

The Graduate Market in 2009

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



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New to graduate recruitment?

Get off to a flying start.

For the last fifteen 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 monthly 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 **Tim Wise**, Research Director on 020 7428 9000 or email tim.wise@highfliers.co.uk*

Foreword

Executive Summary

The Graduate Market in 2009 is a study of graduate vacancies and starting salaries at one hundred of the UK's best-known and most successful employers, conducted by High Fliers Research during December 2008:

- The UK's leading graduate employers have **reduced** their recruitment targets for 2009 by **17%** since the latest graduate recruitment round began in September 2008.
- Graduate recruitment at the UK's top employers **did not increase by 11.8%** in 2008 as recruiters had expected during the 2007-2008 recruitment season. Instead vacancies **fell by 6.7%** compared with graduate recruitment in 2007.
- More than half of employers **reduced** their 2008 recruitment targets in response to the worsening economic crisis. **Investment banks** and other **financial employers** were the hardest hit and **cut more than 2,500 entry-level positions** from their recruitment targets last year.
- The largest recruiters of graduates in 2008 were the **accountancy & professional services firms** – which together hired over 3,700 trainees to start work in 2008.
- Although graduate recruiters published optimistic vacancy targets for 2009 at the start of September 2008, recruitment numbers have already been **revised sharply downwards**. Employers now expect to hire almost **3,400 fewer graduates** in 2009 than they planned to at the start of the recruitment season.
- **Investment banks** have again **reduced their intakes significantly** and there has been a further **cut of 8.8%** in the number of graduate vacancies available at the leading **accounting & professional services firms**.
- The sectors preparing to recruit the most graduates in 2009 are **accountancy** (20.9% of total graduate jobs), the **public sector** (13.5% of total) and the **Armed Forces** (12.8% of total); the smallest graduate employers are those in chemicals & pharmaceuticals (0.6% of total) and consumer goods (1.2% of total).
- Employers in just two areas – the **public sector** and the **Armed Forces** – stepped up their graduate vacancies in both 2008 and 2009. As a result there are now 51% more entry-level positions for graduates in the public sector and 17% more roles in the Armed Forces.
- During the two recruitment rounds in 2008 and 2009, the UK's leading employers have promoted over 40,000 graduate vacancies, of which **almost 7,000 have been cut or left unfilled**.
- Employers are **reasonably optimistic** about their graduate recruitment in 2010. A quarter expect to take on more new recruits next year and **half** expect to **maintain recruitment at 2009 levels**.

- Just **13% of employers** – largely in the investment banking and engineering & industrial sectors – believe their recruitment targets **will be cut further in 2010**.
- The sentiment from many employers is that they are determined to continue to recruit *some* graduates for entry-level positions, to provide an **uninterrupted supply** of future management talent for their organisations.
- **Starting salaries** at the UK's leading graduate employers are due to **rise by 5.9%** in 2009, taking average packages to **£27,000** – a £1,500 increase on average salaries paid to new graduates in 2008. Salaries rose by 4.1% in 2008.
- A quarter of top graduate programmes will now pay new recruits more than **£30,000** when they start work. The most generous salaries are those on offer from **investment banks** (average of £38,000), **law firms** (average of £37,400) and **management consulting firms** (average of £31,000).
- A **third** of top employers **cut** their graduate recruitment budgets for the 2008-2009 recruitment round, although a fifth of organisations have **increased** spending this year.
- The majority of employers have been actively marketing their 2009 graduate vacancies at between **15 and 20** universities in the UK, using a variety of university **careers fairs**, campus **recruitment presentations** and local **advertising**.
- More than half of recruiters reported a **greater interest from student job hunters** in their on-campus events and promotions this year.
- The three universities most-often targeted by Britain's top graduate employers in 2008-2009 are **Manchester, London and Warwick**.
- Two-thirds of employers said they had received more completed graduate job applications during the early part of the recruitment season than they had last year, but applications to investment banks and other City employers dropped significantly.
- Additional research with **1,017 final year university students** shows that job hunters are **very pessimistic** about their career prospects as the economic crisis worsens. More than **90% of finalists** think that employers will **cut their vacancies** this year and half of student job hunters have **little confidence** that they will find a graduate position.
- Two-thirds of finalists say that job hunting has been a **high priority** for them during their final year at university. A third admit that they should have begun looking for work **earlier**.
- In the current climate, three-quarters of students believe that in certain sectors, new **graduates risk losing their jobs** within the first 12 months of starting work. Half think that employers may **renege on job offers** they make to students this year.
- A significant number of students have been put off applying for jobs in **investment banking, property, retail and accountancy** due to the economic downturn and fewer students are keen to work for small or medium sized businesses this year. But a third of finalists say working in the public sector is now a more appealing prospect.
- Half of finalists believe they'll have to take **any job that they're offered**, a fifth say they've been forced to apply to employers that they **aren't really interested in** and many expect to begin work on a **lower salary** than they were hoping for.

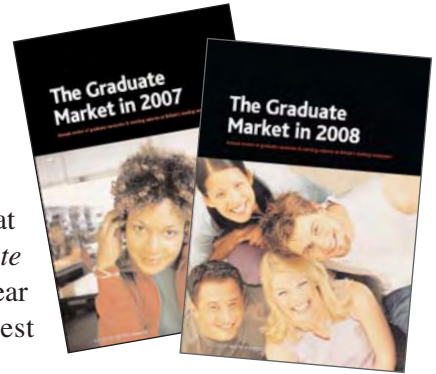
Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2009** – the annual review of graduate vacancies and starting salaries at Britain’s leading employers.

This report is based on a study of graduate recruitment at the organisations named as *The Times Top 100 Graduate Employers 2008* in a poll of more than 15,000 final year students to find “Which employer offers the best opportunities for graduates?”.



The research, conducted during **December 2008** by **High Fliers Research**, examines the number of graduate vacancies available at the UK’s leading employers in 2009, compared with recruitment levels in 2008. It highlights the differences between employers’ published recruitment targets and the number of graduates actually recruited by their organisations, as well as highlighting recent changes to vacancy patterns in the light of the economic downturn. The research also assesses recruiters’ experiences of the 2008-2009 graduate recruitment round and analyses the starting salaries that top employers are planning to pay new graduates in 2009.

The report also features the findings of exclusive new research with over 1,000 final year student job hunters from universities across the UK who were questioned about their views on the current graduate job market.

About High Fliers Research

High Fliers Research is an independent market research company which specialises in student and graduate research. Established in 1994, the company has now worked with over 100 leading employers to measure the impact of their recruitment activities on campus and help them understand their position in the graduate market.

The company is best-known for *The UK Graduate Careers Survey*, its innovative annual study of over 15,000 final year undergraduates at thirty leading universities. 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.



Since 2002, High Fliers Research has also conducted regular surveys of Britain’s top employers to research current graduate vacancy levels, starting salaries and benchmark the latest recruitment practices. Internationally, High Fliers Research works closely with the **Australian Association of Graduate Employers** and the **South African Graduate Recruitment Association** to carry out their annual surveys of graduate employers.

The Times Top 100 Graduate Employers

As part of the campus research for *The UK Graduate Careers Survey 2008*, 15,381 final year students from thirty leading universities were asked the unprompted question “Which employer do you think offers the best opportunities for graduates?”.

Between them, finalists named over 600 different organisations during the survey – the one hundred employers with the most student votes form **The Times Top 100 Graduate Employers** for 2008.



It is these employers that are included in the research for *The Graduate Market in 2009* report:

| | | | |
|--------------------------------|---------------------------------------|-----------------------------------|-------------------------------|
| <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> |

Chapter 2

Graduate Vacancies

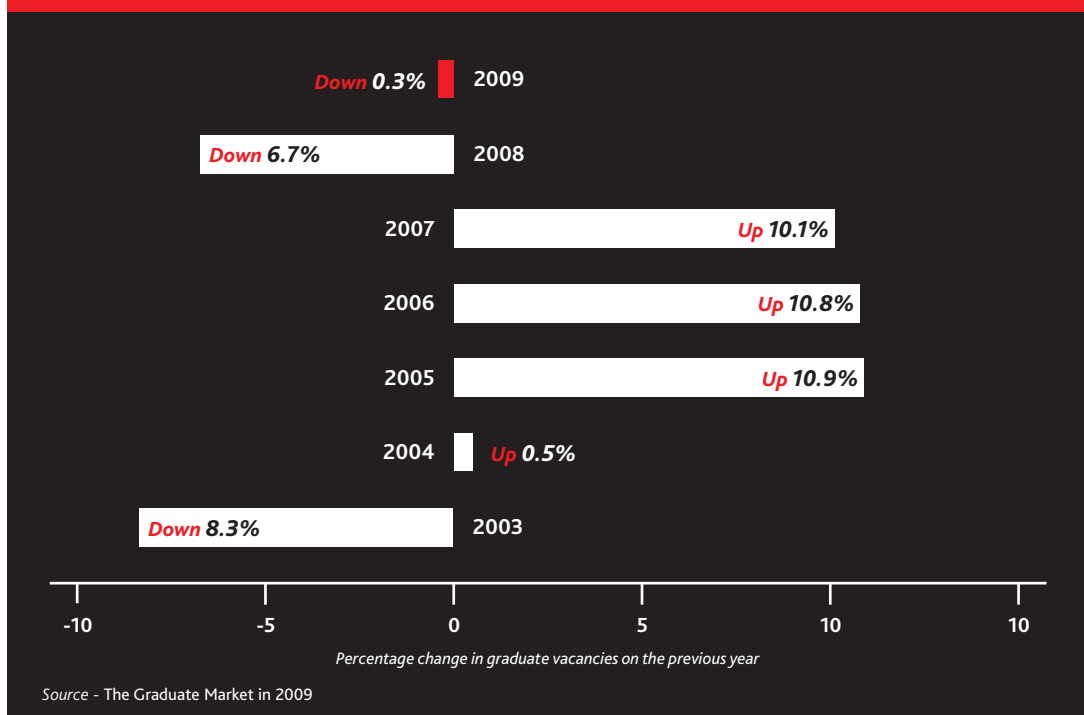
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2009, compared with recruitment levels in 2008. Graduate vacancies for 2009 are typically positions with an autumn 2009 start date, promoted during the 2008-2009 recruitment season.

A year ago, *The Graduate Market in 2008* – based on employers' published recruitment targets for 2007-8 – reported that graduate vacancies were expected to increase by 11.8% in 2008, the highest annual rise for five years. But as the 'credit crunch' gathered pace during the course of 2008, it became clear that many of these targets were unrealistic and in December 2008, employers confirmed that instead of hiring record numbers of graduates, they had in fact cut vacancies by 6.7%, compared with their 2007 intake (see *Chart 2.1*).

At the start of the 2009 recruiting season in September 2008, employers published recruitment targets which were very similar to their *predicted* graduate vacancies for 2008 (ie. substantially higher than the real recruitment levels of 2008). A significant number of employers have since downgraded these 2009 vacancy targets to take account of the worsening economic crisis – and as a result graduate recruitment is expected to fall further in 2009, albeit by less than 1% compared with the numbers actually hired in 2008.

Chart 2.1 How Job Vacancies for Graduates have Changed between 2003 and 2009



Graduate Vacancies in 2008

In September 2007, the UK’s leading employers set ambitious graduate recruitment targets for 2008. Vacancies were to increase by 11.8% compared with those hired in 2007, taking graduate job numbers at these organisations to record levels. Together, employers predicted they would take on more than 20,000 new graduates in the autumn of 2008.

But as the 2007-2008 recruitment season unfolded, it is now evident that a substantial number of posts went unfilled and recruitment targets were quietly reduced at many leading employers. The outcome was that graduate recruitment in 2008 was reduced by more than 3,500 vacancies – taking recruitment to almost 7% below its 2007 level (see *Chart 2.2*). Not only had four years of growth in vacancies come to an end, but within the course of a single recruitment season, planned graduate targets had been reduced by more than a sixth.

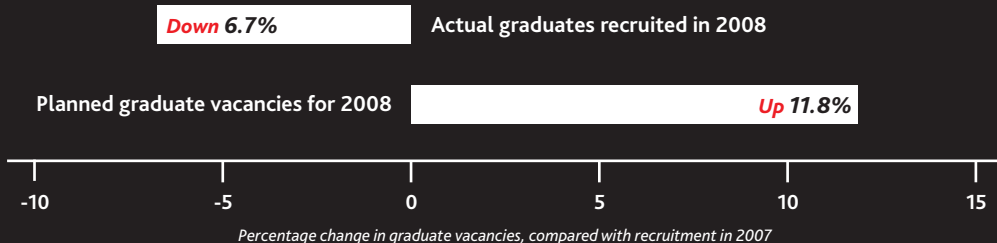
In all, fifty-five of the organisations featured in *The Times Top 100 Graduate Employers* elected to take on fewer graduates than planned in 2008 (see *Chart 2.3*). At half of these employers, vacancies were reduced by up to fifty entry-level positions, but at eight organisations graduate numbers were cut by between 200 and 400 positions. A quarter of employers hired the graduates they had expected to and a fifth of recruiters managed to exceed their original targets.

Looking at these changes in recruitment targets by sector, it is clear that many of the reductions occurred at well-known City & financial employers (see *Table 2.4*). Together the investment banks had intended to expand their graduate intake by around a third in 2008 but ended the year hiring 1,700 fewer new recruits than expected. The leading accountancy & professional services firms predicted they would have 4,350 trainee positions, a 6.1% increase on 2007 recruitment, but actually hired fewer than 3,800 – a drop of 7.6% compared with the previous year. High street banks and other financial institutions reduced their numbers by a further 161 jobs and there were 122 fewer consulting vacancies.

