

The Graduate Market in 2015

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 twenty 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 Carla Smith on 020 7428 9000 or email carla.smith@highfliers.co.uk

Foreword

Executive Summary

The Graduate Market in 2015 is a study of the latest graduate vacancies and starting salaries at the UK's one hundred best-known and most successful employers, conducted by High Fliers Research during **December 2014**:

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **rose by 7.9%** in 2014, compared with recruitment in 2013, the largest annual rise in graduate recruitment for four years.
- Last-minute increases in employers' recruitment targets and a sharp rise in the number of graduates turning down or renegeing on job offers meant that more than 700 graduate positions were left unfilled last year.
- The UK's leading employers plan to expand their graduate recruitment even further in 2015 with **8.1% more entry-level vacancies** than last year, the third consecutive year that graduate vacancies have increased.
- This substantial increase in graduate vacancies for 2015 takes graduate recruitment beyond the **pre-recession peak** in the graduate job market in 2007 and means that there will be more opportunities for this summer's university-leavers than at **any time in the last decade**.
- Employers in nine out of thirteen key industries and employment areas are expecting to take on **more new graduates** than in 2014.
- The largest growth in vacancies is expected in the **public sector, accounting & professional services firms, banking & finance employers, retailers** and the **Armed Forces**, which together intend to recruit over 1,200 extra graduates in 2015.
- The largest recruiters of graduates in 2015 will be **Teach First** (2,060 vacancies), **PwC** (1,570 vacancies) and **Deloitte** (1,100 vacancies).
- Recruiters have confirmed that 31% of this year's entry-level positions are expected to be filled by graduates who have **already worked for their organisations**, either through paid internships, industrial placements or vacation work.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **increase for the second year running** in 2015, reaching a median of **£30,000** for the first time.
- More than a quarter of top graduate programmes will pay new recruits more than **£35,000** when they start work and four organisations are offering salaries in excess of £45,000 to this year's graduates.
- The most generous salaries in 2015 are those on offer from **investment banks** (median of £45,000), **law firms** (median of £40,000), **banking & finance firms** (median of £36,500) and **oil & energy companies** (median of £32,500).

- The highest published graduate starting salaries for 2015 are at **Aldi** (£42,000) and the **European Commission** (£41,500).
- There is little evidence that graduate starting salaries are rising in reaction to the introduction of **higher university tuition fees** – most employers that have opted to increase their graduate pay in either 2014 or 2015 appear to have done so in order to compete effectively with other employers recruiting graduates.
- Over **four-fifths** of the UK's leading graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2014-2015 academic year – an unprecedented **13,049 paid work placements** are available.
- Two-thirds of employers provide **paid vacation internships** for **penultimate year students** and over half offer **industrial placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Many more employers now also have work experience places for **first year undergraduates** – over a quarter of organisations offer paid internships and two-fifths of employers run introductory courses, open days and other taster experiences for first year students.
- Nearly **half the recruiters** who took part in the research repeated their warnings from previous years – 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.
- A quarter of the country's leading employers have **increased** their graduate recruitment budgets for the 2014-2015 recruitment round.
- Employers have been actively marketing their 2015 graduate vacancies at an average of **19** UK universities, using a variety of local **recruitment presentations**, campus **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of local **careers fairs**, **recruitment presentations**, **skills training events**, **campus brand managers** and **social media**, during this year's recruitment campaigns – and did less **advertising** in local career guides and sector guides.
- The ten universities most-often targeted by Britain's top graduate employers in 2014-2015 are Manchester, Nottingham, Warwick, Cambridge, Oxford, Durham, Bristol, Imperial College London, University College London and Leeds.
- A third of employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and a similar proportion believed the quality of applications had improved too.
- Together, the UK's top employers have received **6% more graduate job applications** so far, compared with the equivalent period in the 2013-2014 recruitment round.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2015**, the annual review of graduate vacancies and starting salaries at Britain's top employers, produced by **High Fliers Research**.

This research, conducted during December 2014, examines how many graduates the leading employers recruited in 2014 and assesses their latest recruitment targets for 2015.

It also analyses the starting salaries on offer to new graduates, the number of paid work experience places that are available to students & recent graduates, and reviews the promotions being used by employers to publicise their graduate vacancies during the 2014-2015 recruitment season.

This is the tenth year that High Fliers Research has produced its independent assessment of the graduate job market. The research is based on a study of graduate recruitment at the organisations named as *The Times Top 100 Graduate Employers 2014* in a poll of 18,336 final year students to find "Which employer offers the best opportunities for graduates".

About High Fliers Research

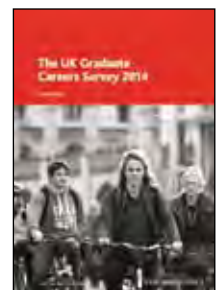
Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 140 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position in the graduate job market.

The company is best-known for *The UK Graduate Careers Survey* – its comprehensive annual study of over 18,000 final year undergraduates at thirty leading universities – which is supported and funded by up to 70 national & international employers each year.

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.

For the last decade, 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 graduate recruitment practices. The company hosts *The National Graduate Recruitment Conference*, a one-day event held exclusively for graduate recruiters in September each year, as well as providing monthly professional training courses for new recruiters.

Internationally, High Fliers Research works closely with the **Australian Association of Graduate Employers**, the **South African Graduate Recruitment Association** and the **New Zealand Association Graduate Recruitment** to carry out their annual surveys of graduate employers, new recruits and young managers.



The Times Top 100 Graduate Employers

As part of the campus research for *The UK Graduate Careers Survey 2014*, 18,336 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 1,200 different organisations during the survey – the one hundred employers with the most student votes formed **The Times Top 100 Graduate Employers** for 2014.



It is these employers that are included in the research for *The Graduate Market in 2015* report:

<i>Accenture</i>	<i>Department for International Development</i>	<i>McKinsey & Company</i>
<i>Airbus</i>	<i>Diageo</i>	<i>MI5 – The Security Service</i>
<i>Aldi</i>	<i>DLA Piper</i>	<i>Microsoft</i>
<i>Allen & Overy</i>	<i>Dyson</i>	<i>Mondelēz International</i>
<i>Apple</i>	<i>E.ON</i>	<i>Morgan Stanley</i>
<i>Arcadia Group</i>	<i>EDF Energy</i>	<i>Morrisons</i>
<i>Army</i>	<i>European Commission</i>	<i>Nestlé</i>
<i>Arup</i>	<i>ExxonMobil</i>	<i>Newton Europe</i>
<i>Asda</i>	<i>EY</i>	<i>NGDP for Local Government</i>
<i>Atkins</i>	<i>Foreign & Commonwealth Office</i>	<i>NHS</i>
<i>BAE Systems</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Norton Rose Fulbright</i>
<i>Bain & Company</i>	<i>Frontline</i>	<i>Oxfam</i>
<i>Baker & McKenzie</i>	<i>GE</i>	<i>Penguin Random House</i>
<i>Bank of America Merrill Lynch</i>	<i>GlaxoSmithKline</i>	<i>Police</i>
<i>Barclays</i>	<i>Goldman Sachs</i>	<i>Procter & Gamble</i>
<i>BBC</i>	<i>Google</i>	<i>PwC</i>
<i>BlackRock</i>	<i>Grant Thornton</i>	<i>RAF</i>
<i>Bloomberg</i>	<i>Herbert Smith Freehills</i>	<i>Red Bull</i>
<i>Boots</i>	<i>Hogan Lovells</i>	<i>Rolls-Royce</i>
<i>Boston Consulting Group</i>	<i>HSBC</i>	<i>Royal Bank of Scotland Group</i>
<i>BP</i>	<i>IBM</i>	<i>Royal Navy</i>
<i>British Airways</i>	<i>J.P. Morgan</i>	<i>Sainsbury's</i>
<i>British Sugar</i>	<i>Jaguar Land Rover</i>	<i>Santander</i>
<i>BT</i>	<i>John Lewis Partnership</i>	<i>Savills</i>
<i>Cancer Research UK</i>	<i>KPMG</i>	<i>Shell</i>
<i>Centrica</i>	<i>L'Oréal</i>	<i>Siemens</i>
<i>Channel Four</i>	<i>Lidl</i>	<i>Sky</i>
<i>Citi</i>	<i>Linklaters</i>	<i>Slaughter and May</i>
<i>Civil Service</i>	<i>Lloyds Banking Group</i>	<i>Teach First</i>
<i>Clifford Chance</i>	<i>Lloyd's</i>	<i>Tesco</i>
<i>Credit Suisse</i>	<i>M&S</i>	<i>Transport for London</i>
<i>Deloitte</i>	<i>Mars</i>	<i>UBS</i>
<i>Deutsche Bank</i>	<i>McDonald's</i>	<i>Unilever</i>
		<i>WPP</i>

Chapter 2

Graduate Vacancies

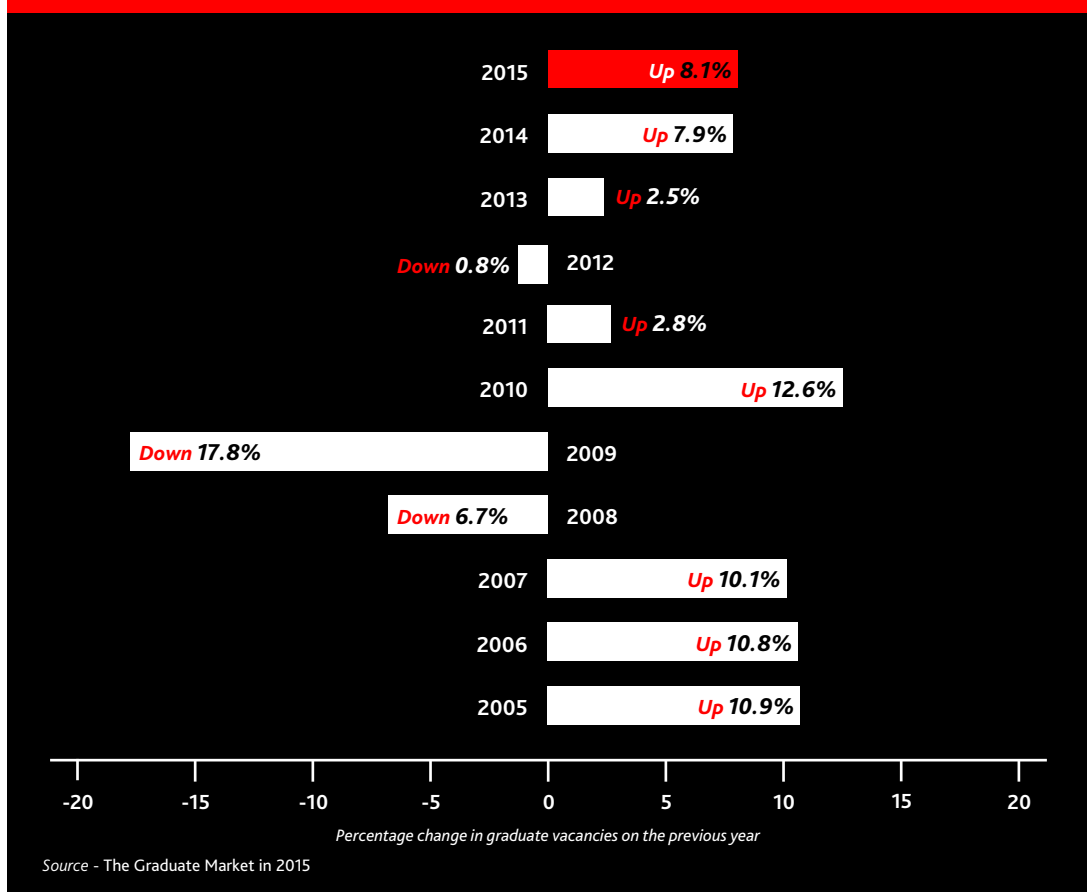
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2015, compared with recruitment in 2014. Graduate vacancies for 2015 are typically positions with an autumn 2015 start date, promoted during the current 2014-2015 recruitment season.

A year ago, *The Graduate Market in 2014* reported that following a modest increase in the number of graduates hired in 2013, the country's top employers were planning to expand their graduate recruitment substantially in 2014. Vacancies for university-leavers were expected to rise by at least 8%, taking graduate recruitment to its highest level since 2007.

The latest research shows the outlook for 2015 continues to be very upbeat with the UK's leading employers expecting to hire 8.1% more graduates than were recruited during 2014, making this the third year running that graduate vacancies have increased (see *Chart 2.1*).

Chart 2.1 How Employers' Vacancies for Graduates Changed from 2005 to 2015



Graduates Recruited in 2014

The last six years have certainly been a turbulent time for the graduate job market. Although nearly a quarter of graduate vacancies at the UK’s best-known employers were cut at the start of the recession in 2008 and 2009, employment prospects for university-leavers improved considerably over the following two years, but dipped again during the 2012 recruitment season before recovering once more in 2013.

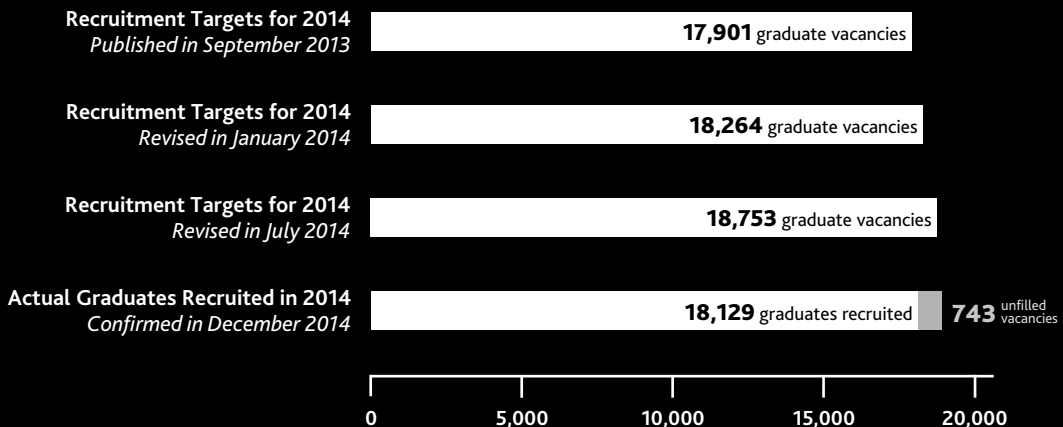
At the start of the 2013-2014 graduate recruitment season in September 2013, it was clear that a much more buoyant mood had returned, with the leading employers preparing to hire 1,000 additional new recruits in 2014, compared with their graduate recruitment in 2013. As the recruiting round unfolded, this confidence grew and employers’ graduate recruitment targets increased further during the season. In January 2014, recruiters were expecting the annual rise in recruitment would be at least 8% and by July 2014, the final estimate put the growth in graduate jobs at more than 12% (see *Chart 2.2*).

