



Press Release *Strictly embargoed until 00.01hrs Wednesday 14th January 2009.*

New research shows top employers will cut a sixth of graduate jobs in 2009

A new report on the graduate job market, published today (Wednesday 14th January 2009), confirms the worst fears of final year university students – vacancies for those graduating in 2009 have been reduced significantly and most positions have already been filled.

The Graduate Market in 2009 – a study of graduate vacancies and starting salaries at Britain's one hundred leading employers conducted by **High Fliers Research** in December 2008 – shows that this year's intake of new graduates is to be cut by 17%, due to the continuing economic downturn.

The report also reveals that many employers began scaling back their graduate recruitment up to 12 months ago – the number of new graduates hired in 2008 was almost 18% less than employers originally planned, leaving many of last year's university-leavers without a graduate job.

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 where there are 47% fewer entry-level jobs in investment banking this year. The only employment area where graduate vacancies have increased noticeably is the public sector, where job numbers have risen by 51% since 2007.

Two-thirds of employers have received significantly more applications for their graduate programmes this year and many have either filled all their vacancies or have now closed off the application process for 2009 positions.

In all, the UK's top employers have promoted more than 40,000 graduate vacancies during the 2008 and 2009 recruitment seasons, of which almost 7,000 have been cancelled or left unfilled.

For those who do manage to find a graduate job in 2009, there is some better news. Graduate starting salaries are expected to rise this year – to an average of £27,000 – an increase of almost 6% on rates paid to new recruits in 2008.

The report also features **additional research with over 1,000 final year students**, conducted during December 2008, which shows widespread concern amongst undergraduates about their career prospects. Only 13% of finalists are confident they'll land the job they want after graduation and half think they'll have to take any job they're offered.

Half of finalists are worried that employers may withdraw graduate job offers they've already made and three-quarters fear losing their job within the first year of employment. In the wake of the economic crisis, jobs in investment banking, property, retail and accountancy are much less popular career destinations.

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Highlights from *The Graduate Market in 2009* report include:

- 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.
- As a result of the unfolding economic crisis, graduate recruitment in 2008 did **not** increase by the 11.8% that employers had expected – instead **recruitment numbers were cut by 6.7%** compared with the numbers hired in 2007.
- More than **half** of employers **downgraded their graduate recruitment** targets in 2008 and a similar number have already done so again in 2009.
- During the two recruitment rounds in 2008 and 2009, the country's top employers planned to hire over **40,000 new graduates** – but almost **7,000 posts have been cut or left unfilled**.
- The hardest hit sectors are **investment banking** (entry-level vacancies have been cut by 44% in 2008 and 2009), **retailing** (where vacancies have dropped by 26%), **accountancy & professional services** (training places have been reduced by 15%) and **engineering & industrial employers** (graduate vacancies have been cut by 16%).
- The only employment areas which have shown substantial growth in graduate vacancies for 2008 and 2009 are the **public sector** – where entry-level posts have increased by 51% compared with recruitment in 2007 – and the **Armed Forces** – which has stepped up recruitment for the Army, RAF and Royal Navy by 17% over the last two years.
- 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).
- Despite the reduction in graduate vacancies, **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 later this year. 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). The highest published graduate starting salary available in 2009 is at retail firm Aldi, which pays trainee area managers £40,000 per annum, plus an Audi A4 company car.
- A **third of employers** confirmed that they had **reduced** their graduate recruitment budgets for the 2008-2009 recruitment round, although a fifth of organisations – largely those with additional vacancies to fill – 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, and have continued to use 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 campus events and promotions this year and two-thirds said they'd received significantly **more graduate job applications** during the early part of the recruitment season, compared with last year.

- Additional research with **1,017 final year students** due to leave university in the summer of 2009 shows that job hunters are **very pessimistic** about their career prospects as the economic crisis deepens.
- Half of students think they'll have to take **any job that they're offered** and one in five admits they've been forced to apply to employers they have **little or no interest in**.
- 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**.
- **Half** of students are worried that employers may **withdraw job offers** they make to finalists and **three-quarters** fear new graduates risk losing their jobs within their first year of starting work.
- Almost **two-thirds of students** say they that the economic crisis has put them off applying for jobs in investment banking, half have been deterred from working in property, a quarter of finalists do not want to join the retail sector and a fifth thought accountancy was now less appealing.
- More than a third of finalists said they wouldn't want to join a **small or medium-sized business** in the current climate.

Managing director of High Fliers Research, **Martin Birchall** commented:

“These swingeing cuts in graduate recruitment 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 – leaving many graduates from the ‘Class of 2008’ out of work too.

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. Many top employers have already received a record number of applications for their 2009 graduate vacancies and most have either filled their remaining places or have closed off the application process. 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.”

Notes to Editors:

1. **The Graduate Market in 2009** is produced by **High Fliers Research Ltd**, an independent market research company that specialises in researching the graduate recruitment market. The company's regular research programme includes *The UK Graduate Careers Survey* of final year university students and the annual poll to find *The UK Top 100 Graduate Employers*.
2. The **employers** included in this study are drawn from *The UK Top 100 Graduate Employers 2008*, which is based on a poll of more than 15,000 final year university 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>

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