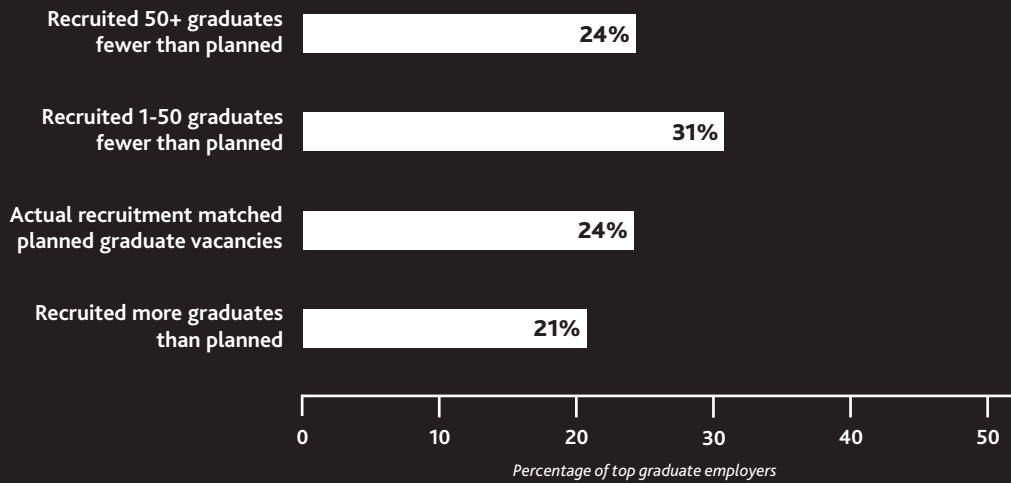
Elsewhere, targets in the retail sector fell by more than 300 vacancies and at least 600 entry-level jobs were cut by engineering & industrial, IT & telecoms, oil & energy and chemical & pharmaceuticals employers. Just two areas – the Armed Forces and the public sector – increased their intake during the 2008 recruitment season, electing to hire an additional 300 recruits.

These results show that despite employers’ initial optimism, the economic downturn had a profound effect on graduate recruitment in 2008, significantly reducing the number of vacancies at Britain’s most sought-after organisations.

Chart 2.2 Graduate Vacancies in 2008



Source - The Graduate Market in 2009

Chart 2.3 How Graduate Vacancies Changed during 2008

Source - The Graduate Market in 2009

Table 2.4 Analysis of Graduate Vacancies in 2008, by Industry or Business Sector

| Industry or Business Sector | Planned graduate vacancies in 2008 | % change from vacancies in 2007 | Actual graduates recruited in 2008 | % change from vacancies in 2007 | % difference between planned and actual recruitment | Number of vacancies cut (added) in 2008 |
|------------------------------------|------------------------------------|---------------------------------|------------------------------------|---------------------------------|---|---|
| Accounting & professional services | 4,350 | 6.1 | 3,787 | -7.6 | -12.9 | 563 |
| Armed Forces | 1,700 | -5.6 | 1,890 | 5 | 11.2 | (190) |
| Banking & finance | 1,325 | 29.9 | 1,164 | 14.1 | -12.2 | 161 |
| Chemical & pharmaceuticals | 115 | 4.5 | 87 | -20.9 | -24.3 | 28 |
| Consulting | 720 | 20 | 598 | -0.3 | -16.9 | 122 |
| Consumer goods | 286 | 36.2 | 200 | -4.8 | -30.1 | 86 |
| Engineering | 1,545 | 13.2 | 1,311 | -4 | -15.1 | 234 |
| Investment banking | 4,200 | 34.8 | 2,489 | -20.1 | -40.7 | 1711 |
| IT & telecommunications | 695 | 4.5 | 536 | -19.4 | -22.9 | 159 |
| Law | 1,050 | 1.9 | 1,020 | -1 | -2.9 | 30 |
| Media | 485 | -29.2 | 311 | -54.6 | -35.9 | 174 |
| Oil & energy | 670 | 31.4 | 488 | -4.3 | -27.2 | 182 |
| Public sector | 1,720 | 16.6 | 1,828 | 23.9 | 6.3 | (108) |
| Retailing | 1,087 | 18.5 | 757 | -17.4 | -30.4 | 330 |
| ALL SECTORS | 20,163 | 11.8 | 16,614 | -6.7 | -17.6 | 3,549 |

Source - The Graduate Market in 2009

Expected Graduate Vacancies in 2009

At the start of the latest graduate recruitment season in early September 2008, Britain's top graduate employers published their vacancy targets for 2009. The news seemed fairly encouraging – graduate vacancy numbers were very similar to the targets that employers had produced the year before in 2008.

The impression was that whilst the unbroken run of five years growth in vacancies was over, the graduate job market had simply levelled-out and that the leading employers were set to again recruit near-record numbers of graduates in 2009. Employers predicted that during the 2008-2009 recruitment round they would hire 19,951 new recruits, a drop of just 1.0% on their intended recruitment in 2008.

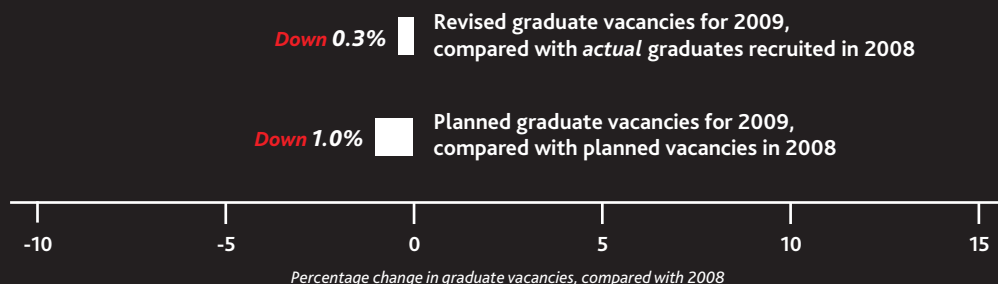
In fact, these aspirations for graduate vacancies 2009 have already proven to be very wide of the mark. In December 2008, employers not only confirmed that their 2008 graduate recruitment had been substantially lower than planned but that their targets for 2009 had been revised sharply downwards too. Together, employers now expect to hire round 16,500 graduates for start dates in the autumn of 2009, a total very close to the actual numbers recruited by employers in 2008 (see *Chart 2.5*).

A total of 48 employers from *The Times Top 100 Graduate Employers* have reduced their graduate vacancies for 2009 from the targets produced in September 2008. A third of these organisations have cut at least 100 positions and around half now expect to hire up to 50 fewer recruits in 2009. One in three recruiters intend to stand by their original targets and 18 organisations believe that they'll take on additional graduates this year.

Once again, examining the data by career sector shows that the largest number of job cuts have been at the major City and financial employers (see *Table 2.7*). A further 1,700 entry-level positions have been lost at top investment banks – a fifth of this year's predicted total. The leading accountancy & professional services firms have reduced their recruitment by another 750 training places and there are 400 fewer jobs on offer in the engineering & industrial and IT & telecoms sectors. There is better news, though, from the Armed Forces and public sector – both expect to expand their graduate intakes this year.

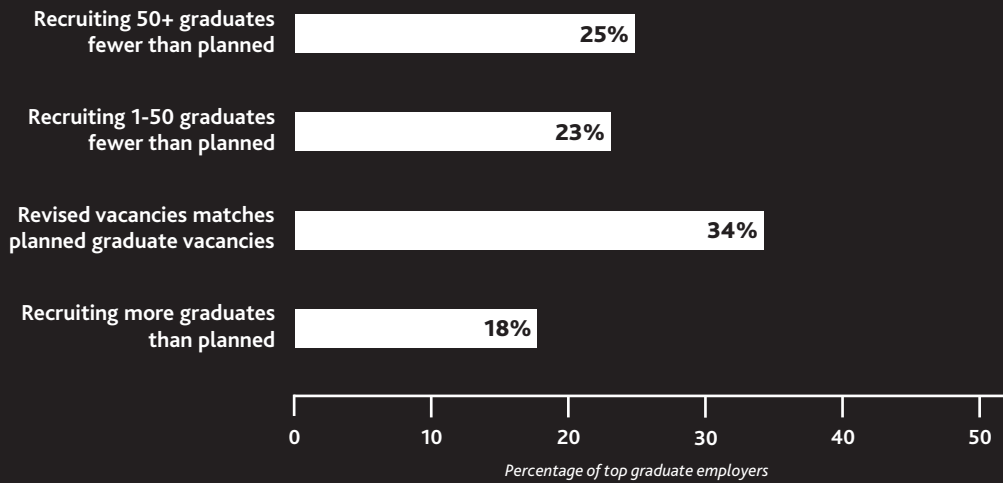
This latest information confirms the dramatic change in the graduate job market, brought on by the deepening economic crisis. Taking the 2008 and 2009 recruitment years together, employers had intended to recruit a total of 40,114 graduates and yet almost 7,000 of these positions have been cut or left unfilled.

Chart 2.5 Graduate Vacancies in 2009



Source - The Graduate Market in 2009

Chart 2.6 How Graduate Vacancies have been Revised for 2009



Source - The Graduate Market in 2009

Table 2.7 Analysis of Graduate Vacancies in 2009, by Industry or Business Sector

| Industry or Business Sector | Planned graduate vacancies in 2009 | % change from planned vacancies in 2008 | Revised graduate vacancies for 2009 | % change from actual recruitment in 2008 | % difference between planned & revised vacancies | Number of vacancies cut (added) for 2009 |
|------------------------------------|------------------------------------|---|-------------------------------------|--|--|--|
| Accounting & professional services | 4,200 | -3.4 | 3,453 | -8.8 | -17.8 | 747 |
| Armed Forces | 1,900 | 11.8 | 2,114 | 11.9 | 11.3 | (214) |
| Banking & finance | 1,400 | 5.7 | 1,111 | -4.6 | -20.6 | 289 |
| Chemical & pharmaceuticals | 115 | 0.0 | 104 | 19.5 | -9.6 | 11 |
| Consulting | 720 | 0.0 | 520 | -13.0 | -27.8 | 200 |
| Consumer goods | 188 | -34.3 | 206 | 3.0 | 9.6 | (18) |
| Engineering & industrial | 1,605 | 3.9 | 1,341 | 2.3 | -16.4 | 264 |
| Investment banking | 3,650 | -13.1 | 1,923 | -22.7 | -47.3 | 1,727 |
| IT & telecommunications | 720 | 3.6 | 530 | -1.1 | -26.4 | 190 |
| Law | 1,060 | 1.0 | 1,001 | -1.9 | -5.6 | 59 |
| Media | 330 | -32.0 | 456 | 46.6 | 38.2 | (126) |
| Oil & energy | 618 | -7.8 | 520 | 6.6 | -15.9 | 98 |
| Public sector | 2,093 | 21.7 | 2,233 | 22.2 | 6.7 | (140) |
| Retailing | 1,122 | 3.2 | 887 | 17.2 | -20.9 | 235 |
| ALL SECTORS | 19,951 | -1.0 | 16,559 | -0.3 | -17.0 | 3,392 |

Source - The Graduate Market in 2009

Location & Type of Graduate Vacancies in 2009

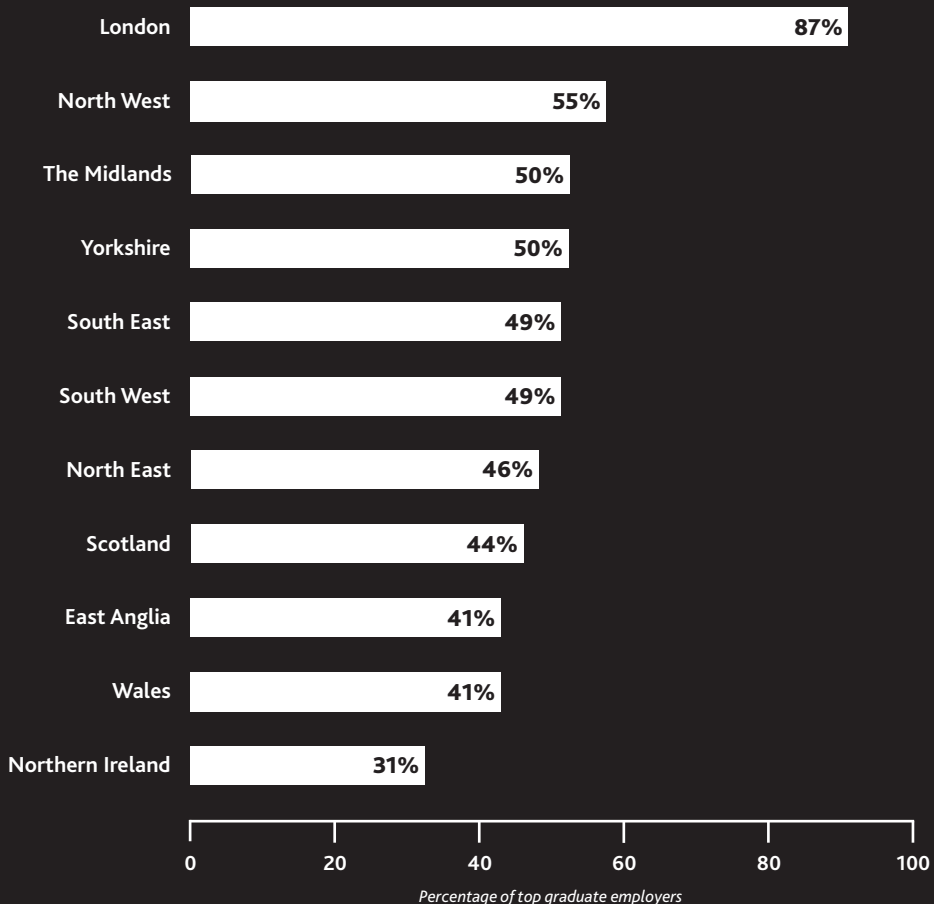
Examining where within the UK employers expect to employ graduates reveals that nine out of ten organisations are offering vacancies in London for 2009 and half plan to hire new recruits for positions in the south east of England (see *Chart 2.8*). Whilst this doesn't necessarily mean that the majority of graduate vacancies are actually in or around the M25, it does confirm that almost every major employer does have opportunities within the region.

The north west of England and the Midlands have the next highest numbers of employers recruiting graduates into the regions, followed by Yorkshire, the south west and north east of England. Of all the English regions, East Anglia is the least likely to yield graduate vacancies – 41% of employers have vacancies there in 2009.

A total of 44% and 41% of employers have jobs on offer in Scotland and Wales respectively and 31% are recruiting for graduate opportunities in Northern Ireland.

