



Press Release *Strictly embargoed until 00.01hrs Wednesday 13th January 2010.*

New research shows top employers will step up graduate recruitment in 2010

A new report on the graduate job market, published today (Wednesday 13th January 2010), reveals that after two years of substantial cuts in graduate jobs, the number of vacancies is set to increase significantly in 2010.

The Graduate Market in 2010 – a study of graduate vacancies and starting salaries at Britain's one hundred leading employers conducted by **High Fliers Research** in December 2009 – shows that employers expect to hire 11.8% more graduates in 2010 than they did in 2009.

But the report also warns that these additional entry-level jobs may do little to help graduates due to leave university this summer – more than a quarter of all 2010's vacancies have already been filled, either by graduates from the 'Class of 2009' who had job offers deferred last year or by students who have had previous work experience with employers.

In all, the UK's top employers promoted more than 40,000 graduate vacancies during the 2008 and 2009 recruitment seasons, of which almost 10,000 positions were eventually cancelled or postponed.

Half of employers are stepping up their graduate recruitment targets for 2010 and there are additional roles in most industries and employment areas. The situation is most buoyant in the City where vacancies in investment banking have jumped by more than a third. There are also more opportunities at the high-street banks and accounting & professional services firms.

Three-quarters of employers have received significantly more applications for their graduate programmes this year and a number of organisations have already closed off the application process for 2010 positions. More than 40% of applications received so far have been from graduates who failed to find work in 2009, rather than current undergraduates.

Graduate starting salaries are not expected to rise this year – the average pay of £27,000 is unchanged from 2009, the first time that graduate pay has been frozen.

The report also features **additional research with over 1,000 final year students**, conducted during December 2009, which shows continuing widespread concern amongst undergraduates about their career prospects. Only 8% 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.

A quarter of student job hunters admit that they've been forced to apply to organisations that they're not really interested in. And in the wake of the economic crisis, jobs in investment banking, property, retail and accountancy are less popular career destinations.

Highlights from *The Graduate Market in 2010* report include:

- The UK's leading graduate employers have **increased their recruitment targets** for 2010 by **11.8%**, compared with the number of graduates actually recruited in 2009, following two consecutive years of declining job opportunities for university-leavers. Vacancies dropped by 17.8% in 2009 and 6.7% in 2008.
- During the recruitment rounds in 2008 and 2009, the country's top employers planned to hire over **40,000 new graduates** – but almost **10,000 posts were cut or left unfilled**.
- Almost **half** of employers now expect to recruit more graduates in 2010 but a quarter warn that they will be making further cuts to their entry-level recruitment this year.
- The City's top **investment banks** are intending to hire a third more graduates than in 2009, following the halving of recruitment in the sector during the last two years. There will also be substantial increases to the graduate intake at **accountancy & professional services** firms (up 13.9% compared to 2009), **high street banks** (up 30.2%) and **retailers** (up 21.3%).
- Employers in ten of fourteen key industries and employment areas expect to recruit more graduates in 2010. Just three areas are predicting fewer graduate vacancies this year – **consumer goods** companies (down 3.9%), **engineering & industrial** employers (down 2.1%) and the **public sector** (down 4.3%).
- Although the total number of graduate vacancies is set to increase in 2010, over a quarter of this year's entry-level positions **have already been filled** – either by 2009 graduates who received **deferred job offers** or by students who've done previous **work experience** with employers – and therefore are not open to students from the 'Class of 2010'.
- The largest recruiters of graduates in 2010 will be **PricewaterhouseCoopers** (1,039 vacancies), Deloitte (1,000 vacancies), the Army (735 vacancies), Teach First (650 vacancies), KPMG (650 vacancies) and the RAF (600 vacancies).
- **Starting salaries** at the UK's leading employers are unchanged from 2009 levels, the first time that pay for graduates has been frozen. Salaries rose by 5.9% in 2009 and by 4.1% in 2008. The average package for 2010 remains **£27,000**.
- A fifth of top graduate programmes will 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 2010 is at retail firm Aldi, which pays trainee area managers £40,000 per annum, plus an Audi A4 company car.
- Even though vacancy targets have increased, **two fifths of employers** confirmed that they had **reduced** their graduate recruitment budgets substantially for the 2009-2010 recruitment round.
- The majority of employers have been actively marketing their 2010 graduate vacancies at between **10 and 20 universities** in the UK, and have continued to use a variety of university careers fairs, campus recruitment presentations and local advertising.
- Over 70% of recruiters reported **greater interest from student job hunters** in their graduate vacancies this year. Applications have increased significantly compared with the 2008-2009 recruitment season, fuelled in part by graduates from the 'Class of 2009' who failed to find work after university.