This is the first time since before the recession that recruitment targets had risen at each stage of the recruitment season and the considerable optimism amongst employers meant that by the summer of 2014, recruiters in eleven out of thirteen key industries expected that their graduate intake would be higher than in 2013.

By autumn 2014, a total of 18,129 graduates started work with the organisations featured in *The Times Top 100 Graduate Employers* – an annual increase of more than 1,300 graduates, compared with recruitment in 2013 (see *Table 2.4*). This is a lower figure than had been predicted in July 2014 and it is clear that in several sectors vacancies were left unfilled, either because graduates turned down job offers or reneged on offers they had accepted, or because the late change in recruitment targets had made it impossible to source additional graduates in time. Some recruiters also commented that increased competition from other recruiters and a lack of quality applications had made it difficult to fill all their vacancies.

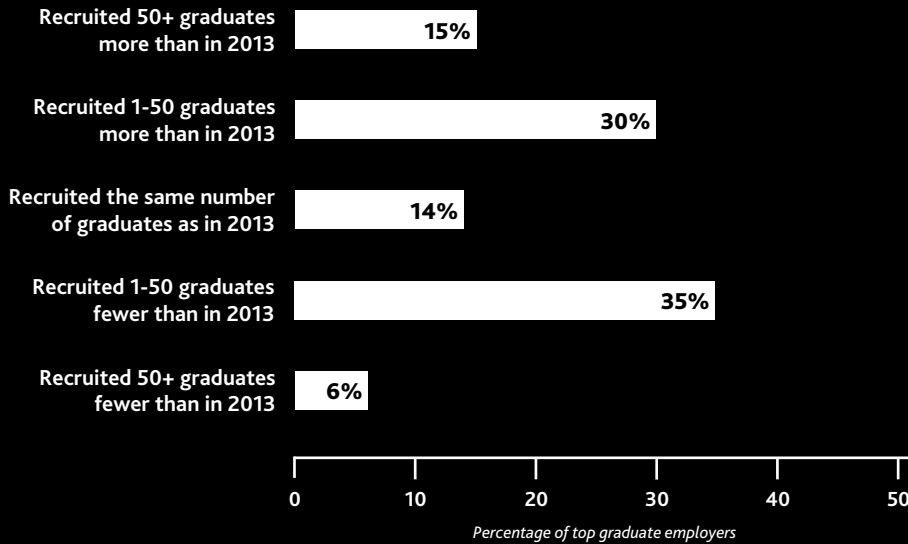
Almost three-quarters of the unfilled graduate vacancies were at accounting & professional services firms, in the public sector and the Armed Forces. Had all the available vacancies in 2014 been filled successfully, the annual increase in recruitment would have been 12.3%.

Chart 2.2 How Graduate Recruitment Targets Changed during 2014



Graduate vacancies at Britain’s top employers in 2014

Source - The Graduate Market in 2015

Chart 2.3 How Employers' Graduate Vacancies Changed in 2014, compared with 2013

Source - The Graduate Market in 2015

Table 2.4 Analysis of Graduate Vacancies in 2014, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2014, as published in Sept 2013	Recruitment target for 2014, as revised in Jan 2014	Recruitment target for 2014, as revised in July 2014	Actual graduates recruited by Dec 2014	% change from recruitment in 2013	Vacancies added (cut), compared with 2013
Accounting & professional services	4,000	3,848	4,442	4,174	▲ 16.3%	586
Armed Forces	1,050	1,036	1,157	1,094	▲ 6.0%	62
Banking & finance	840	955	918	849	▲ 3.3%	27
Consulting	600	590	617	625	▲ 28.9%	140
Consumer goods	423	372	351	386	▲ 11.6%	40
Engineering & industrial	1,575	1,591	1,650	1,726	▲ 20.8%	297
Investment banking	2,265	2,383	2,148	2,122	▼ 3.6%	(80)
IT & telecommunications	600	760	830	846	▲ 13.7%	102
Law	714	709	714	659	▼ 4.1%	(28)
Media	368	247	338	380	▲ 43.9%	116
Oil & energy	540	526	505	437	▼ 20.8%	(115)
Public sector	3,280	3,508	3,415	3,537	▲ 13.1%	409
Retailing	1,520	1,599	1,516	1,224	▼ 13.3%	(187)
ALL SECTORS	17,901	18,264	18,753	18,129	▲ 7.9%	1,327

Source - The Graduate Market in 2015

Expected Graduate Vacancies in 2015

After the significant increase in graduate vacancies in 2014, it is particularly encouraging that the organisations featured in *The Times Top 100 Graduate Employers* are now aiming to expand their graduate recruitment programmes even further in 2015.

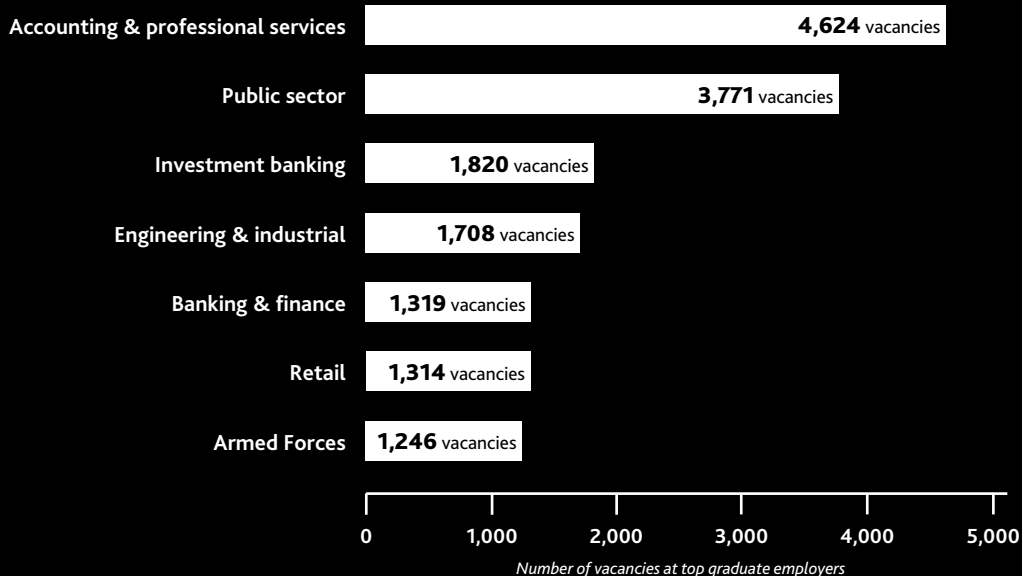
Overall, graduate vacancies are expected to increase by 8.1% this year as more than half the leading employers are planning to recruit more graduates, with four organisations confident that they'll be hiring at least a hundred extra graduates during 2015. A third of employers plan to recruit similar numbers of graduates to their 2014 intake, whilst a fifth have fewer entry-level vacancies this year. The median number of vacancies for at the top employers in 2015 is 100 graduates but seven of the largest employers are preparing to hire more than 500 university-leavers in the coming months (see *Chart 2.6*).

The largest recruiters of graduates in 2015 are expected to be the accounting & professional services firms, public sector employers, investment banks and engineering & industrial firms, who have combined recruitment targets of over 10,000 graduate positions (see *Chart 2.5*).

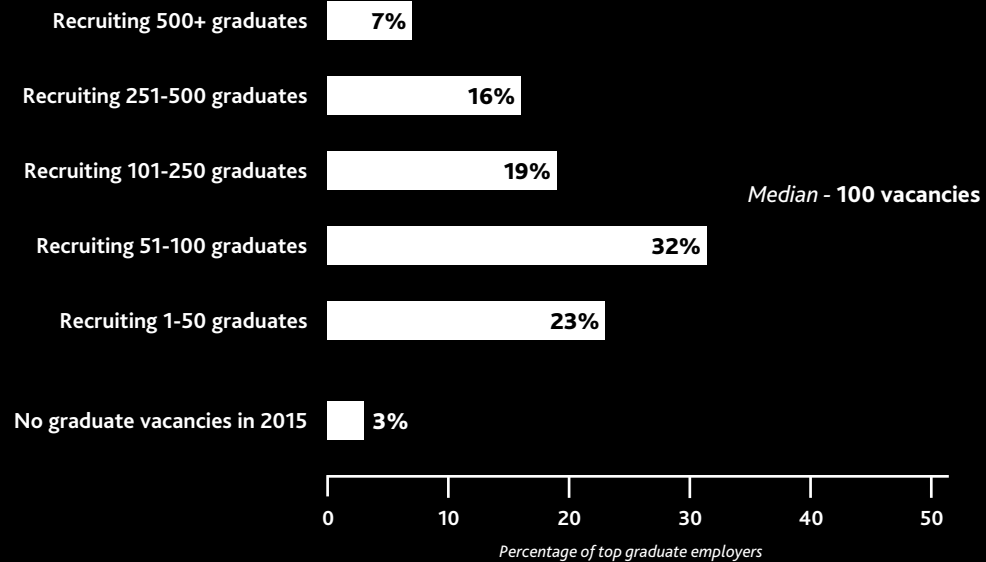
When compared with the final recruitment figures for 2014, vacancies for graduates are set to increase in nine of the thirteen main employment areas (see *Table 2.7*). The biggest growth is at public sector organisations, accounting & professional services firms, banking & finance employers, high street retailers and the Armed Forces, which together expect to have over 1,200 extra graduate roles in 2015. Vacancy numbers are unchanged in the IT & telecommunications sector but are likely to be lower this year at media organisations, oil & energy companies and consulting firms.

Whilst this data confirms there will be another welcome increase in the number of new graduate jobs available at the UK's top employers in 2015, recruiters warn that 31% of all vacancies are expected to be filled by undergraduates who have had previous work experience with their organisations, such as paid internships or industrial placements.

Chart 2.5 Industries or Business Sectors with the most Graduate Vacancies in 2015



Source - The Graduate Market in 2015

Chart 2.6 Graduate Vacancies at the UK's Top Employers in 2015

Source - The Graduate Market in 2015

Table 2.7 Analysis of Graduate Vacancies in 2015, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2015, as published in Sept 2014	Recruitment target for 2015, as revised in Dec 2014	% change from recruitment in 2014	Vacancies added (cut), compared with 2014	% of vacancies likely to be filled by graduates who had already worked for employer
Accounting & professional services	4,500	4,624	▲ 10.8%	450	29
Armed Forces	1,300	1,246	▲ 13.9%	152	-
Banking & finance	1,330	1,319	▲ 20.8%	227	61
Consulting	570	610	▼ 2.4%	(15)	33
Consumer goods	375	396	▲ 10.3%	37	54
Engineering & industrial	1,675	1,708	▲ 5.0%	82	35
Investment banking	1,895	1,820	▲ 2.3%	41	74
IT & telecommunications	786	845	NO CHANGE	-	25
Law	750	780	▲ 10.6%	75	52
Media	504	661	▼ 14.5%	(112)	19
Oil & energy	535	394	▼ 11.7%	(52)	55
Public sector	3,852	3,771	▲ 13.7%	454	8
Retailing	1,383	1,314	▲ 13.9%	160	23
ALL SECTORS	19,673	19,701	▲ 8.1%	1,479	31

Source - The Graduate Market in 2015

Location & Type of Graduate Vacancies in 2015

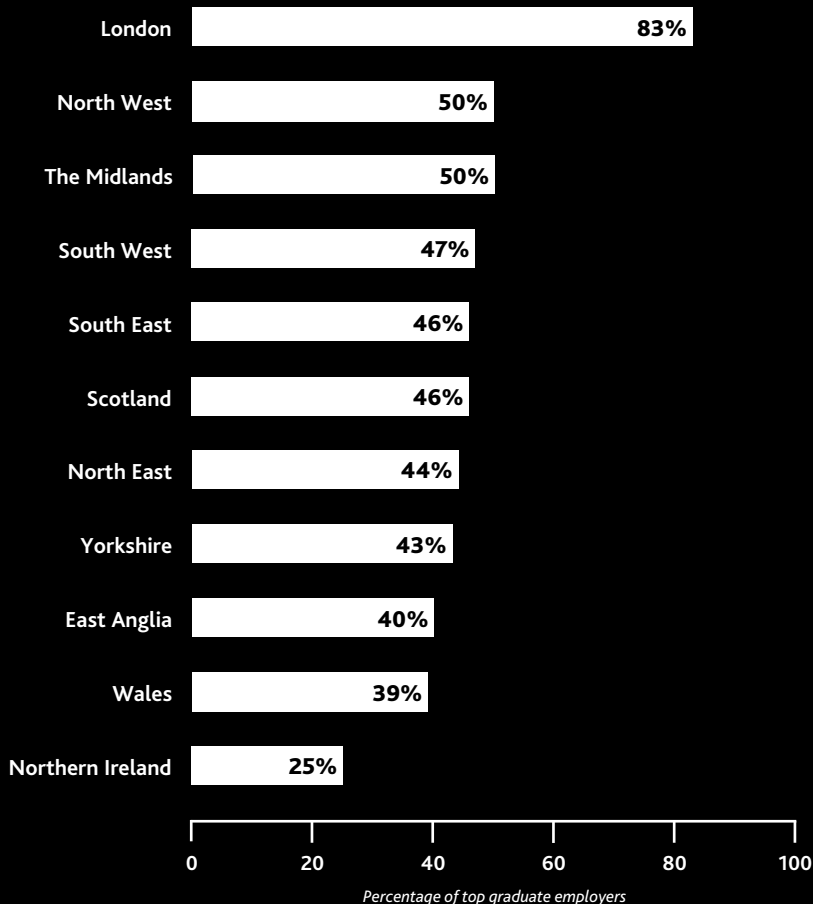
Examining where in the UK employers expect to recruit graduates for shows that more than four-fifths of organisations are offering vacancies in London for 2015 and almost half plan to hire new recruits for positions in the south east of England (see *Chart 2.8*). Whilst this doesn't necessarily mean that the majority of graduate vacancies are in or around the M25, it does confirm that most major employers have opportunities within the region.

