The most generous salaries in 2020 are those on offer from the **investment banks** (median of £50,000), **consulting firms** (median of £45,800), **law firms** (median of £45,000) and **oil & energy companies** (median of £38,500).
- The highest published graduate starting salaries for 2020 include law firms **Clifford Chance** (£48,000), **White & Case** (£48,000), **Baker McKenzie** (£48,000), **Linklaters** (£47,000), consulting firm **Newton** (£45,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).

Chapter 4

Internships & Work Placements

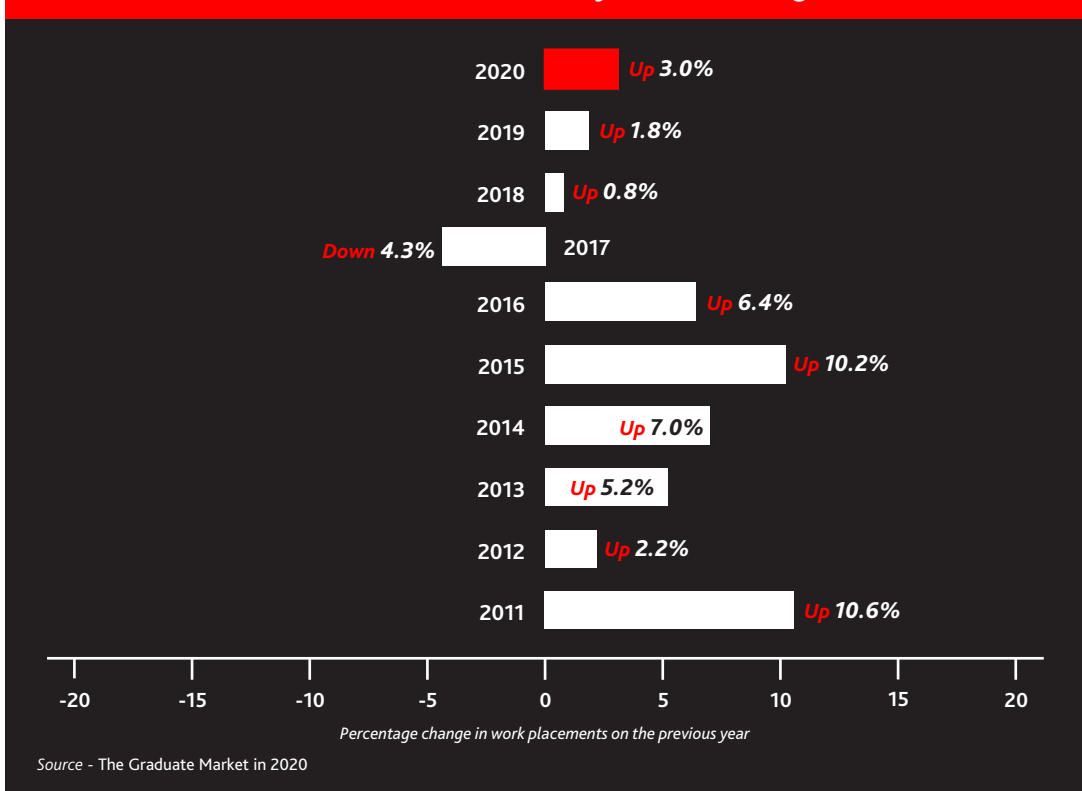
Recruiting Graduates through Work Experience Programmes

A decade ago, the main reason that many graduate employers offered university students work placements was simply to help individuals decide which career sector they were suited to and to enable undergraduates to experience the type of work that graduates did in a particular industry or business area. There were few direct links between these undergraduate work placements and the graduate recruitment process.

In today's competitive graduate recruitment market, work experience schemes have become an integral part of recruiting new graduates. Students applying for paid placements during their first or second year at university are selected through a very similar recruitment process to that used to recruit graduates. This means that once a placement has been successfully completed, recruiters are able to offer students a graduate position, often a full year before they are due to leave university and several months ahead of employers who recruit graduates during their final year of study.

The increased importance of work experience has meant the number of paid placements on offer at the UK's top employers has risen sharply over the last ten years (see *Chart 4.1*).

