



Press Release *Strictly embargoed until 00.01hrs Wednesday 11th January 2012.*

New research shows Britain's top employers are set to recruit more graduates this year, but warns that a record number of jobs will be filled by graduates with work experience

A new report on the graduate job market, published today (Wednesday 11th January 2012), reveals that despite the uncertain economic outlook, there will be more graduate vacancies available for university-leavers in 2012 – making it the third consecutive year that the number of graduate jobs has increased.

The Graduate Market in 2012 – a study of graduate vacancies and starting salaries at Britain's one hundred leading employers conducted by **High Fliers Research** in December 2011 – shows that employers expect to hire 6.4% more graduates in 2012 than they did in 2011.

But the report also warns that graduates from the 'Class of 2012' who've had no work experience at all whilst at university stand little or no chance of getting a job offer from the country's most prestigious graduate employers – and that a record 36% of this year's graduate vacancies are expected to be filled by applicants who have already worked for the organisation during their studies.

Half the employers included in the research have increased their graduate recruitment targets for 2012 and there are additional roles on offer in nine of the fourteen industries and employment areas featured in the report. Despite the recruitment freeze at many Government departments and agencies, graduate vacancies in the public sector are expected to increase by a fifth this year – in part because of the expansion of the Teach First scheme which is set to hire 1,000 graduates for the first time in 2012. There are also more opportunities at engineering & industrial companies, IT & telecommunication firms, high street banks, investment banks and retailers.

However, recruitment targets for the Armed Forces have been reduced and graduate vacancies at the leading accounting & professional services firms – currently the UK's largest private sector graduate employers – appear to have peaked after three years of significant increases.

On average, employers have received 19% more applications for their graduate programmes this year, with some recruiters reporting double the usual volume of applicants in the early part of their 2011-2012 recruitment campaign. A number of well-known organisations have already closed off the application process for their 2012 positions. In 2011, recruiters received an average of 48 applications per graduate vacancy.

The majority of employers are not planning to increase their graduate remuneration in 2012 – the average graduate starting salary remains at £29,000 for the third year running.

Highlights from **The Graduate Market in 2012** report include:

- The UK's leading employers are expecting to **increase** their graduate recruitment by **6.4%** in 2012, following a rise of **2.8%** in entry-level roles during 2011 and an increase of 12.6% in 2010. Vacancies dropped by 17.8% in 2009 and 6.7% in 2008.
- Almost half of employers expect to recruit more graduates in 2012 whilst more than a quarter plan to maintain their intake at 2011 levels.
- Despite the widespread recruitment freeze at Government departments & agencies, **public sector employers** are planning to expand their graduate intake by 21.9% in 2012, an increase of almost 500 additional roles year-on-year. There will also be a substantial rise in the number of graduate jobs available at **engineering & industrial companies** (up 22.4% compared to 2011), **IT & telecommunications firms** (up 31.6%), **high street banks** (up 16.0%) & **retailers** (up 11.5%).
- Employers in nine of fourteen key industries and employment areas expect to recruit more graduates in 2012. Recruitment targets for the **Armed Forces** have been reduced further and graduate vacancies at the leading **accounting & professional services** firms appear to have peaked after three consecutive years of significant increases.
- Even though the total number of vacancies is set to increase in 2012, recruiters have confirmed that a **third** of this year's entry-level positions are expected to be filled by graduates who have **already worked for their organisations** – either through industrial placements, vacation work or sponsorships – and therefore are not open to other students from the 'Class of 2012'.
- The largest individual recruiters of graduates in 2012 will be PwC (1,200 vacancies), Deloitte (1,200 vacancies), the Teach First scheme (1,000 vacancies), KPMG (800 vacancies) and Ernst & Young (740 vacancies).
- Although these recruitment targets for 2012 are encouraging and build on the increases in vacancies seen in 2011 and 2010, graduate recruitment at the UK's leading employers **remains below pre-recession levels**. Across all the organisations featured within the research, graduate recruitment in 2012 is still 6% below that recorded in 2007. By contrast, an extra **50,000 new graduates** are expected to leave university in the summer of 2012, compared with the numbers who graduated five years ago.
- **Starting salaries** at the UK's leading graduate employers in 2012 are expected to remain **unchanged for a third consecutive year** – at a median of **£29,000**. Graduate starting salaries increased by 7.4% in 2010 and 5.9% in 2009.
- A fifth of top graduate programmes will pay new recruits more than **£35,000** when they start work and nine organisations are offering at least £40,000 to this year's graduates.
- The most generous salaries are those on offer from **investment banks** (average of £45,000), **law firms** (average of £38,000) and **oil & energy** companies (average of £32,500).
- **Public sector employers** (average of £23,000) and **retailers** (average of £24,000) have the lowest graduate pay rates for 2012.
- The UK's leading employers have been actively marketing their 2012 graduate vacancies at an average of **19** universities in the UK, using a variety of university **careers fairs**, campus **recruitment presentations** and **online advertising**.