The north west of England, the Midlands and the south west have the next highest numbers of employers recruiting graduates into them, followed by the north east of England and Yorkshire. Of all the English regions, East Anglia is the least likely to yield graduate vacancies – 40% of employers have opportunities there in 2015.

A total of 46% and 39% of graduate employers have entry-level jobs on offer in Scotland and Wales respectively and a quarter are recruiting for opportunities in Northern Ireland.

The Graduate Market in 2015 also records the type of job functions that employers are hoping to recruit graduates into this year. The most frequent requirement is for IT and finance vacancies – around half of employers offer roles in these areas, irrespective of their organisation's main purpose (see *Chart 2.9*). Over a third of employers have vacancies in

Chart 2.8 Location of Graduate Vacancies at leading UK Employers in 2015

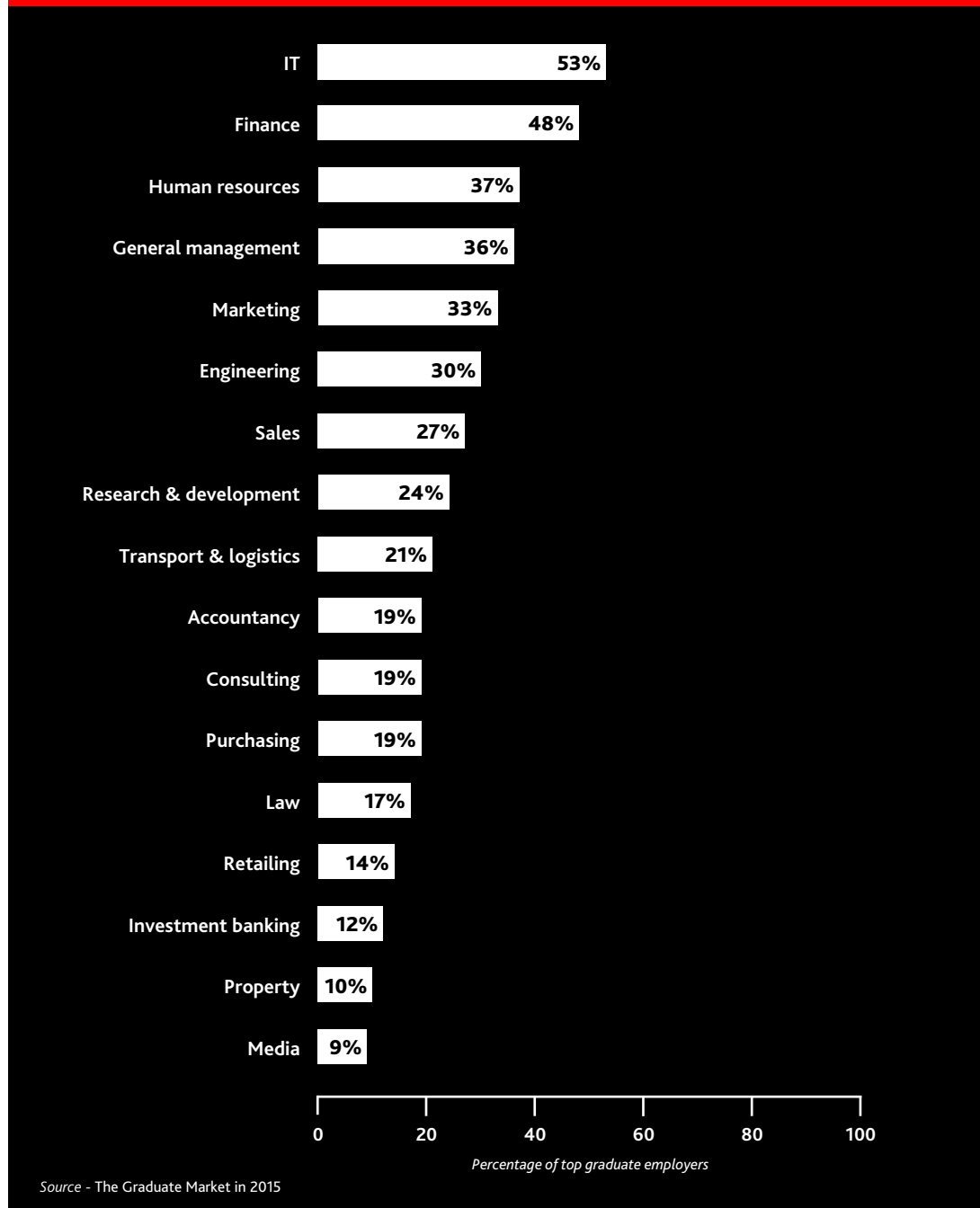


Source - The Graduate Market in 2015

human resources or general management, a third are recruiting for marketing or engineering positions and approximately a quarter are looking for graduates to work in research & development or sales.

These results underline the obvious 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 relatively small and yet the volume of graduates needed to work in IT functions at a wide range of employers in other business sectors is substantial.

Chart 2.9 Type of Graduate Vacancies at leading UK Employers in 2015



Changes to Graduate Vacancies 2005-2015

The period from 2005 to 2007 proved to be something of a boom in graduate recruitment – the number of vacancies for university-leavers at the UK’s leading graduate employers increased by more than 10% annually and there were more opportunities for graduates in each of the fourteen key industries and business sectors.

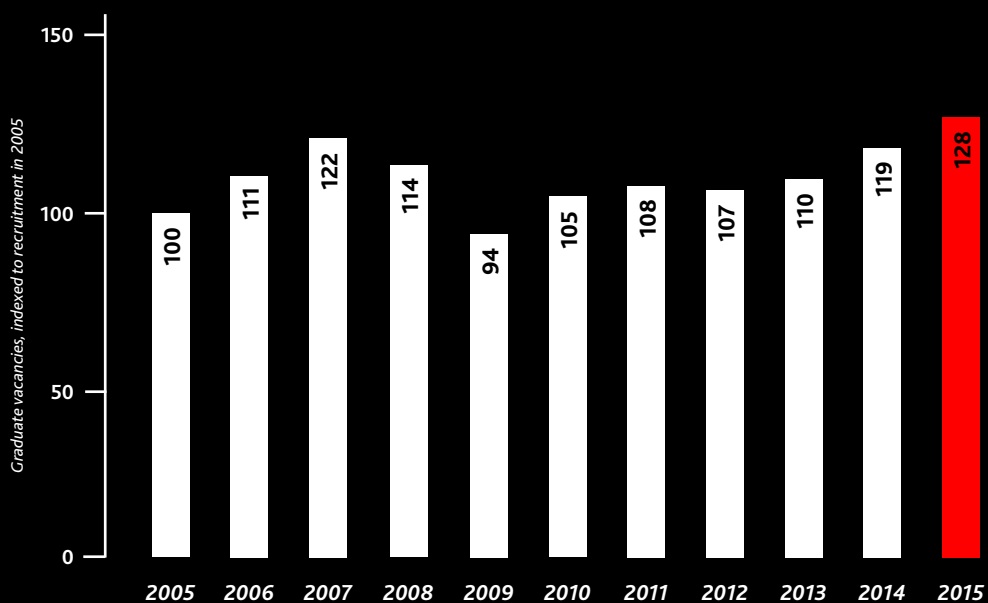
But the onset of the global financial crisis and the recession that followed in the UK had a profound effect on the graduate market and graduate vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by an unprecedented 23.3% in 2008 and 2009. Entry-level positions were cut in thirteen of the fourteen most sought-after employment sectors and, in all, some fifty-nine employers saw their graduate recruitment decline.

The worst of the cuts took place at the investment banks, IT & telecoms firms, chemical & pharmaceuticals companies and within the media, where vacancies halved during the course of the two recruitment rounds. Just one employment area, the public sector, managed to increase its graduate recruitment over the period, stepping up vacancies by 45% during this two-year period, helped by the rapid expansion of the Teach First scheme.

It is interesting to benchmark how graduate vacancies have changed over the last ten years (see *Chart 2.10*). This indexing of vacancies shows that during the two recruitment seasons between 2005 and 2007, opportunities for graduates grew by almost a quarter at Britain’s top employers, but that all of this growth and more was wiped out in the following two years, and by 2009 graduate recruitment had returned to a similar level to that recorded in 2004.

Twelve months later, the graduate job market bounced back convincingly and vacancies grew by 12.6% in 2010, with a further increase of 2.8% in 2011. The recovery stalled again in 2012 but recruitment increased once more in 2013, taking vacancies to their highest level for five years. The significant 7.9% rise in graduate recruitment recorded in 2014 and the

Chart 2.10 Indexing Graduate Vacancies at the UK’s Top Employers 2005 to 2015



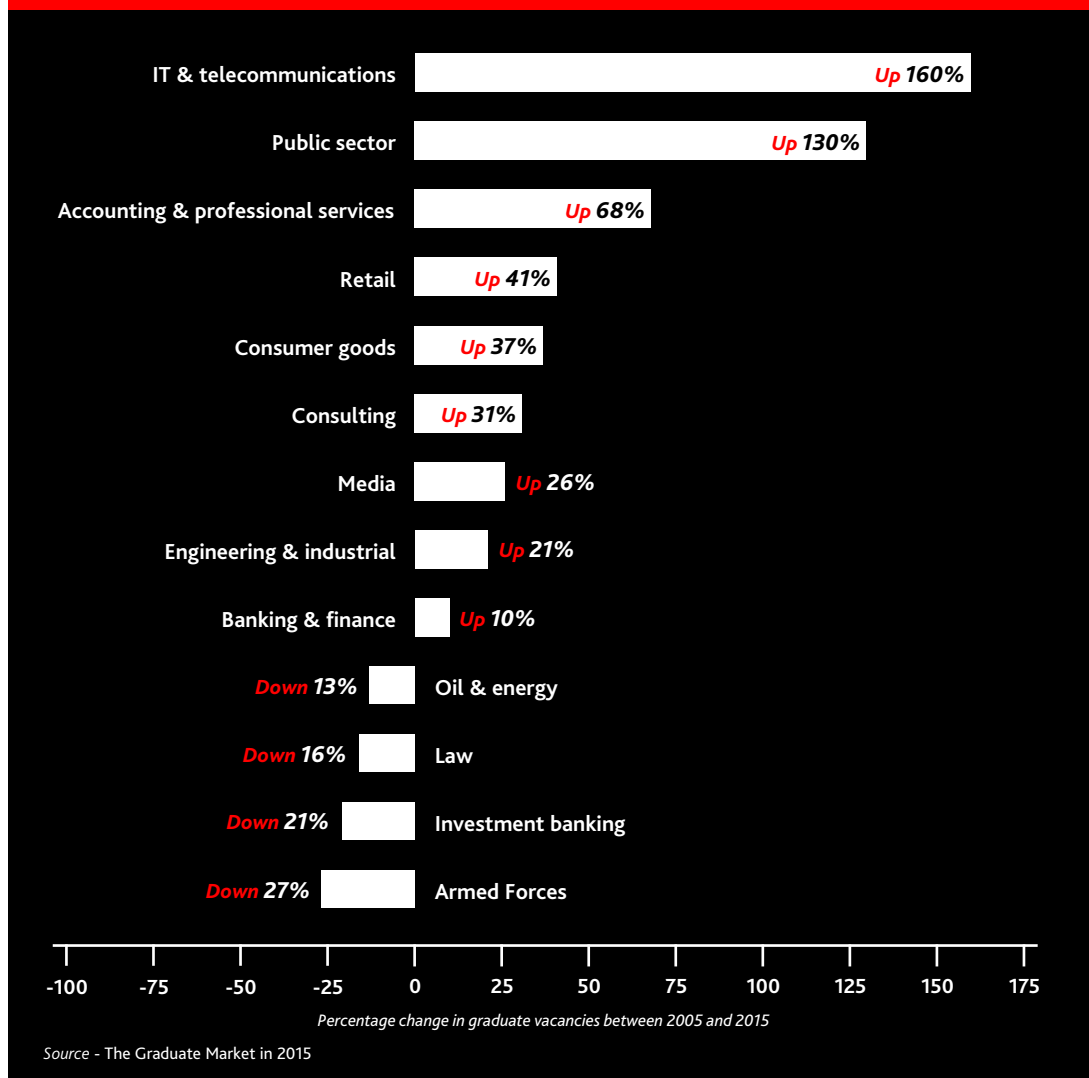
Source - The Graduate Market in 2015

further substantial increase of 8.1% expected this year means that there will be 4.9% more graduate vacancies available in 2015 compared with 2007, the pre-recession peak in graduate recruitment, and 36.2% more opportunities than in 2009, the low-point in the graduate job market during the economic crisis.

Comparing this year’s graduate recruitment targets in individual industries and business sectors with the volume of new recruits hired in 2005 shows that in nine key employment areas, graduate vacancies are now higher than they were ten years ago (see *Chart 2.11*). The number of entry-level positions available for graduates in IT & telecommunications and in the public sector has more than doubled over the last ten years and training places at accountancy & professional services firms have increased by two-thirds.

There are more graduate jobs too at the leading retailers, consumer goods companies, consulting firms, media companies, engineering & industrial companies and in banking & finance. However, graduate recruitment at the largest oil & energy groups, the top law firms, City investment banks and the Armed Forces remains lower than it was in 2005.

