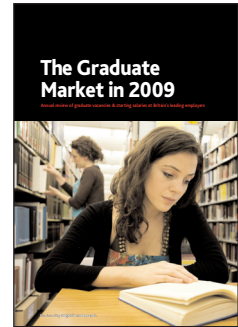


The Graduate Market in 2009

Introduction

When **The Graduate Market in 2009** report was published in January, it was clear that not only had four years of growth in the graduate job market come to an abrupt halt, but that employers were planning to make significant cuts to their graduate recruitment in 2009.

For this special end-of-year update, **High Fliers Research** returned in **June 2009** to the organisations that took part in the original research – *The UK's Top 100 Graduate Employers* – to confirm the actual number of graduates that have been recruited to start work later this year.



The UK's Top 100 Graduate Employers is the annual league table of Britain's most sought-after and successful employers, researched from a poll of more than 15,000 final year students to find 'Which employer offers the best opportunities for graduates?':

<i>Accenture</i>	<i>Cancer Research UK</i>	<i>HBOS</i>	<i>npower</i>
<i>Addleshaw Goddard</i>	<i>Citi</i>	<i>Herbert Smith</i>	<i>Oliver Wyman</i>
<i>Airbus</i>	<i>Civil Service</i>	<i>HSBC</i>	<i>Oxfam</i>
<i>Aldi</i>	<i>Clifford Chance</i>	<i>IBM</i>	<i>Penguin Group</i>
<i>Allen & Overy</i>	<i>CMS Cameron McKenna</i>	<i>Innocent Drinks</i>	<i>Pfizer</i>
<i>Arcadia Group</i>	<i>Co-Op Group</i>	<i>J.P. Morgan</i>	<i>Police</i>
<i>Army</i>	<i>Corus</i>	<i>John Lewis</i>	<i>PricewaterhouseCoopers</i>
<i>Arup</i>	<i>Credit Suisse</i>	<i>KPMG</i>	<i>Procter & Gamble</i>
<i>ASDA</i>	<i>Data Connection</i>	<i>Lehman Brothers</i>	<i>QinetiQ</i>
<i>AstraZeneca</i>	<i>Deloitte</i>	<i>Linklaters</i>	<i>RAF</i>
<i>Atkins</i>	<i>Deutsche Bank</i>	<i>Lloyds TSB</i>	<i>Rolls-Royce</i>
<i>BAE Systems</i>	<i>DLA Piper</i>	<i>L'Oreal</i>	<i>RBS Group</i>
<i>Bain and Company</i>	<i>E.ON</i>	<i>Local Government NGDP</i>	<i>Royal Navy</i>
<i>Bank of America</i>	<i>Ernst & Young</i>	<i>Lovells</i>	<i>Sainsbury's</i>
<i>Barclays</i>	<i>Eversheds</i>	<i>Marks and Spencer</i>	<i>Shell</i>
<i>Barclays Capital</i>	<i>ExxonMobil</i>	<i>Mars</i>	<i>Sky</i>
<i>BBC</i>	<i>Faber Maunsell</i>	<i>McDonald's Restaurants</i>	<i>Slaughter and May</i>
<i>Bloomberg</i>	<i>Foreign Office</i>	<i>McKinsey & Company</i>	<i>Teach First</i>
<i>BNP Paribas</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Merrill Lynch</i>	<i>Tesco</i>
<i>Boots</i>	<i>Fujitsu Services</i>	<i>The Met Office</i>	<i>Thomson Reuters</i>
<i>Boston Consulting Group</i>	<i>GCHQ</i>	<i>MI5 – The Security Service</i>	<i>Transport for London</i>
<i>BP</i>	<i>GlaxoSmithKline</i>	<i>Microsoft</i>	<i>UBS</i>
<i>British Airways</i>	<i>Goldman Sachs</i>	<i>Ministry of Defence</i>	<i>Unilever</i>
<i>BT</i>	<i>Google</i>	<i>Morgan Stanley</i>	<i>Watson Wyatt</i>
<i>Cadbury</i>	<i>Grant Thornton</i>	<i>NHS</i>	<i>WPP</i>

Graduate Vacancies in 2009

The Graduate Market in 2009 report, published in January 2009, warned that despite the optimistic recruitment targets that Britain’s top graduate employers had set for 2008 – initially suggesting that vacancies would increase by up to 12 per cent compared with recruitment in 2007 – the worsening economic situation meant that the number of graduate jobs available for the ‘Class of 2008’ actually fell by almost 7 per cent, marking the end of four years of increasing opportunities in the graduate employment market.

