

The Graduate Market in 2017

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 more than two decades, **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 2017 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 2016**:

- The research confirms the number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **rose by 1.6%** in 2016, compared with recruitment in 2015, a smaller annual increase than had been expected.
- Graduates turning down or renegeing on job offers that they had previously accepted meant that over **800 graduate positions were left unfilled** last year, reducing the graduate intake at over a quarter of the UK's leading employers.
- The country's top employers plan to **increase their graduate recruitment** by a further **4.3%** in 2017, the fifth consecutive year that graduate vacancies have grown.
- Employers in six out of thirteen key industries and employment areas are expecting to take on **more new graduates** than in 2016.
- The biggest growth in vacancies is expected at **public sector organisations** and high street & online **retailers** which together intend to recruit over 1,200 extra graduates in 2017.
- Just eight of the UK's leading employers have opted to reduce their graduate recruitment targets for 2017 because of the uncertainty following the **Brexit vote**.
- An even smaller number of organisations are cutting back on their graduate recruitment in 2017 in favour of **increased school-leaver recruitment**, ahead of the introduction of the new Apprenticeship Levy later this year.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** in 2017, at a median starting salary of **£30,000**.
- At least a sixth of places on the top graduate programmes now provide starting salaries of more than **£40,000** and thirteen of the country's best-known graduate employers are paying salaries of at least **£45,000** this year.
- The most generous salaries in 2017 are those on offer from the **investment banks** (median of £47,000), **law firms** (median of £43,000) and **oil & energy companies** (median of £38,000).
- The highest published graduate starting salaries for 2017 include **Newton Europe** (£45,000), law firms **Baker & McKenzie** (£45,000), **Herbert Smith Freehills** (£44,000), **Freshfields Bruckhaus Deringer**, **Linklaters** and **Slaughter and May** (each £43,000), retailer **Aldi** (£42,000) and the **European Commission** (£42,000).

- The number of work experience places available at the UK's leading graduate employers is expected to **fall by 4.3%** in 2017, the first annual drop in work placement recruitment since 2010.
- **90%** of the country's top graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2016-2017 academic year, providing a total of **13,917 places**.
- Three-quarters of employers provide **paid vacation internships** for **penultimate year students** and at least half offer **industrial placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Substantial numbers of 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.
- **Over a third of 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.
- Fewer than a fifth of the country's leading employers have **increased** their graduate recruitment budgets for the 2016-2017 recruitment round.
- Employers have been actively marketing their 2017 graduate vacancies at an average of **20** UK universities, using a variety of campus **recruitment presentations**, local **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of **social media**, university **recruitment presentations**, **skills training events** and **campus brand managers** during this year's recruitment campaigns – and did less **advertising** in career sector guides.
- The ten universities most-often targeted by Britain's top graduate employers in 2016-2017 are Warwick, Manchester, Bristol, Cambridge, Leeds, Birmingham, Nottingham, Oxford, Durham and Bath.
- Half the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and two-fifths also believed the quality of applications had improved.
- Together, the country's top employers have received **9% more graduate job applications** so far, compared with the equivalent period in the 2015-2016 recruitment round.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2017**, the annual review of graduate vacancies and starting salaries at Britain's top employers, produced by **High Fliers Research**.

This research, conducted during December 2016, examines how many graduates the leading employers recruited in 2016 and assesses their latest recruitment targets for 2017.

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 2016-2017 recruitment season.

This is the twelfth 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* for 2016 in a poll of 18,353 final year students to find "Which employer offers the best opportunities for graduates".

About High Fliers Research

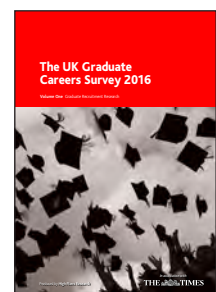
Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 150 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position 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 and 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.

Since 2005, 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 has worked closely with the **Australian Association of Graduate Employers**, the **South African Graduate Recruitment Association** and the **New Zealand Association of Graduate Employers** to carry out their annual surveys of graduate employers, new recruits and young managers.



The Times Top 100 Graduate Employers

As part of the research for *The UK Graduate Careers Survey 2016*, 18,353 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 1,500 different organisations during the survey – the one hundred employers with the most student votes formed *The Times Top 100 Graduate Employers* for 2016.

It is these employers that are included in the research for **The Graduate Market in 2017** report:

<i>Accenture</i>	<i>Deloitte</i>	<i>Microsoft</i>
<i>AECOM</i>	<i>Deutsche Bank</i>	<i>Mondelez International</i>
<i>Airbus</i>	<i>Diageo</i>	<i>Morgan Stanley</i>
<i>Aldi</i>	<i>DLA Piper</i>	<i>Mott Macdonald</i>
<i>Allen & Overy</i>	<i>European Commission</i>	<i>Nestlé</i>
<i>Amazon</i>	<i>ExxonMobil</i>	<i>Network Rail</i>
<i>Apple</i>	<i>EY</i>	<i>Newton Europe</i>
<i>Army</i>	<i>Facebook</i>	<i>NGDP for Local Government</i>
<i>Arup</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>NHS</i>
<i>AstraZeneca</i>	<i>Frontline</i>	<i>Norton Rose Fulbright</i>
<i>Atkins</i>	<i>GlaxoSmithKline</i>	<i>Oxfam</i>
<i>BAE Systems</i>	<i>Goldman Sachs</i>	<i>Penguin Random House</i>
<i>Bain & Company</i>	<i>Google</i>	<i>Police</i>
<i>Baker & McKenzie</i>	<i>Grant Thornton</i>	<i>Procter & Gamble</i>
<i>Bank of America Merrill Lynch</i>	<i>Herbert Smith</i>	<i>PwC</i>
<i>Bank of England</i>	<i>Hogan Lovells</i>	<i>RAF</i>
<i>Barclays</i>	<i>HSBC</i>	<i>Rolls-Royce</i>
<i>BBC</i>	<i>IBM</i>	<i>Royal Bank of Scotland</i>
<i>BDO</i>	<i>Irwin Mitchell</i>	<i>Royal Navy</i>
<i>BlackRock</i>	<i>Jaguar Land Rover</i>	<i>Santander</i>
<i>Bloomberg</i>	<i>John Lewis Partnership</i>	<i>Savills</i>
<i>BMW</i>	<i>JP Morgan</i>	<i>Shell</i>
<i>Boots</i>	<i>KPMG</i>	<i>Siemens</i>
<i>Boston Consulting Group</i>	<i>L'Oréal</i>	<i>Sky</i>
<i>BP</i>	<i>Lidl</i>	<i>Slaughter and May</i>
<i>British Airways</i>	<i>Linklaters</i>	<i>Standard Life</i>
<i>BT</i>	<i>Lloyd's</i>	<i>Teach First</i>
<i>Cancer Research UK</i>	<i>Lloyds Banking Group</i>	<i>Tesco</i>
<i>Citi</i>	<i>Marks & Spencer</i>	<i>Transport for London</i>
<i>Civil Service</i>	<i>Mars</i>	<i>UBS</i>
<i>Clifford Chance</i>	<i>McDonald's</i>	<i>Unilever</i>
<i>Credit Suisse</i>	<i>McKinsey & Company</i>	<i>Virgin Media</i>
<i>Danone</i>	<i>MI5 - The Security Service</i>	<i>Wellcome Trust</i>
		<i>WPP</i>

Chapter 2

Graduate Vacancies

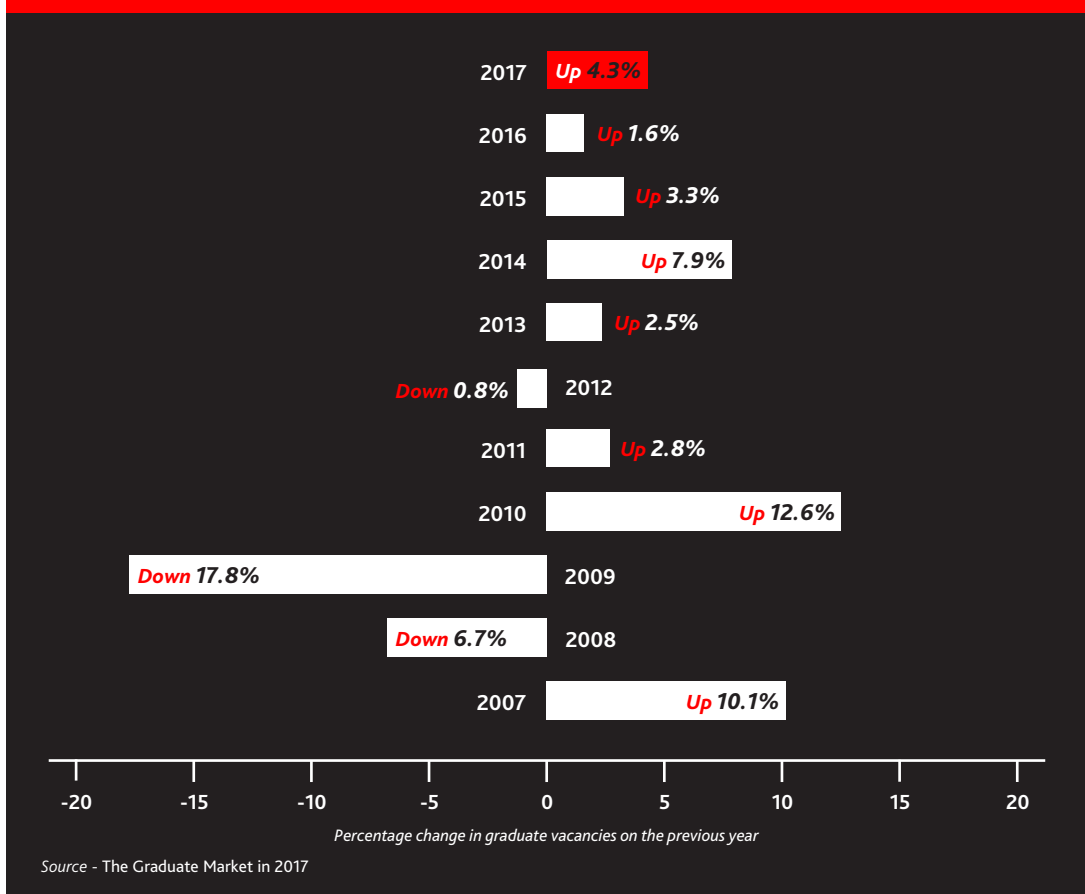
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2017, compared with actual recruitment in 2016. Graduate vacancies for 2017 are typically positions with an autumn 2017 start date, promoted during the current 2016-2017 recruitment season.