The research also records the type of job functions that employers are hoping to recruit graduates into in 2009. The most common requirement is for finance and IT vacancies – over 60% of employers are set to recruit for these areas, irrespective of their organisation's main purpose (see *Chart 2.9*). Two-fifths of employers expect to have positions in human

Chart 2.8 Location of Graduate Vacancies at leading UK Employers in 2009

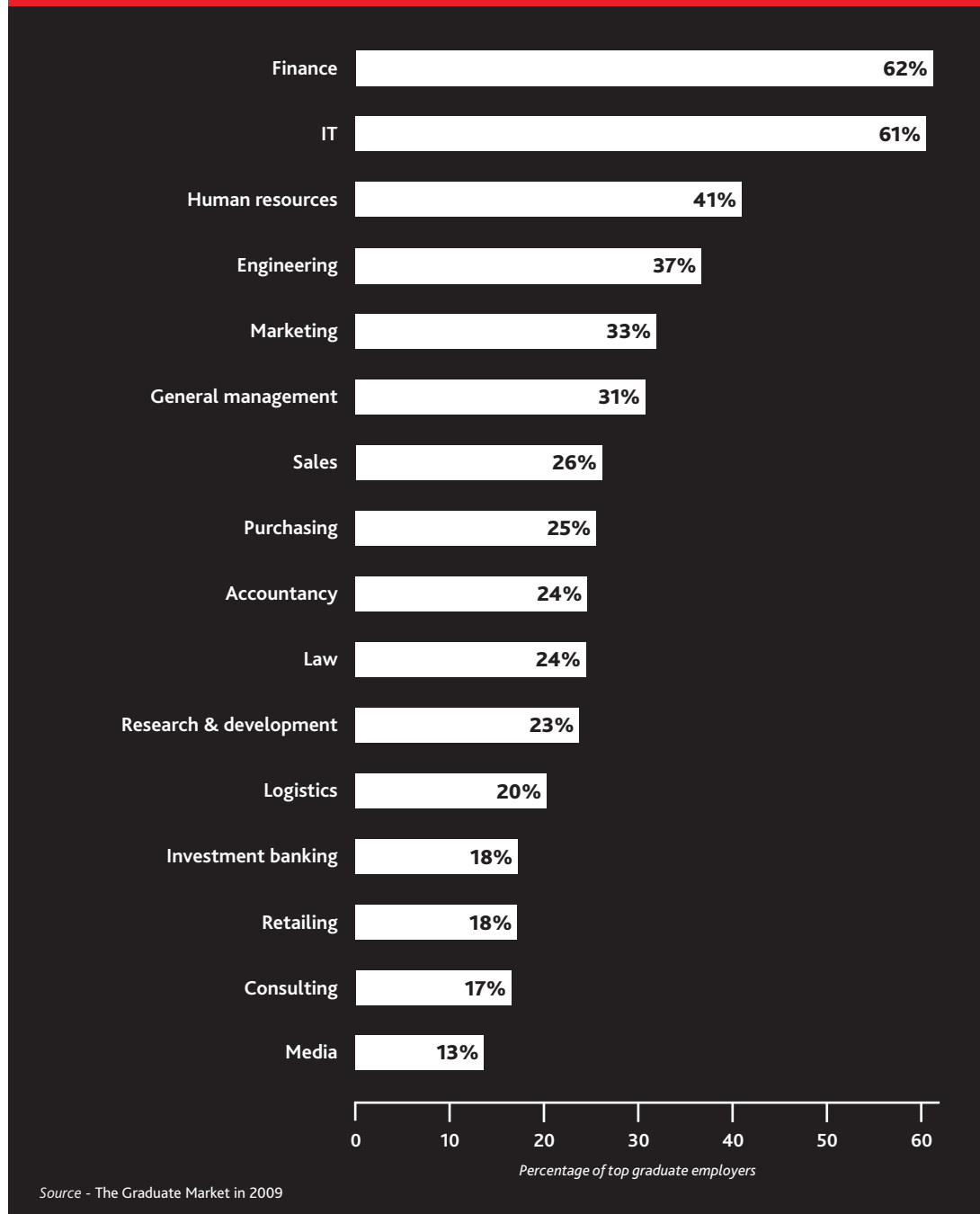


Source - The Graduate Market in 2009

resources, over a third offer vacancies in engineering, and similar numbers are recruiting for general management and sales jobs. Fewer than a fifth of employers are recruiting for consulting, investment banking and retailing roles and just 13% have media vacancies.

These results underline the large disparity between what organisations are perceived to do and their potential recruitment needs. For example, the number of vacancies at so-called ‘IT companies’ is small and yet the volume of graduates needed to work in IT functions at a wide range of employers in other industries and business sectors is considerable.

Chart 2.9 Type of Graduate Vacancies at leading UK Employers in 2009



Changes in Graduate Vacancies since 2007

As this research has revealed that the number of graduates recruited by the UK’s leading employers was cut significantly in 2008, it makes sense to compare the revised recruitment targets for 2009 with the number of graduates hired in 2007, to see how vacancies have changed over the two-year period.

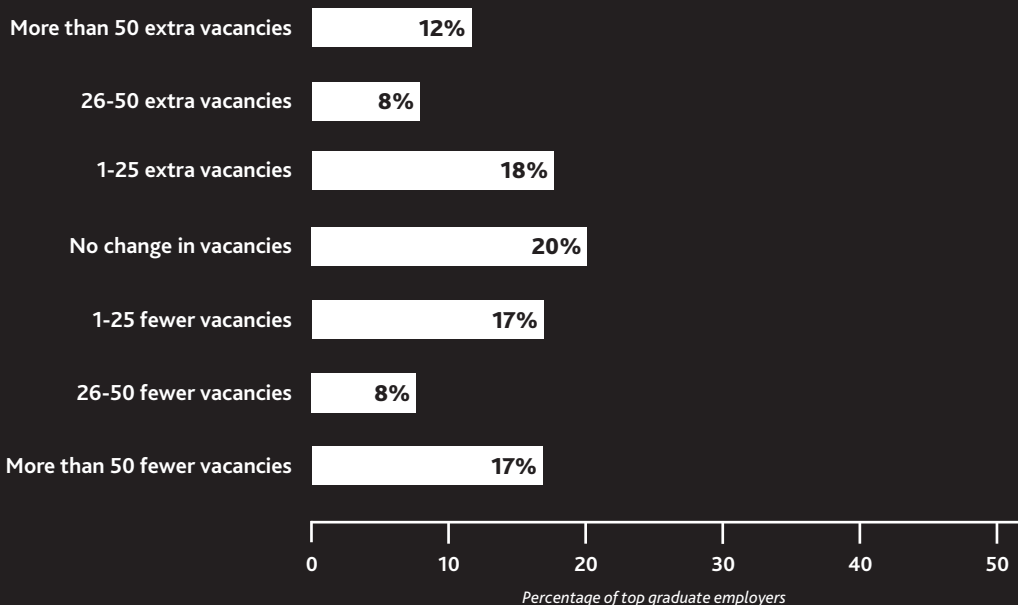
This analysis confirms that two-fifths of employers have lower graduate recruitment targets in 2009 than they did in 2007 (see *Chart 2.10*). A quarter of employers are set to hire up to 50 fewer graduates than two years ago and a sixth of organisations have reduced their intake by between 50 and 400 positions. The biggest individual cuts are at several of the investment banks and two of the ‘Big Four’ accounting firms.

On a more positive note, graduate recruitment at a fifth of employers remains unchanged from 2007 and over a third of organisations have increased their recruiting targets. Of these, most have added fewer than 50 extra graduate places but three public sector employers are together offering an additional 600 graduate vacancies this year, compared with the numbers hired in 2007. In the retail sector, four key employers are planning to take on additional 200 trainees between them in 2009.

Given that the total number of vacancies for graduates has dropped by more than 7% since 2007, it’s no surprise that vacancies have also decreased in many individual business areas and industries.

A total of ten different types of employer are expecting lower vacancy levels in 2009 – the worst hit being investment banks, media companies and IT & telecommunications firms (see *Chart 2.11*). Accountancy & professional services firms have seen vacancies fall by a sixth over the last two recruitment seasons and there have been smaller drops in consulting, chemicals & pharmaceuticals, retailing and law.

Chart 2.10 Changes to Graduate Vacancies at UK Employers since 2007

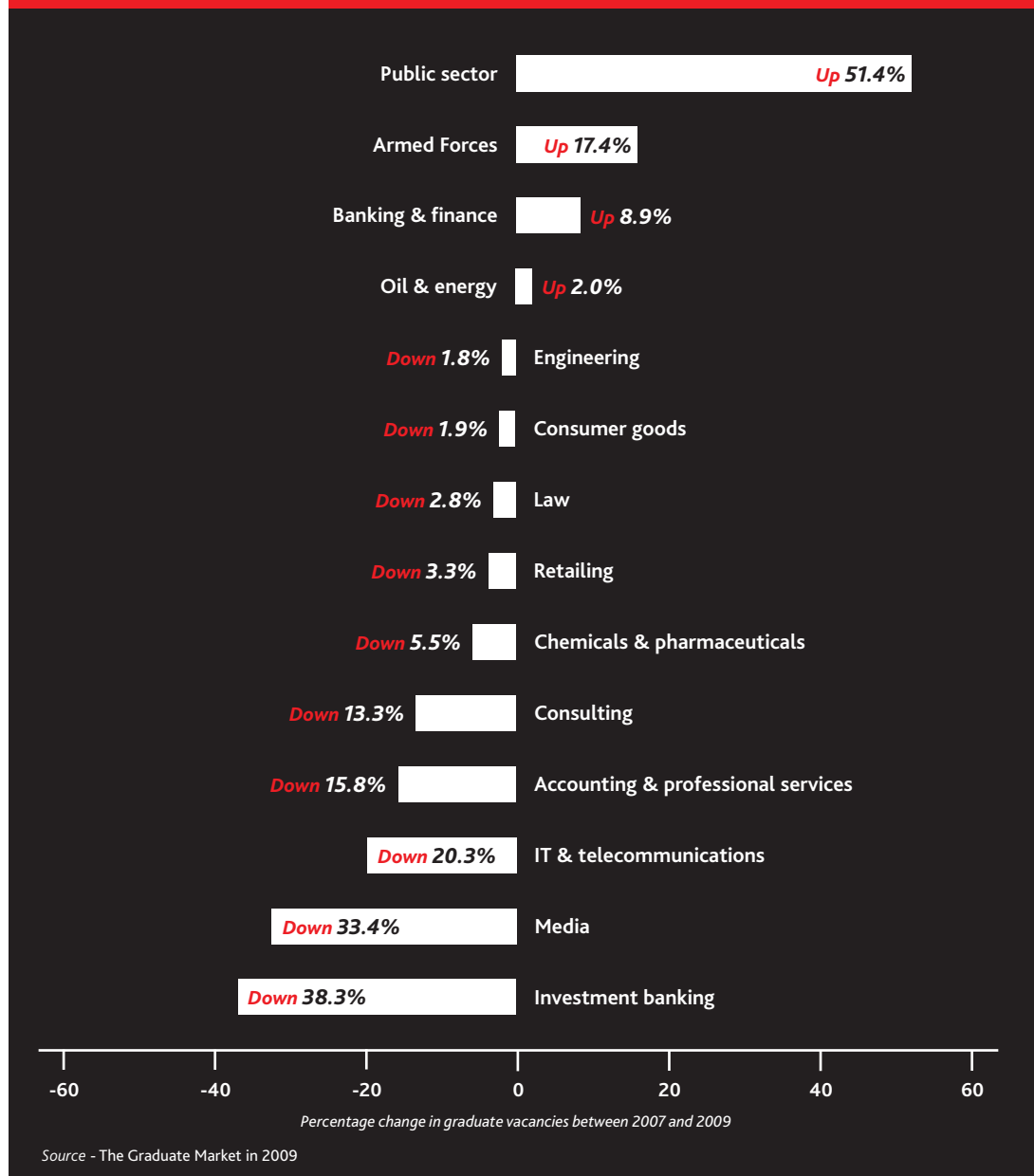


Source - The Graduate Market in 2009

Just four sectors are expecting to hire more graduates this year than they did in 2007. Oil & energy and banking & finance companies have registered a modest growth over the period, but the real gains are at the Armed Forces – where vacancies have risen by more than a sixth – and the public sector, which has seen graduate opportunities jump by more than 50% in the last two years.

The significant changes during the 2008 and 2009 graduate recruitment seasons mean that graduate vacancies have now returned to similar levels to those recorded in 2006. Whilst this may not be good news for those graduating from university this summer, the number of entry-level vacancies at the UK’s leading employers is still 25% higher than in 2003, the first recruitment round following the mini-recession of 2001-2002.

Chart 2.11 How Graduate Vacancies have Changed since 2007, by Sector or Industry



Summary

- Graduate recruitment at the UK's top employers **did not increase by 11.8%** in 2008 as recruiters had expected during the 2007-2008 recruitment season. Instead vacancies **fell by 6.7%** compared with graduate recruitment in 2007.
- More than half of employers **reduced** their 2008 recruitment targets in response to the worsening economic crisis. **Investment banks** and other **financial employers** were the hardest hit and **cut more than 2,500 entry-level positions** from their recruitment targets last year.
- The largest recruiters of graduates in 2008 were the **accountancy & professional services firms** which together hired over 3,700 trainees to start work in 2008.
- Although graduate recruiters published optimistic vacancy targets for 2009 at the start of September 2008, recruitment numbers have already been **revised sharply downwards**. Employers now expect to hire almost **3,400 fewer graduates** in 2009 than they planned to at the beginning of the recruitment season.
- **Investment banks** have again **reduced their intakes significantly** and there has been a further **cut of 8.8%** in the number of graduate vacancies available at the leading **accounting & professional services firms**.
- The sectors preparing to recruit the most graduates in 2009 are **accountancy** (20.9% of total graduate jobs), the **public sector** (13.5% of total) and the **Armed Forces** (12.8% of total); the smallest graduate employers are those in chemicals & pharmaceuticals (0.6% of total) and consumer goods (1.2% of total).
- Employers in just two areas – the **public sector** and the **Armed Forces** – stepped up their graduate vacancies in both 2008 and 2009. As a result there are now **51%** more entry-level positions for graduates in the public sector and **17%** more roles in the Armed Forces.
- During the two recruitment rounds in 2008 and 2009, the UK's leading employers have promoted over 40,000 graduate vacancies, of which **almost 7,000 have been cut or left unfilled**.