Chart 4.1 How Work Placements for University Students Changed 2011-2019



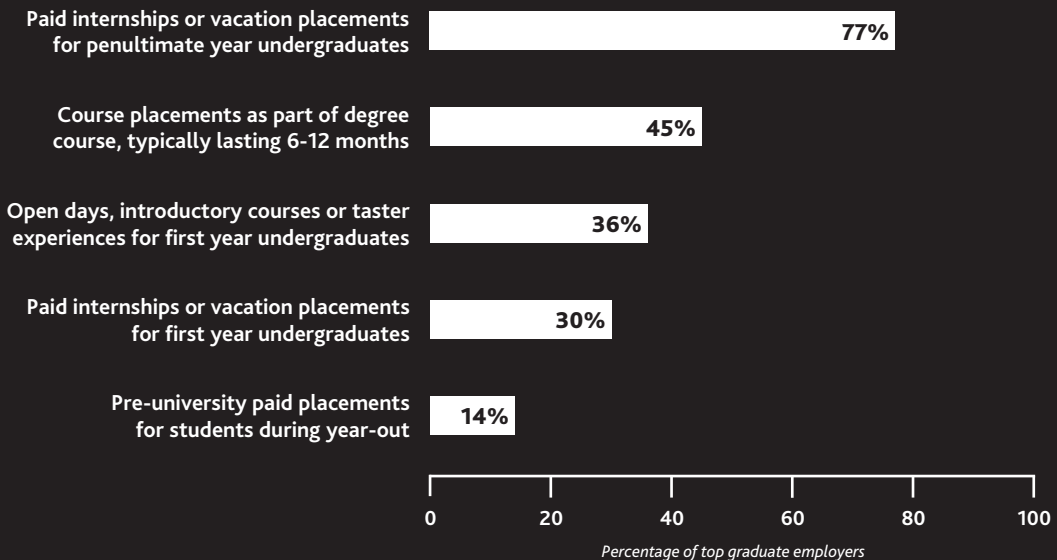
Availability of Work Experience in 2020

More than three-quarters of the country’s top graduate employers will be providing paid internships to penultimate year students during their 2020 summer vacations (see *Chart 4.2*). Over two-fifths are hosting course placements – structured work experience organised as part of university degree courses (sometimes described as ‘sandwich’ courses) and typically lasting between six and twelve months – that give students first-hand experience of technical, commercial or research roles. Increasing numbers of employers also offer work experience to first year undergraduates, with more than half providing paid internships and vacation placements, or open days, short introductory courses or ‘taster’ experiences.

In total, the graduate employers featured in the research are offering over 13,500 paid internships and work experience placements this year (see *Table 4.4*). This is a 3.0% increase on the number of work placements that were provided by graduate employers in 2019 and the third year running that placements have risen. Employers in ten out of fifteen industries and business sectors have stepped-up their work experience places this year, with the largest increases at accountancy & professional services firms and technology companies. Over the last decade, the number of work experience places available for undergraduates has grown by more than 50%, outstripping the rise in graduate vacancies over the same period.

The country’s leading graduate employers are offering a median of 100 paid internships or work placements in 2020 (see *Chart 4.3*) but fourteen organisations are providing more than 250 placements each. The City’s investment banks have the most places available this year, with over 2,800 paid internships and work placements available. This is one of just four sectors where the number of work experience places on offer from employers outstrips the number of permanent jobs available to graduates. Accounting & professional services firms, technology companies, public sector employers and consulting firms have the lowest ratio of placements to graduate jobs, making it harder for students interested in these areas to get relevant experience before they apply for graduate roles.

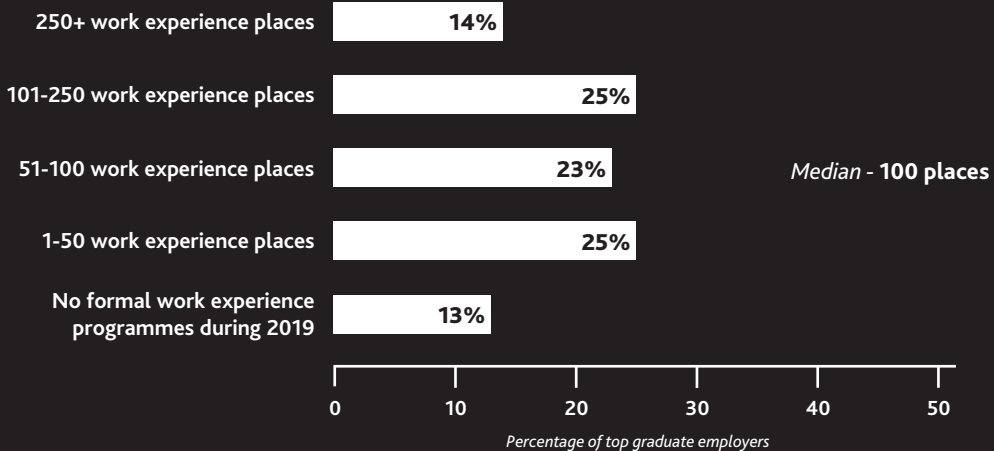
Chart 4.2 Type of Work Experience available at the UK’s Top Employers in 2020



Source - The Graduate Market in 2020

Graduate recruiters at the organisations featured in the research were asked about the value of work experience when it comes to assessing students' applications for graduate roles. Two fifths warned that in today's competitive job market, it was either 'not very likely' or 'not at all likely' that a graduate who'd had no previous work experience at all with any employers would be successful during their selection process and be made a job offer, irrespective of their academic achievements or the university they had attended.

Chart 4.3 Paid Work Experience Places available at the UK's Top Employers in 2020



Source - The Graduate Market in 2020

Table 4.4 Analysis of Paid Work Experience in 2020, by Industry or Business Sector

Industry or Business Sector	Total work experience places available in 2019	Total work experience places available in 2020	% change in places between 2019 & 2020	Ratio of work experience places to graduate vacancies in 2020
Accounting & professional services	1,765	1,984	▲ 12.4%	37:100
Banking & finance	1,536	1,576	▲ 2.6%	73:100
Chemicals & pharmaceuticals	440	451	▲ 2.5%	301:100
Consulting	13	18	-	7:100
Consumer goods	348	366	▲ 5.2%	198:100
Engineering & industrial	1,769	1,782	▲ 0.7%	97:100
Investment banking	2,565	2,837	▲ 10.6%	171:100
Law	1,295	1,270	▼ 1.9%	131:100
Media	631	556	▼ 11.9%	73:100
Oil & energy	135	145	▲ 7.4%	85:100
Public sector	961	788	▼ 18.0%	14:100
Retailing	427	432	▲ 1.2%	51:100
Technology	597	749	▲ 25.5%	37:100
ALL SECTORS	13,118	13,514	▲ 3.0%	55:100

Source - The Graduate Market in 2020

Summary

- The number of work experience places available at the UK's leading graduate employers is expected to **increase by 3.0%** in 2020.
- **More than four-fifths** of the country's top graduate employers are offering **paid** work experience programmes for students during the 2019-2020 academic year, providing a record total of **13,514 places**.
- Over three-quarters of employers provide **paid vacation internships** for **penultimate year students** and more than two-fifths offer **course placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Substantial numbers of employers now also have work experience places for **first year undergraduates** – over a quarter of organisations offer paid internships and more than a third of employers run introductory courses, open days and other taster experiences for first year students.
- During the last decade, the number of work experience places on offer to university undergraduates has **increased by more than 50%**, outstripping the rise in graduate vacancies over the same period.