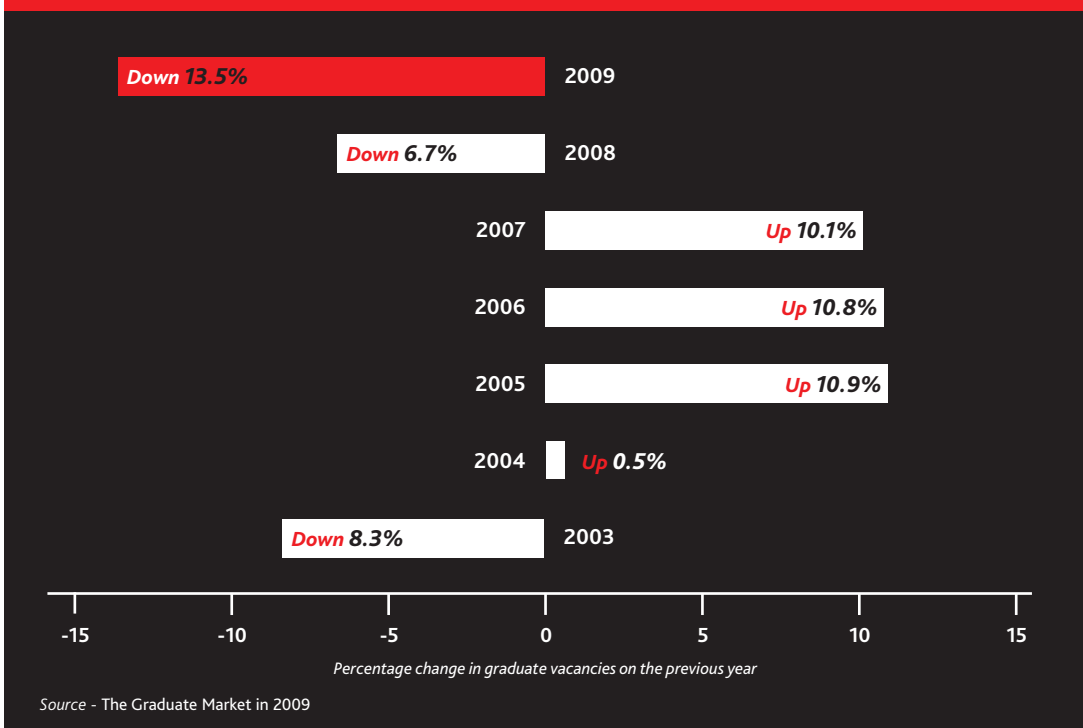
At that stage, the outlook for recruitment in 2009 was mixed, with many employers expecting that they would maintain a similar level of graduate recruitment, although a number of recruiters, particularly in the banking and financial sectors reported that their vacancies would be substantially lower this year.

The end-of-year picture, confirmed in June 2009, reveals that graduate vacancies have in fact been cut substantially during the 2009 recruitment season and that 13.5 per cent fewer graduates will start work with the UK’s leading employers this year than did so in 2008 (see *Chart 1*). This means that vacancies for graduates have now been cut by over a fifth since 2007.

Unsurprisingly, the most substantial reductions in vacancies are in the investment banking and general banking & finance sectors (see *Chart 2*) but there have also been major cuts in several other areas. Recruitment at consumer goods companies, engineering & industrial employers, those in the IT & telecommunications sector and in the chemicals & pharmaceuticals industry, has dropped by around a third compared with 2008.

Even the accounting & professional services sector – which remains the UK’s largest recruiter of graduates – has reduced its vacancies by 14 per cent this year.