Chapter 3

Graduate Salaries

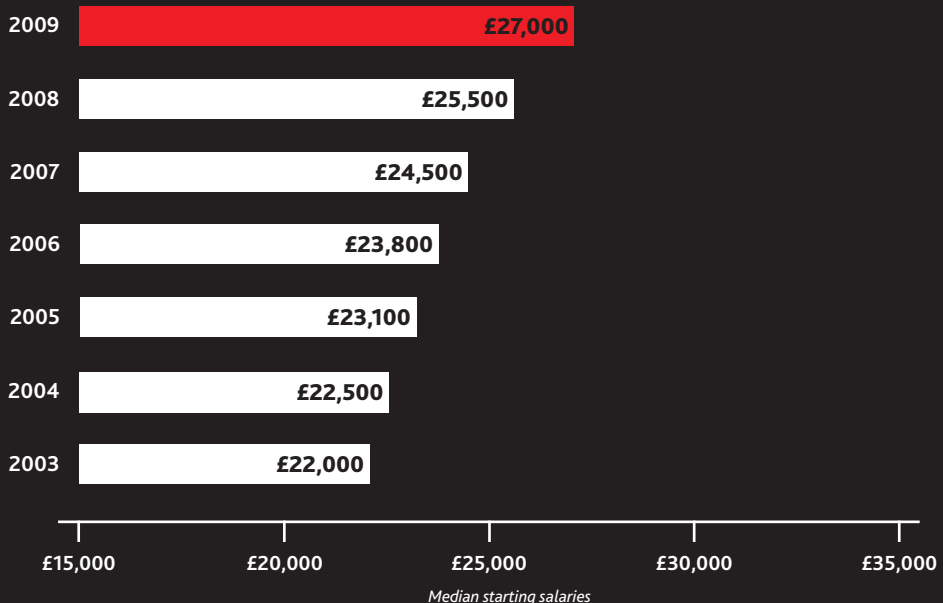
Starting Salaries for Graduates

The second part of the research examines the starting salaries that top employers are planning to pay new graduates who are due to begin work in 2009, compared with salaries paid to graduate recruits who joined their organisations in 2008. The salaries quoted are generally the average national salaries that have been promoted by employers during the 2007-2008 and 2008-2009 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

Despite the reduced number of graduate vacancies at the UK's leading employers, starting salaries are set to increase by an impressive 5.9% to a median of £27,000 in 2009, the highest annual increase recorded during the last six years (see *Chart 3.1*). Whilst this may seem surprisingly generous given the state of the wider economy, it is worth remembering that at the time many employers set their 2009 starting salaries – in the summer of 2008 – annual inflation was running at between 4.3 and 5.2 per cent.

Between 2004 and 2007, salaries rose by between 2.3% and 3.0% – marginally higher than a cost-of-living rise each year – and by 4.1% in 2008. Interestingly in 2003, despite cuts in graduate vacancies, starting salaries actually increased by a higher rate, 4.5% year-on-year.

Chart 3.1 How Starting Salaries for Graduates have changed over the last 5 years



Source - The Graduate Market in 2009

Graduate Salaries in 2009

Although employers are offering a median starting salary of £27,000 for graduates starting work in 2009, the research shows that the salaries on offer from the UK’s leading employers this year does vary considerably from organisation to organisation.

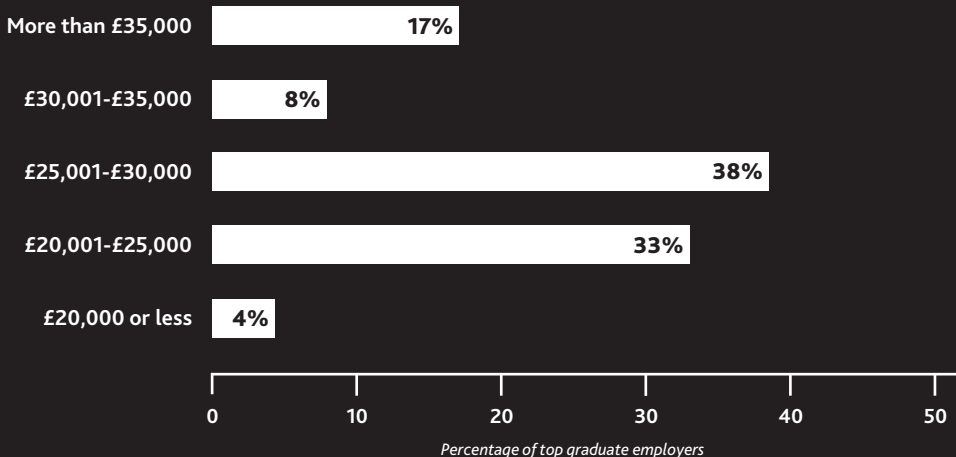
Only one major employer is offering a starting salary of less than £20,000 with a third of organisations paying between £20,000 and £25,000 to new recruits (see *Chart 3.2*). At the top of the market, a quarter of graduate programmes now pay more than £30,000 and one in six employers – chiefly from the legal and banking sectors – are expecting to pay starting salaries in excess of £35,000 this year. The highest salary publicly promoted for 2009 is £40,000 for the graduate development programme at Aldi, a scheme which also provides its new recruits with an Audi A4 car.

By sector, the highest-paying UK employers in 2009 are the investment banks and law firms. Whilst it should be noted that none of the investment banks featured within the research are prepared to officially declare their graduate starting salaries, most are thought to be offering basic pay of between £36,000 and £40,000 to new recruits this year (see *Chart 3.3*). In the legal sector, after two years of significant pay hikes, the median graduate starting salary for law trainees now stands at £37,400, an impressive 29% increase from the median of £29,000 recorded in 2006.

Two sectors – consulting and oil & energy – are offering median salaries of at least £30,000 in 2009 and the Armed Forces, consumer goods companies and banking & finance employers are set to pay salaries above the national median of £27,000. Interestingly, the median starting salary for accounting & professional services firms remains a little below this level, at £26,000 for 2009.

The lowest salaries are for those starting work with retailers, engineering or industrial companies and public sector employers – which each offer average starting salaries of between £22,500 and £25,300, up to £4,500 behind the national median salary. This is the fourth consecutive year that these three employment areas have appeared at the bottom of the graduate pay chart.

Chart 3.2 Graduate Starting Salaries at leading UK Employers in 2009

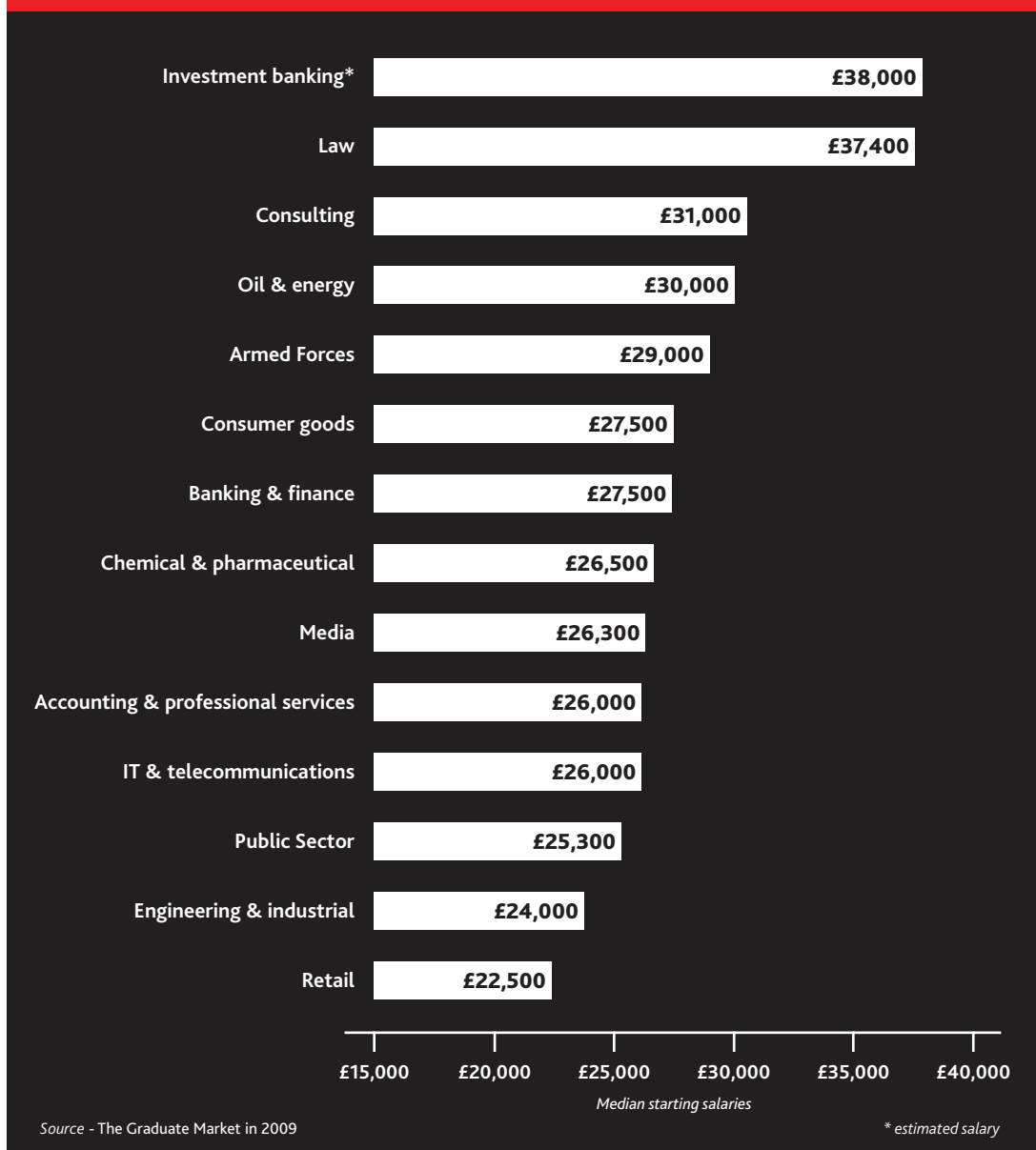


Source - The Graduate Market in 2009

It is worth remembering that starting salaries in some employment sectors may increase before graduates begin in autumn 2009. In particular, the 'Big Four' accountancy firms traditionally set their new salary scales during the summer months, just before the new intake start work. It is also possible, given the current economic climate, that a few employers may elect to downgrade their graduate packages later this year or freeze their starting salaries at 2008 levels.

Although none of the data for graduate remuneration in 2009 includes additional incentives such as relocation allowances, starting work bonuses, season ticket loans, company cars, pension schemes, performance-related bonuses, subsidised sports facilities or employee share allowances, these extra elements are often popular with new graduates and can add considerably to the appeal of an employer.

Chart 3.3 Graduate Salaries at UK Employers in 2009, by Sector or Industry



Changes to Graduate Salaries since 2008

The median graduate starting salary of £27,000 for 2009 is £1,500 more than the £25,500 median rates paid by top UK employers in 2008.

Looking at how salaries at individual organisations have changed, it is apparent that almost all of the employers included in the research have either maintained or increased their starting salaries for 2009. A fifth of employers are not proposing to change their initial graduate salaries, but 76% have implemented some form of rise (see *Chart 3.4*).

One in six organisations are planning to increase pay for new recruits by 5% or more, but the majority anticipate salary rises of between 2.5% and 5.0%. This means that two-thirds of the UK’s leading employers are increasing their graduate salaries by approximately the cost-of-living (as measured in the summer of 2008).

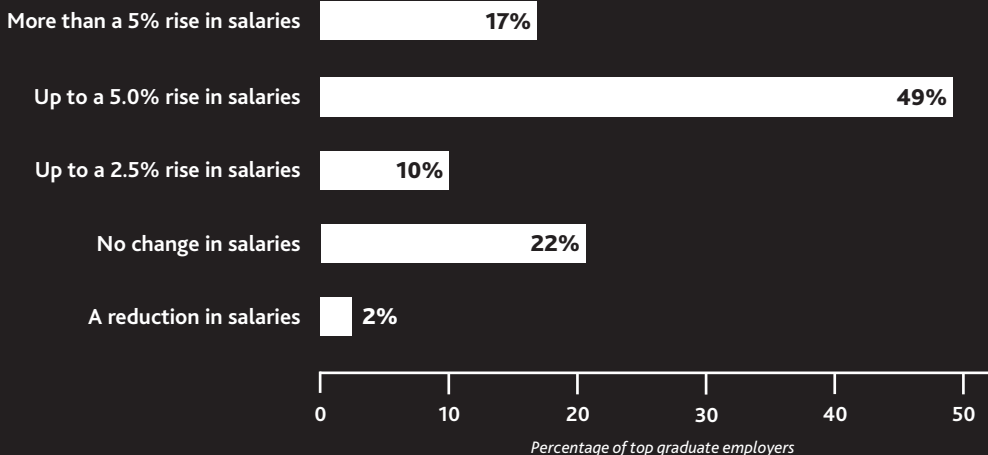
The overall rise in starting salaries in 2009 is reflected by higher salary levels within nine different industries and business sectors (see *Chart 3.5*). The most generous increases are at banking & finance employers, the Armed Forces and the public sector – each of which intends to pay new graduates a minimum of 5.0% more than in 2008. In four other sectors – engineering & industrial, accounting & professional services, IT & telecommunications and law – salaries will increase by around 4.0%. Lower increases apply at oil & energy companies and media firms.

Salaries at chemical & pharmaceutical companies, management consulting firms, consumer goods manufacturers, investment banks and retailers remain unchanged from 2008.

By comparing starting salaries in 2009 with those on offer in previous years, it is evident that pay rates over the last three years increased dramatically in several sectors. Law and public sector employers are now paying almost a fifth more than they did in 2007 whilst banking & finance firms and the Armed Forces have stepped up their graduate remuneration by a sixth over the same period.