The Graduate Market in 2016 report confirmed that the country's top employers expanded their graduate recruitment by 3.3% in 2015, following rises of 7.9% and 2.5% over the previous two recruiting seasons, and that recruitment targets were expected to rise by a further 7.5% in 2016, taking graduate vacancies to their highest level since 2007.

The latest research shows that whilst fewer graduates than expected were recruited last year, the UK's leading employers are planning an annual increase of 4.3% for their graduate recruitment in 2017 (see *Chart 2.1*).

Chart 2.1 How Employers' Vacancies for Graduates Changed from 2007 to 2017



Graduates Recruited in 2016

The UK’s leading employers began the 2015-2016 recruitment season with ambitious targets for their 2016 graduate intake. The increasingly buoyant mood in the graduate job market in 2014-2015 had intensified the competition to recruit the best graduates and a number of high-profile employers struggled to fill all their vacancies in 2015. Despite these difficulties, the country’s top employers planned to hire over 2,000 additional new graduates in 2016, compared with the numbers hired in 2015.

At the mid-season assessment of graduate vacancies in January 2016, although employers’ targets had been reduced, recruiters were expecting that the annual rise in recruitment would be at least 7%. And in July 2016, the final estimate concluded the annual growth in graduate jobs would be 8.4% (see *Chart 2.2*), taking recruitment well beyond its pre-recession peak.

However, the latest research shows that a total of 19,658 graduates actually started work with the organisations featured in *The Times Top 100 Graduate Employers* – considerably fewer than had been expected (see *Table 2.4*). Whilst this still represented an increase on the number of graduates recruited in 2015, the modest annual rise of just 1.6% was substantially less than had been expected.

It is clear that for the second year running, a significant number of graduate vacancies in key sectors were left unfilled, either because graduates turned down employers’ job offers or because they reneged on offers that they had previously accepted earlier in the recruitment season. For some organisations, a lack of applicants for certain harder-to-fill vacancies made recruitment more challenging and at several employers, late increases to recruitment targets made it impossible to source additional graduates in time.

In all, more than 800 graduate vacancies were left unfilled in 2016 and a total of thirty organisations reported having graduate positions that they were unable to recruit for. A further fourteen employers took on fewer graduates than had been predicted in July 2016. Employers in the public sector and accounting & professional services reported the biggest shortfalls in recruitment, with over 500 graduate vacancies remaining unfilled at the end of the recruiting cycle.

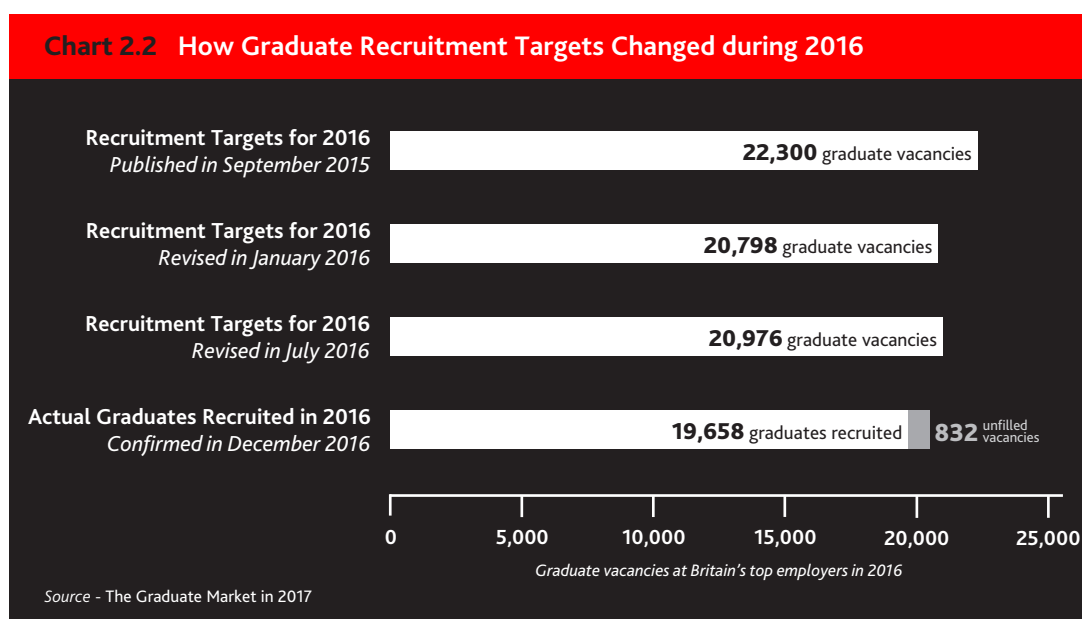
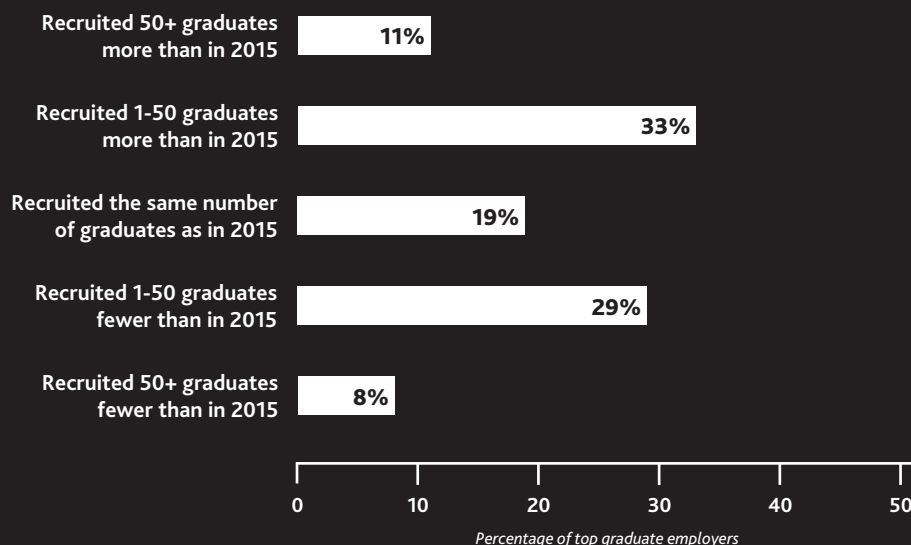


Chart 2.3 How Employers' Graduate Vacancies Changed in 2016, compared with 2015

Source - The Graduate Market in 2017

Table 2.4 Analysis of Graduate Vacancies in 2016, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2016, as published in Sept 2015	Recruitment target for 2016, as revised in Jan 2016	Recruitment target for 2016, as revised in July 2016	Actual graduates recruited by Dec 2016	% change from recruitment in 2015	Vacancies added (cut), compared with 2015
Accounting & professional services	5,650	4,941	5,124	4,899	▲ 0.4%	9
Armed Forces	1,050	1,083	1,087	989	▲ 24.4%	194
Banking & finance	1,830	1,509	1,363	1,354	▲ 17.9%	206
Consulting	1,030	1,063	1,064	1,011	NO CHANGE	-
Consumer goods	390	310	370	379	▲ 16.3%	53
Engineering & industrial	2,475	2,492	2,258	1,935	▼ 11.6%	(254)
Investment banking	2,200	1,920	1,952	2,072	▲ 8.7%	166
IT & telecommunications	861	955	984	866	▼ 13.1%	(131)
Law	755	745	730	721	▼ 4.1%	(31)
Media	500	485	568	560	▲ 15.5%	75
Oil & energy	320	319	298	276	▼ 13.2%	(42)
Public sector	3,840	3,785	3,824	3,407	▲ 0.4%	13
Retailing	1,175	1,016	1,139	1,028	▲ 5.4%	53
ALL SECTORS	22,300	20,798	20,976	19,658	▲ 1.6%	314

Source - The Graduate Market in 2017

Expected Graduate Vacancies in 2017

Even though the UK’s leading graduate employers recruited fewer graduates than planned during the last recruiting season, 2016 was the fourth year running that employers’ graduate recruitment programmes have grown.

This growth seems set to continue in 2017, with a further 4.3% annual increase in graduate vacancies expected at the country’s leading employers. A third of organisations are preparing to take on more graduates, with six employers planning to hire at least a hundred extra graduates during 2017. Two-fifths of employers plan to recruit similar numbers of graduates to their 2016 intake, whilst a quarter have fewer entry-level vacancies this year. The median number of vacancies at the top employers in 2017 is 100 graduates but nine of the largest employers are intending to recruit more than 500 university-leavers in the months ahead (see *Chart 2.6*).

The largest recruiters of graduates in 2017 are expected to be the accounting & professional services firms, public sector employers, engineering & industrial firms and investment banks who have combined recruitment targets of almost 13,000 graduate positions (see *Chart 2.5*). By comparison with the final recruitment figures for 2016, vacancies for graduates are set to increase in six of the thirteen main employment areas (see *Table 2.7*). The biggest growth is at public sector organisations and the high street & online retailers which together expect to have over 1,200 extra graduate roles in 2017.