Chart 2.11 How Graduate Vacancies Changed 2005 to 2015, by Sector or Industry



Summary

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **rose by 7.9%** in 2014, compared with recruitment in 2013, the largest annual rise in graduate recruitment for four years.
- Last-minute increases in employers' recruitment targets and a sharp rise in the number of graduates turning down or renegeing on job offers meant that more than 700 graduate positions were left unfilled last year.
- The UK's leading employers plan to expand their graduate recruitment even further in 2015 with **8.1% more entry-level vacancies** than last year, the third consecutive year that graduate vacancies have increased.
- This substantial increase in graduate vacancies for 2015 takes graduate recruitment beyond the **pre-recession peak** in the graduate job market in 2007 and means that there will be more opportunities for this summer's university-leavers than at **any time in the last decade**.
- Employers in nine out of thirteen key industries and employment areas are expecting to take on **more new graduates** than in 2014.
- The largest growth in vacancies is expected at **public sector organisations, accounting & professional services firms, banking & finance employers, retailers** and the **Armed Forces** which together intend to recruit over 1,200 extra graduates in 2015.
- The largest recruiters of graduates in 2015 will be **Teach First** (2,060 vacancies), **PwC** (1,570 vacancies) and **Deloitte** (1,100 vacancies).
- Recruiters have confirmed that 31% of this year's entry-level positions are expected to be filled by graduates who have **already worked for their organisations**, either through paid internships, industrial placements or vacation work.

Chapter 3

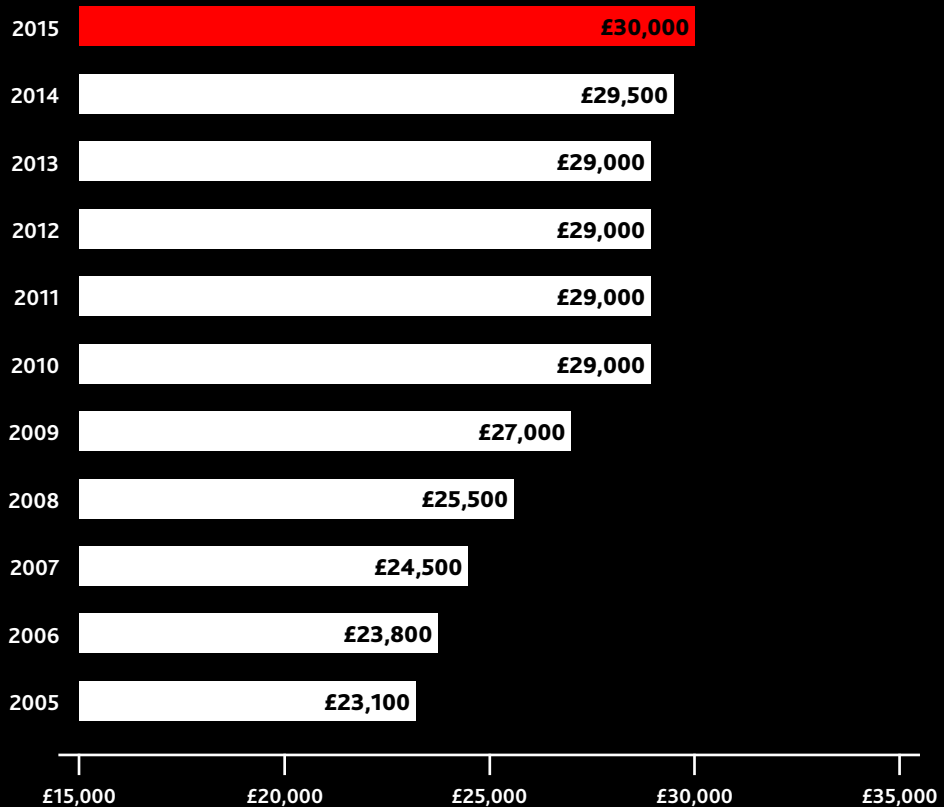
Graduate Starting Salaries

Starting Salaries for Graduates

The second part of the research examines the starting salaries that top employers are planning to pay new graduates due to begin work in 2015, compared with salaries paid to graduate recruits who joined their organisations in 2014. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2013-2014 and 2014-2015 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

For six years running from 2005, graduate starting salaries rose each year. Annual increases were initially 'cost-of-living increases of 2-3%, but more generous rises followed in 2009 and again in 2010 as the graduate job market improved (see *Chart 3.1*). The median starting salary remained unchanged at £29,000 from 2010 to 2013, but improved slightly in 2014 and is set for a further modest rise in 2015, taking the median salary to £30,000 for the first time.

Chart 3.1 How Employers' Graduate Starting Salaries Changed from 2005 to 2015



Source - The Graduate Market in 2015

Median starting salaries

Graduate Starting Salaries in 2015

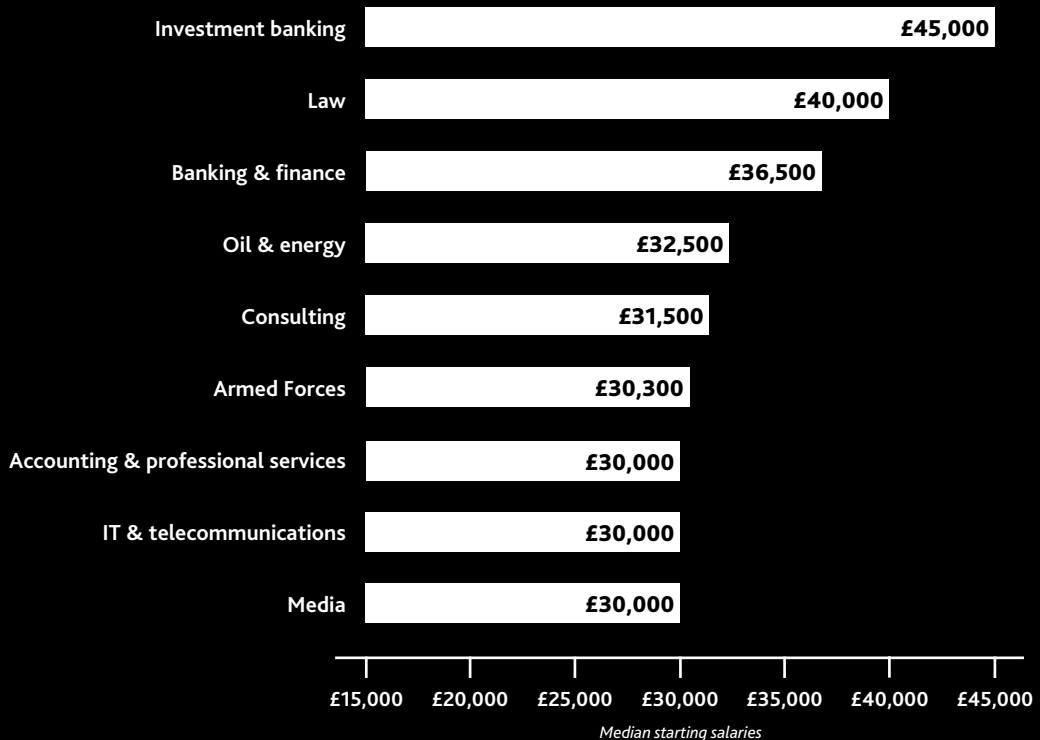
Although the median starting salary for new graduates joining the UK’s leading employers has risen for the second year running, there continues to be a very wide disparity in the salaries available from individual organisations in 2015.

Three major employers are offering new graduates £20,000 or less, and yet at the very top of the market, four well-known investment banks are providing basic salaries of up to £50,000 this year and almost a third of graduate programmes at the leading employers now pay more than £35,000 (see *Chart 3.3*). Away from the City, the highest published salaries are again at Aldi, which pays graduates training to become area managers a first-year salary of £42,000, and the European Commission, where new graduates are paid a starting salary of £41,500.

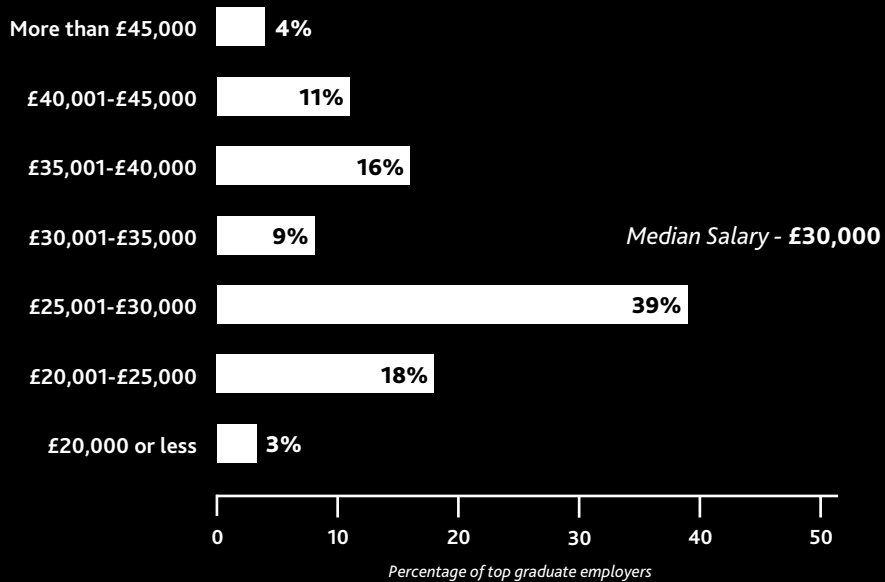
By sector, the highest-paying UK graduate employers in 2015 are again the investment banks and law firms (see *Chart 3.2*). Following increases in starting salaries at several leading law firms and the ‘Big Four’ accounting & professional services firms over the last two years, the median salary for new graduates joining the legal sector has now risen by £2,000 since 2013 and by £1,000 for trainee accountants. The median starting salary available to new graduates is set to rise in a total of six sectors this year (see *Table 3.3*).

Despite the fact that graduates leaving English universities in 2015 are the first to have paid tuition fees of up to £9,000-a-year for their degrees, there is little evidence that this year’s graduate starting salaries have increased because of this – most employers that have stepped-up their graduate pay recently appear to have done so in order to compete with other employers, either in their sector or beyond.

Chart 3.2 Industries or Business Sectors with the highest Graduate Salaries in 2015



Source - The Graduate Market in 2015

Chart 3.3 Graduate Starting Salaries at leading UK Employers in 2015

Source - The Graduate Market in 2015

Table 3.4 Analysis of Graduate Salaries in 2015, by Industry or Business Sector

Industry or Business Sector	Median graduate starting salary for 2015	Range of graduate starting salaries on offer in 2015	% change in median salary since 2014	Increase (decrease) in median salary
Accounting & professional services	£30,000	£15,000-£42,500	▲ 1.7%	£500
Armed Forces	£30,300	£25,000-£30,300	▲ 1.0%	£300
Banking & finance	£36,500	£26,000-£50,000	▲ 9.0%	£3,000
Consulting	£31,500	£28,000-£45,000	NO CHANGE	NO CHANGE
Consumer goods	£29,000	£27,000-£32,000	NO CHANGE	NO CHANGE
Engineering & industrial	£27,500	£24,000-£31,000	▲ 3.8%	£1,000
Investment banking	£45,000	£36,000-£50,000	NO CHANGE	NO CHANGE
IT & telecommunications	£30,000	£29,500-£34,700	▲ 2.4%	£700
Law	£40,000	£22,000-£40,500	▲ 1.3%	£500
Media	£30,000	£20,000-£45,000	NO CHANGE	NO CHANGE
Oil & energy	£32,500	£25,750-£40,000	NO CHANGE	NO CHANGE
Public sector	£20,000	£18,000-£41,500	▼ 9.1%	(£2,000)
Retailing	£26,000	£21,500-£42,000	NO CHANGE	NO CHANGE
ALL SECTORS	£30,000	£15,000-£50,000	▲ 1.7%	£500

Source - The Graduate Market in 2015

Summary

- **Graduate starting salaries** at the UK's leading graduate employers are expected to **increase for the second year running** in 2015, reaching a median of **£30,000** for the first time.
- More than a quarter of top graduate programmes will pay new recruits more than **£35,000** when they start work and four organisations are offering salaries in excess of £45,000 to this year's graduates.
- The most generous salaries in 2015 are those on offer from **investment banks** (median of £45,000), **law firms** (median of £40,000), **banking & finance firms** (median of £36,500) and **oil & energy companies** (median of £32,500).
- The highest published graduate starting salaries for 2015 are at **Aldi** (£42,000) and the **European Commission** (£41,500).
- There is little evidence that graduate starting salaries are rising in reaction to the introduction of **higher university tuition fees** – most employers that have opted to increase their graduate pay in either 2014 or 2015 appear to have done so in order to compete effectively with other employers recruiting graduates.