Consulting firms, oil & energy and IT & telecoms companies have each increased their graduate packages by around 8% since the 2007 recruitment round.

Chart 3.4 Changes to Graduate Salaries at leading UK Employers since 2008

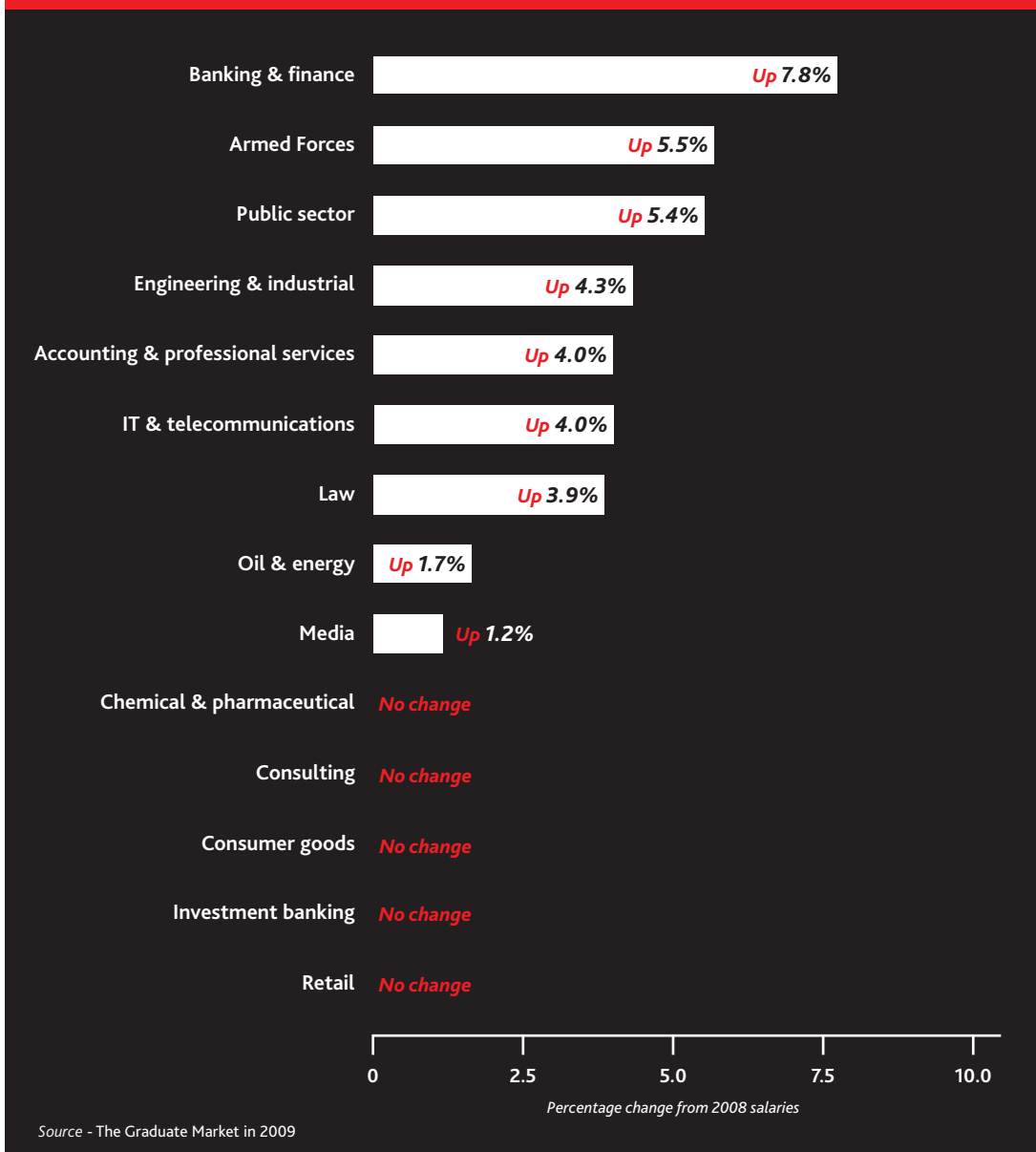


Source - The Graduate Market in 2009

By comparison, graduate starting salaries at the major retailers, engineering & industrial companies, and accounting & professional services firms have risen by little more than 4% over the last three years – below the increase in the cost-of-living during this period – and average pay at media and chemical & pharmaceutical companies is virtually unchanged from 2006 rates.

The net effect of these changes is that over time the distribution of starting salaries is becoming a little more even. Five years ago, the salaries paid by top investment banks, management consultants and law firms were up to £10,000 higher than other sectors, a margin which has been eroded somewhat during the last three recruitment rounds. Despite this, the very top starting salaries on offer to graduates in 2009 are still double the lowest-paying packages.

Chart 3.5 Changes to Graduate Salaries since 2008, by Sector or Industry



Summary

- **Starting salaries** at the UK's leading graduate employers are due to **rise by 5.9%** in 2009, taking average packages to **£27,000** – a £1,500 increase on average salaries paid to new graduates in 2008. Salaries rose by 4.1% in 2008.
- A quarter of top graduate programmes will now pay new recruits more than **£30,000** when they start work.
- The most generous salaries are those on offer from **investment banks** (average of £38,000), **law firms** (average of £37,400) and **consulting firms** (average of £31,000).
- **Retailers** (average of £22,500), **engineering & industrial** companies (average of £24,000) and **public sector** employers (average of £25,300) have the lowest graduate pay rates for 2009.

Chapter 4

Graduate Recruitment in 2008-2009

Promoting Graduate Programmes

The next part of the research examines leading employers' views on and experiences of the 2008-9 graduate recruitment round – from students' reactions to their on-campus promotions and the universities they targeted during their graduate recruitment, to the volume and quality of job applications received.

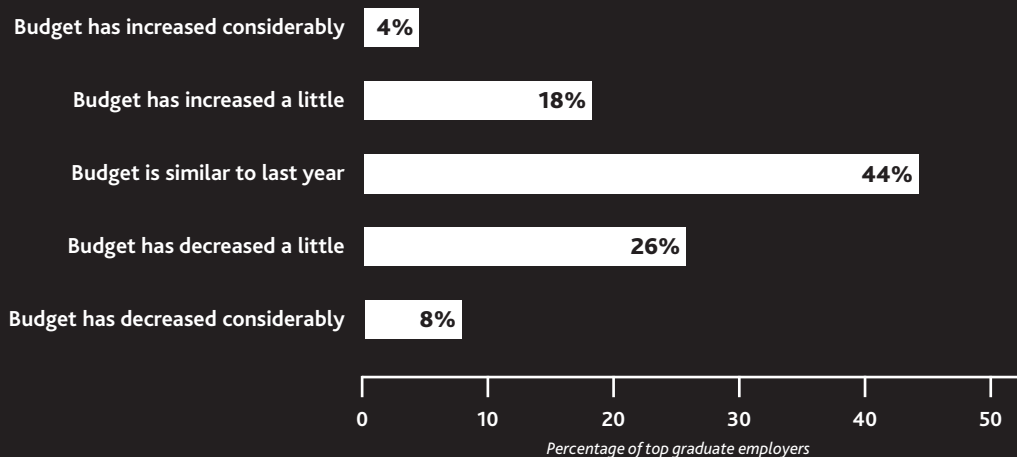
It is evident that the economic downturn has already had an impact on the resources available to graduate recruiters. One in three employers reported that their recruitment budgets had been cut in 2008-9, compared with the previous recruitment season, although just 8% of recruiters described the decrease as 'considerable' (see *Chart 4.1*).

Perhaps unsurprisingly, half of the investment banks included in the research said that they were spending less on graduate recruitment this year, but a significant number of law firms have also opted to reduce their budgets. Other employers whose spending has been cut include retailers, public sector organisations, IT & telecoms companies, accounting & professional services firms, engineering & industrial companies and oil & energy firms.

On a brighter note, nearly half of graduate recruiters at the UK's leading employers said that their budget was similar to last year and a fifth of employers have increased their spending on graduate recruitment for 2008-9.

Four organisations – from the public, engineering & industrial and legal sectors – said that their budgets had 'increased considerably', largely due to having higher numbers of graduate vacancies to fill in 2009.

Chart 4.1 Employers' Graduate Recruitment Budgets for 2008-9



Source - The Graduate Market in 2009

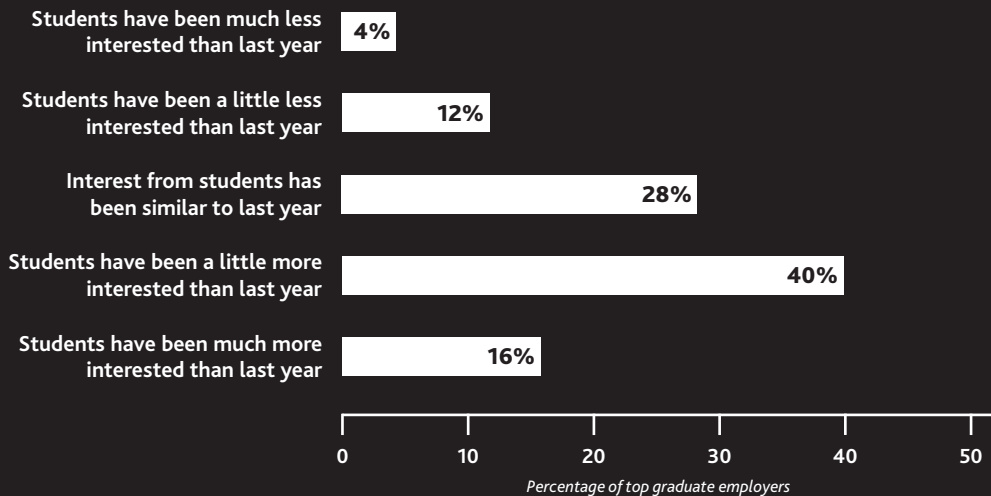
Employers' On-Campus Recruitment Promotions

The three universities targeted by the largest number of leading employers during the 2008-2009 recruitment round are Manchester, London and Warwick (see *Table 4.3*). Other popular institutions include Cambridge, Oxford, Bristol, Durham and Nottingham.

It is interesting to compare this list with the rankings from the latest edition of *The Times Good University Guide 2009*. In it, Oxford and Cambridge are ranked in 1st and 2nd place and St Andrews is rated among the top five universities but Manchester only appears in 27th place, Cardiff in 29th and Leeds in 31st place.

More than half of graduate recruiters said they had seen a greater level of interest from students at their on-campus promotions during the autumn of 2008 (see *Chart 4.2*), although one in six employers – mainly banks or consultants – reported lower turn-outs at their events.

Chart 4.2 Interest from Students at Employers' Campus Activities in 2008-2009



Source - The Graduate Market in 2009

Table 4.3 Universities Targeted by the Largest Number of top Employers in 2008-2009

| Last Year | | Last Year | | | |
|-----------|----|------------|-----|----|--------------|
| 1. | 1 | Manchester | 11. | 9 | Birmingham |
| 2. | 3 | London | 12. | 8 | Edinburgh |
| 3. | 5 | Warwick | 13. | 13 | Sheffield |
| 4. | 2 | Cambridge | 14. | 17 | Loughborough |
| 5. | 4 | Oxford | 15. | 18 | Southampton |
| 6. | 7 | Bristol | 16. | 16 | Cardiff |
| 7. | 10 | Durham | 17. | - | Glasgow |
| 8. | 6 | Nottingham | 18. | 14 | Newcastle |
| 9. | 12 | Bath | 19. | 20 | York |
| 10. | 11 | Leeds | 20. | - | St Andrews |

Source - The Graduate Market in 2009

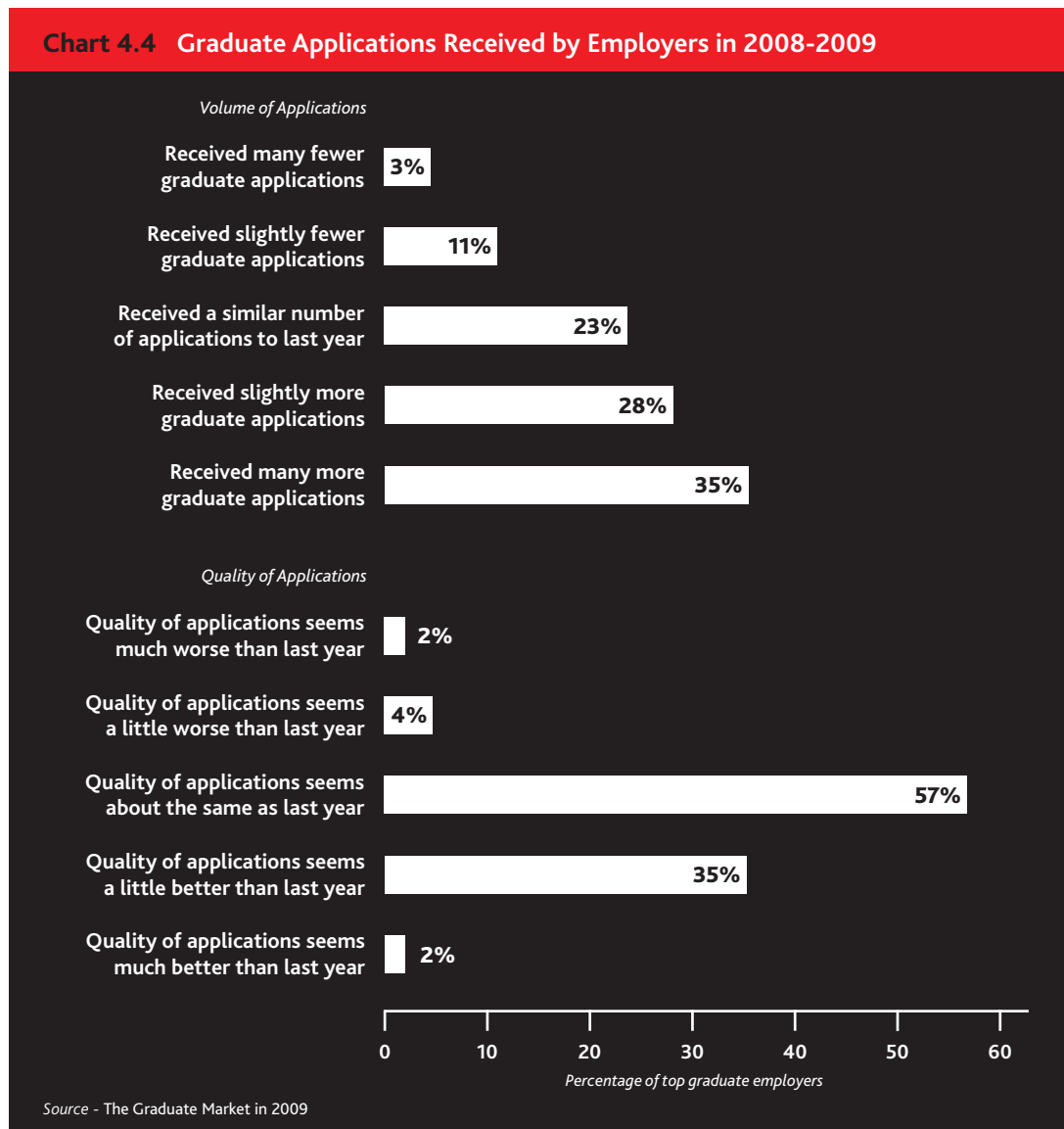
Graduate Applications Received in 2008-2009

It is clear from the research that many graduate recruiters have seen a significant increase in the number of graduate job applications in the early part of the 2008-2009 recruitment round, compared with the same period a year ago.