Chapter 5

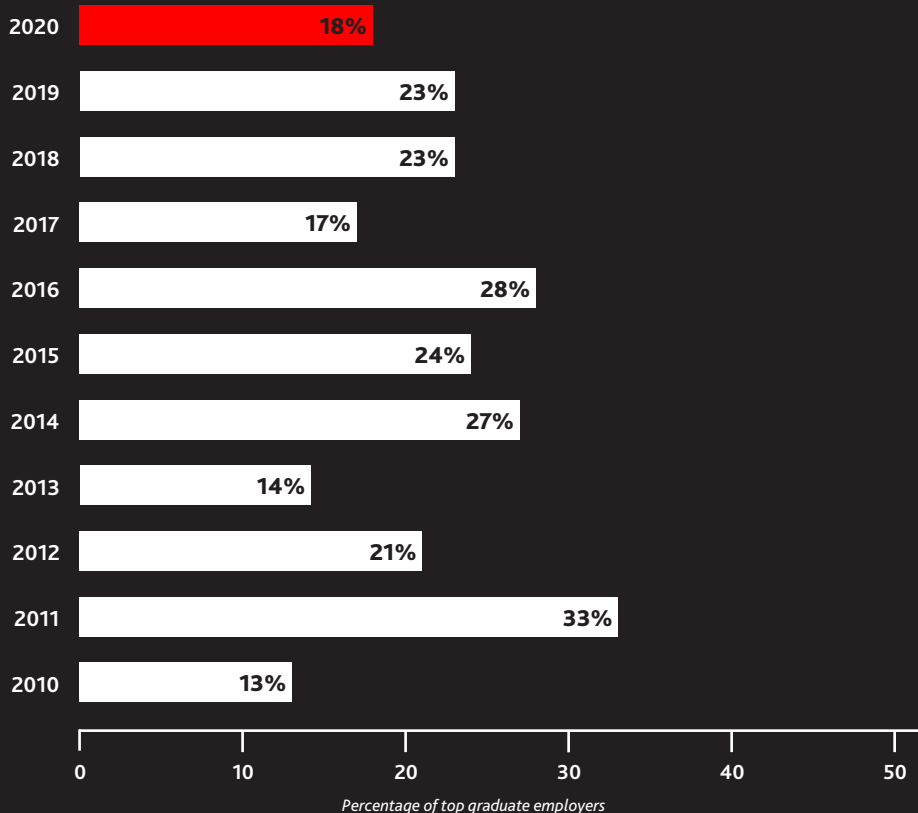
Graduate Recruitment in 2019-2020

Promoting Graduate Programmes

The final part of the research examines how the UK's leading recruiters have approached the 2019-2020 recruitment round – from the promotions they used to publicise their graduate opportunities and the universities they targeted during their campus recruitment campaigns, to the volume and quality of applications received so far for their 2020 graduate vacancies.

The global recession in 2008 and 2009 had a substantial impact on the resources available to the UK's leading graduate recruiters and *The Graduate Market in 2010* report showed that recruitment budgets at almost half of the country's top graduate employers had been cut compared with the previous recruitment season. In the decade since, spending on graduate recruitment has varied considerably but as vacancy targets rose in 2011, again from 2014 to 2016, and once more in 2018 & 2019, the proportion of employers with larger recruitment budgets increased accordingly (see *Chart 5.1*).

Chart 5.1 Employers with increased annual Graduate Recruitment Budgets 2010-2020



Source - The Graduate Market in 2020

Graduate Recruitment Challenges in 2019-2020

Recruiters at almost two-thirds of the UK’s leading employers stated that they have similar resources to attract and recruit graduates during the 2019-2020 recruitment season, compared with last year (see *Chart 5.2*).

Fifteen organisations reported they have had less money to spend on graduate recruitment this year – including three of the ‘Big Four’ accounting & professional services firms, several well-known retailers and two consumer goods companies – but budgets are higher at eighteen leading employers.

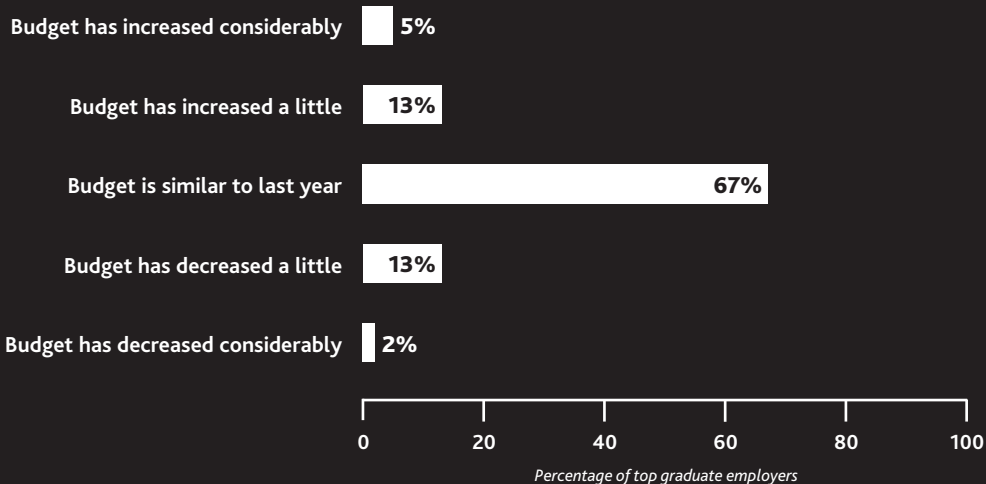
Graduate recruiters taking part in the research were asked about their main challenges and focuses during the current 2019-2020 recruitment round (see *Chart 5.3*). The results show that achieving diversity targets remains the highest priority for recruiters, as organisations seek to recruit a more balanced workforce, with graduates from a wider range of backgrounds and circumstances.