It is interesting to note that just eight of the UK’s leading employers have opted to reduce their graduate recruitment targets for 2017 because of the uncertainty following the Brexit vote and an even smaller number of organisations are cutting back on their graduate recruitment in favour of increased school-leaver recruitment, ahead of the introduction of the new Apprenticeship Levy later this year.

Chart 2.5 Industries or Business Sectors with the most Graduate Vacancies in 2017

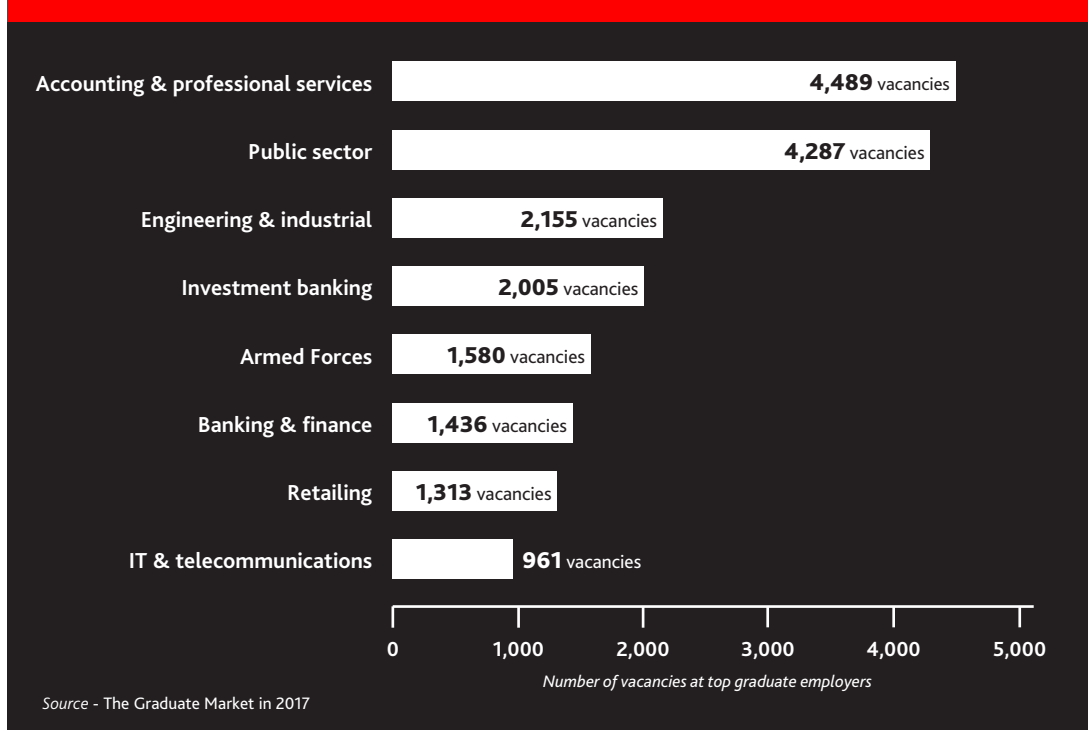
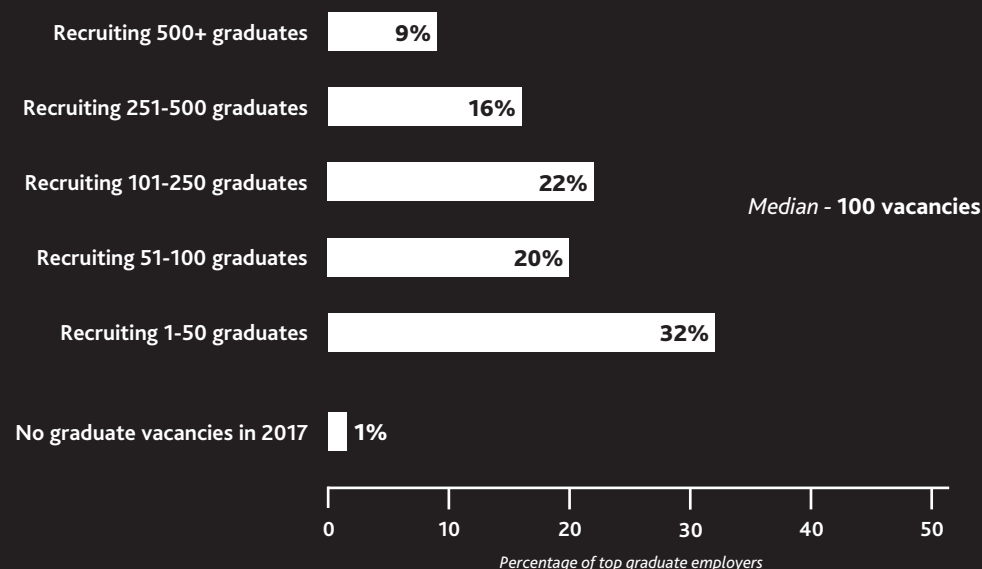


Chart 2.6 Graduate Vacancies at the UK's Top Employers in 2017

Source - The Graduate Market in 2017

Table 2.7 Analysis of Graduate Vacancies in 2017, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2017, as published in Sept 2016	Recruitment target for 2017, as revised in Dec 2016	% change from recruitment in 2016	Vacancies added (cut), compared with 2016
Accounting & professional services	5,050	4,489	▼ 8.4%	(410)
Armed Forces	1,600	1,580	▼ 3.6%	(59)
Banking & finance	1,685	1,436	▼ 2.5%	(37)
Consulting	750	691	▼ 9.2%	(70)
Consumer goods	386	321	▼ 15.3%	(58)
Engineering & industrial	2,230	2,155	▲ 16.7%	309
Investment banking	2,120	2,005	▼ 3.2%	(67)
IT & telecommunications	915	961	▲ 5.5%	50
Law	797	789	▲ 4.2%	32
Media	437	545	▼ 2.7%	(15)
Oil & energy	195	160	▲ 8.8%	13
Public sector	4,040	4,287	▲ 25.8%	880
Retailing	1,460	1,313	▲ 32.4%	321
ALL SECTORS	22,009	20,985	▲ 4.3%	868

Source - The Graduate Market in 2017

Changes to Graduate Vacancies 2007-2017

For graduates leaving university a decade ago, 2007 proved to be a boom year in graduate recruitment – the number of vacancies for university-leavers at the UK’s leading employers increased for the third year running by 10% annually and there were more opportunities for graduates in each of fourteen key industries and business sectors.

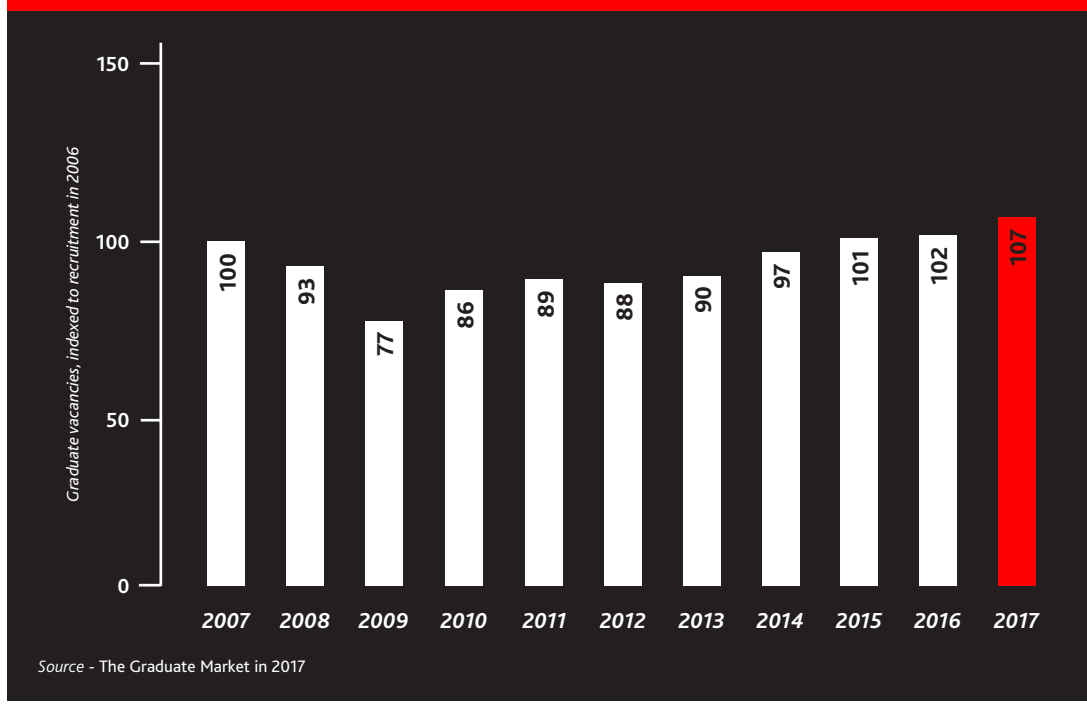
But the onset of the global financial crisis and the recession that followed in the UK had a profound effect on the graduate market and graduate vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by an unprecedented 23.3% in 2008 and 2009. Entry-level positions were cut 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, stepping up vacancies by 45% during this two-year period.