Nearly two-thirds of organisations reported greater application numbers and over half of these said they had received ‘many more’ applications than last year (see *Chart 4.4*). Four of the five accounting & professional services firms who participated in the research confirmed higher application levels, as did most of the retail, public sector and IT & telecoms employers. More than half of the organisations who received fewer applications in 2008-9 were investment banks or other City employers, but two recruiters from the oil & energy sector had also seen a drop in applicants.

In terms of the quality of graduate applications, at least a third of employers believed that standards had improved this year, half thought the applications they’d received were about the same as last year and 6% feared they were worse than before.

Chart 4.4 Graduate Applications Received by Employers in 2008-2009



Summary

- A **third** of top employers **cut** their graduate recruitment budgets for the 2008-2009 recruitment round, although a fifth of organisations have **increased** their spending this year.
- The majority of employers have been actively marketing their 2009 graduate vacancies at between **15** and **20** universities in the UK, using a variety of university **careers fairs**, campus **recruitment presentations** and local **advertising**.
- More than half of recruiters reported a **greater interest from student job hunters** in their on-campus events and promotions this year.
- The three universities most-often targeted by Britain's top graduate employers in 2008-2009 are **Manchester**, **London** and **Warwick**.
- Two-thirds of employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year, but applications to **investment banks** and other **City employers** dropped significantly.

Chapter 5

The Class of 2009

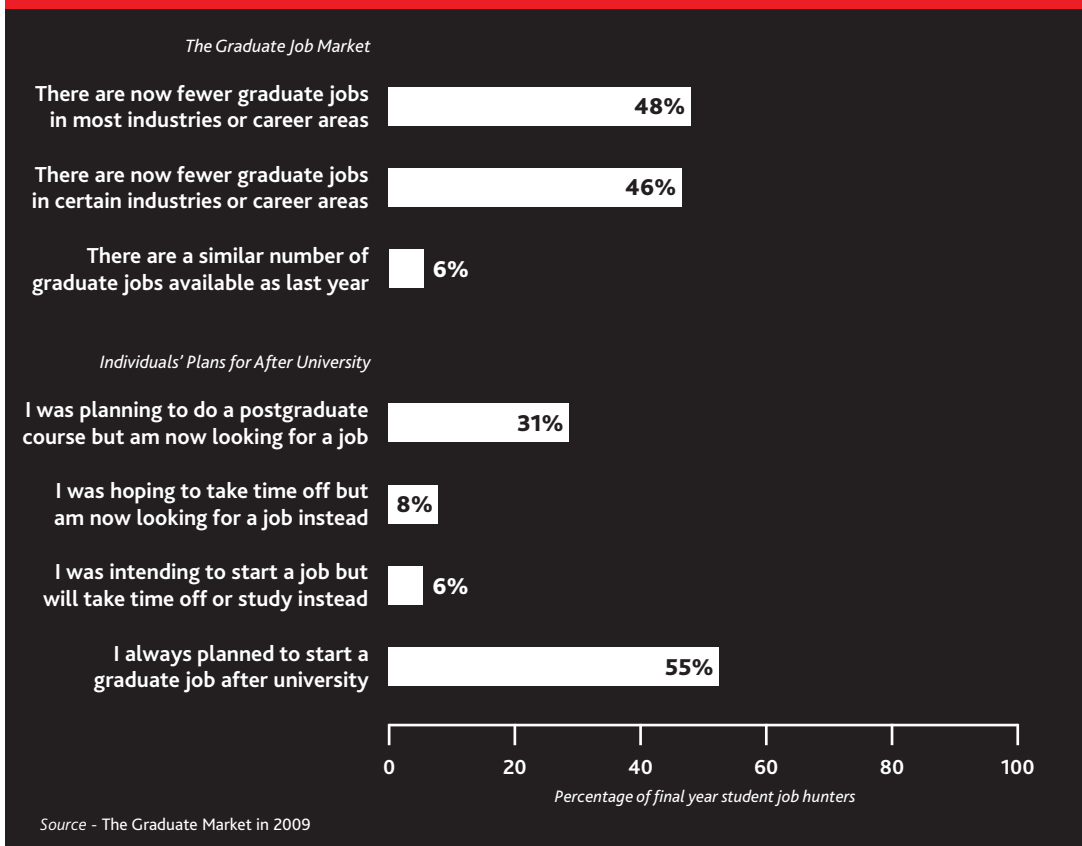
Students' Views on the Economic Crisis

In order to evaluate university students' reaction to the unfolding economic downturn and their views on the changing graduate job market, High Fliers Research conducted research with **1,017 final year students** from 30 leading universities during December 2008. All participants had been actively seeking a graduate job during the autumn of 2008 and took part in a short online questionnaire.

The results of the research show that virtually all of the students questioned feared that there would be fewer graduate vacancies this year as a result of the economic crisis (see *Chart 5.1*). They were divided, though, as to whether the reduction in job opportunities would be felt across most industries and business sectors or whether it would be restricted to just certain career destinations.

On a personal note, a third of finalists confirmed that they had originally planned to stay on at university to do a postgraduate course, but had recently decided to look for a job instead.

Chart 5.1 Students' Views on the Impact of the Economic Crisis



Finalists' Job Hunting during 2008-2009

Nearly half of final year students looking for a graduate job in 2009 said that they weren't confident of finding a suitable position before they left university and fewer than a sixth of job hunters classed themselves as 'very confident' about their employment prospects (see *Chart 5.2*).

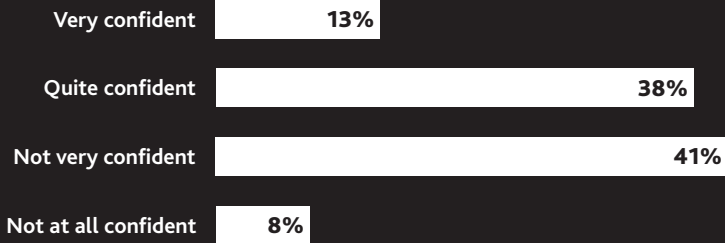
Given this downbeat assessment, it is perhaps surprising that more finalists haven't made job hunting a top priority during their last months at university. Only a fifth of students said that job hunting was a 'very high priority' for them during the autumn of 2008 and a third admitted that finding a graduate position was a low priority for them.

Almost all the student job hunters who took part in the research believe that competition for graduate jobs is now much tougher than it was last year (see *Chart 5.3*) and most think that many organisations are cutting back on their graduate recruitment at the moment. Three-quarters of finalists believe that in certain sectors, graduates risk losing their jobs within the first year of starting work and half fear that employers could renege on job offers this year. A similar number are concerned that organisations may cancel their recruitment altogether in 2009 and that starting salaries for new graduates are likely to be cut.

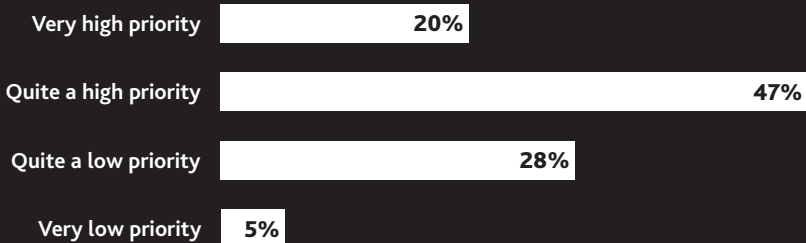
From a personal perspective, nearly half of job hunters think they'll have to take any graduate job they're offered and that they'll start work on a lower starting salary than they were hoping for. A quarter of finalists have been applying to employers who offer better job security and a fifth admit to applying to employers they're not really interested in.

Chart 5.2 Students' Job Hunting during 2008-2009

Confidence in Finding a Graduate Job



Job Hunting during Final Year at University

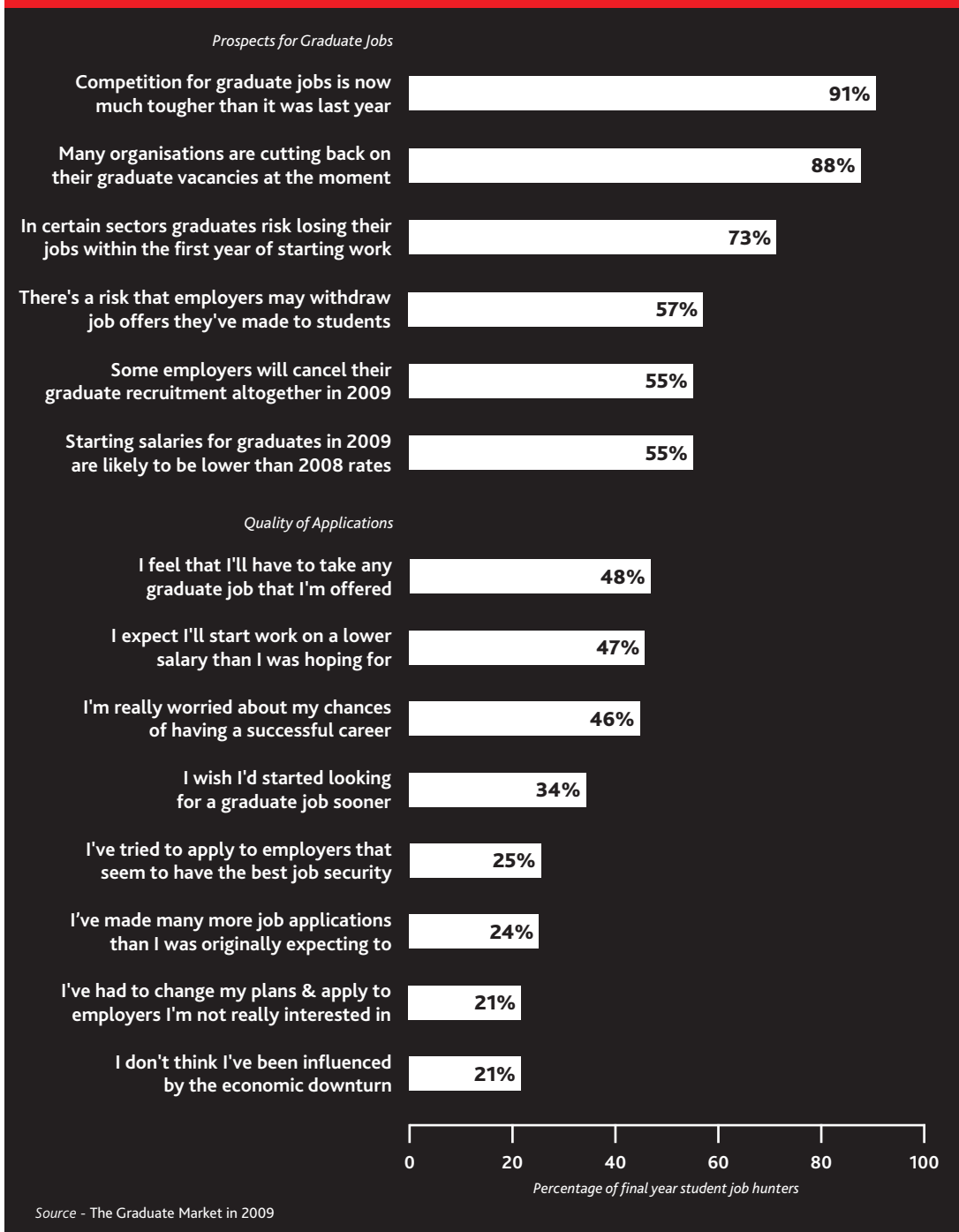


Percentage of final year student job hunters

Source - The Graduate Market in 2009

Students were also asked whether their opinion of individual career destinations had changed as a result of the economic downturn. Nearly two-thirds of finalists confirmed that investment banking was now less appealing, half had been put off working in property, a third had been discouraged from applying for jobs in retail, a quarter had been deterred from considering a career in accountancy and fewer students want to work for small or medium sized businesses. But a third of finalists said that the public sector was now more attractive.

Chart 5.3 Students' Opinions on the Effects of the Economic Crisis



Summary

- Final year university students are **very pessimistic** about their career prospects as the economic crisis worsens. More than **90% of finalists** think that employers will **cut their vacancies** this year and half of student job hunters have **little confidence** that they will find a graduate position after university.
- Two-thirds of finalists say that job hunting has been a **high priority** for them during their final year at university. A third admit that they should have begun looking for work **earlier**.
- In the current climate, three-quarters of students believe that in certain sectors, new **graduates risk losing their jobs** within the first 12 months of starting work. Half think that employers may **renege on job offers** they make to students this year.
- A **significant number of students** have been **put off** applying for jobs in **investment banking, property, retail and accountancy** due to the economic downturn and fewer students are keen to work for small or **medium-sized businesses** this year. But a third of finalists say working in the **public sector** is now a **more appealing** prospect.
- Half of finalists believe they'll have to take **any job that they're offered**, a fifth say they've been forced to apply to employers that they **aren't really interested in** and many expect to begin work on a **lower salary** than they were hoping for.