More than half the employers featured in the research said that achieving gender diversity targets, achieving ethnic diversity targets and social mobility targets were a ‘very high’ priority for their organisations during the current recruitment season. Employers commented that they have used a wide range of initiatives in order to attract the widest-possible range of applicants for their graduate programmes, and many have adapted their recruitment processes in order to make them as fair and equitable as possible.

Three-fifths of employers said improving students’ perceptions of their organisations was a ‘very high’ priority this year, two-fifths were working hard to improve the quality of the graduates they recruited, and a quarter of employers said they were focused on stepping-up their organisation’s profile on-campus.

Few employers wanted to increase the total number of graduate applications that they received but over a third of graduate recruiters hoped to attract more applicants for specific job functions or graduate programme, particularly those with technology, engineering or other STEM vacancies.

Chart 5.2 Employers’ Graduate Recruitment Budgets for 2019-2020

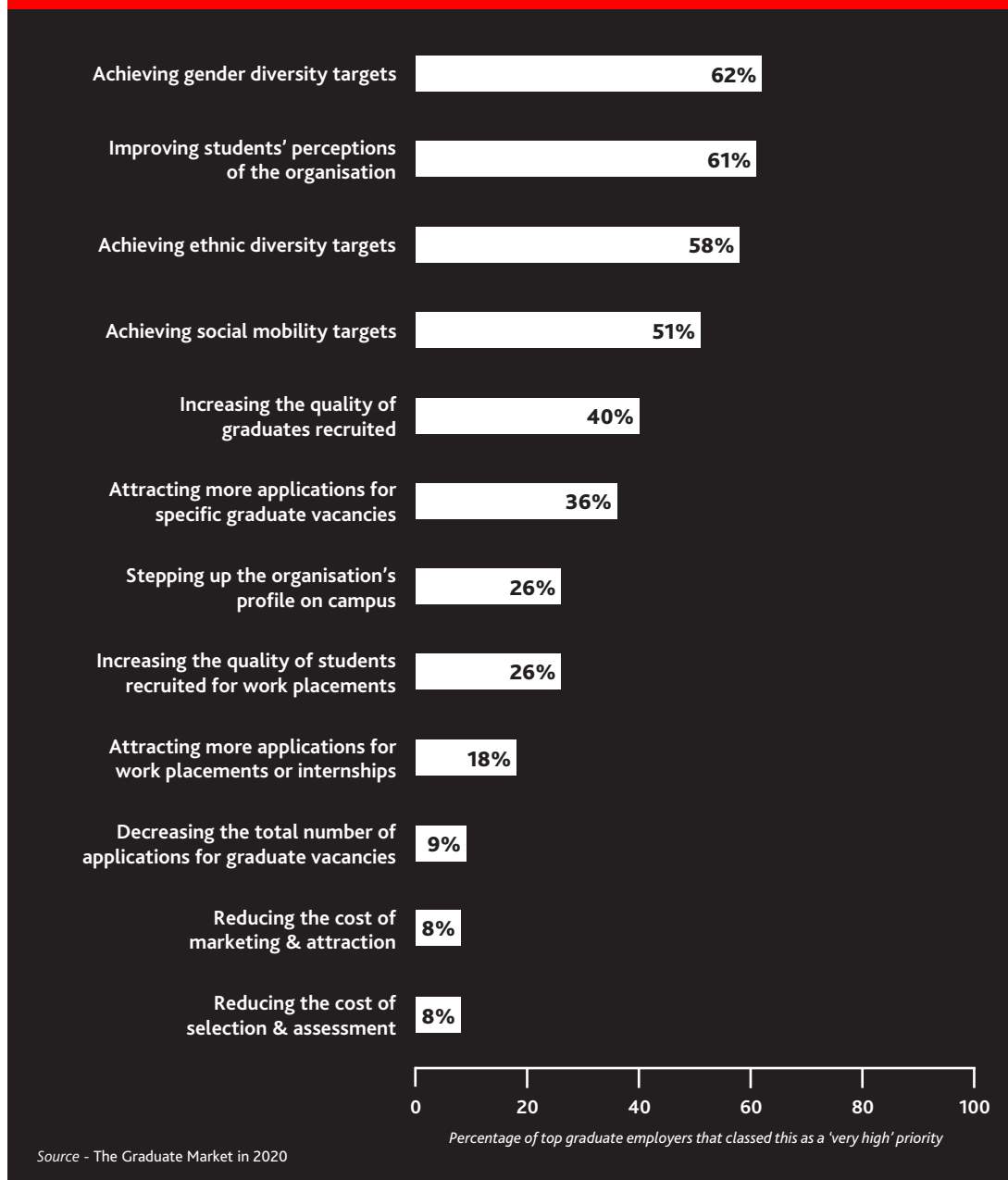


Source - The Graduate Market in 2020

There was also an increased emphasis on internships and work experience at many organisations, with one in six seeking more applicants for their work experience programmes and over a quarter explaining that improving the quality of students recruited for internships or placements was a ‘very high’ priority.

Finally, although only a handful of graduate recruiters described reducing the cost of their graduate marketing & attraction and their selection & assessment process as a ‘very high’ priority, almost half said they were keen to reduce costs for different parts of their graduate recruitment this year – fewer than a fifth of organisations described this as a ‘very low’ priority for them.