It is interesting to benchmark how graduate vacancies have changed over the last ten years (see *Chart 2.10*). This indexing of vacancies to 2007 recruitment shows how dramatically the onset of economic downturn effected graduate recruitment eight years ago. From the pre-recession peak in graduate recruitment in 2007, opportunities for graduates were cut by almost a quarter in the following two recruiting seasons 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 hires recorded in 2014, combined with

Chart 2.10 Indexing Graduate Vacancies at the UK’s Top Employers 2007 to 2017

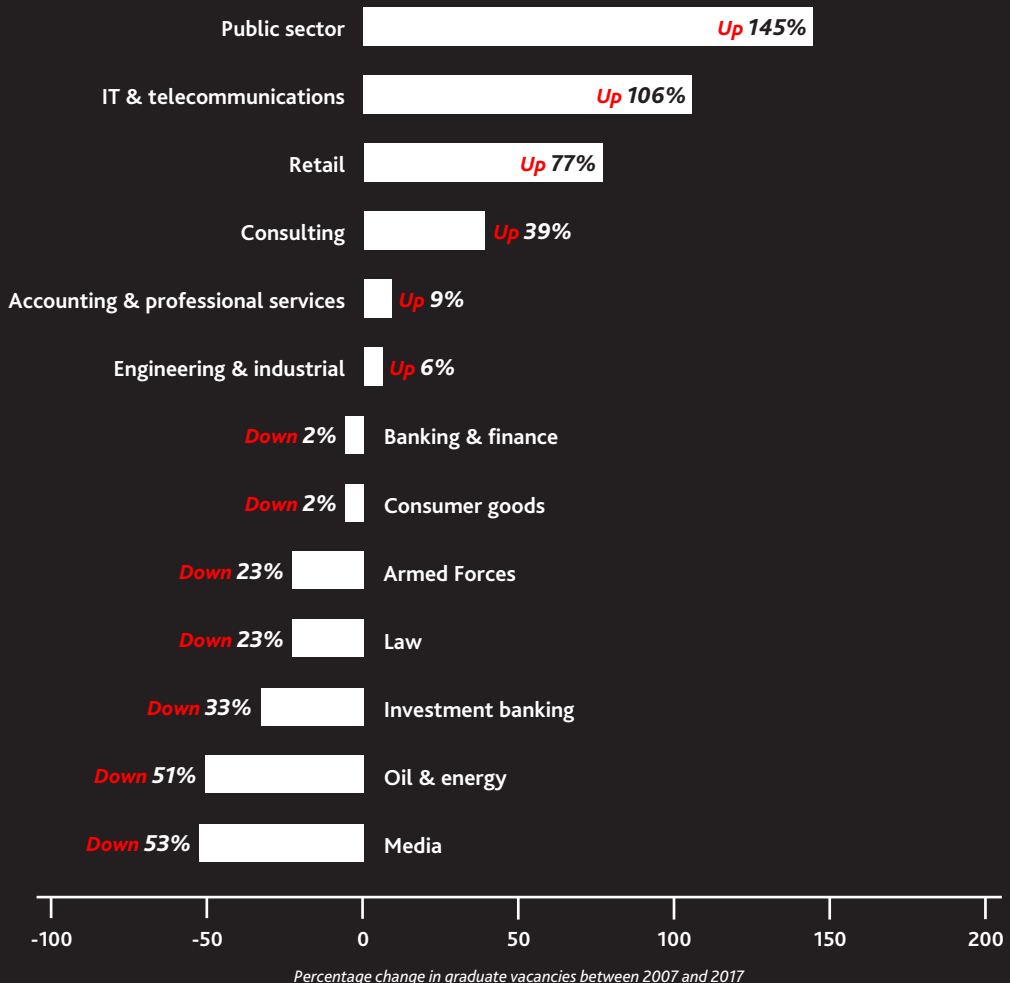


the increase of 3.3% the following year, meant that graduate recruitment in 2015 finally matched the bumper intake of graduates previously seen in 2007.

The modest rise in the number of graduates recruited last year, plus the predicted 4.3% increase in entry-level vacancies in 2017 takes graduate recruitment to its highest level so far, with almost 40% more vacancies 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 2007 shows that in six 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 the public sector and in IT & telecommunications has more than doubled over the last ten years, whilst recruitment at the top retailers has increased by three-quarters. However, graduate recruitment at the top media companies, oil & energy groups, City investment banks, law firms, the Armed Forces, consumer goods manufacturers and banking & finance remains lower than it was in 2007.

Chart 2.11 How Graduate Vacancies Changed 2007 to 2017, by Sector or Industry



Source - The Graduate Market in 2017

Summary

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **rose by 1.6%** in 2016, compared with recruitment in 2015, a smaller annual increase than had been expected.
- Graduates turning down or renegeing on job offers that they had previously accepted meant that over **800 graduate positions were left unfilled** last year, reducing the graduate intake at over a quarter of the UK's leading employers.
- The country's top employers plan to **increase their graduate recruitment** by a further **4.3%** in 2017, the fifth consecutive year that graduate vacancies have grown.
- Employers in six out of thirteen key industries and employment areas are expecting to take on **more new graduates** than in 2016.
- The biggest growth in vacancies is expected at **public sector organisations** and high street & online **retailers** which together intend to recruit over 1,200 extra graduates in 2017.
- Just eight of the UK's leading employers have opted to reduce their graduate recruitment targets for 2017 because of the uncertainty following the **Brexit vote**.
- An even smaller number of organisations are cutting back on their graduate recruitment in 2017 in favour of **increased school-leaver recruitment**, ahead of the introduction of the new Apprenticeship Levy later this year.

Chapter 3

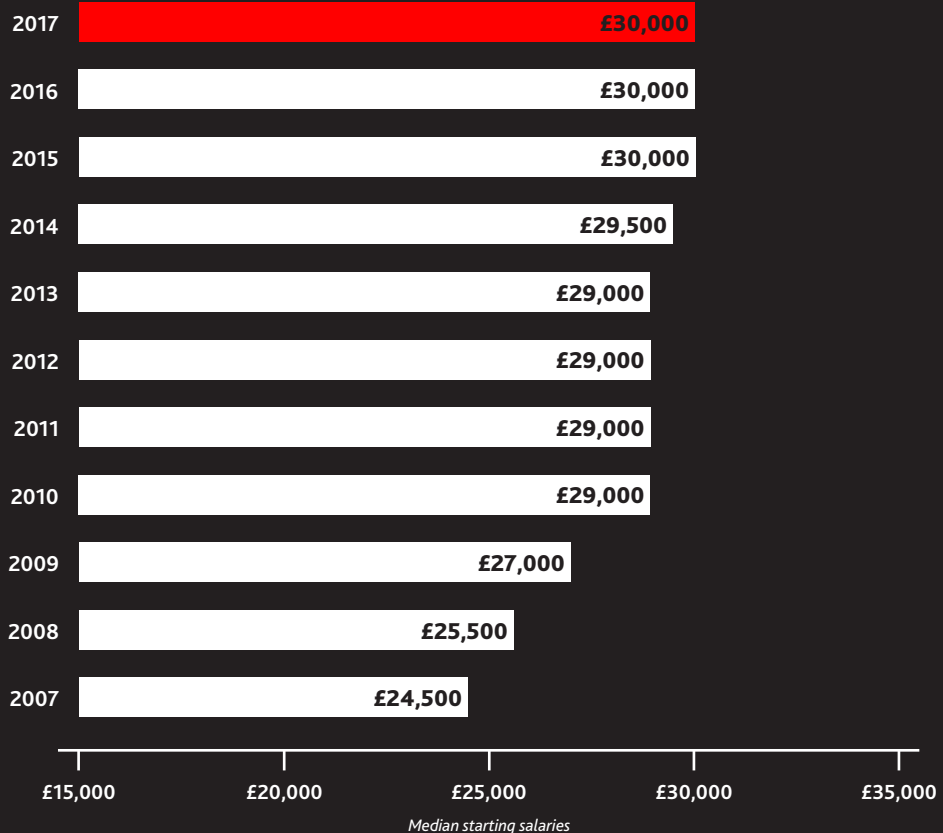
Graduate Starting Salaries

Starting Salaries for Graduates

The second part of the research examines the starting salaries that top employers are preparing to pay new graduates due to begin work in 2017, compared with salaries paid to graduate recruits who joined their organisations in 2016. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2015-2016 and 2016-2017 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

For four years running until 2010, 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 increased slightly in 2014 and had 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 2007 to 2017



Graduate Starting Salaries in 2017

Although over a third of the UK’s leading employers have opted to increase their pay for new graduates in 2017, the median starting salary is expected to be unchanged at £30,000 for the third year running.

Just two major employers plan to pay their new graduates £20,000 or less in 2017 but at the very top of the market there are thirteen organisations offering salaries of between £45,000 and £55,000 this year. Analysis of the salaries paid for individual roles shows that one in six jobs at the UK’s top employers now have initial salaries of £40,000 or more (see *Chart 3.3*).

The highest-paying sector for new graduates is again investment banking, where the median starting salary is £47,000 (see *Chart 3.2*). It is interesting to see that the leading law firms have increased the salaries for trainee solicitors for the third time in three years, to a new high of £43,000. The median starting salary available to university-leavers has also risen at the top engineering & industrial companies, oil & energy companies, and at high street & online retailers (see *Table 3.4*). Median salaries are set to remain unchanged in nine industries and business sectors in 2017.

Away from the City and the legal sector, this year’s highest published starting salaries are at the consulting firm Newton Europe, which offers its graduate recruits £45,000. Aldi pays its trainee area managers a first-year salary of £42,000 and new graduates joining the European Commission can also expect a starting salary of at least £42,000.