Chart 1 How Job Vacancies for Graduates have Changed between 2003 and 2009

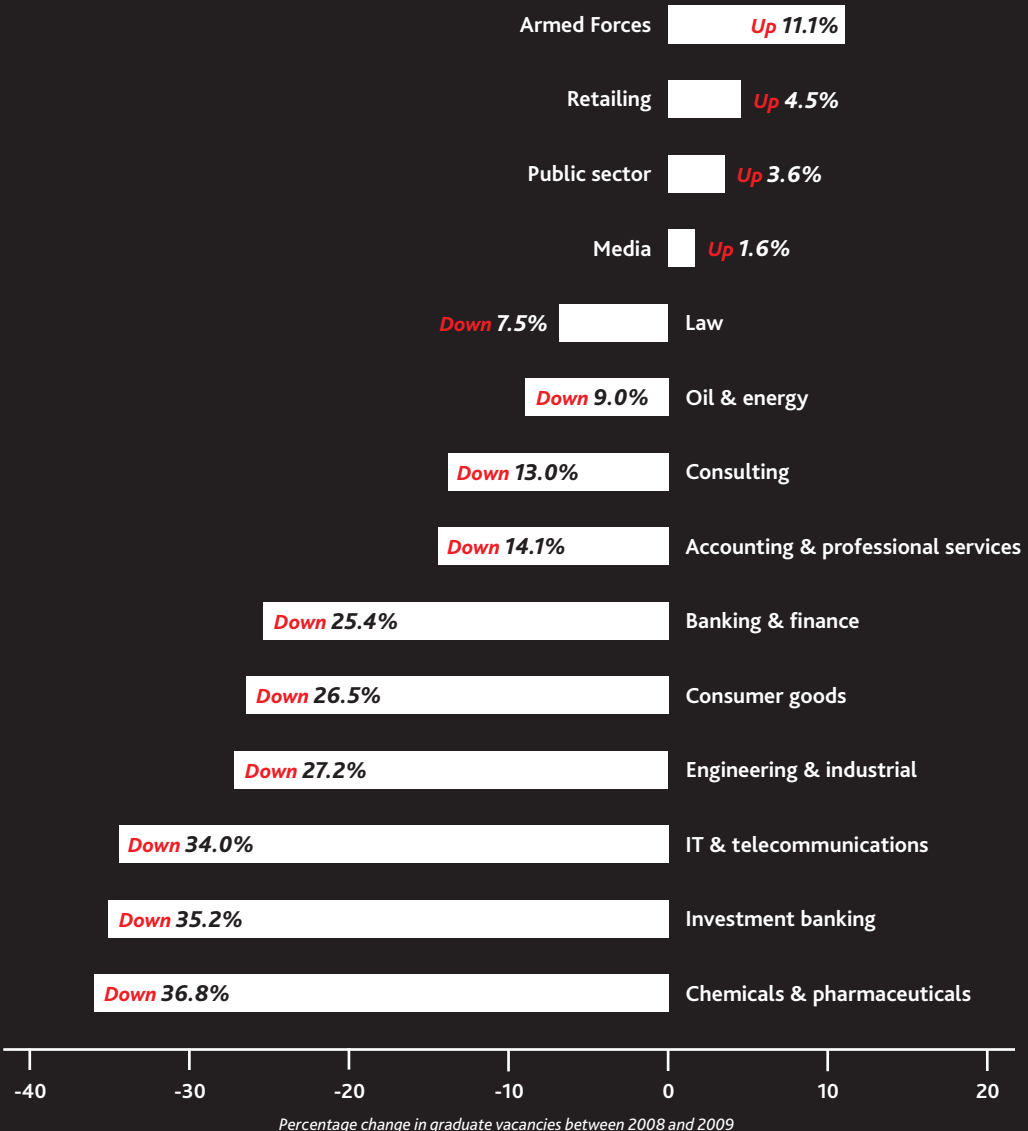


Just four sectors – the Armed Forces, retailing, the public sector and media companies – will be recruiting more graduates in 2009 than they did in 2008.

These results confirm what many final year university students are already well aware of - that there are significantly fewer employment opportunities for graduates from the ‘Class of 2009’ than in previous years and that competition to secure a place with a major national or international employer is extremely tough.

The situation has been exacerbated by the record population of graduates due to leave university this year – over 300,000 graduates, an increase of nearly 50,000 compared with 2007 – and the substantial number of graduates from the ‘Class of 2008’ who failed to find graduate-level employment and have been competing with this year’s graduates for places.

Chart 2 How Graduate Vacancies have Changed since 2008, by Sector or Industry



Source - The Graduate Market in 2009

Changes to Graduate Recruitment in 2009

By the time *The Graduate Market in 2009* report was produced in January 2009, recruitment targets for Britain’s leading graduate employers had been reduced by 17 per cent compared with the original vacancy numbers published in September 2008. The latest research confirms that the number of graduates recruited this year will actually be 28 per cent lower than those original targets (see *Table 5*). This means that more than 5,500 graduate jobs have been cut or left unfilled since the start of the latest graduate recruitment round.