Chart 5.3 Challenges for Graduate Recruiters at the UK’s Top Employers in 2019-2020



Graduate Recruitment Promotions in 2019-2020

The UK’s leading employers have used a very wide variety of promotions to publicise their graduate programmes during the 2019-2020 recruitment season (see *Table 5.5*).

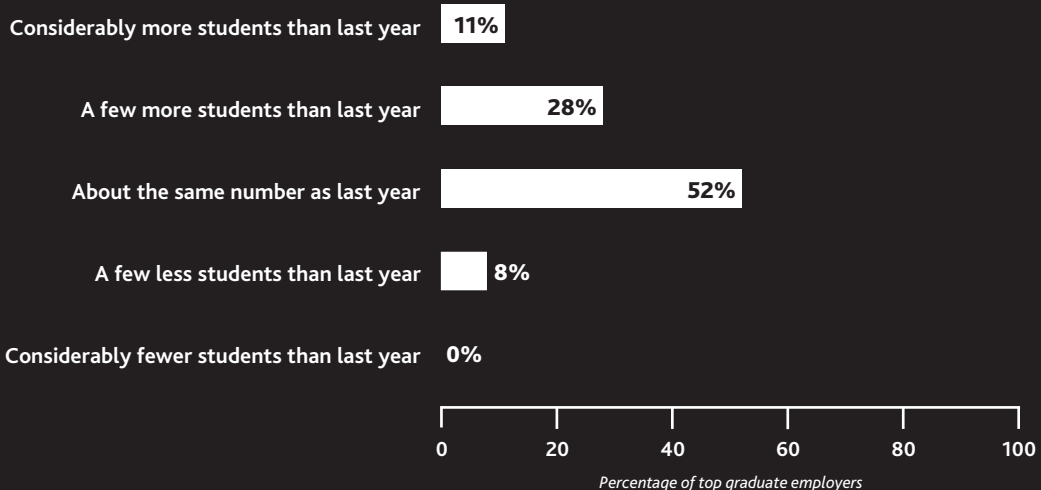
In terms of national promotions, half of graduate recruiters confirmed they had stepped-up use of social media this year and almost all of the country’s top employers have promoted their opportunities through advertising in graduate careers directories (such as *The Times Top 100 Graduate Employers* and *The UK 300*) and via graduate recruitment websites (such as *TARGETJobs*, *Prospects* and *Milkround*). Many top employers are also using commercial or university email services to contact individual students but fewer than half of recruiters are currently using recruitment apps (such as *Debut* or *Placer*) or have participated in virtual careers fairs.

On campus, almost every major graduate employer has been working with university careers services this year and most are also providing a programme of local university recruitment events. Over ninety individual organisations hosted their own campus presentations across the UK, but a fifth commented that they had held fewer events than last year. A similar number of employers have been using careers fairs to publicise their graduate opportunities, and up to a fifth said they had made more use of these events this year.

Skills training events continue to be widely-used, with a sixth of employers stepping-up these events this year. Campus drop-in sessions have been used by almost two-thirds of the top employers but have proved less popular than in previous years and fewer recruiters relied on academic lectures to promote their graduate vacancies

More than half of graduate employers have recruited their own network of campus brand managers – local students or postgraduates who are hired to help publicise an employer’s university events, to remind fellow students about application deadlines, and to assist recruiters with identifying potential local promotional opportunities. Three-fifths of recruiters are sponsoring student societies, clubs or sporting events this year to help promote their employer brand at a local level.

Chart 5.4 Number of Students taking part in Employers’ Campus Events in 2019-2020



Source - The Graduate Market in 2020

However, fewer recruiters chose to advertise in printed career sector guides or local careers publications this year and a number of employers commented that they has spent less on their advertising.

Many graduate employers have reported strong attendances by students at their campus events so far during the 2019-2020 recruitment season (see *Chart 5.4*) – two-fifths of organisations said that either a ‘few more’ or ‘considerably more’ students had taken part in their local recruitment presentations, skills training sessions or had met them at university careers fairs. Half of organisations thought the turnout from students had been similar to the previous recruitment season and fewer than one in twelve employers were disappointed that fewer job hunters attended their events this year.

It is also clear from the research that employers are now almost as likely to be targeting first or penultimate year undergraduates as final year students when promoting their graduate vacancies. Four-fifths of organisations have held events during the 2019-2020 recruitment round specifically for first year students, such as taster sessions, office open days or introductory courses.

More than a third of graduate employers said they had done more with first year students than ever before or had worked harder to promote course placements, internships and work experience programmes to penultimate year undergraduates. And at least half of recruiters had increased up their earliest recruitment promotions, targeting pupils at schools and sixth form colleges.

Table 5.5 Analysis of Employers' Graduate Recruitment Promotions in 2019-2020

<i>Graduate Recruitment Promotion</i>	<i>% of employers who used promotion during 2019-2020</i>	<i>Done more than last year %</i>	<i>About the same as last year %</i>	<i>Done less than last year %</i>
University careers services	96	16	75	5
Campus presentations	96	15	62	19
Promotions on social media	96	49	46	1
Advertising in graduate directories	95	7	81	7
Promotions on graduate recruitment websites	94	21	63	10
Careers fairs	93	19	56	18
Email services	93	15	68	10
Skills training sessions	81	15	57	9
Advertising in career guides	78	2	68	8
Drop-in sessions	64	10	40	14
Sponsorship of student societies & clubs	60	10	43	7
Campus brand managers	57	14	36	7
Academic lectures	54	5	41	8
Recruitment apps	46	11	28	7
Virtual careers fairs	41	16	19	6