Chart 3.2 Industries or Business Sectors with the highest Graduate Salaries in 2017

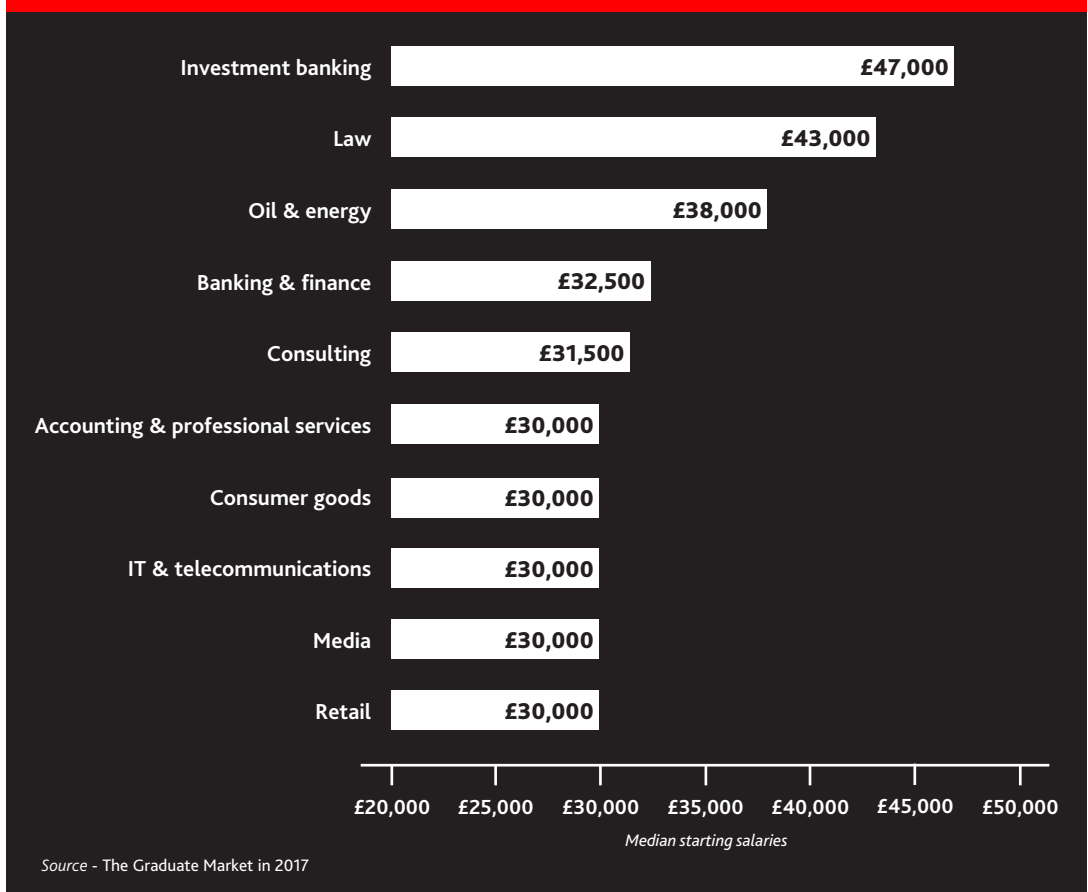
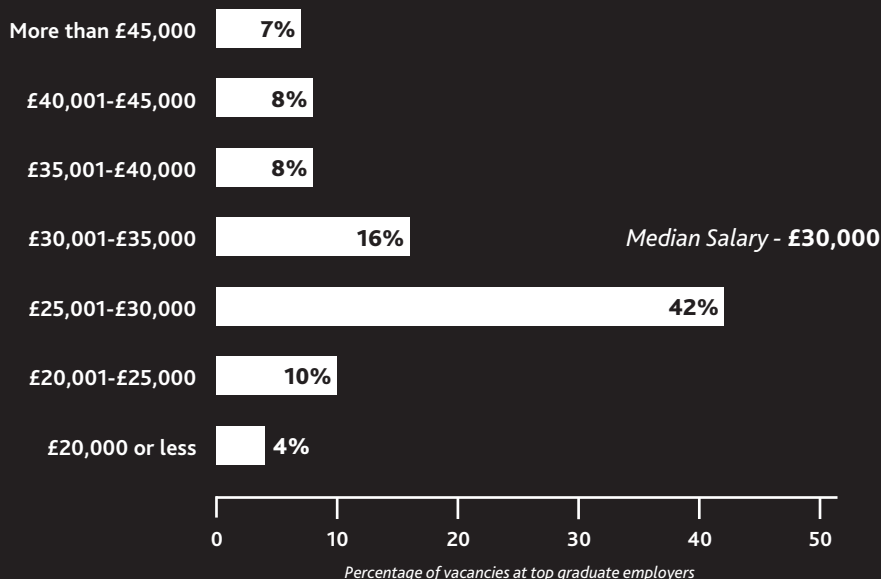


Chart 3.3 Graduate Starting Salaries at leading UK Employers in 2017

Source - The Graduate Market in 2017

Table 3.4 Analysis of Graduate Salaries in 2017, by Industry or Business Sector

Industry or Business Sector	Median graduate starting salary for 2017	Range of graduate starting salaries on offer in 2017	% change in median salary since 2016	Increase (decrease) in median salary
Accounting & professional services	£30,000	£13,500-£33,000	NO CHANGE	NO CHANGE
Armed Forces	£27,000	£24,000-£30,000	NO CHANGE	NO CHANGE
Banking & finance	£32,500	£25,000-£38,000	NO CHANGE	NO CHANGE
Consulting	£31,500	£31,500-£55,000	NO CHANGE	NO CHANGE
Consumer goods	£30,000	£28,000-£32,000	NO CHANGE	NO CHANGE
Engineering & industrial	£26,500	£23,000-£31,000	▲ 1.9%	£500
Investment banking	£47,000	£38,000-£50,000	NO CHANGE	NO CHANGE
IT & telecommunications	£30,000	£28,000-£34,700	NO CHANGE	NO CHANGE
Law	£43,000	£24,000-£45,000	▲ 2.4%	£1,000
Media	£30,000	£23,000-£50,000	NO CHANGE	NO CHANGE
Oil & energy	£38,000	£32,500-£43,000	▲ 2.7%	£1,000
Public sector	£23,000	£16,800-£42,000	NO CHANGE	NO CHANGE
Retailing	£30,000	£22,000-£45,000	▲ 3.4%	£1,000
ALL SECTORS	£30,000	£13,500-£55,000	NO CHANGE	NO CHANGE

Source - The Graduate Market in 2017

Summary

- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** in 2017, at a median starting salary of **£30,000**.
- At least a sixth of places on the top graduate programmes now provide starting salaries of more than **£40,000** and thirteen of the country's best-known graduate employers are paying salaries of at least **£45,000** this year.
- The most generous salaries in 2017 are those on offer from the **investment banks** (median of £47,000), **law firms** (median of £43,000) and **oil & energy companies** (median of £38,000).
- The highest published graduate starting salaries for 2017 include **Newton Europe** (£45,000), law firms **Baker & McKenzie** (£45,000), **Herbert Smith Freehills** (£44,000), **Freshfields Bruckhaus Deringer**, **Linklaters** and **Slaughter and May** (each £43,000), retailer **Aldi** (£42,000) and the **European Commission** (£42,000).

Chapter 4

Internships & Work Placements

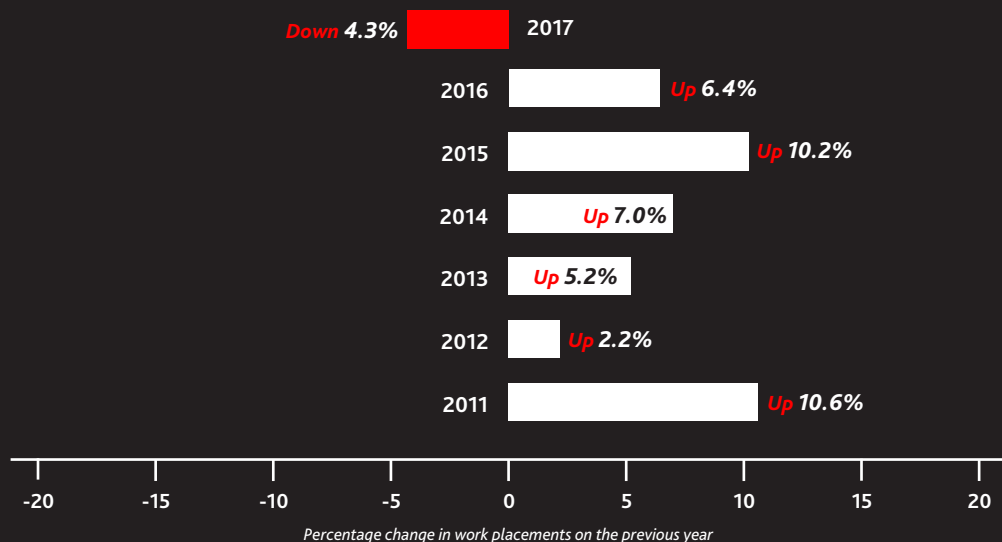
Recruiting Graduates through Work Experience Programmes

During the last decade there has been a marked 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 undergraduates 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.

In today's competitive graduate recruitment market, work experience schemes have become an integral part of recruiting new graduates. Students applying for paid work placements during 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.

This increased importance of work experience programmes has meant that the number of paid placements available at Britain's leading employers has risen considerably over the last seven years, although the number of places on offer in 2017 has dipped (see *Chart 4.1*).