More than half the total planned graduate vacancies in investment banking and IT & telecommunications have been lost (see *Chart 3*) and a third of employers have now reduced their recruitment by at least 50 graduate positions (see *Chart 4*).

Chart 3 How Graduate Vacancies for 2009 have been Revised, by Sector or Industry

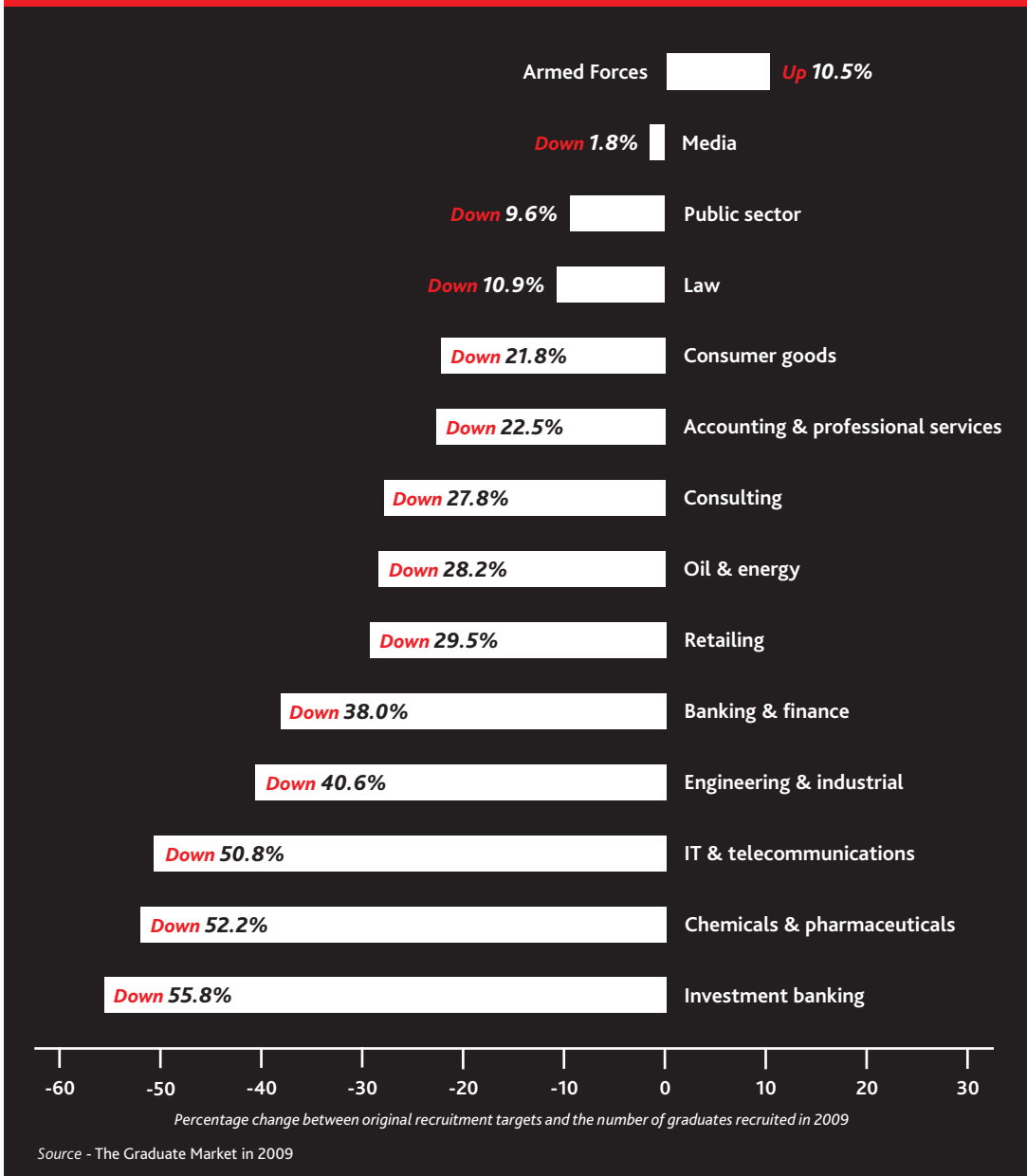
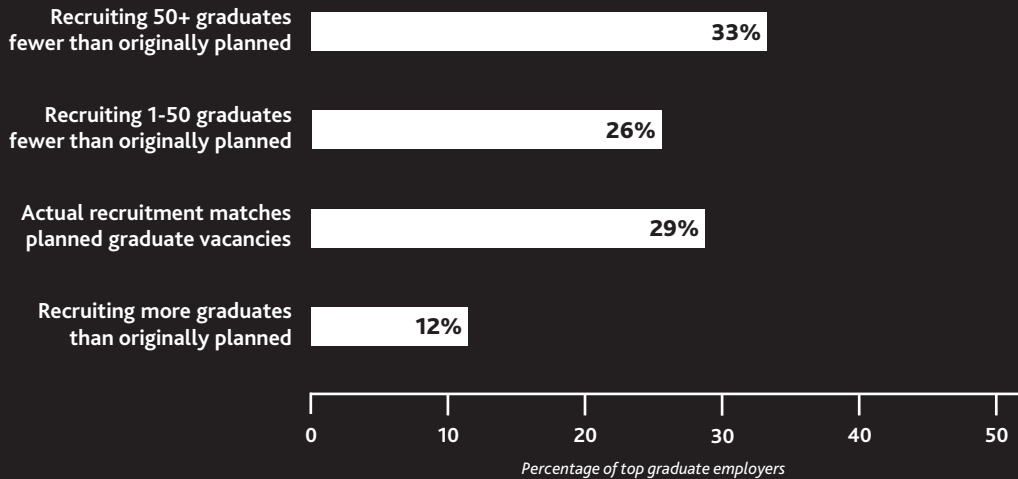