Chapter 4

Internships & Work Placements

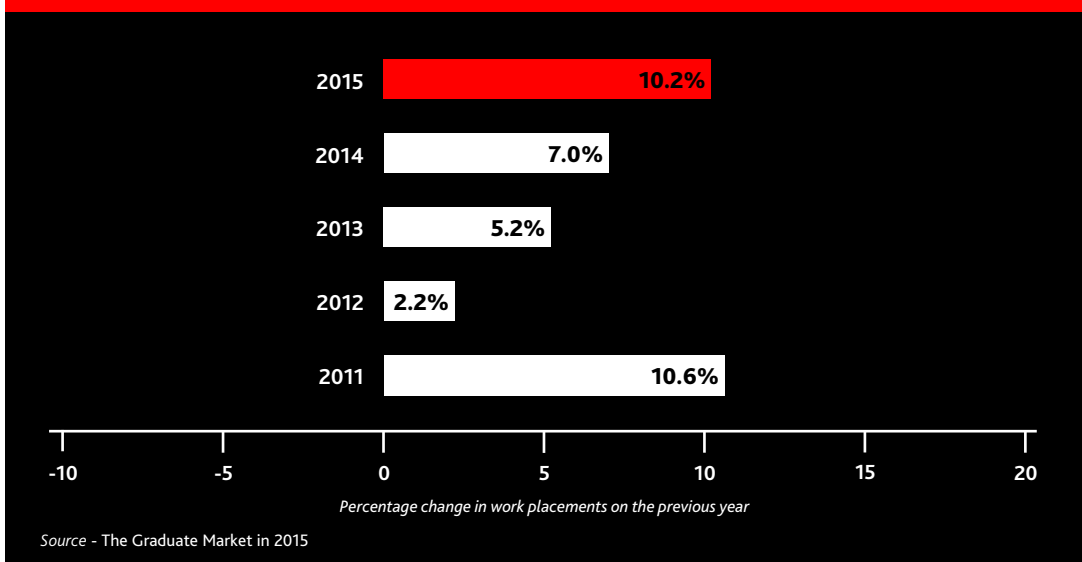
Recruiting Graduates through Work Experience Programmes

During the last decade there has been a very noticeable change in the purpose and aims of work experience programmes. Ten years ago, the main reason that many major graduate employers offered university students work placements was simply to help individuals decide which career sector they were suited to and to enable students to experience the type of work that graduates did in a particular industry or business area. There were few direct links between these undergraduate work placements and the graduate recruitment process.

Today, for the majority of employers who offer paid work experience places, such schemes have become an integral part of recruiting new graduates. Students applying for work placements in their first or second year at university are selected through a very similar recruitment process to that used to recruit graduates. This means that once a placement has been successfully completed, recruiters are able to offer work experience students a graduate position, often a full year before students are due to leave university and several months ahead of employers who only recruit graduates during their final year of study. Many employers also consider that recruiting candidates who have proven their abilities during a work placement to be a more reliable way of employing graduates.

Up to a third of new graduates are now recruited directly through employers' work experience programmes (see *Table 2.7* on page 13) and employers in sectors such as law, oil & energy, and investment banking are expecting to recruit at least half their graduates this way in 2015. Correspondingly, the number of paid work experience placements available at Britain's leading employers has increased very substantially over the last five years (see *Chart 4.1*).

Chart 4.1 How Work Placements for University Students Changed from 2011 to 2015



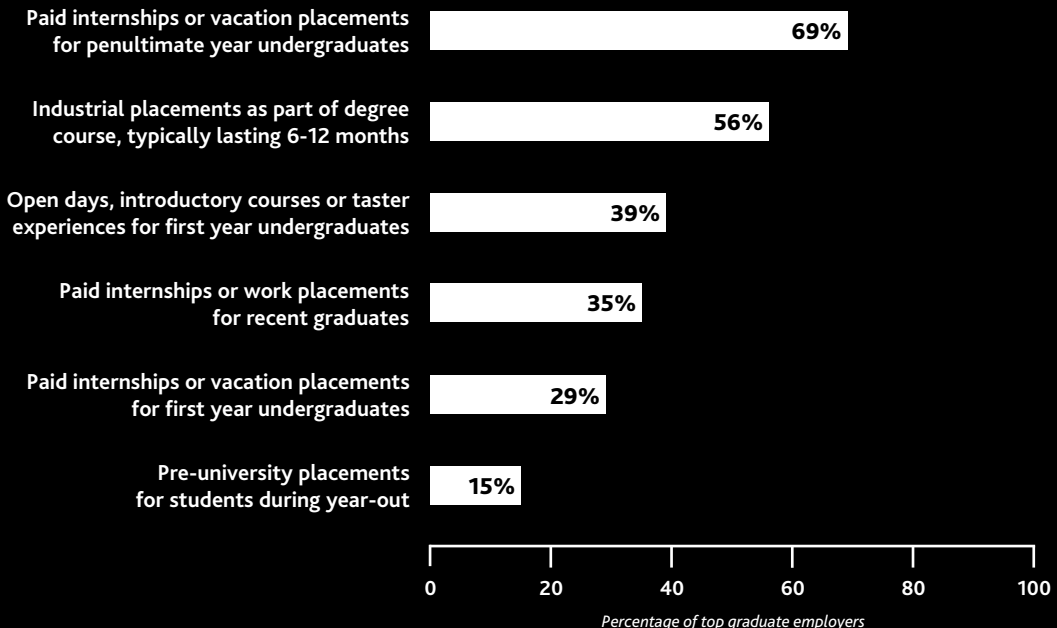
Availability of Work Experience in 2015

More than two-thirds of Britain’s top graduate employers are providing paid internships to penultimate year undergraduates during their summer vacations in 2015 (see *Chart 4.2*) and over half are hosting industrial placements – structured work experience that is organised as part of university degree courses (often described as ‘sandwich’ courses) and typically lasts between six and twelve months, giving students first-hand experience of technical, commercial or research roles. It is interesting to see that more than half of employers now offer work experience to first year students – either via paid internships and vacation placements, or through open days, short introductory courses or ‘taster’ experiences – a very noticeable increase on previous years.

Together, the leading employers featured in the research are offering over 13,000 paid internships and work experience placements this year (see *Table 4.4*). This is the highest level ever recorded and an increase of 10% on the work placements provided during 2014. The number of work experience places available to students and recent graduates has now jumped by more than 40% since 2010, double the rate that graduate vacancies have risen over the same period.

In 2015, the top employers are offering a median of 90 paid internships or work placements (see *Chart 4.3*) but fifteen organisations are providing more than 250 placements each. The leading investment banks have the most places available this year, with over 2,600 paid internships and work placements. It is striking that investment banking is one of just three sectors where the number of work experience places on offer from employers outstrips the number of permanent jobs available to graduates. Media companies, retailers and consulting firms have the lowest ratio of work placements to graduate jobs, making it harder for students interested in these areas to get relevant experience before they apply for graduate roles.

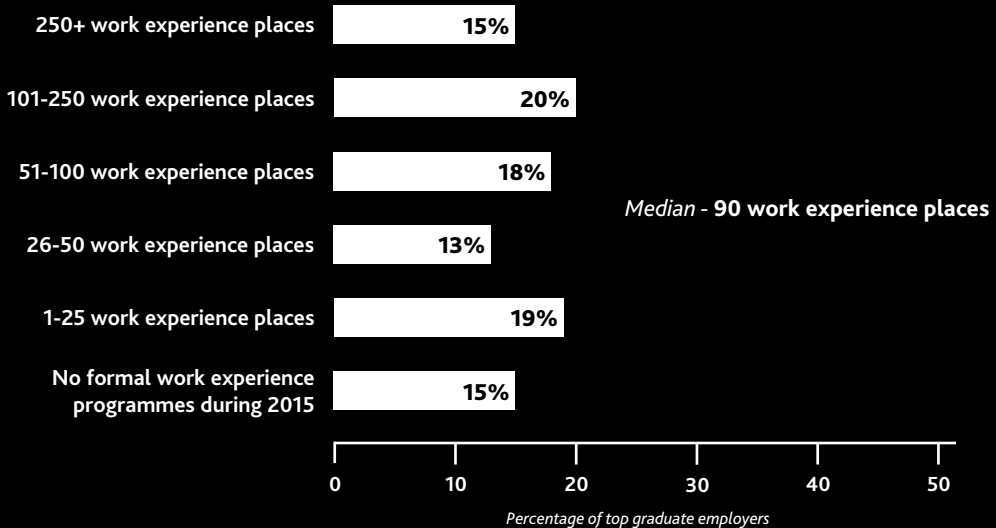
Chart 4.2 Type of Work Experience available at the UK’s Top Employers in 2015



Source - The Graduate Market in 2015

Graduate recruiters at the organisations featured in the research were asked about the value of work experience when it comes to assessing students' applications for graduate roles. Almost half stated that it was either 'not very likely' or 'not at all likely' that a graduate who'd had no previous work experience with any employers would be successful during their selection process and be made a job offer, irrespective of their academic achievements.

Chart 4.3 Paid Work Experience Places available at the UK's Top Employers in 2015



Source - The Graduate Market in 2015

Table 4.4 Analysis of Paid Work Experience in 2014, by Industry or Business Sector

Industry or Business Sector	Total work experience places available in 2014	Total work experience places available in 2015	% change in places between 2014 & 2015	Ratio of work experience places to graduate vacancies in 2015
Accounting & professional services	1,844	2,005	▲ 8.7%	43:100
Banking & finance	1,260	1,290	▲ 2.4%	98:100
Consulting	174	160	▼ 8.0%	26:100
Consumer goods	360	445	▲ 23.6%	112:100
Engineering & industrial	1,067	1,620	▲ 51.8%	95:100
Investment banking	2,555	2,610	▲ 2.2%	143:100
IT & telecommunications	650	570	▼ 12.3%	67:100
Law	755	990	▲ 31.1%	127:100
Media	128	148	▲ 15.6%	22:100
Oil & energy	385	374	▼ 2.9%	95:100
Public sector	1,788	2,102	▲ 17.6%	56:100
Retailing	359	308	▼ 14.2%	23:100
ALL SECTORS	11,837	13,049	▲ 10.2%	66:100

Source - The Graduate Market in 2015

Summary

- Over **four-fifths** of the UK's leading graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2014-2015 academic year – an unprecedented **13,049 places** are available.
- Two-thirds of employers provide **paid vacation internships** for **penultimate year students** and over half offer **industrial placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Many more employers now also have work experience places for **first year undergraduates** – over a quarter of organisations offer paid internships and two-fifths of employers run introductory courses, open days and other taster experiences for first year students.
- Nearly **half the recruiters** who took part in the research repeated their warnings from previous years – 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.

Chapter 5

Graduate Recruitment in 2014-2015

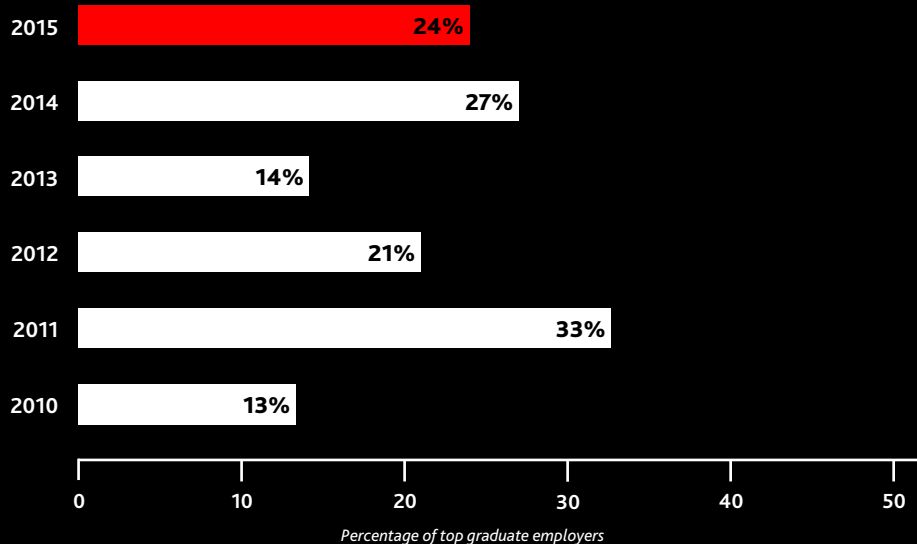
Promoting Graduate Programmes

The final part of the research examines how the UK's leading recruiters have approached the 2014-2015 graduate recruitment round – from the promotions they used to publicise their graduate opportunities, the universities they targeted during their campus recruitment campaigns, to the volume and quality of applications received so far for their 2015 graduate vacancies.

It is little surprise that the recession in 2008 and 2009 had a substantial impact on the resources subsequently available to graduate recruiters. *The Graduate Market in 2010* report showed that recruitment budgets at almost half of the UK's leading graduate employers had been cut compared with the previous recruitment season, and 18% of organisations described the decrease as 'considerable'. Just thirteen employers increased their annual graduate recruitment budget that year (see *Chart 5.1*).

The outlook seemed more encouraging during the 2010-2011 recruitment season and a third of top employers spent more on attracting and recruiting graduates. But during both the 2011-2012 and 2012-2013 graduate recruitment rounds, employers whose budgets had increased were outnumbered by the organisations where spending on recruitment had been cut year-on-year. In 2013-2014, more than a quarter of the leading employers increased their graduate recruitment spending and smaller numbers of organisations decreased their budgets, a pattern that has been repeated for the 2014-2015 graduate recruitment season.

Chart 5.1 Top Employers with increased annual Graduate Recruitment Budgets



Source - The Graduate Market in 2015

Graduate Recruitment Challenges in 2014-2015

With the number of graduate vacancies on offer from the UK’s leading employers rising for the third year running, it’s understandable that spending on graduate recruitment has increased at a number of organisations.

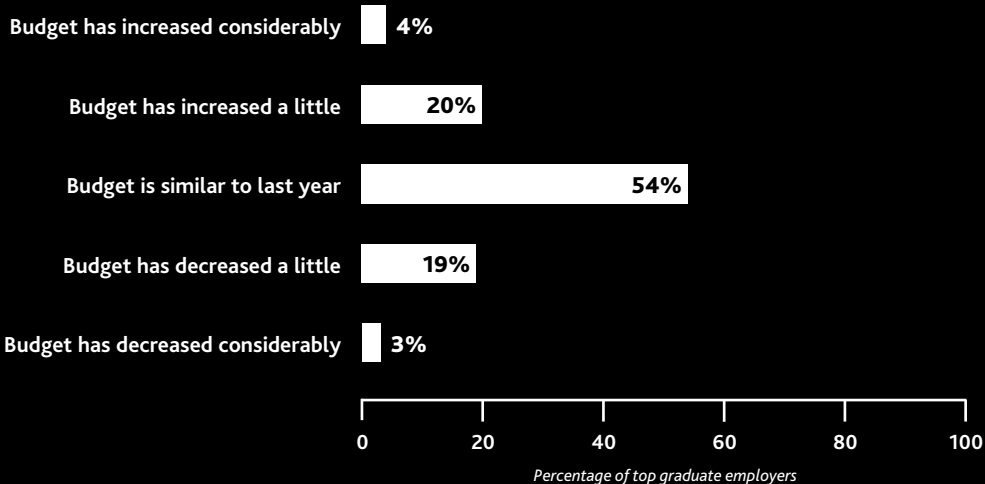
Half of graduate recruiters have a similar budget to last year but twenty-four employers have allocated more resources and budget to attract and recruit university-leavers in 2014-2015 (see *Chart 5.2*), with four employers – including a leading media company, one of the Armed Forces and a consulting firm – reporting that their spending had ‘increased considerably’. Graduate recruiters from over twenty organisations warned they have had less money to spend on recruitment this year – including three of the Big Four accounting & professional services firms, several engineering & industrial companies and two of the largest employers from the oil & energy sector.