Chapter 6

Outlook for 2010

Graduate Vacancies for the 'Class of 2010'

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

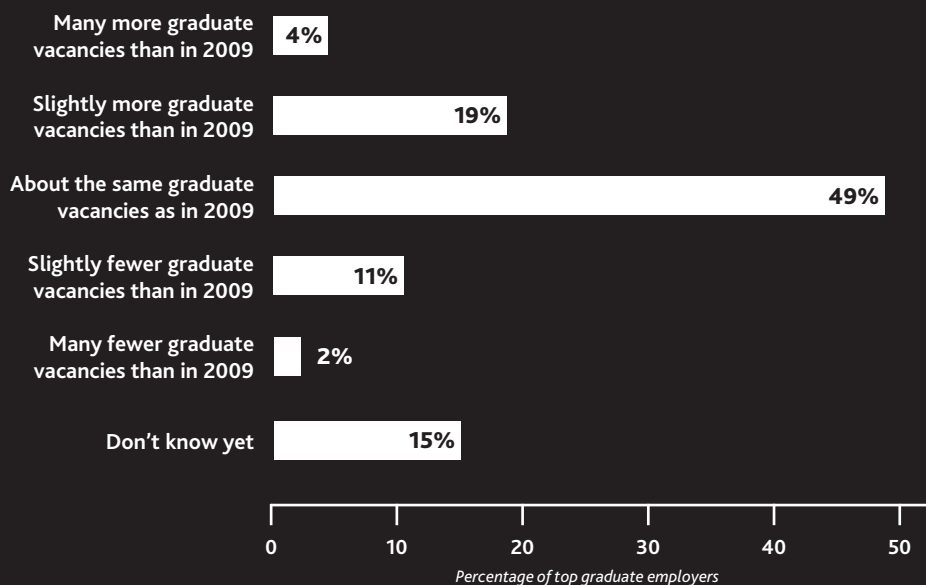
The results are refreshingly upbeat and show that up to three-quarters of recruiters are expecting their organisation to maintain or expand their graduate recruitment next year (see *Chart 6.1*). Nearly half of recruiters believed that they would take on a similar number of graduates in 2010 as are being recruited in 2009 and more than a fifth hope to increase their intake next year, with several organisations planning to offer 'many more vacancies'.

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

A sixth of employers, however, expect to hire fewer graduates in 2010 than they're taking on this year. These more gloomy assessments are from recruiters at a number of investment banks, public sector organisations and engineering & industrial companies.

These early predictions for 2010 are encouraging and suggest that despite some significant cuts to graduate vacancies in 2008 and 2009, many of the UK's top employers are aiming to maintain a stable pipeline of new graduates for their organisations through the remainder of the economic downturn.

Chart 6.1 Number of Graduate Vacancies that Employers expect to Offer in 2010



Source - The Graduate Market in 2009

Summary

- Britain's leading graduate employers are **reasonably optimistic** about their graduate recruitment in 2010. A quarter expect to take on more new recruits next year and **half** expect to **maintain recruitment at 2009 levels**.
- Just **13% of employers** – largely in the investment banking and engineering & industrial sectors – believe their recruitment targets **will be cut further in 2010**.
- The sentiment from many employers is that they are determined to continue to recruit graduates for entry-level positions, to provide an **uninterrupted supply** of future management talent for their organisations.

Appendix

Media Coverage for 'The Graduate Market in 2009'



January 14th 2009 – 'The Graduate Market in 2009' was a lead story on 'Breakfast' and the 'BBC News at One' and Martin Birchall was interviewed live on the BBC News Channel.



January 14th 2009 – Martin Birchall was interviewed by Adam Shaw on the 'Today' programme and the research was featured on 'The World at One' and 'PM' programmes.



theguardian

Graduate jobs vanishing, says poll of recruiters

Polly Curtis
Education editor

Students face a “very slim” chance of a graduate-level job this summer according to a poll of 100 of the country’s best-known companies which shows that one in six such posts have already been cut.

Most graduate traineeships are already taken and positions in the City alone are down 47%. It is the first widespread acknowledgement from leading employers that they are reducing recruitment.

A Guardian investigation last week revealed widespread fears about the graduate jobs market, with some companies restricting recruitment to just five top universities.

Today’s poll was conducted by High Fliers Research, which specialises in the graduate recruitment market. It polled 100 top recruiters including British Airways, HSBC, Marks & Spencer, Morgan Stanley and Rolls-Royce.

This year’s intake of new graduates is to be cut by 17%, it reported. The scale-back began last year, suggesting that graduates from the class of 2008 are also still struggling to get work.

Half of employers have now downgraded their graduate recruitment targets for 2009. Cuts have taken place in almost every employment sector, but the situation is worst in the City. Only the public sector is increasing recruitment significantly - by 51% since 2007.

Martin Birchall, managing director of High Fliers, said: “There is understandable panic on campus that this is shaping up to be one of the worst years of the last two decades to be graduating from university ... For those who have yet to begin job hunting, the chances of landing a last-minute place on a graduate programme now seem very slim.”

Page 5, January 14th 2009

THE INDEPENDENT

Panic on the campus as graduate jobs disappear

► Investment banking work hardest hit as vacancies drop by 47 per cent

By **Richard Garner**
EDUCATION EDITOR

STUDENTS WHO graduate from university this summer are warned today that their chances of getting a job have virtually disappeared already.

Vacancies for graduates have fallen by 17 per cent since last summer, cutting jobs on offer by thousands, and most vacancies for this year have already been filled according to a survey of the top 100 graduate recruiters published this morning.

The biggest decline has been in investment banking, where jobs on offer have been reduced by 47 per cent year on year, while retailing is down 26 per cent and accountancy by 15 per cent. Over a two-year period the number of media jobs on offer has been cut by 32 per cent. The only employment area where graduate vacancies have increased noticeably are the public services – up 51 per cent over the past two years – and the armed services, which have seen a 17 per cent increase.

Martin Birchall, managing director of High Fliers Research, which conducts the annual graduate recruitment survey, said: “These swingeing cuts in graduates at Britain’s best-known and most sought-after employers are very bad news for anyone leaving university this summer. Not only have vacancies been reduced substantially for those finishing university in 2009 but it is now clear that many of last year’s entry-level jobs did not materialise either.

“There is understandable panic on campus that this is shaping up to be one of the worst years in two decades to graduate. For those who have yet to begin job hunting, the chances of landing a last-minute place on a graduate programme now seem very slim.”

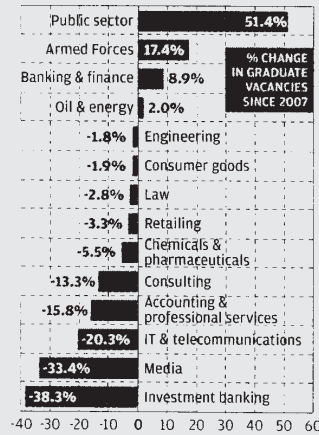
Wes Streeting, president of the National Union of Students, said: “Given the high levels of debt currently

being accrued by students because of fees, these figures will be extremely worrying for those who are preparing to graduate in 2009. But it isn’t just graduate jobs which are at risk from the credit crunch. Many students have to work part-time to finance their studies and we may see more of them having to drop out if they lose these jobs.”

The only bright spot on the horizon is that those graduates who have found a job are likely to be earning more than in previous years as the annual starting salary for a graduate has risen by 6 per cent – up £1,500 to £27,000.

Phil Willis, the Liberal Democrat chairman of the Commons select committee which monitors universities, said: “You would hope that the public sector would at least try to maintain

Situations vacant?



Source: The Graduate Market in 2009

employment and increase it where necessary in order to provide opportunities. This is a golden opportunity to look at our graduate workforce and see how we can re-skill them to take advantage of the economic upturn when it comes.”

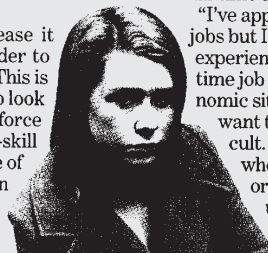
‘I know a lot of people who plan to travel’

Charlotte Jarvis The student

THE THIRD-YEAR Birmingham University student is not expecting to look for a full-time job when she finishes university this summer.

Charlotte Jarvis, 21, from Oxford, below, who is studying European politics, society and economics, is planning to take up a four-month placement teaching at a Spanish school and do some travelling before seeking out full-time employment in the UK.

“I’ve applied for a couple of jobs but I’d rather get more experience before I take a full-time job because of the economic situation,” she said. “I want to get a job but it’s difficult. I know a lot of people who are planning to travel or go on to do post-graduate work.”



THE TIMES

Graduates lured by budget store's £40,000 plus car

Alexandra Frea Education Editor

Graduate vacancies at the country's leading employers have been cut by a sixth this year, but lucrative opportunities still await university leavers prepared to stack supermarket shelves.

The discount retailer Aldi is named today as the best-paying graduate recruiter, offering a starting salary of £40,000, rising to £60,000 after three years, and an Audi 4 company car.

The pay beats the £39,000 offered at Freshfields Bruckhaus Deringer and the £38,000 at Slaughter and May, which top the list of law firms that make up most of the best-paying companies for graduates, according to a survey of graduate vacancies for *The Times* Top 100 Graduate Employers. It also compares favourably with the £38,000 offered by investment banks, which are cutting back on graduate recruitment.

The study, by the market researcher High Fliers, shows that this year's intake of new graduates is to be cut by 17 per cent. Of the 40,000-plus graduate jobs that employers had hoped to offer last year and this, almost 7,000 have been cancelled or left unfilled. For students in the class of 2009, graduating with debts of up to £20,000, prospects look grim. Half of the 1,117 final-year students surveyed think that they will have to take any job that they are offered, and a fifth have applied to employers in whom they have little or no interest.

Dan Ronald, regional managing director for Aldi, which broke into the

world's top ten retailers yesterday with a 25 per cent increase in British sales, said: "Nobody grows up wanting to be a discount retail executive. But if you look beyond the job title, it's a people-focused job that offers great opportunities for progression." Aldi graduate trainees learn the trade from basics. Those most likely to impress will have proved their leadership skills in extracurricular activities.

Aldi is expanding its graduate recruitment scheme from 100 places last year to 150 this year and is receiving 2,000 applications for every post. "We are now talking to graduates from Oxford, Cambridge, Durham, Bristol and other leading universities," he said.

Kate McGrath, 23, a business studies graduate from Leeds Metropolitan University, is an area manager with Aldi, earning £45,500. She is responsible for 90 staff and four stores.

"At first some of my friends wondered why I wanted to work for a discount retailer. But attitudes have changed in the last two years. Most of my customers say they didn't try Aldi till the start of the credit crisis last year. Everybody is saying it: anyone who works for Aldi is in the right place just now," she said.

Martin Birchall, of High Fliers, said that almost every sector had cut graduate recruitment but it was worst in the City, where there were 47 per cent fewer entry-level jobs in investment banking this year. Graduate starting salaries, however, should rise 6 per cent this year to an average £27,000, as most had been set before the extent of the recession was known.



Kate McGrath, 23, a graduate, earns £45,500 a year with Aldi

Daily Mail

Aldi pays graduates £40,000 and there's an Audi thrown in

By **Laura Clark**
Education Correspondent

IT may be one of the cheapest supermarkets, but Aldi is offering this year's biggest starting salary for graduates.

It pays university leavers £40,000 a year, plus a new Audi A4 car – nearly twice the £25,500 offered by upmarket rival Marks & Spencer.

Recruits spend a year learning about all aspects of the business with a view to becoming area managers responsible for three to five stores.

The recession has forced most firms to cut jobs, but Aldi has benefited as hard-pressed shoppers switch to its budget produce.

While other employers are cutting their recruitment, the discount chain is expanding the number of places on its training scheme by 50 per cent.

It is among a small number of employers – including public sector organisations – which are significantly boosting graduate recruitment this year, a report reveals today.

Independent consultancy High Fliers Research spoke to 100 firms that it rates as the best for graduate opportunities, including Accenture, PricewaterhouseCoopers, Goldman Sachs, the BBC and the civil service.

It found Aldi had 'the highest salary publicly promoted for 2009'.

The report said starting salaries at most investment banks are not declared, but are thought to be between £36,000 and £40,000. At law firms the average is £37,400. At the big accountancy firms it is £26,000.

The research shows that leading graduate employers have scaled back recruitment targets by 17 per cent this year – equivalent to 3,400 posts.

It found that most graduate positions for 2009 have already been filled and predicted less than one in three graduates can expect to land an advertised graduate-level job this year – the lowest proportion ever.

The report also found that public

HOW THEY COMPARE

- Aldi – **£40,000**
- Freshfields Bruckhaus Deringer (law firm) – **£39,000**
- Clifford Chance (law) – **£37,400**
- Eversheds (law) – **£31,500**
- ExxonMobil – **£31,500**
- Accenture (consultancy) – **£31,000**
- Royal Navy – **£28,200**
- L'Oréal – **£27,000**
- Civil Service Fast Stream – up to **£27,000**
- Microsoft – **£26,000**
- Marks & Spencer – **£25,500**
- IBM – **£25,000**
- NHS Management – **£20,600**

sector employers plan to increase vacancies this year to a level 51 per cent higher than the figure for 2007.

By contrast over the same period the overall number of graduate vacancies will have fallen 7 per cent.

German-owned Aldi confirmed it had boosted its graduate scheme from 100 to 150 vacancies.

A spokesman said: 'Being able to offer such an attractive starting package to 50 per cent more university-leavers is fantastic and fundamental to the continued growth of Aldi.'

Sales at no-frills supermarket chains are up by more than a quarter in a year while Waitrose and M&S have lost market share, according to research firm Nielsen.

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FINANCIAL TIMES

Graduates hit as job vacancies in City fall 65%

By Andrew Taylor,
Employment Correspondent

The number of job vacancies in the City of London has fallen by almost two thirds over the past 12 months, according to Morgan McKinley, the financial recruitment specialist.