Chart 4 How Employers' Graduate Vacancies for 2009 have been Revised

Source - The Graduate Market in 2009

Table 5 Analysis of Graduate Vacancies in 2009, by Industry or Business Sector

Industry or Business Sector	Original graduate vacancies for 2009, as published in September 2008	Revised graduate vacancies for 2009, as updated in January 2009	Actual graduates recruited for 2009, as confirmed in June 2009	% difference between original vacancies & actual recruitment in 2009	Number of vacancies cut (added) in 2009
Accounting & professional services	4,200	3,453	3,253	-22.5	947
Armed Forces	1,900	2,114	2,100	10.5	(200)
Banking & finance	1,400	1,111	868	-38.0	532
Chemical & pharmaceuticals	115	104	55	-52.2	60
Consulting	720	520	520	-27.8	200
Consumer goods	188	206	147	-21.8	41
Engineering & industrial	1,605	1,341	954	-40.6	651
Investment banking	3,650	1,923	1,614	-55.8	2,036
IT & telecommunications	720	530	354	-50.8	366
Law	1,060	1,001	944	-10.9	116
Media	330	456	316	-4.2	14
Oil & energy	618	520	444	-28.2	174
Public sector	2,093	2,233	1,893	-9.6	200
Retailing	1,122	887	791	-29.5	331
ALL SECTORS	19,951	16,559	14,370	-28.0	5,581