Recruiters taking part in the research were asked about their main challenges and focuses during the current 2014-2015 graduate recruitment round (see *Chart 5.3*). More than two-thirds confirmed that one of their key priorities was to improve students’ perceptions of their organisations, half were keen to step up their profile on campus and three-fifths hoped to improve the quality of graduates they recruited. More than a third of recruiters feared heightened competition for graduates from other employers this year, whilst almost half warned they had insufficient resources in their graduate recruitment teams.

Three-fifths of employers said that they were working to achieve diversity targets for their graduate recruitment, such as the number of women or ethnic minority applicants, and nearly a third of recruiters now have social mobility targets, to recruit graduates from a wider range of backgrounds and circumstances.

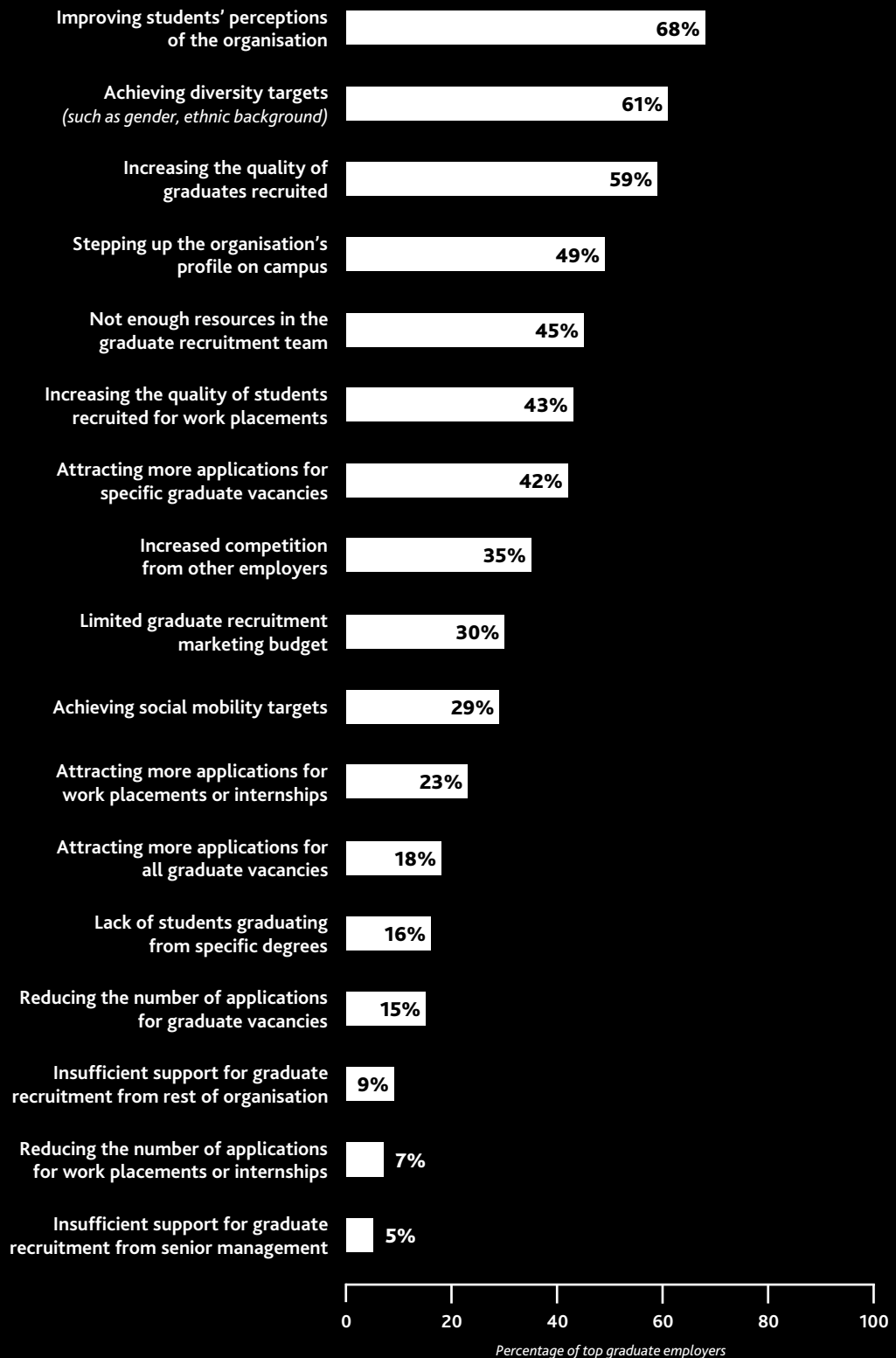
Few employers wanted to increase the total number of graduate applications that they received but almost half of recruiters hoped to attract more applicants for specific job functions. There was also an increased emphasis on work experience at many organisations, with two-fifths looking to improve the quality of students recruited for internships or other work placements.

Chart 5.2 Employers’ Graduate Recruitment Budgets for 2014-15



Source - The Graduate Market in 2015

Chart 5.3 Challenges for Graduate Recruiters at the UK's Top Employers in 2014-2015



Source - The Graduate Market in 2015

Graduate Recruitment Promotions in 2014-2015

Employers have used a very wide variety of different promotions to publicise their graduate programmes during the 2014-2015 recruitment season (see *Table 5.5*).

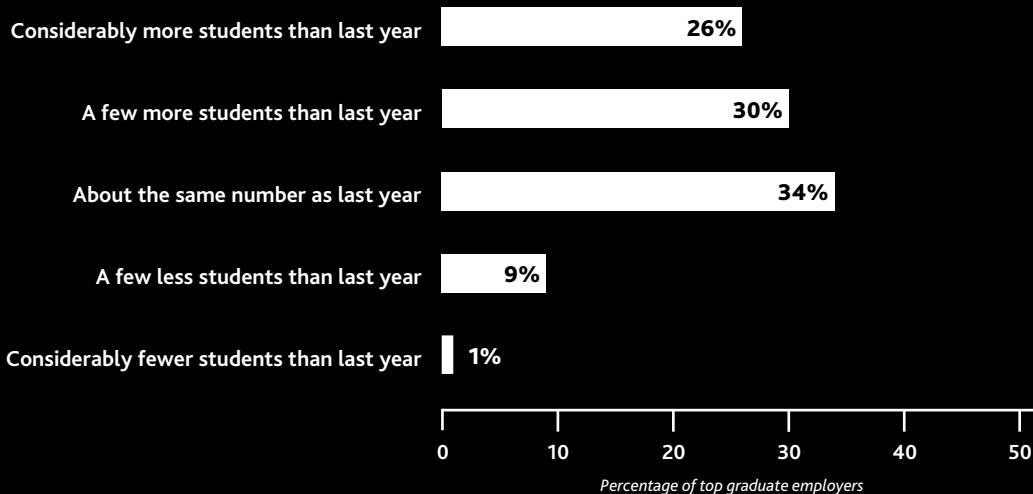
Most organisations have promoted their opportunities through graduate recruitment websites (such as *Milkround* and *Prospects*) or have used commercial or university email services to contact individual students and over half of recruiters confirmed they had stepped-up use of social media this year. Although considerably fewer recruiters chose to advertise in printed local careers guides or specific sector guides this year, there has been a sharp rise in the number of employers using graduate directories to promote their graduate vacancies, compared with the 2013-2014 recruitment season.

On campus, virtually all the leading graduate recruiters are working with university careers services this year and there has been a noticeable increase in employers taking part in local recruitment events. Ninety individual organisations hosted their own recruitment presentations across the UK, with many opting to host more events than last year, and record numbers of employers have been using careers fairs and skills training events to publicise their graduate opportunities. Half of recruiters have also used some form of business game to promote their organisation and three-fifths have sponsored student societies this year.

Two thirds of employers now have their own network of campus brand managers – local students or postgraduates who are recruited to help publicise an employer’s university events, to remind fellow students about application deadlines, and assist recruiters with identifying potential local promotional opportunities. Over a quarter of employers confirmed they had made more use of campus brand managers this year. Up to half of recruiters have opted to host special one-off campus promotions around the UK – such as a roadshow event, campus vending machines and photo booths – and a quarter have held national or inter-university student competitions to engage with potential graduate recruits.

So far during the 2014-2015 recruitment season, many employers have had a significant increase in the attendance by students at their campus events (see *Chart 5.4*) – more than half

Chart 5.4 Number of Students taking part in Employers’ Campus Events in 2014-2015



Source - The Graduate Market in 2015

of organisations said that either a ‘few more’ or ‘considerably more’ students had taken part in their local presentations, skills training sessions or had met them at university careers fairs. A third of organisations thought the turnout from students had been similar to the previous recruitment season but ten organisations were disappointed to have seen fewer job hunters at their events this year.

It is striking to see that employers are now almost as likely to be targeting first or penultimate year students as final year undergraduates when promoting their graduate opportunities (see *Table 5.5*). Four-fifths of organisations have been holding events specifically for first year students during the 2014-2015 recruitment season – such as taster sessions, open days, skills events or introductory courses. A third of employers said they had done more with first year students than ever before and a quarter had worked harder to promote internships and work experience programmes to penultimate year students. More than three-fifths of employers began their graduate promotions even earlier, targeting schools and sixth form colleges.

Table 5.5 Analysis of Employers’ Graduate Recruitment Promotions in 2014-2015

<i>Graduate Recruitment Promotion</i>	<i>% of employers who used promotion during 2014-2015</i>	<i>Done more than last year %</i>	<i>About the same as last year %</i>	<i>Done less than last year %</i>
Careers fairs	95	27	45	23
Advertising in graduate directories	94	10	74	10
University careers services	93	27	56	10
Promotions on graduate recruitment websites	93	21	52	20
Campus presentations	90	37	38	15
Promotions on social media	89	57	30	2
Email services	84	21	50	13
Skills training sessions	77	30	37	10
Drop-in sessions	72	28	33	11
Advertising in career sector guides	68	4	49	15
Campus brand managers	68	26	36	6
Sponsorship of student societies	62	18	39	5
Academic lectures	52	11	37	4
Business games	50	11	34	5
Advertising in student newspapers	49	5	32	12
Special one-off campus promotions	46	16	23	7
Advertising in local careers guides	44	4	20	20
National or inter-university competitions	28	9	17	2
<i>Year Groups Targeted</i>				
Promotions to schools or sixth-form colleges	62	29	32	1
Promotions to first years	82	32	46	4
Promotions to penultimate years	89	26	59	4
Promotions to final years	85	24	52	9

Source - The Graduate Market in 2015

Universities Targeted by Employers in 2014-2015

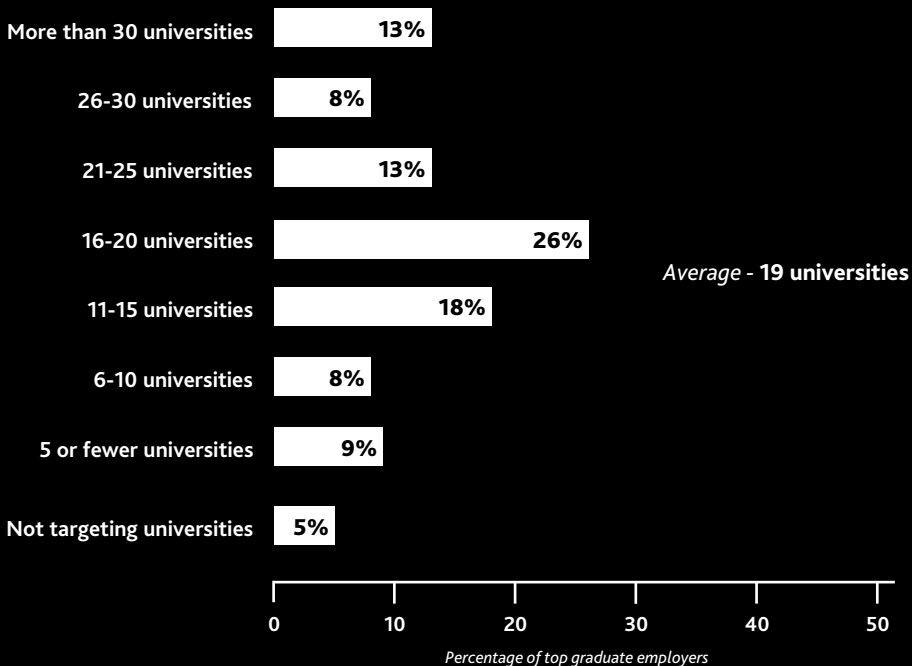
With more than 140 universities now offering undergraduate degree courses in the UK, employers have the widest-ever choice of higher education institutions from which to recruit graduates. Very few organisations, if any, have the resources to target all of these universities to promote their graduate opportunities, so most employers focus their recruitment publicity at a more limited number of institutions.

For the 2014-2015 recruitment season, the majority of top graduate employers have targeted between 10 and 25 universities each (see *Chart 5.6*), although thirteen employers are currently visiting more than thirty campuses annually for their graduate promotions. Within individual business sectors, accounting & professional services and law firms have actively publicised their graduate vacancies at the largest number of universities, whereas media employers and consulting firms took part in local promotions at the fewest universities (see *Chart 5.7*).