Chart 4.1 How Work Placements for University Students Changed from 2011 to 2017



Source - The Graduate Market in 2017

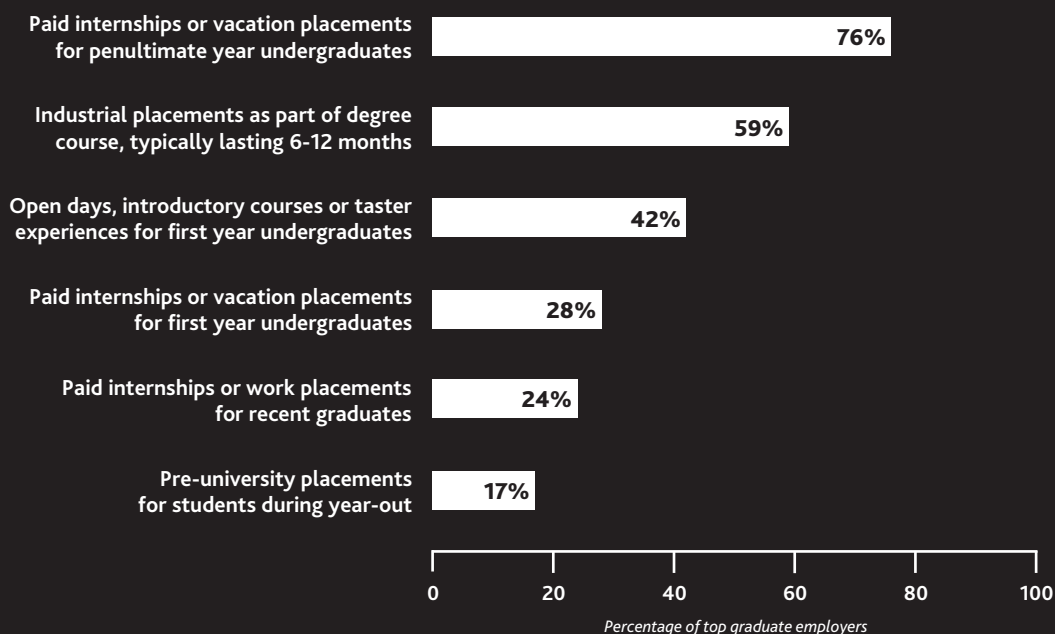
Availability of Work Experience in 2017

Three-quarters of the country’s top graduate employers will be providing paid internships to penultimate year students during their 2017 summer vacations (see *Chart 4.2*) and three-fifths are hosting industrial placements – structured work experience organised as part of university degree courses (often described as ‘sandwich’ courses) and typically lasting between six and twelve months, that gives students first-hand experience of technical, commercial or research roles. More than half of employers now offer work experience to first year undergraduates – either via paid internships and vacation placements, or through open days, short introductory courses or ‘taster’ experiences.

Together, the graduate employers featured in the research are offering almost 14,000 paid internships and work experience placements this year (see *Table 4.4*), but this is slightly fewer than the record number of work placements that were provided by graduate employers in 2016, a 4.3% decrease year-on-year. In the six years from 2010, the number of work experience places available for students and recent graduates grew annually, increasing by more than 50% in total, almost double the rise in graduate vacancies over the same period.

In 2017, the country’s top graduate employers are offering a median of 100 paid internships or work placements (see *Chart 4.3*) but thirteen organisations are providing more than 250 placements each. The City’s leading investment banks have the most places available this year, with over 2,600 paid internships and work placements. Investment banking is one of just four sectors where the number of work experience places on offer from employers outstrips the number of permanent jobs available to graduates. Management consulting firms and retailers 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.

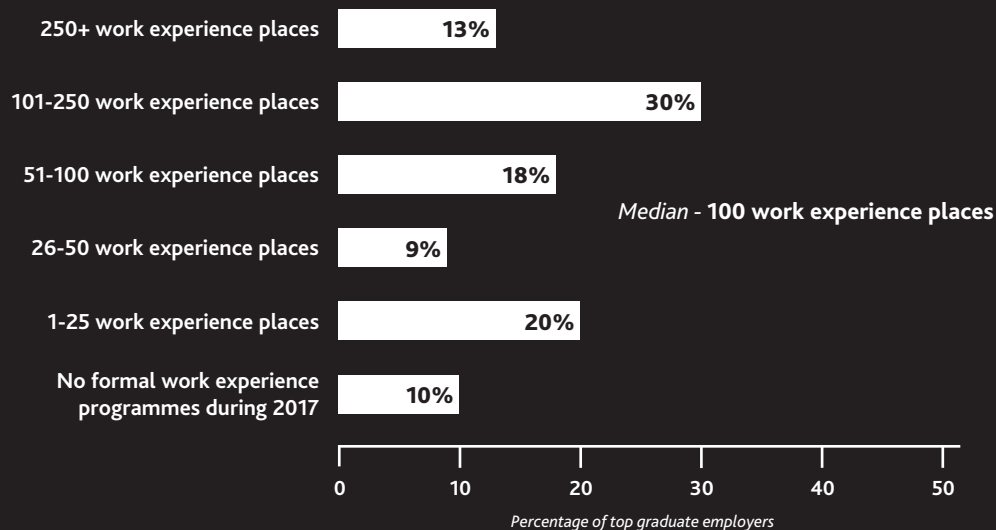
Chart 4.2 Type of Work Experience available at the UK’s Top Employers in 2017



Source - The Graduate Market in 2017

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. More than a third warned that it was either 'not very likely' or 'not at all likely' that a graduate who'd had no previous work experience at all with any employers would be successful during their selection process and be made a job offer, irrespective of their academic achievements or the university they had attended.

Chart 4.3 Paid Work Experience Places available at the UK's Top Employers in 2017



Source - The Graduate Market in 2017

Table 4.4 Analysis of Paid Work Experience in 2017, by Industry or Business Sector

Industry or Business Sector	Total work experience places available in 2016	Total work experience places available in 2017	% change in places between 2016 & 2017	Ratio of work experience places to graduate vacancies in 2017
Accounting & professional services	2,337	1,914	▼ 18.1%	43:100
Banking & finance	1,759	1,370	▼ 22.1%	96:100
Consulting	180	210	▲ 16.7%	29:100
Consumer goods	385	406	▲ 4.3%	126:100
Engineering & industrial	1,575	1,643	▲ 0.2%	76:100
Investment banking	2,615	2,620	▲ 0.2%	131:100
IT & telecommunications	536	686	▲ 28.0%	71:100
Law	1,105	1,172	▲ 6.1%	149:100
Oil & energy	135	167	▲ 23.7%	104:100
Public sector	2,339	1,885	▼ 19.4%	44:100
Retailing	321	456	▲ 42.1%	35:100
ALL SECTORS	14,537	13,917	▼ 4.3%	66:100

Source - The Graduate Market in 2017

Summary

- The number of work experience places available at the UK's leading graduate employers is expected to **fall by 4.3%** in 2017, the first annual drop in work placement recruitment since 2010.
- **90%** of the country's top graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2016-2017 academic year, providing a total of **13,917 places**.
- Three-quarters of employers provide **paid vacation internships** for **penultimate year students** and at least half offer **industrial placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).
- Substantial numbers of 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.
- **Over a third of 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 2016-2017

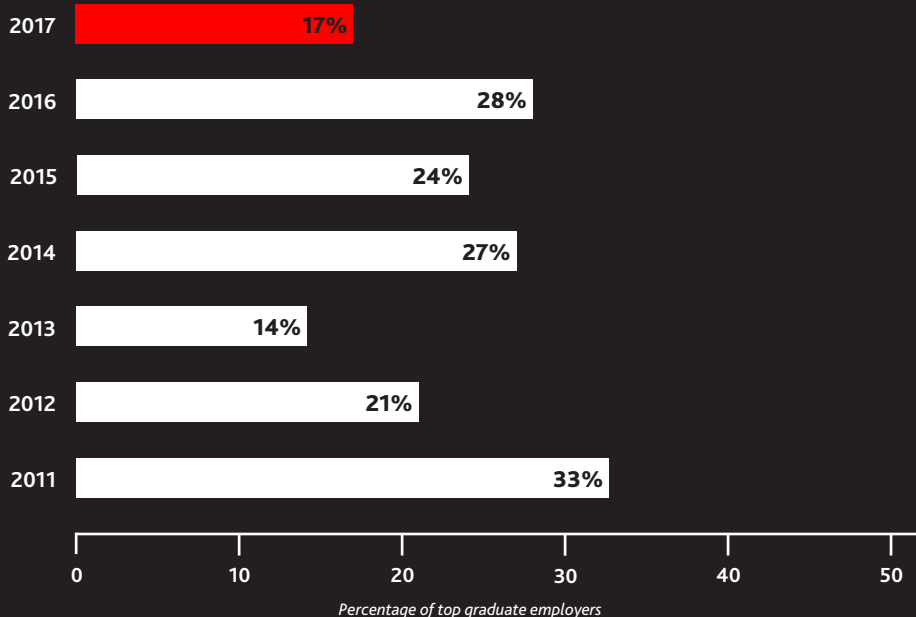
Promoting Graduate Programmes

The final part of the research examines how the UK's leading recruiters have approached the 2016-2017 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 2017 graduate vacancies.

The global recession in 2008 and 2009 had a substantial impact on the resources available to the UK's leading graduate recruiters and *The Graduate Market in 2010* report showed that recruitment budgets at almost half of the country's top graduate employers had been cut compared with the previous recruitment season. Just thirteen employers increased their annual graduate recruitment budget that year.

The outlook seemed more encouraging during the 2010-2011 recruitment season (see *Chart 5.1*), but during both the 2011-2012 and 2012-2013 recruitment rounds, employers whose budgets had increased were outnumbered by the organisations where spending on recruitment had been cut year-on-year. For the last three recruiting seasons, around a quarter of the leading employers increased their graduate recruitment spending, but this proportion has dropped sharply for the 2016-2017 recruitment round.

Chart 5.1 Top Employers with increased annual Graduate Recruitment Budgets



Source - The Graduate Market in 2017

Graduate Recruitment Challenges in 2016-2017

Graduate recruiters at more than half the UK’s leading employers have had similar resources to attract and recruit universities during the 2016-2017 recruitment season, compared with last year, whilst just seventeen employers reported that their annual budget for graduate recruitment has increased (see *Chart 5.2*).

Recruiters from a total of twenty-nine organisations warned they have had less money to spend on graduate recruitment this year – including three consumer goods manufacturers, several well-known engineering & industrial companies, two of the ‘Big Four’ accounting & professional services firms, and a number of the largest graduate employers from the banking & finance sector.

Employers taking part in the research were asked about their main challenges and focuses during the current 2016-2017 recruitment round (see *Chart 5.3*). The results show that achieving diversity targets are a higher priority than they were a year ago, as organisations seek to recruit a more balanced workforce, with graduates from a wider range of backgrounds and circumstances.