Source - The Graduate Market in 2020

Universities Targeted by Employers in 2019-2020

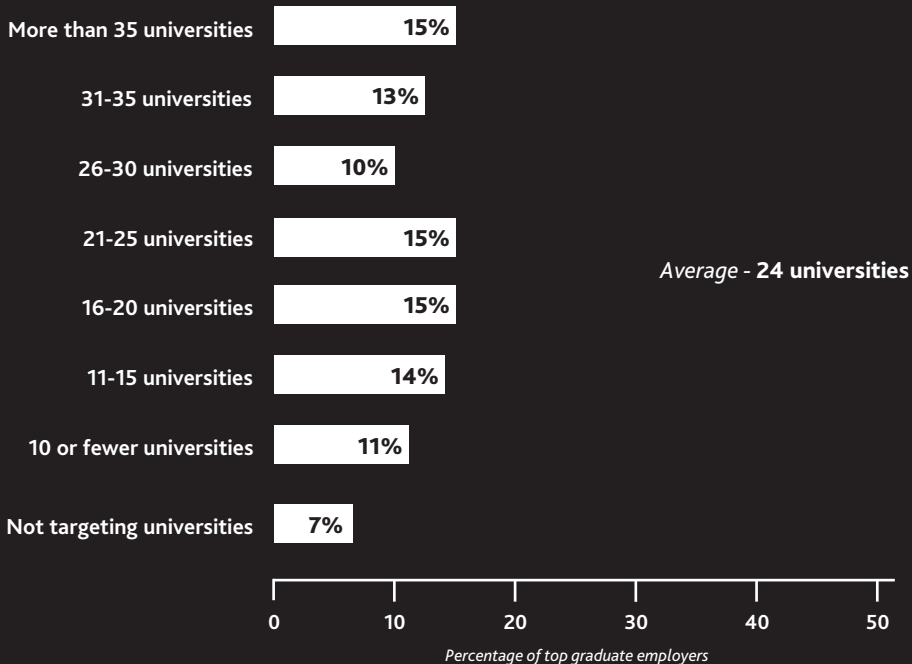
With more than 140 universities offering undergraduate degree courses in the UK, employers have the widest-ever choice of higher education institutions from which to recruit graduates. Very few organisations have the resources to target all of these universities to promote their graduate opportunities, so most employers focus their recruitment publicity at a more limited number of institutions.

For the 2019-2020 recruitment season, two-fifths of the country’s top graduate employers have targeted between 15 and 30 universities each (see *Chart 5.6*), a quarter of organisations are visiting more than thirty campuses for their graduate promotions, and seven employers are not targeting any individual universities at all. Accounting & professional services firms, public sector employers and law firms have actively publicised their graduate vacancies at the largest number of universities (see *Chart 5.7*). On average, employers are targeting twenty-four universities each this year, the highest number recorded to date.

The five universities currently targeted by the largest number of top graduate employers are Manchester, Birmingham, Warwick and University College London (see *Table 5.8*). These institutions have attracted the largest number of leading graduate recruiters for campus fairs, recruitment presentations or other local university promotions during 2019-2020.

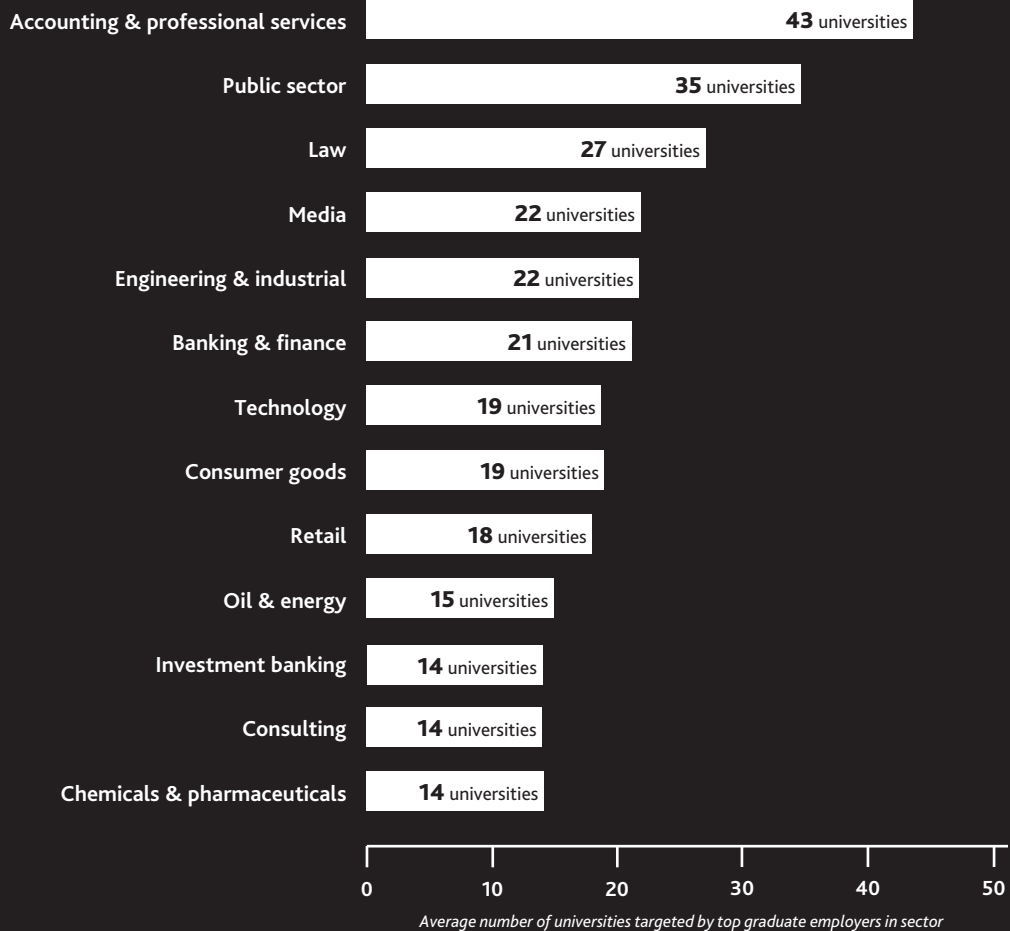
Its intriguing to compare this list with *The Times & Sunday Times Good University Guide 2020*, the latest league table of institutions compiled from a range of university data including entry standards, teaching performance, academic research, student funding and graduates’ career prospects. In these rankings, Cambridge and Oxford are in 1st and 2nd place but Birmingham and Manchester, the two most-targeted universities for the UK’s leading employers, are only ranked in 14th and 18th places respectively.