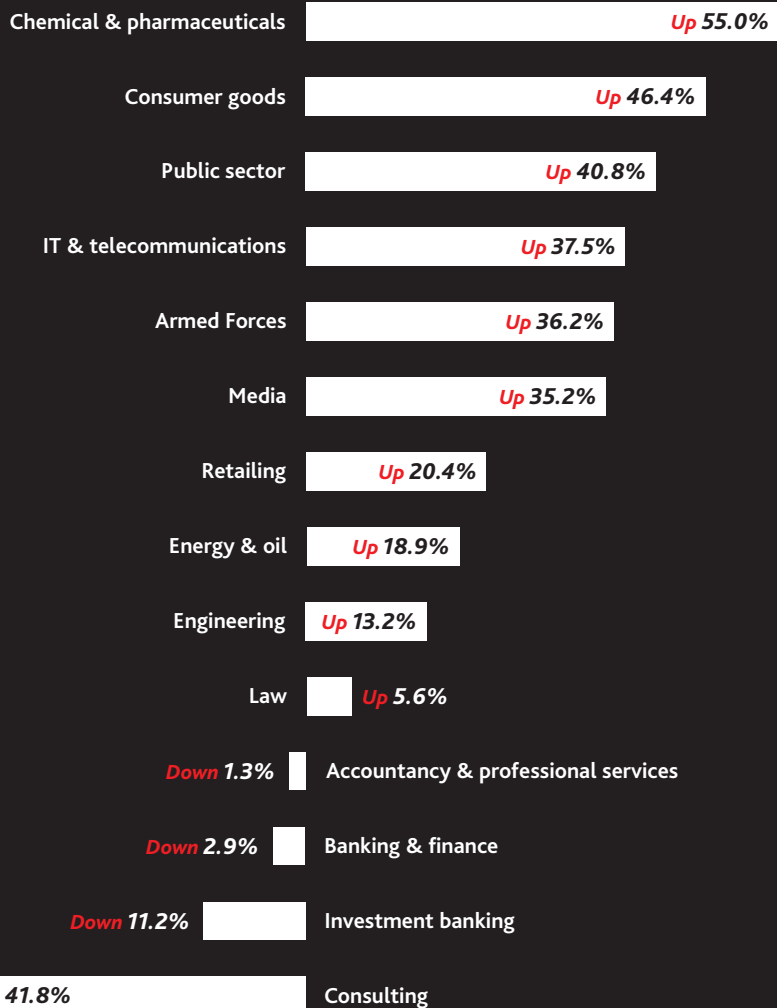
Source - The Graduate Market in 2009

Applications for Graduate Jobs in 2009

Many of the UK's leading graduate employers have seen their application levels increase sharply in 2009. Across all of the organisations featured in *The Graduate Market in 2009*, application numbers have risen by 7 per cent but in several sectors such as consumer goods, the public sector and the Armed Forces, the number of graduate applicants has jumped by at least a third (see *Chart 6*).

Inevitably, given the reduced number of vacancies available in 2009, the average number of applications per vacancy has also increased sharply from 34.6 in 2008 to 44.9 this year. Competition for places at engineering & industrial employers has almost doubled and a greater interest in the public sector has seen the applicants per vacancy go up by a third.

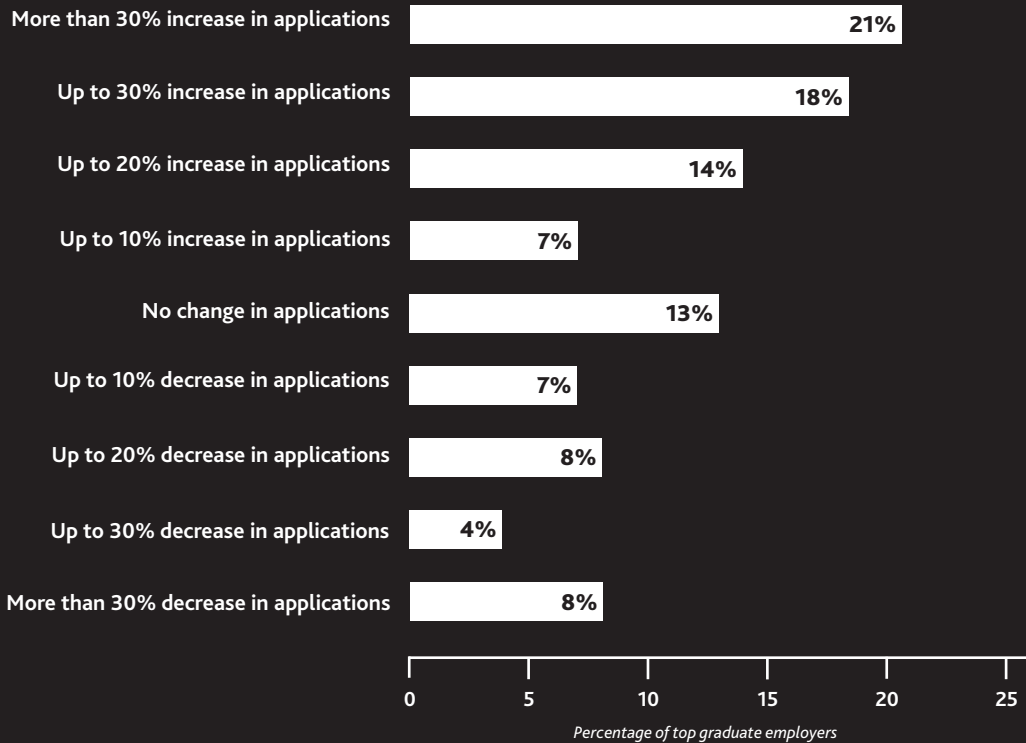
Chart 6 How Applications for Graduate Jobs Changed in 2009, by Sector or Industry