Over three-fifths of recruiters confirmed they were focussed on improving students’ perceptions of their organisations, half hoped to improve the quality of graduates they recruited and two-fifths were keen to step up their profile on campus. Over a third of recruiters said their recruitment marketing budgets were limited and more than a quarter warned that they had insufficient resources in their graduate recruitment teams. A similar number were worried about heightened competition from other graduate employers this year.

Few employers wanted to increase the total number of graduate applications that they received but two-fifths of recruiters hoped to attract more applicants for specific job functions, particularly those with engineering or other technical vacancies. There was also an increased emphasis on work experience at many organisations, with a quarter seeking more applicants for their work experience programmes and up to a third looking to improve the quality of students recruited for internships or placements.

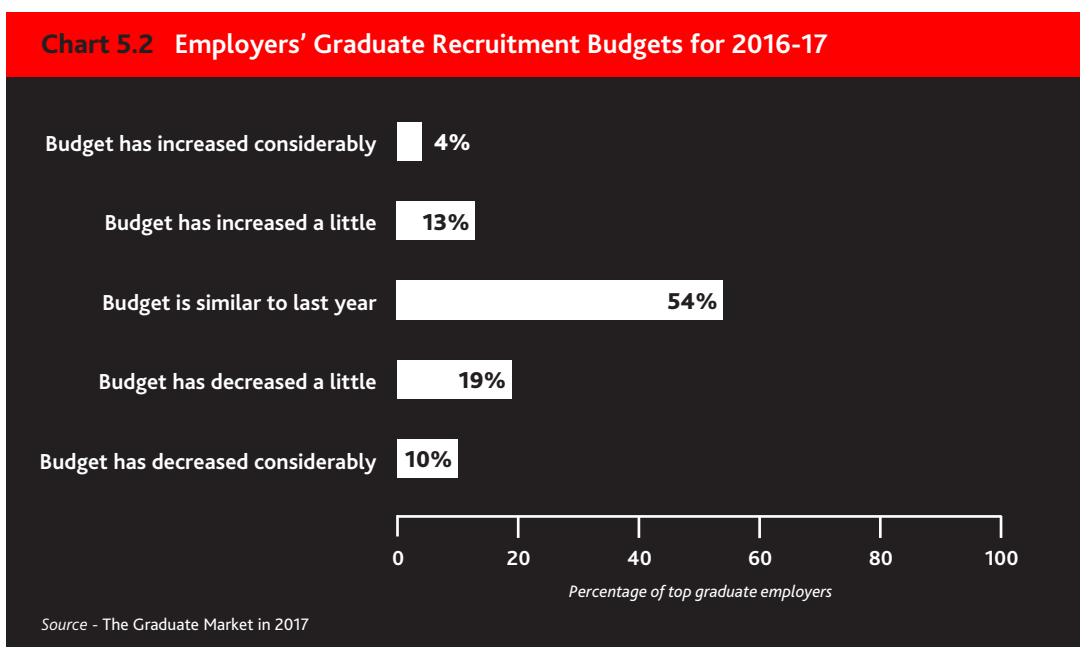
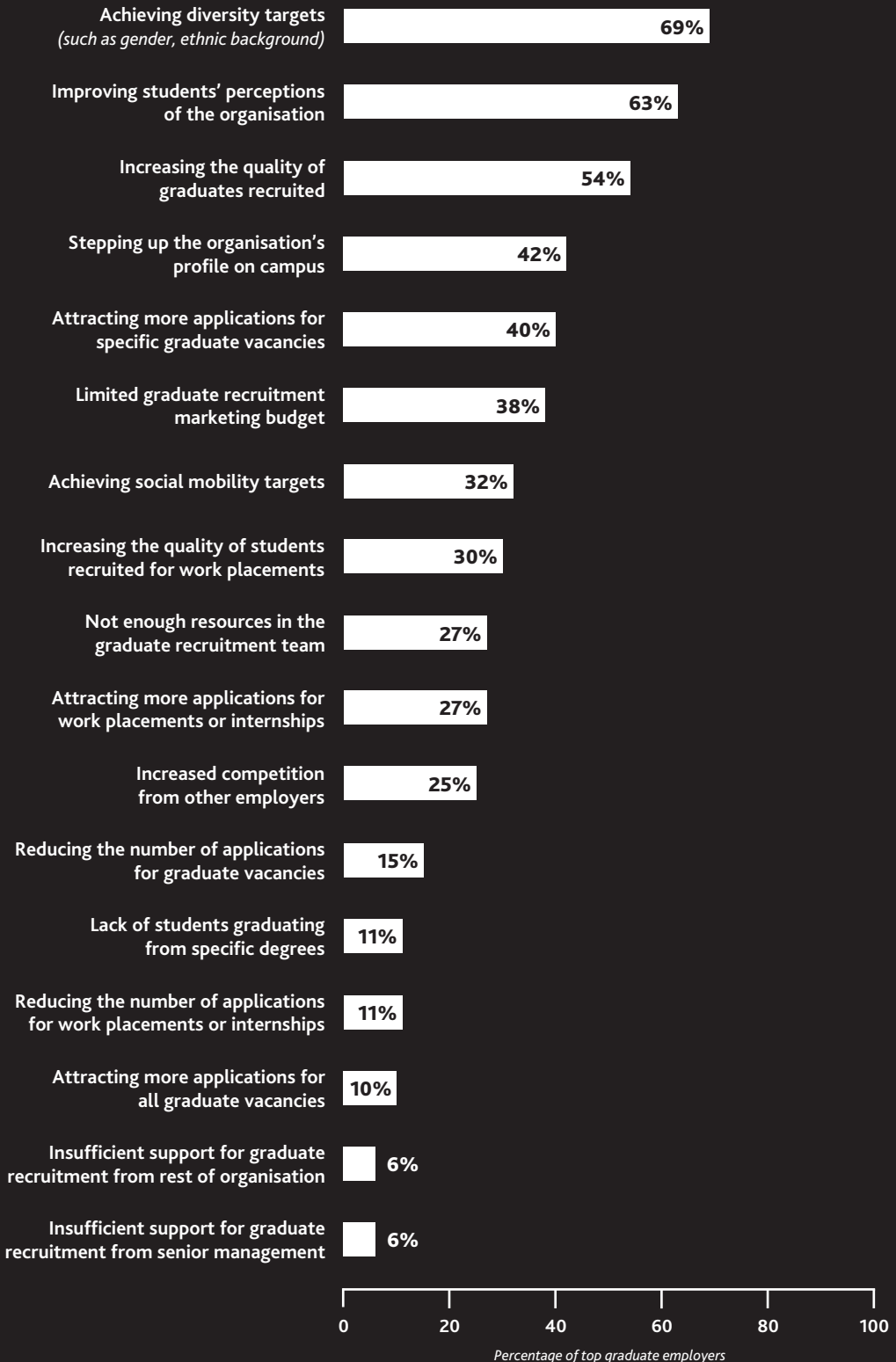


Chart 5.3 Challenges for Graduate Recruiters at the UK's Top Employers in 2016-2017



Source - The Graduate Market in 2017

Graduate Recruitment Promotions in 2016-2017

The UK’s leading employers have used a very wide variety of promotions to publicise their graduate programmes during the 2016-2017 recruitment season (see *Table 5.5*).

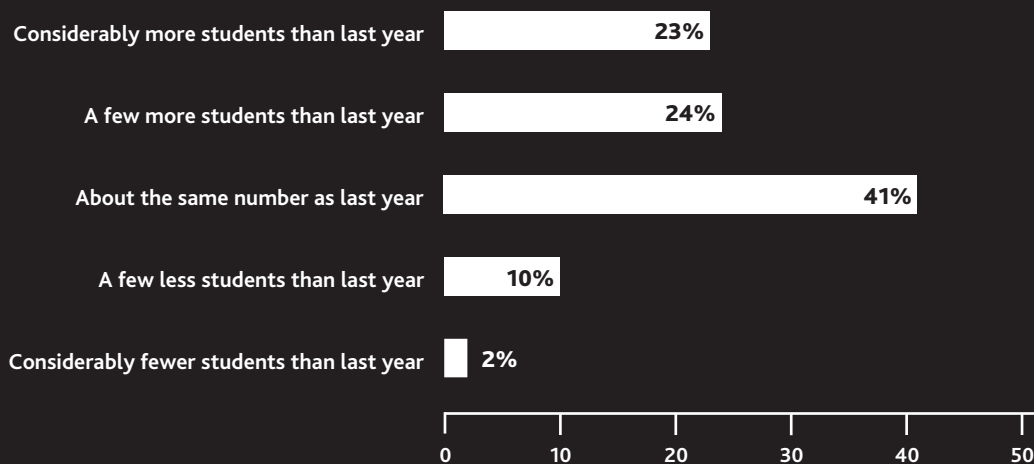
Almost all of the country’s top employers have promoted their opportunities via graduate recruitment websites (such as *Milkround* and *Prospects*) or through advertising in graduate directories. Three-fifths of graduate recruiters confirmed they had stepped-up use of social media this year and many employers continue to use commercial or university email services to contact individual students.

Virtually every major employer is working with local university careers services this year and there has been a noticeable increase in employers taking part in university recruitment events. Over ninety individual organisations hosted their own campus presentations across the UK, with a quarter opting to host more events than last year, and similar numbers of employers have been using careers fairs and skills training events to publicise their graduate opportunities. Campus drop-in sessions have proved more popular too and half of recruiters have also used some form of business game to promote their organisation.

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. Almost half of recruiters staged special one-off campus promotions around the UK – such as a roadshow event, campus coffee distribution and photo booths – and over a third have held national or inter-university student competitions to engage with potential graduate recruits. By contrast, fewer recruiters chose to advertise in printed specific career sector guides or local careers publications this year, and there has been a further drop in the number of employers advertising in student newspapers.