The five universities currently targeted by the largest number of leading graduate employers are Manchester, Nottingham, Warwick, Cambridge and Oxford (see *Table 5.8*). These institutions have attracted the largest number of top graduate recruiters for campus fairs, recruitment presentations or other local university promotions during 2014-2015.

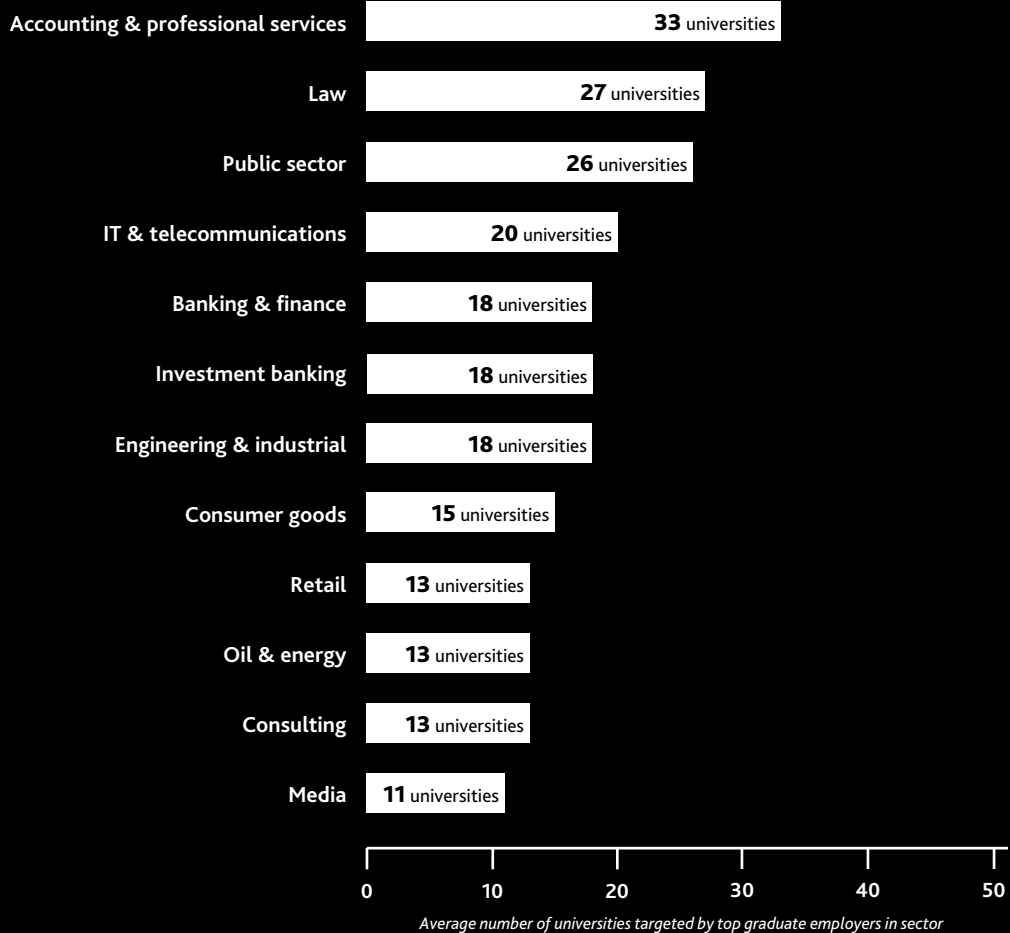
It is interesting to compare this list with *The Times & Sunday Times Good University Guide 2015*, the latest league table of leading institutions compiled from a range of university data including entry standards, teaching performance, academic research, student funding and graduates' career prospects. In it, Cambridge and Oxford are ranked in joint 1st place but Manchester and Nottingham, the two universities most-targeted by leading employers, fail to even make the top twenty. And conversely, St Andrews and Lancaster which are 3rd and 12th respectively in the guide, do not appear in the employers' top twenty-five universities.

Chart 5.6 Number of Universities Targeted by Top Employers in 2014-2015



Source - The Graduate Market in 2015

Chart 5.7 Universities Targeted by Top Employers in 2014-2015, by Sector or Industry



Source - The Graduate Market in 2015

Table 5.8 Universities Targeted by the Largest Number of Top Employers in 2014-2015

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Manchester	28	14. Edinburgh	22
2. Nottingham	22	15. Loughborough	13
3. Warwick	8	16. Sheffield	21
4. Cambridge	1	17. Southampton	18
5. Oxford	1	18. Exeter	7
6. Durham	6	19. Newcastle	22
7. Bristol	19	20. London King's College	29
8. London University College	9	21. York	16
9. London Imperial College	4	22. Cardiff	27
10. Leeds	17	23. Strathclyde	39
11. Bath	10	24. Glasgow	26
12. London School of Economics	5	25. Leicester	20
13. Birmingham	15		

Source - The Graduate Market in 2015

* The Times & Sunday Times Good University Guide 2015

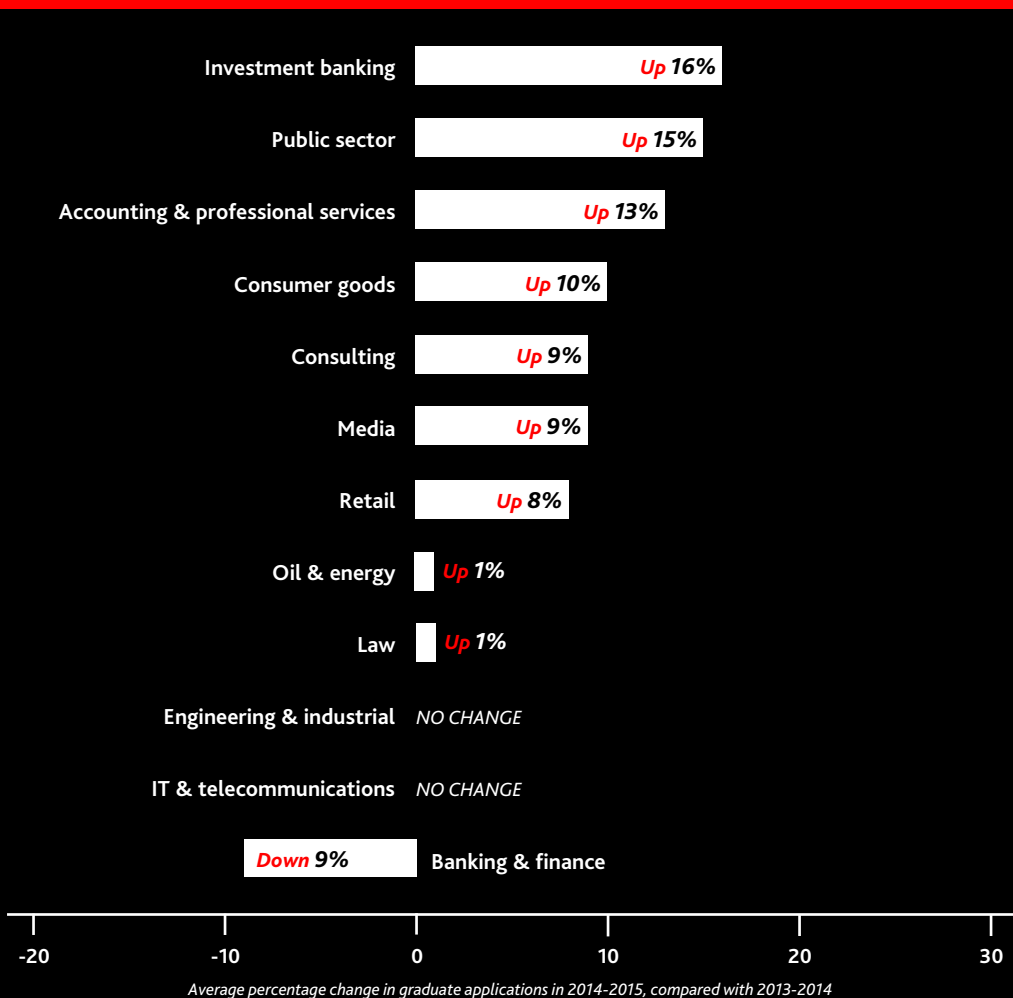
Graduate Applications Received in 2014-2015

A third of Britain’s top employers have seen an increase in the number of graduate applications they received in the early part of the 2014-2015 recruitment round, compared with the same period last year (see *Chart 5.10*).

Twelve organisations from several different industries and business sectors said that their graduate application levels had risen by more than 25%, a very significant year-on-year increase. A further twenty-three employers reported more modest increases. By contrast, eighteen employers have seen their graduate applications fall by more than 10% this year. These results equate to an average rise in graduate applications of 6%, compared with last year’s recruitment round. Applications rose by 9% in the early stages of the 2013-2014 recruitment season, by 7% in 2012-2013 and by a record 19% in 2011-2012.

Employers reporting the biggest increases in applications in 2014-2015 are at the investment banks, public sector employers, accounting & professional services firms and consumer goods companies, where graduate applications have increase by at least 10% compared with a year ago (see *Chart 5.9*).

Chart 5.9 Number of Applications to Employers in 2014-2015, by Sector or Industry



Source - The Graduate Market in 2015

Although more than half of employers felt that the quality of the graduate applications they had received was similar to the previous recruitment season, a quarter commented that the quality of applications had increased ‘a little’ and nine organisations thought that the standard of applicants had increased ‘considerably’ (see *Chart 5.11*). Twelve employers – including two of the ‘Big Four’ accounting & professional services firms and two leading law firms – warned that the quality of graduate applications they’d received was lower this year.

Chart 5.10 Number of Graduate Applications Received by Employers in 2014-2015

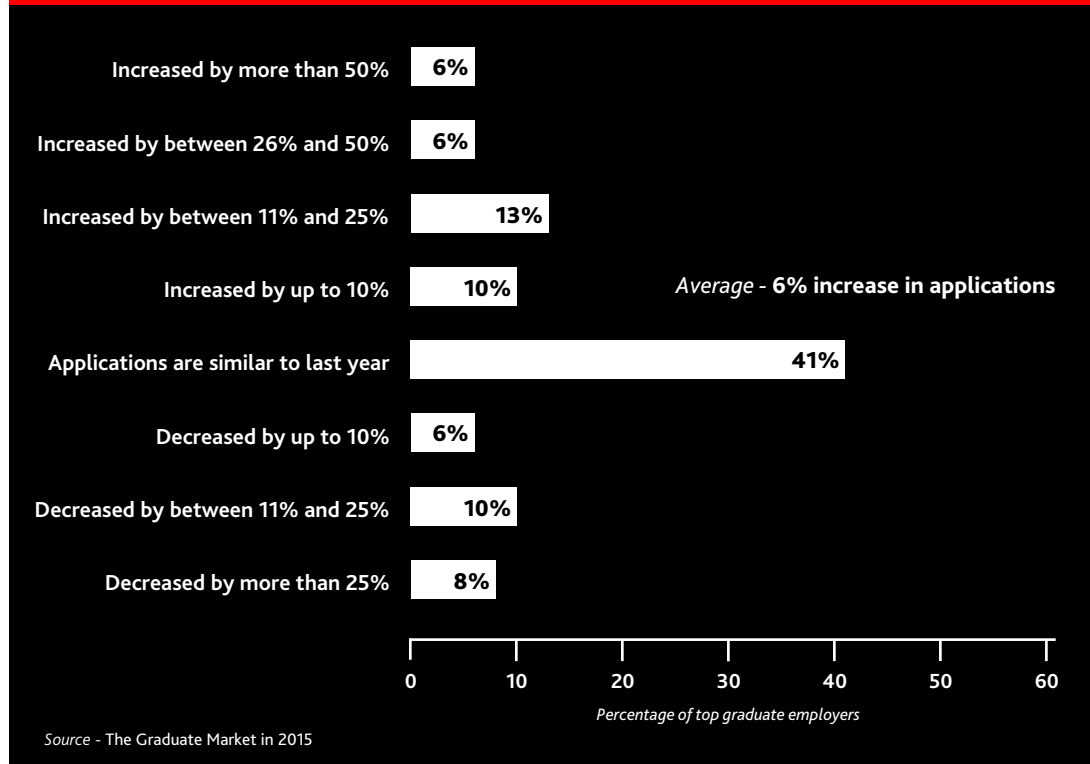
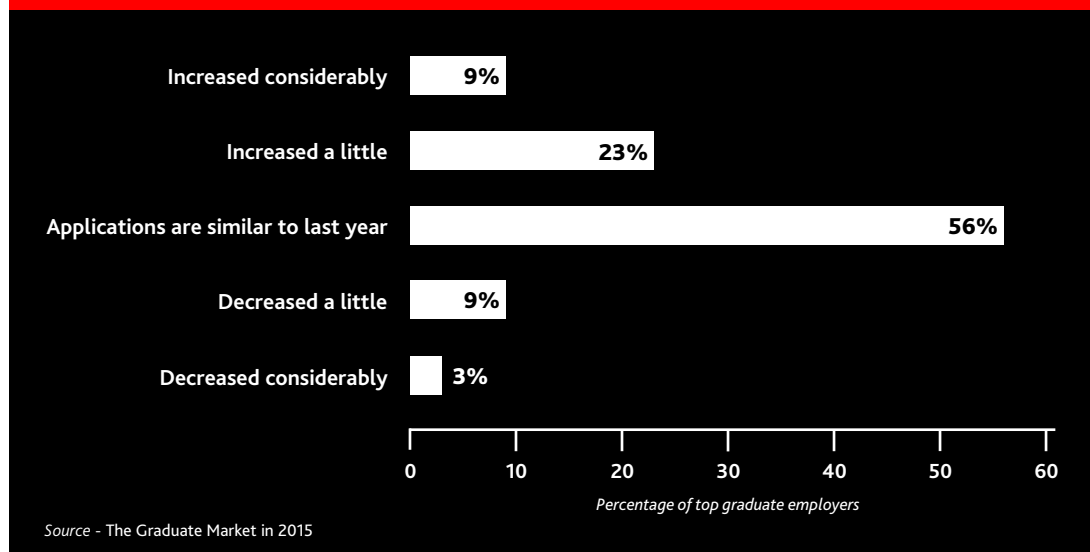


Chart 5.11 Quality of Graduate Applications Received by Employers in 2014-2015



Summary

- A quarter of the country's leading employers have **increased** their graduate recruitment budgets for the 2014-2015 recruitment round.
- Employers have been actively marketing their 2015 graduate vacancies at an average of **19** UK universities, using a variety of local **recruitment presentations**, campus **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of local **careers fairs**, **recruitment presentations**, **skills training events**, **campus brand managers** and **social media**, during this year's recruitment campaigns – and did less **advertising** in local career guides and sector guides.
- The ten universities most-often targeted by Britain's top graduate employers in 2014-2015 are Manchester, Nottingham, Warwick, Cambridge, Oxford, Durham, Bristol, Imperial College London, University College London and Leeds.
- A third of employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and a similar proportion believed the quality of applications had improved too.
- Together, the UK's top employers have received **6% more graduate job applications** so far, compared with the equivalent period in the 2013-2014 recruitment round.