Percentage change in applications for graduate jobs in 2009 compared to 2008

Source - The Graduate Market in 2009

Chart 7 How Applications for Graduate Jobs Changed in 2009



Source - The Graduate Market in 2009

Table 8 Applications per Vacancy in 2009

	Average
Investment banking	101.4
Retailing	86.9
Energy & oil	82.8
IT & telecommunications	66.8
Banking & finance	58.2
Engineering & industrial	45.5
Public sector	38.8
Law	27.2
Consulting	17.4
Accounting & professional services	14.9
Armed Forces	2.0
ALL SECTORS	44.9

Source - The Graduate Market in 2009

Table 9 Applications per Vacancy in 2008

	Average
Retailing	81.9
Investment banking	70.8
Energy & oil	63.3
Banking & finance	44.7
IT & telecommunications	32.1
Engineering & industrial	26.2
Public sector	25.6
Consulting	24.3
Law	23.8
Accounting & professional services	13.0
Armed Forces	1.6
ALL SECTORS	34.6

Source - The Graduate Market in 2009

Outlook for 2010

For the final part of the research, Britain's top employers were asked about the prospects for graduate recruitment in 2010.

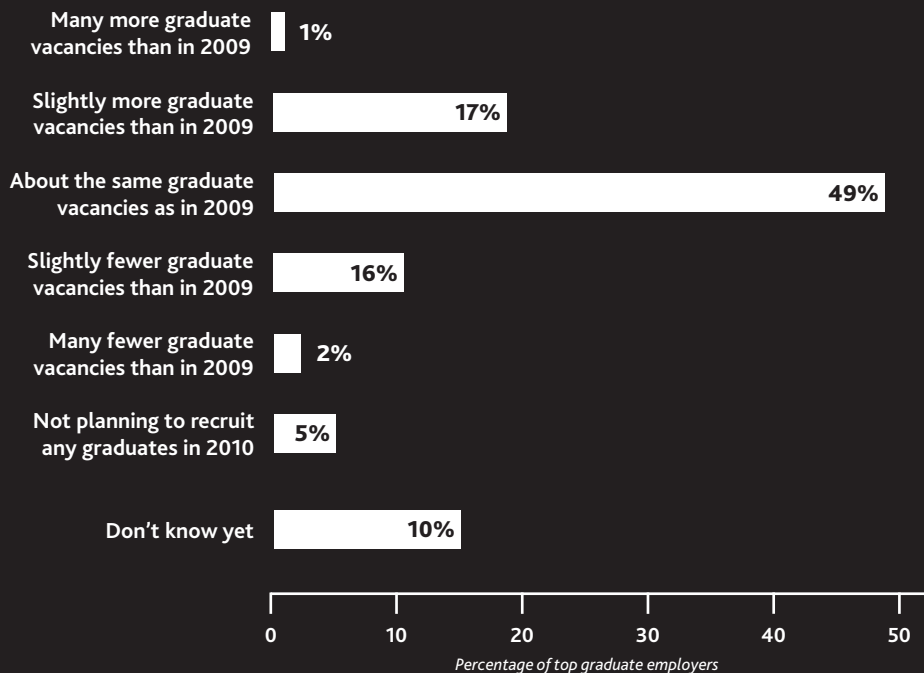
The results are encouraging and suggest that over two-thirds of recruiters are expecting their organisation to maintain or expand their graduate recruitment next year (see Chart 10). Nearly half of recruiters believed that they would take on a similar number of graduates in 2010 as have been recruited in 2009 and almost a fifth hope to expand their intake next year. Just one organisation plans to offer 'many more vacancies'.

There is no particular pattern as to which employers are the more optimistic but they include a number of public sector recruiters, several major City banks and a selection of retailers.

However, at least a sixth of employers expect to hire fewer graduates in 2010 than they are taking on this year and one in twenty isn't planning to recruit any new graduates at all next year.

These predictions for 2010 seem quite upbeat, given the significant cuts that have been made in 2009, suggesting that many of the UK's top employers are aiming to maintain a stable pipeline of new graduates for their organisations through the remainder of this recession.

Chart 10 Number of Graduate Vacancies that Employers expect to Offer in 2010



Source - The Graduate Market in 2009