Chart 5.6 Number of Universities Targeted by Top Employers in 2019-2020



Source - The Graduate Market in 2020

Chart 5.7 Universities Targeted by Top Employers in 2019-2020, by Sector or Industry



Source - The Graduate Market in 2020

Table 5.8 Universities Targeted by the Largest Number of Top Employers in 2019-2020

	Ranking in 'Good University Guide'*		Ranking in 'Good University Guide'*
1. Manchester	18	14. London Imperial College	4
2. Birmingham	14	15. Bath	11
3. Warwick	10	16. London King's College	30
4. Bristol	15	17. London School of Economics	6
5. Cambridge	1	18. Newcastle	28
6. Nottingham	21	19. London Queen Mary	49
7. Leeds	13	20. Southampton	20
8. London University College	9	21. York	22
9. Sheffield	26	22. Loughborough	5
10. Oxford	2	23. Glasgow	16
11. Durham	7	24. Liverpool	29
12. Exeter	12	25. Cardiff	34
13. Edinburgh	25		

Source - The Graduate Market in 2020

* The Times & Sunday Times Good University Guide 2020

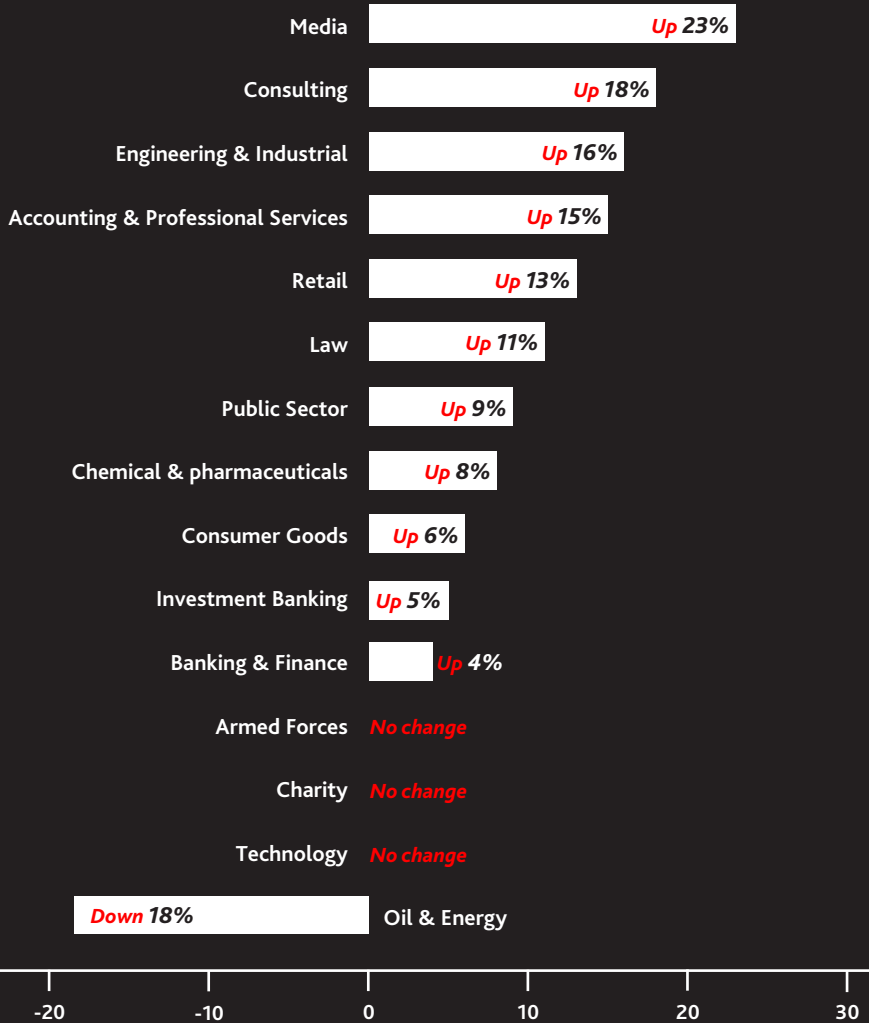
Graduate Applications Received in 2019-2020

More than half the UK’s top employers have seen an increase in the number of graduate applications they received in the early part of the 2019-2020 recruitment round, compared with the same period last year (see *Chart 5.10*).

Fourteen organisations from different industries and business sectors said that their graduate application levels had risen by more than a quarter, a significant year-on-year increase, whilst a further twenty-three employers reported more modest increases. By contrast, ten employers have seen their graduate applications fall this year.

These results equate to an average rise in graduate applications of 10%, compared with last year’s recruitment round, the smallest annual increase for more than five years. Applications rose by 4% in the early stage of the 2018-2019 recruitment season, by 10% in both 2017-2018 and 2016-2017, by 13% in 2015-2016, and by 6% in 2014-2015.

Chart 5.9 Number of Applications to Employers in 2019-2020, by Sector or Industry



Average percentage change in graduate applications in 2019-2020, compared with 2018-2019

Source - The Graduate Market in 2020

Employers reporting the biggest increases in graduate applications in 2019-2020 are those in the media, consulting, engineering & industrial, and accounting & professional services sectors where graduate applications have increased by at least 15% compared with a year ago (see *Chart 5.9*). Only one sector, oil & energy, reported a drop in applications.