APPENDIX

Media Coverage of the Research

When *The Graduate Market in 2015* was published on **January 12th 2015**, headlines from the report were widely reported in the media. Martin Birchall, Managing Director at High Fliers Research, was interviewed about the research on the BBC News Channel, *Simon Mayo Drivetime* on BBC Radio 2 and *Channel Four News*.



*BBC News Channel,
January 12th 2015*



*Channel 4 News,
January 12th 2015*

The new research was also featured in several national newspapers, including *The Independent*, *The Times*, *Financial Times*, the *i*, *Daily Mail*, *Daily Express* and *Metro*.

THE INDEPENDENT

Aldi's offer of £42,000 a year leads market in graduate recruitment

RICHARD GARNER
EDUCATION EDITOR

Graduates will this year enjoy the best recruitment prospects for more than a decade and higher starting salaries than their predecessors, according to a new report – but they may be surprised to find a budget supermarket providing the most attractive pay rate.

Aldi is offering university leavers the highest published starting salary of £42,000 a year for trainee managers, according to a survey by High Fliers Research, followed by the European Commission with roles paying £41,500.

The findings come from a study of the top 100 graduate recruiters, which reveals the number of vacancies is expected to rise by 8.1 per cent this summer, following a 7.9 per cent rise last year. Starting salaries will meanwhile rise to an average of £30,000, after four years of stagnation at £29,000.

Martin Birchall, managing director of the graduate recruitment experts that carried out the research, said: "It's great news that students leaving university this summer, who've paid higher tuition fees. They will be emerging into the most buoyant jobs market for over a decade, with a wider choice of graduate vacancies at the country's most sought-after employers and better starting salaries."

The boost to employment will be welcomed, with ministers facing the prospect of

writing off future student debt. It will mean more graduates pass the £21,000 threshold at which they start repaying loans for their £9,000 fees.

The research shows that employers were left with unfilled vacancies last year for the first time since the recession began, with 700 jobs still available. In all, 18,129 graduates started work with the country's 100 top graduate recruiters in 2014, and the number is set to rise to more than 19,500 this summer.

Despite spending cuts, the biggest increase in recruitment is among public sector employers, followed by accounting and professional service firms, banking and finance, retailers and the armed forces.

The largest single recruiter will be Teach First – which offers graduates employment in disadvantaged schools – with 2,060 vacancies as it expands into new areas of the UK. Other major recruiters include PwC and Deloitte. The most lucrative sectors remain banking and finance, law and oil and energy.

The research states: "There is little evidence that graduate starting salaries are rising in reaction to the introduction of higher university tuition fees. Most organisations who have increased their graduate pay have done so in order to compete effectively with other graduate employers."

It also warns that graduates who fail to arrange internships or work experience during their degree courses are "unlikely to be successful during the selection process for graduate programmes".

However, evidence shows the number of paid placements for students is growing, with 13,049 available this year. Two-thirds of employers are providing paid holiday internships, while three-fifths offer industrial placements typically lasting between six and 12 months as part of a university degree programme.

The 10 universities that are most frequently targeted by graduate recruiters are Manchester, Nottingham, Warwick, Cambridge, Oxford, Durham, Bristol, Imperial College London, University College London and Leeds.

KEY FIGURES FOR GRADUATES

£42,000pa

Highest published starting salary for graduates, from Aldi. The second highest is £41,500 from the European Commission

8.1%

The rate that starting salaries for graduates are expected to rise by this summer

£30,000pa

The amount the average starting salary for graduates is expected to rise to this year

THE TIMES

Graduates are getting record salaries

Nicola Woolcock
Education Correspondent

The average graduate starting salary will reach £30,000 this year for the first time. The numbers recruited at leading employers is set to reach its highest level for more than a decade, vindicating the decision to attend university for the first generation to pay £9,000 a year in tuition fees.

Those with no work experience or internships under their belt face disappointment, the Graduate Market 2015 report warned. A third of this year's graduate positions will be filled by those who have already worked for organisations through internships and placements or during holidays, according to High Fliers Research, which produced the annual survey of *The Times* top 100 graduate employers.

Three quarters of graduate vacancies advertised by City investment banks and half the training contracts offered by leading law firms are likely to be filled by graduates who already have work experience at those companies.

Nearly half of recruiters said that graduates who had no previous work experience at all were unlikely to be successful during the selection process.

Apple, BT, Dyson, the Army, Google, HSBC, John Lewis and the NHS were among the employers polled last month. The average salary for graduate positions was £29,000 from 2010-13, rising to £29,500 last year. Competition for the best recruits has driven it up to £30,000 this year.

More than a quarter of top graduate programmes will pay new recruits more than £35,000 and four organisations are offering salaries higher than £45,000. Aldi, the retailer, is one of the best payers outside the City, offering its graduates £42,000, while the European Commission is paying £41,500. The most generous salaries last year were from investment banks, an average of £45,000, law firms, averaging £40,000, and in banking and finance, £36,500.

Companies are set to expand their graduate recruitment by 8.1 per cent this year. More than a quarter of graduate vacancies were cut in 2008 and 2009 at the beginning of the recession, and recruitment dipped again in 2012 before returning to growth in 2013.

"At the start of the 2013-2014 graduate recruitment season in September 2013, it was clear a much more buoyant mood had returned," the report said.

Employers in nine out of 13 major employment areas are preparing to take on more new graduates this year, with the biggest increases at public-sector employers, accounting and professional services, banking and finance, retailers and the Armed Forces, which together expect to recruit more than 1,200 extra graduates.

Employers are providing an unprecedented number of paid work experience places this year for university students and recent graduates. The largest recruiters will be Teach First, which fast-tracks top graduates into teaching (2,060 vacancies), the professional services firm PwC (1,570 vacancies) and Deloitte (1,100 vacancies).

FINANCIAL TIMES

Graduate vacancies set to rise to highest level in a decade

SARAH O'CONNOR —
EMPLOYMENT CORRESPONDENT

Leading employers have drawn up their most bullish graduate recruitment plans in a decade as they demonstrate greater confidence that the economy is recovering.

Graduate vacancies at the UK's biggest companies will rise 8.1 per cent this year to the highest level in at least 10 years, according to an annual study of 100 leading employers by High Fliers Research. Starting salaries will also rise, though they remain far lower in real terms than before the financial crisis.

The recovery in top-end graduate recruitment adds to the evidence that young people's fortunes are finally improving after they suffered a steeper fall in living standards than any other group after the crash.

Unemployment among 16-to-24 year olds has tumbled from 22.5 per cent in 2011 to 16.8 per cent, though it is still

higher than the pre-crisis trough of 13.8 per cent. The proportion of young people who are not in work, education or training has dropped to the lowest level in a decade.

Graduate recruitment is also a good indicator of economic confidence among companies. The UK's top 100 employers slashed graduate vacancies by almost a quarter between 2007 and 2009 as recession hit, then trimmed them again in 2012 as the recovery wobbled. Only this year are vacancies expected to exceed their pre-crisis peak.

The sectors planning the biggest increase in their graduate intakes are finance, the public sector, accountancy and professional services, retail and the armed forces. Only consultancy firms, the media and the oil and energy sector plan to cut back.

The median starting salary on offer this year will rise for the second year in a row, from £29,500 to £30,000. But that is just 3.5 per cent higher than five years

ago, implying there has been a sharp real-terms cut in graduates' pay as the supply of candidates has overwhelmed the demand for them.

That is supported by Student Loans Company data analysed by the FT last year, which showed that recent graduates saw their earnings fall 12 per cent in

High Fliers, which specialises in graduate recruitment research, said it was "great news" that students were "emerging into the most buoyant graduate job market for over a decade, with a wider choice of graduate vacancies at the country's most sought-after employers and better starting salaries".

In a sign of the growing pressure on university students to gain work experience while they study, employers said they would fill 31 per cent of vacancies with people who had already worked for them on paid internships or placements.

Large employers are using this "try before you buy" model to recruit graduates. They will offer 13,000 paid internships and placements this year, 10 per cent more than a year ago and a record high.

There was a "very noticeable increase" in the number of employers offering work experience to first-year undergraduates, High Fliers noted.

Median starting salary on offer this year will rise for the second year in a row, from £29,500 to £30,000

real terms between 2007-08 and 2011-12, three times the average fall for all employees.

At the same time, university tuition fees in England have almost tripled, to £9,000 a year. The cohort graduating in 2015 will include the first students to have paid the higher fees.

Martin Birchall, managing director of

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Job prospects and salaries set to soar for graduates in 2015

By Richard Garner
EDUCATION EDITOR

The class of 2015 will enjoy the best graduate recruitment prospects for more than a decade and higher starting salaries than their predecessors, says a report out today.

The Aldi supermarket chain comes out as offering the highest published starting salary of £42,000 a year for trainee managers followed by the European Commission at £41,500.

The findings come from a survey of the top 100 graduate recruiters which reveals the number of vacan-

cies is expected to soar by 8.1 per cent this summer. In addition, starting salaries will rise to an average of £30,000 – after four years of stagnation at £29,000.

Martin Birchall, managing director of High Fliers Research, the graduate recruitment experts that carried out the research, said: "It's great news that students leaving university this summer who've paid higher tuition fees for their degrees will be emerging into the most buoyant jobs market for over a dec-

ade, with a wider choice of graduate vacancies at the country's most sought-after employers and better starting salaries."

The research shows employers were left with vacancies last year as 700 jobs went begging because there was no-one to fill them. In all, 18,129 people started work with the country's 100 top graduate recruiters in 2014 with the number set to soar to more than 19,500 this summer.



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Daily Mail

Aldi's £42k starting salary for graduates

As City banks offer £50k to student job hunters

By **Laura Clark**
Education Correspondent

IT is known for undercutting its rivals with food at bargain prices.

But despite being a discount supermarket, it seems Aldi's graduate employees don't come cheap.

The chain is apparently paying bright students starting salaries of up to £42,000 to train as managers.

According to research out today, the average starting wage for university leavers at Britain's 100 leading employers will exceed £30,000 for the first time ever this year - with Aldi's being the most generous declared wage outside of the City.

Almost a third of graduate jobs at these firms now pay more than £35,000, with four well-known investment banks offering basic salaries of between £45,000 and £50,000.

The figures come amid the best prospects for student job-hunters in a decade. The first generation of students to pay £9,000-a-year tuition fees will graduate into a 'buoyant' job market this summer, with the most opportunities since 2005.

However, leading employers were forced to leave 700 graduate jobs unfilled last year, as some struggled with a 'lack of quality applications'. The figures, from the



'The chairman's car? No, it's the graduate trainee's'

10th annual Graduate Market study, also found that students with no work experience stand little chance of landing a job at nearly half of the top 100 employers. Almost a third of vacancies at these firms

will be filled by graduates who have already done work experience or internships with them - rising to three quarters at City investment banks.

The study, compiled by analysts High Fliers Research, revealed the vacancies and starting salaries at 100 of the country's biggest graduate employers, including Goldman Sachs, the BBC, Google and M&S.

Students gaining their degree this year will start work on a typical salary of £30,000, up from £29,500 last year.

However, the study said it was unlikely that starting salaries have been raised in response to the rise in tuition fees - but rather to compete with rival companies.

It found that they recruited 7.9 per cent more graduates last year and are likely to expand by another 8.1 per cent this year.

The report noted: 'This substantial increase in graduate vacancies for 2015 takes graduate recruitment beyond the pre-recession peak in the graduate market in 2007, and means that there will be more opportunities for this summer's university leavers than at any time in the last decade.'

The research also revealed the universities where bosses are most likely to concentrate their talent-spotting efforts.

Manchester was targeted by the most employers, with Nottingham, Warwick, Cambridge and Oxford making up the top five.



Grad jobs at a high

But work experience is more important than ever, recruiters warn

THE number of graduate jobs available with Britain's top 100 employers is expected to reach a ten-year high this summer.

Recruitment increased by 7.9 per cent last year and vacancies are likely to rise a further 8.1 per cent this year.

Wages are also set to increase for the

by **JOEL TAYLOR**

second year running, with a typical starting salary of £30,000, according to the annual Graduate Market study by recruitment analysts High Fliers.

But employers are urging students to get some work experience, as a third of

this year's entry-level positions will be taken by those who have already completed internships or placements for the company.

'Top employers will provide more than 13,000 paid internships, vacation work or course-based placements in 2015,' a High Fliers spokesman said.

ONE in four workers is looking for a new job amid fresh evidence that most people want a different career. Almost three out of five people are looking for more job satisfaction and better pay, employment group Reed said.

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Graduate jobs boom

THE number of jobs for graduates at top firms this summer could reach a 10-year high.

University leavers could also be earning more, says research. It predicts more openings in accounting, banking, retail and the public sector.

The Graduate Market study by High Fliers research also says typical starting pay may rise for the second year in a row from £29,500 to £30,000.

But students without work experience are unlikely to win places on graduate training programmes.

Universities Minister Greg Clark said: "Confidence in the economy continues to grow."

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