Separate studies published yesterday also revealed sharp falls in graduate recruitment and online job opportunities across almost all areas of the economy.

According to Morgan McKinley, the number of new job opportunities in the City last month was 65 per cent lower than in December 2007. But fewer people were seeking employment in the City too, with employees "choosing to remain in their current role rather than voluntarily enter the job market".

Even so, there were still far "fewer jobs than people looking for work".

Robert Thesiger, chief executive of Imprint, Morgan McKinley's parent company, said: "The momentous events which have occurred during the past 12 months have changed the shape of the financial services landscape forever, and the level of uncertainty within the sector has translated into a lack of confidence across all areas of the industry's recruitment."

He added: "The war for talent is over – employers have a wider pool of talent to choose from and candidates are facing fierce competition for available roles."

Hiring levels were "a fraction of what they were a couple of years ago", Mr Thesiger concluded. "Confidence levels amongst [job] candidates are so low that those individuals who have some job security and the few who are in the running to receive a bonus in the first quarter of 2009 are choosing to stay where they are rather than enter into what is an extremely difficult job market."

With "more new candidates than new jobs coming on to the market", City job seekers were taking an average of just over 76 days to find work – almost a month more than in December 2007.

A separate survey by High Fliers Research, a market research company, reported that job opportunities for graduates were likely to be 17 per cent lower this year. "Cuts have taken place in almost every employment sector, but the situation is worst in the City where there are 47 per cent fewer entry-level jobs in investment banking this year," it said. "The only area to show an improvement was in the public sector, where job vacancies for graduates have risen by 51 per cent."

Monster, the world's largest online recruitment company, saw a 19 per cent fall in job opportunities in December against a year earlier. Education was one of the few bright spots, "with schools and colleges significantly stepping up recruiting efforts to secure staff for 2009".

THE TIMES

The Graduate Jobs Market 2009

The competition among graduates seeking work has got several degrees more difficult

Martin Birchall looks at the number of vacancies for those leaving university

Many students will have to wait until 2010 before their employment prospects begin to look rosy once more. A report published today shows that, perhaps unsurprisingly, there will be far fewer vacancies for graduates leaving university this summer, but many employers are optimistic that things will get better next year.

As recently as September 2008, employers were expecting to hire near-record numbers of graduates in 2009, and yet recruitment targets at Britain's top employers have been cut by more than a sixth in the past four months. *The Graduate Market in 2009* report, based on research with organisations featured in *The Times Top 100 Graduate Employers*, shows that, of the 40,000 graduate jobs advertised in the past six months, almost 7,000 vacancies have been dropped or left unfilled.

There is good news, however: 3,392 planned job vacancies for 2009 graduates have been cut, but starting salaries, often agreed before the economic meltdown began, are set to rise by 5.9 per cent, taking average starting salaries for graduates to £27,000.

The dearth of jobs might be bad news for job-hunting graduates, but recruiters are upbeat because they are receiving a lot more applications, often much earlier, than in previous years as final-year students hurry to secure jobs. One recruitment manager for a well-known consulting firm said: "We've filled all our graduate vacancies for 2009 and have already begun hiring for roles starting in 2010."

This suggests that next year's students will need to move very quickly indeed, despite a quarter of the top employers saying that they plan to increase the number of graduate vacancies next year — 13 per cent of employers expect recruitment to be cut further in 2010.

Virtually every big employment sector has been hit by the cuts, but the biggest job losses are in investment banking, where entry-level vacancies are almost 40 per cent lower than in 2007 and nearly 3,500 new posts have been withdrawn during the past year. Nevertheless, the sector still promises big money, with graduates offered an average starting salary of £38,000 —



Managing expectations in a changing world

Case study Stefanie Zammit

Stefanie Zammit, 21, had set her heart on a place on the Hilton's hotel graduate scheme when she graduates from the University of Leeds this summer.

But she didn't even get a chance to apply — the programme has been postponed until further notice. "We're all in big trouble."

7.8 per cent more than last year.

Accounting and professional services firms, which are among Britain's biggest recruiters of graduates, cut their training places by 8 per cent in 2008 and are expecting a drop of 9 per cent this year. Despite this, the Big Four firms are offering more than 3,200 posts for graduates. Average salaries in the sector are £26,000.

The retail sector is not all doom and gloom for graduates. Employers have downgraded their recruitment targets by a fifth this year, but several retailers — including Aldi and J Sainsbury — have upped their recruitment for 2009. Despite Aldi's £40,000

The graduate positions are becoming less and less. I decided I had to do something else."

Now she is applying to Teach First, the two-year graduate teaching and business programme. But she says the competition will be fierce. "I'm sure I'm not the only one thinking this way. I

started off very picky and saying I wanted a great career and high-flying job. As the weeks pass, it's becoming more and more desperate and if I see anything half-decent on a graduate recruitment website I'll go for it. I have lowered my expectations."

JOANNA SUGDEN

starting salary the sector is on average a pretty low payer, at £22,500.

Across the main industrial employers — in engineering, IT, telecoms, chemical and pharmaceuticals and oil and energy there are 500 fewer vacancies on offer this year and a similar number of jobs were cut from last year's intake. The best-paid in this group would be those going into oil and gas, where they can expect to be paid a starting salary of £30,000.

Only two employment areas expect to take on more graduates in 2009. The public sector, which includes the Civil Service Fast Stream, the NHS Management Training Scheme and

Teach First, is set to hire 51 per cent more graduates in 2009 than in 2007.

However, despite relatively low average starting salaries (£25,300), the public sector is reporting vastly increased applicant levels, with some graduate schemes closing early. Likewise, the Armed Forces plan to take on 17 per cent more officer recruits for the Army, Royal Navy and RAF, with average starting salaries of £29,000.

Despite the jobs cuts, none of the big employers has yet to suggest cancelling its graduate programmes. Six years ago, in the downturn of 2002 and 2003, several well-known recruiters, including Ford, Marks & Spencer and British Airways, pulled out of recruitment or withdrew offers to graduates in an effort to reduce costs.

As one senior graduate recruiter explained: "Our graduate recruitment in 2009 isn't about filling vacancies for next September — it's about finding the right candidates who can begin their training in September. And then in two or three years' time, in 2011 or 2012, [they] will be ready for their first management position. Hopefully, by then, our business will be crying out for the next generation of talented, skilled managers."

Martin Birchall is author of *The Graduate Market in 2009* and managing director of High Fliers Research. A free copy of the report is available to download from www.highfliers.co.uk.

Postscript

- Britain's leading graduate employers have reduced their recruitment targets for 2009 by 17 per cent since the latest graduate recruitment round began in September 2008.

- Graduate recruitment at the UK's top employers did not increase by 11.8 per cent in 2008, as expected during the 2007-08 recruitment season. Instead, vacancies fell by 6.7 per cent, compared with graduate recruitment in 2007.

- Employers expect to hire almost 3,400 fewer graduates in 2009 than they had planned at the start of the recruitment season.

- The majority of employers plan to recruit graduates for finance-related roles — 62 per cent for jobs in finance and 24 per cent for positions in accountancy. 61 per cent plan to hire graduates for IT roles. Only 15 per cent of employers are advertising to fill media roles and 17 per cent consulting positions.

- Almost nine out of ten organisations are offering vacancies in London and almost half plan to hire new recruits for positions in the South East of England in 2009. About 55 per cent have jobs in the North West and 50 per cent have roles in the Midlands and Yorkshire. However, only 31 per cent had job vacancies in Northern Ireland.

- The sectors preparing to recruit the most graduates in 2009 are accountancy (20.9 per cent of total graduate jobs), the public sector (13.5 per cent of total) and the Armed Forces (12.8 per cent of total). The smallest graduate employers are chemicals and pharmaceuticals companies (0.6 per cent of total) and consumer goods companies (1.2 per cent of total).

- Employers are reasonably optimistic about graduate recruitment in 2010. A quarter expect to take on more new recruits next year and half expect to maintain recruitment at 2009 levels.

- Starting salaries at Britain's leading graduate employers are due to rise by 5.9 per cent in 2009, taking average packages to £27,000 — a £1500 increase on average salaries paid to new graduates in 2008. Salaries rose by 4.1 per cent in 2008.

- A quarter of top graduate programmes will pay new recruits more than £30,000. The most generous salaries are those on offer from investment banks (an average of £38,000), law firms (an average of £37,400) and management consulting firms (an average of £31,000).

- The three universities targeted most often by Britain's leading graduate employers in 2008-09 are Manchester, London and Warwick.

- Two thirds of employers said that they had received more completed graduate job applications during the early part of the recruitment season than they had last year, but applications to investment banks and other City employers have dropped significantly.

Are there reasons to be cheerful?

- Almost half of final-year students say that the present economic gloom and rapidly contracting graduate jobs market means that they will have to take any job that they're offered.
- In a survey of 1,017 student job-hunters from 30 universities, a fifth said that they had been forced to apply to employers that they were not really interested in and nearly half said that they expected to begin work this summer on a lower salary than they had hoped for.
- The looming recession has given Generation Y a shot of reality, with

most being realistic about the scale of the job cuts and the increase in competition for positions at the largest employers. Most students confirmed that investment banking was less appealing now, as was working in property, retail, accountancy and working for small to medium-sized enterprises.

- There was a real fear that graduates could lose their jobs within the first year of employment or that job offers would be withdrawn. Most also expected graduate starting salaries to be lower than last year — although research among *The Times*

Top 100 Employers (see above) shows that this is not the case, with average salaries rising from £25,500 last year to £27,000 this year.

- The gloomy jobs outlook is not putting most students off, although, perhaps counter-intuitively, many are cancelling plans for postgraduate study or time off to look for jobs.

- Despite this, only a fifth of students said that job-hunting had been a "very high priority" for them during the autumn of 2008 and a third admitted that they should have begun looking for work earlier.

CAROL LEWIS

The Daily Telegraph

Graduates struggle as employers cut posts

By Graeme Paton
Education Editor

UNIVERSITY leavers are facing a jobs crisis as leading companies cut graduate positions by almost a fifth, a report will say today.

The number of skilled staff taken on by the firms will drop by 7,000 to about 33,000 amid fears over the deepening financial crisis, it will claim.

Researchers say graduates are facing the worst job prospects for 20 years, which is creating "panic" on campuses.

The City is likely to be hardest hit as investment banking posts are expected

to fall by almost half. The conclusions, in an annual survey by the marketing firm High Fliers Research, come at a time that ministers are promising to guarantee government-sponsored internships for university students.

John Denham, the Skills Secretary, said four leading companies, including Barclays and Microsoft, had agreed to accept trainees as part of emergency measures to prevent thousands of graduates being left without jobs.

The most significant job growth is in the public sector, where graduate posts are increasing by half.

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Budget store recruits get £40k plus an Audi

Aldi revealed as best-paying start for graduates

A SUPERMARKET is offering graduates a starting salary of £40,000 plus a company car — as job vacancies for university leavers fall by a fifth.

Discount retailer Aldi has been named as the best-paying recruiter, offering 150 places on its management training scheme. The company is bucking a national trend which has seen employers scaling back recruitment drives despite receiving more applications.

Dan Ronald, regional managing director for Aldi, admitted his company may not be first choice for many graduates. But he said that because the trainee scheme offered excellent prospects the firm was receiving around 2,000 applications for every post.

"Nobody grows up wanting to be a discount retail executive," he said. "But if you look

BY ELLEN WIDDUP

beyond the job title, it's a people-focused job that offers great opportunities.

"We are now talking to graduates from Oxford, Cambridge, Durham, Bristol and other leading universities."

Employee 23-year-old Kate McGrath, a business studies graduate from Leeds Metropolitan University, is on a salary of £45,500 for her job as area manager.

She said: "Everybody is saying it — anyone who works for Aldi is in the right place."

Aldi graduate trainees learn their trade by starting work on the shop floor. The salary is £40,000 — rising to £60,000 in three years — and each receives an Audi 4 car.



Just the job: Kate McGrath, 23, earns £45k as an Aldi manager

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Evening Standard

Aldi trainee graduates get £40,000 plus Audi

ELLEN WIDDUP

A SUPERMARKET is offering graduates a starting salary of £40,000 plus a company car as job vacancies for university leavers fall by a fifth.

Retailer Aldi is today named the best-paying recruiter offering 150 places on its training scheme, up from 100 last year.

The company is bucking a national trend which has seen leading employers scaling back recruitment drives and downgrading targets despite receiving more applications.

A study by market research firm High Fliers has found that City jobs, such as those in investment banking, are the worst hit. It also interviewed 1,000 final-year students, 87 per cent of whom were not confident they would get a job upon qualifying.

Dan Ronald, regional managing director for Aldi, which broke into the world's top 10 retailers yesterday with a 25 per cent increase in British sales, admitted his com-

pany may not be the first choice for many graduates.

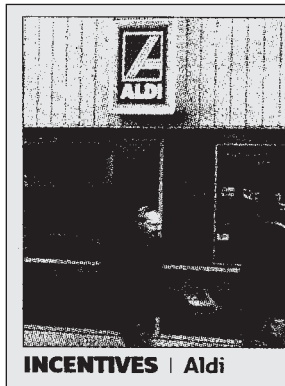
However, he said that because the trainee scheme offered the best possible salary and excellent prospects the firm was receiving about 2,000 applications for every post.

"Nobody grows up wanting to be a discount retail executive," he said. "But if you look beyond the job title, it's a people-focused job that offers great opportunities for progression. We are now talking to graduates from Oxford, Cambridge, Durham, Bristol and other leading universities." Aldi graduate trainees learn their trade from the shop floor and will start with stacking shelves. The salary is £40,000, rising to £60,000 after three years, and each trainee gets an Audi 4 car.

The pay beats the £39,000 offered at Freshfields Bruckhaus Deringer and the £38,000 at Slaughter and May, which top the list of law firms that make up most of the best-paying firms for graduates, according to a survey for The Times Top 100 Graduate Employers.

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thelondonpaper



Aldi offers £40k starting salary

Budget supermarket chain Aldi is offering graduates starting salaries of £40,000 a year, with a free Audi A4 thrown in. After a year in which degree-level vacancies fell by 7 per cent, the chain has boosted its graduate scheme from 100 to 150 places, according to High Fliers Research.

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