- Graduate recruiters have put more emphasis on **social media, skills training sessions, university careers services** and campus **drop-in sessions** during this year's recruitment campaigns, and less emphasis on **advertising** in careers publications.
- The five universities most-often targeted by Britain's top graduate employers in 2011-2012 are **Manchester, London** (including Imperial College, University College and the London School of Economics) **Cambridge, Nottingham** and **Oxford**.
- Half of employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year.
- On average, employers have received **19% more graduate job applications** so far, compared with the equivalent period in the 2010-2011 recruitment round.
- To date, a **third** of applications for graduate positions in 2012 have been from **previous graduates** who left university in 2011 or earlier.
- Virtually all of the UK's leading graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2011-2012 academic year – a total of **11,296 places** are available.
- **Two-thirds** of employers are providing **industrial placements** for undergraduates (typically for 6-12 months) and more than half have **vacation internships** lasting three weeks or longer.
- More than **half of recruiters** warn that graduates who have had no previous work experience at all are **unlikely to be successful** during the selection process and have **little or no chance** of receiving a job offer for their organisations' graduate programmes.
- Almost **three-quarters** of the graduate vacancies advertised this year by **investment banks** and **half** the training contracts offered by the leading **law firms** are likely to be filled by graduates who have already completed paid work experience with the employer.

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

“With a record number of students due to finish university in 2012, it's very welcome news that Britain's best-known and most sought-after employers are offering more graduate vacancies this year, especially considering the continuing uncertainty about the wider economic outlook.

But today's report includes the stark warning to the 'Class of 2012' that in a highly competitive graduate job market, new graduates who've not had any work experience at all during their time at university have little hope of landing a well-paid job with a leading employer, irrespective of the academic results they achieve or the university they've attended.”

Notes to Editors:

1. *The Graduate Market in 2012* is produced by **High Fliers Research**, an independent market research company which specialises in researching graduate recruitment at UK universities. 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's Top 100 Graduate Employers*.
2. The **thirty universities** included in the survey in 2011 were: Aston, Bath, Belfast Queen's University, Birmingham, Bristol, Cambridge, Cardiff, Durham, Edinburgh, Exeter, Glasgow, Lancaster, Leeds, Liverpool, London Imperial College, London King's College, London School of Economics, London University College, Loughborough, Manchester, Newcastle, Nottingham, Oxford, Reading, Sheffield, Southampton, St Andrews, Strathclyde, Warwick and York.
3. The **employers** included in this study are drawn from *The UK's Top 100 Graduate Employers 2011* which is based on a poll of 17,851 final year university students to find "Which employer offers the best opportunities for graduates?":

<i>Accenture</i>	<i>Cancer Research</i>	<i>IBM</i>	<i>Oxfam</i>
<i>Airbus</i>	<i>Centrica</i>	<i>J.P. Morgan</i>	<i>Penguin</i>
<i>Aldi</i>	<i>Citi</i>	<i>Jaguar Landrover</i>	<i>Police</i>
<i>Allen & Overy</i>	<i>Civil Service</i>	<i>John Lewis</i>	<i>Procter & Gamble</i>
<i>Apple</i>	<i>Clifford Chance</i>	<i>KPMG</i>	<i>PwC</i>
<i>Arcadia Group</i>	<i>The Co-Operative Group</i>	<i>Kraft</i>	<i>RAF</i>
<i>Army</i>	<i>Credit Suisse</i>	<i>L'Oréal</i>	<i>Rolls-Royce</i>
<i>Arup</i>	<i>Deloitte</i>	<i>Lidl</i>	<i>Royal Bank of Scotland</i>
<i>Asda</i>	<i>Deutsche Bank</i>	<i>Linklaters</i>	<i>Royal Navy</i>
<i>AstraZeneca</i>	<i>Diageo</i>	<i>Lloyds Banking Group</i>	<i>RWE npower</i>
<i>Atkins</i>	<i>DLA Piper</i>	<i>Local Government</i>	<i>Saatchi & Saatchi</i>
<i>BAE Systems</i>	<i>Dstl</i>	<i>Marks & Spencer</i>	<i>Sainsbury's</i>
<i>Bain & Company</i>	<i>E.ON</i>	<i>Mars</i>	<i>Santander</i>
<i>Baker & McKenzie</i>	<i>EDF Energy</i>	<i>McDonald's Restaurants</i>	<i>Savills</i>
<i>Balfour Beatty</i>	<i>Ernst & Young</i>	<i>McKinsey & Company</i>	<i>Shell</i>
<i>Bank of America Merrill Lynch</i>	<i>ExxonMobil</i>	<i>MI5</i>	<i>Simmons & Simmons</i>
<i>Bank of England</i>	<i>Foreign Office</i>	<i>Microsoft</i>	<i>Sky</i>
<i>Barclays</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Ministry of Defence</i>	<i>Slaughter and May</i>
<i>Barclays Capital</i>	<i>GlaxoSmithKline</i>	<i>Morgan Stanley</i>	<i>Sony</i>
<i>BBC</i>	<i>Goldman Sachs</i>	<i>National Grid</i>	<i>Teach First</i>
<i>Bloomberg</i>	<i>Google</i>	<i>Nestlé</i>	<i>Tesco</i>
<i>Boots</i>	<i>Grant Thornton</i>	<i>Network Rail</i>	<i>Transport for London</i>
<i>Boston Consulting Group</i>	<i>Herbert Smith</i>	<i>NHS</i>	<i>UBS</i>
<i>BP</i>	<i>Hogan Lovells</i>	<i>nucleargraduates</i>	<i>Unilever</i>
<i>BT</i>	<i>HSBC</i>	<i>Oliver Wyman</i>	<i>WPP</i>

4. **Martin Birchall**, Managing Director of High Fliers Research is available for interview.
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