More than half of employers felt that the quality of the applications they’ve received so far was similar to last year, but a third said that the quality of applications had increased ‘a little’ and seven employers thought the quality had increased ‘considerably’ (see *Chart 5.11*). Just seven organisations were worried that the quality of their graduate applicants had decreased year-on-year.

Chart 5.10 Number of Graduate Applications Received by Employers in 2019-2020

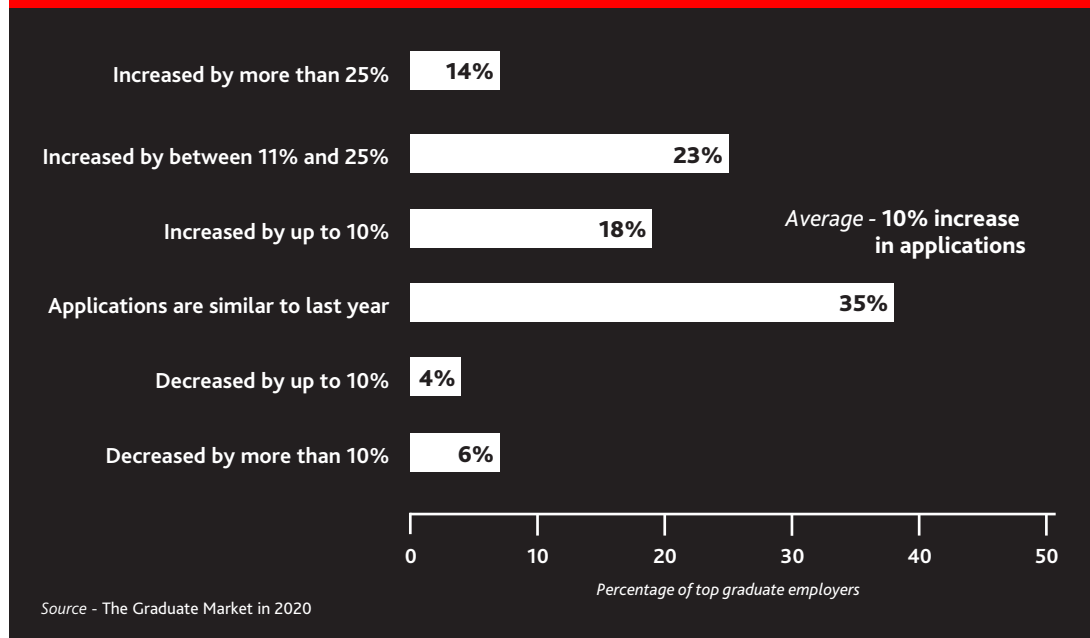
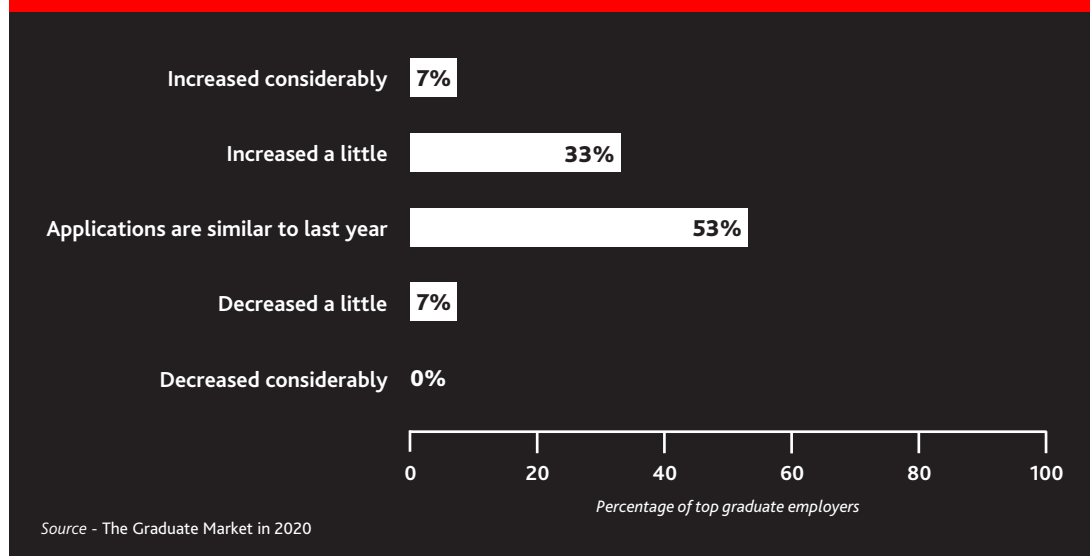


Chart 5.11 Quality of Graduate Applications Received by Employers in 2019-2020



Summary

- Fewer than a fifth of the country's leading graduate employers have **increased** their graduate recruitment budgets for the 2019-2020 recruitment round.
- Employers have been actively marketing their 2020 vacancies at an average of **24** UK universities, the highest number recorded to date, using a variety of campus **recruitment presentations**, local **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of **social media**, university **careers fairs**, **skills training events** and **recruitment websites** during this year's recruitment campaigns – but did less **advertising** in sector & local careers guides.
- The ten universities **targeted** by the largest number of top graduate employers in 2019-2020 are Manchester, Birmingham, Warwick, Bristol, Cambridge, Nottingham, Leeds, University College London, Sheffield and Oxford.
- Over half the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and two-fifths believed the quality of applications had improved.
- Together, the country's top employers have received **10% more graduate job applications** so far, compared with the equivalent period in the 2018-2019 recruitment round.