- Additional research with **1,001 final year students** due to leave university in the summer of 2010 shows that job hunters remain **very pessimistic** about their career prospects and few believe that there will be more opportunities for graduates than in 2009.
- A quarter of students admit they've been forced to apply to employers they have **little or no interest in** and half think they'll have to take **any job that they're offered**.
- Half of student job hunters have **little confidence** that they will find a graduate position at the end of their studies and a third are now planning to remain at university for a **postgraduate course** instead.
- More than a third of finalists admit that they **should have begun looking for work earlier** and a quarter have already made many more job applications than they were expecting to.
- **Half** of students are concerned that graduating in a recession will do long-term damage to their future careers.
- Nearly **half of students** say they that the recession has put them off applying for jobs in investment banking, a third have been deterred from working in property, a fifth of finalists do not want to join the retail sector and a quarter thought accountancy was now less appealing.
- At least a quarter of finalists said they wouldn't want to join a **small or medium-sized business** in the current climate but two-fifths thought that **public sector** employers were now more appealing.

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

“After two years of swingeing cuts in graduate recruitment, it's very encouraging that Britain's best-known and most sought-after employers are stepping up their entry-level vacancies for 2010. But students leaving university this summer will be disappointed to find that many of these new positions have already been filled by graduates from the 'Class of 2009' who had job offers postponed last year.

Competition for the remaining vacancies is therefore likely to remain extremely tough and there is widespread concern on campus that this year's graduate recruitment is shaping up to be just as difficult as in 2009. For those who have yet to begin job hunting, the chances of landing a place on a graduate programme in 2010 are looking increasingly slim.”

Notes to Editors:

1. **The Graduate Market in 2010** 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 2009*, which is based on a poll of more than 16,000 final year university students to find "Which employer offers the best opportunities for graduates?":

Accenture	Citi	HP	Norton Rose
Airbus	Civil Service	HSBC	npower
Aldi	Clifford Chance	IBM	Nuclear Graduates
Allen & Overy	Corus	Innocent Drinks	Oxfam
Apple	Credit Suisse	John Lewis	Penguin
Arcadia Group	Data Connection	JP Morgan	Police
Army	Deloitte	KPMG	PricewaterhouseCoopers
Arup	Deutsche Bank	L'Oréal	Procter & Gamble
Asda	DLA Piper	Lidl	Qinetiq
AstraZeneca	Dstl	Linklaters	RAF
Atkins	E.ON	Lloyds TSB	RBS Group
BAE Systems	EDF	Local Government	Rolls-Royce
Bain & Company	Environment Agency	Lovells	Royal Navy
Barclays Bank	Ernst & Young	Marks & Spencer	Sainsbury's
Barclays Capital	ExxonMobil	Mars	Shell
BBC	Financial Services Authority	McDonald's Restaurants	Siemens
BDO Stoy Hayward	Foreign Office	McKinsey & Company	Sky
Bloomberg	Freshfields Bruckhaus Deringer	Merrill Lynch	Slaughter & May
Boots Company	GCHQ	M15 - The Security Service	Teach First
Boston Consulting Group	GlaxoSmithKline	Microsoft	Tesco
BP	Goldman Sachs	Ministry of Defence	The Co-operative Group
British Airways	Google	Morgan Stanley	Transport for London
BT	Grant Thornton	Nestle	UBS
Cadbury	HBOS	Network Rail	Unilever
Cancer Research UK	Herbert Smith	NHS	WPP

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