Employers have reported a marked increase in the attendance by students at their campus events so far during the 2016-2017 recruitment season (see *Chart 5.4*) – nearly half of organisations said that either a ‘few more’ or ‘considerably more’ students had taken part

Chart 5.4 Number of Students taking part in Employers’ Campus Events in 2016-2017



Source - The Graduate Market in 2017

in their local presentations, skills training sessions or had met them at university careers fairs. Two-fifths of organisations thought the turnout from students had been similar to the previous recruitment season but twelve organisations reported that fewer job hunters attended their events this year.

It is evident from the research that employers are now almost as likely to be targeting first or penultimate year undergraduates as final year students when promoting their graduate vacancies. More than four-fifths of organisations have held events during the 2016-2017 recruitment round specifically for first year students, such as taster sessions, open days or introductory courses (see *Table 5.5*). A fifth of graduate employers said they had done more with first year students than ever before or had worked harder to promote internships and work experience programmes to penultimate year undergraduates. And three-quarters of recruiters began their graduate promotions even earlier, targeting pupils at schools and sixth form colleges.

Table 5.5 Analysis of Employers' Graduate Recruitment Promotions in 2016-2017

<i>Graduate Recruitment Promotion</i>	<i>% of employers who used promotion during 2016-2017</i>	<i>Done more than last year %</i>	<i>About the same as last year %</i>	<i>Done less than last year %</i>
Promotions on graduate recruitment websites	99	19	64	16
Advertising in national graduate directories	98	15	73	10
University careers services	95	27	57	11
Careers fairs	95	19	51	25
Promotions on social media	94	58	35	1
Campus presentations	93	24	55	14
Email services	91	16	59	16
Skills training sessions	88	25	52	11
Advertising in career sector guides	73	10	50	13
Local drop-in sessions	72	19	43	10
Campus brand managers	66	23	38	5
Sponsorship of student societies and clubs	63	12	40	11
Academic lectures	57	7	44	6
Advertising in local careers guides	56	1	45	10
Business games	46	10	30	6
Special one-off campus promotions	45	10	21	14
National or inter-university competitions	37	7	26	4
Advertising in student newspapers	33	6	21	6
<i>Year Groups Targeted</i>				
Promotions to schools or sixth-form colleges	76	26	45	5
Promotions to first years	83	20	63	0
Promotions to penultimate years	93	22	69	2
Promotions to final years	94	16	71	7

Source - The Graduate Market in 2017

Universities Targeted by Employers in 2016-2017

With more than 140 universities 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 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.

During the 2016-2017 recruitment season, the majority of top graduate employers have targeted between 10 and 25 universities each (see *Chart 5.6*), although eleven employers are currently visiting more than thirty campuses for their graduate promotions. Accounting & professional services firms, public sector employers and law firms have actively publicised their graduate vacancies at the largest number of universities, whereas media and oil & energy companies 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 Warwick, Manchester, Bristol, Cambridge and Leeds (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 2016-2017.

It is interesting to compare this list with *The Times & Sunday Times Good University Guide 2017*, the latest league table of institutions compiled from a range of university data including entry standards, teaching performance, academic research, student funding and graduates' career prospects. In these rankings, Cambridge and Oxford are in 1st and 2nd place but Manchester, the second most-targeted university for the leading employers, fails to even make the top thirty. And conversely, St Andrews which is 3rd in the guide, does not appear in the employers' top twenty-five universities.

Chart 5.6 Number of Universities Targeted by Top Employers in 2016-2017

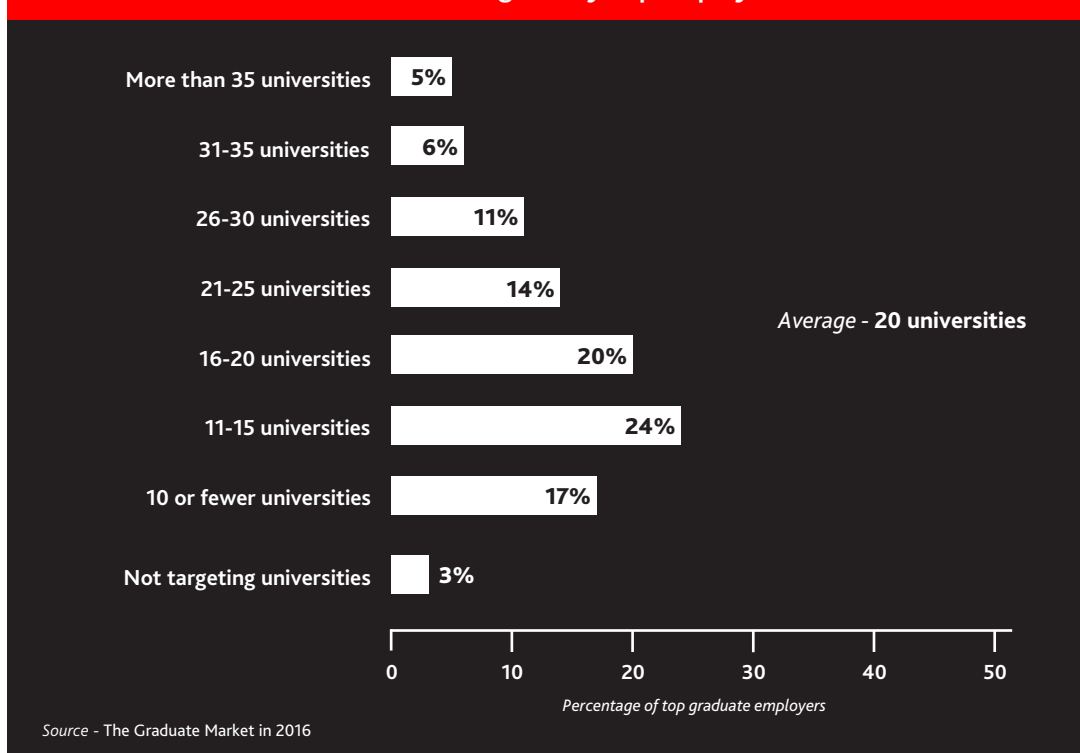
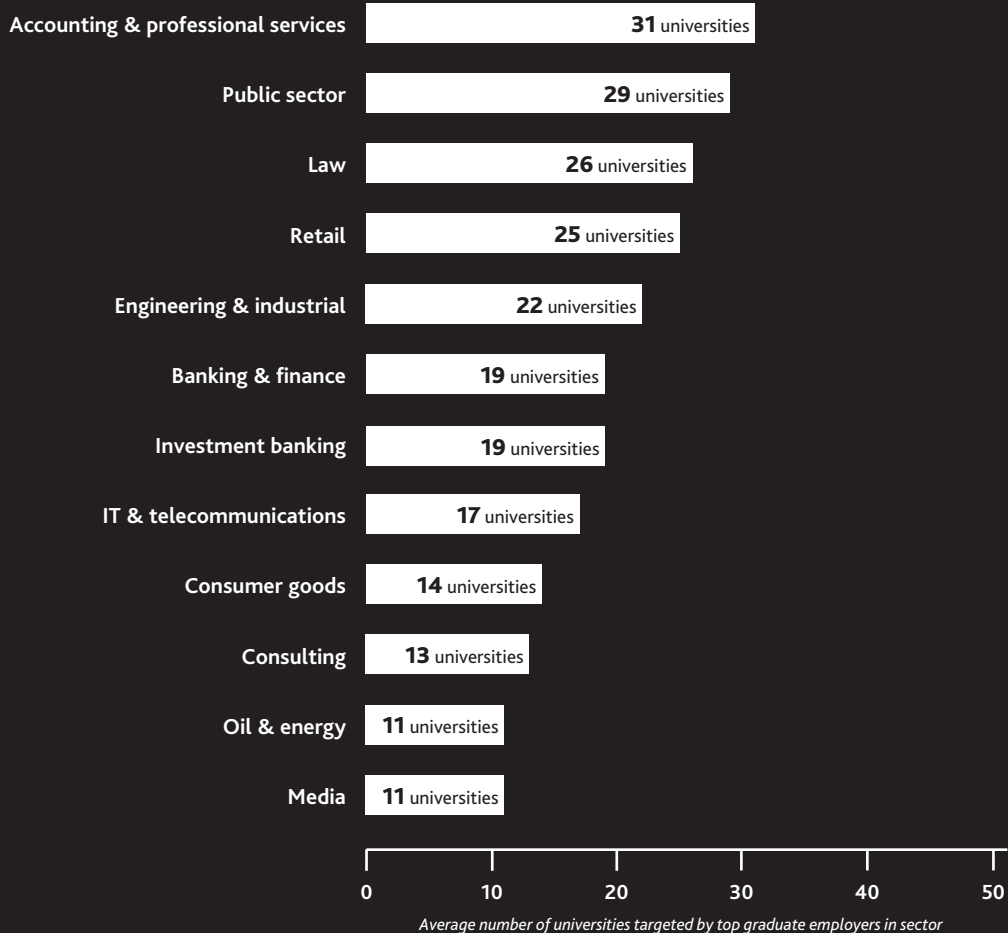


Chart 5.7 Universities Targeted by Top Employers in 2016-2017, by Sector or Industry



Source - The Graduate Market in 2017

Table 5.8 Universities Targeted by the Largest Number of Top Employers in 2016-2017

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Warwick	7	14. London University College	6
2. Manchester	32	15. Exeter	9
3. Bristol	19	16. Sheffield	24
4. Cambridge	1	17. York	17
5. Leeds	13	18. Loughborough	11
6. Birmingham	16	19. Newcastle	22
7. Nottingham	20	20. London King's College	27
8. Oxford	2	21. Southampton	21
9. Durham	4	22. Cardiff	46
10. Bath	12	23. Glasgow	29
11. Edinburgh	37	24. Leicester	25
12. London School of Economics	8	25. Liverpool	39
13. London Imperial College	5		

Source - The Graduate Market in 2017

* The Times & Sunday Times Good University Guide 2017

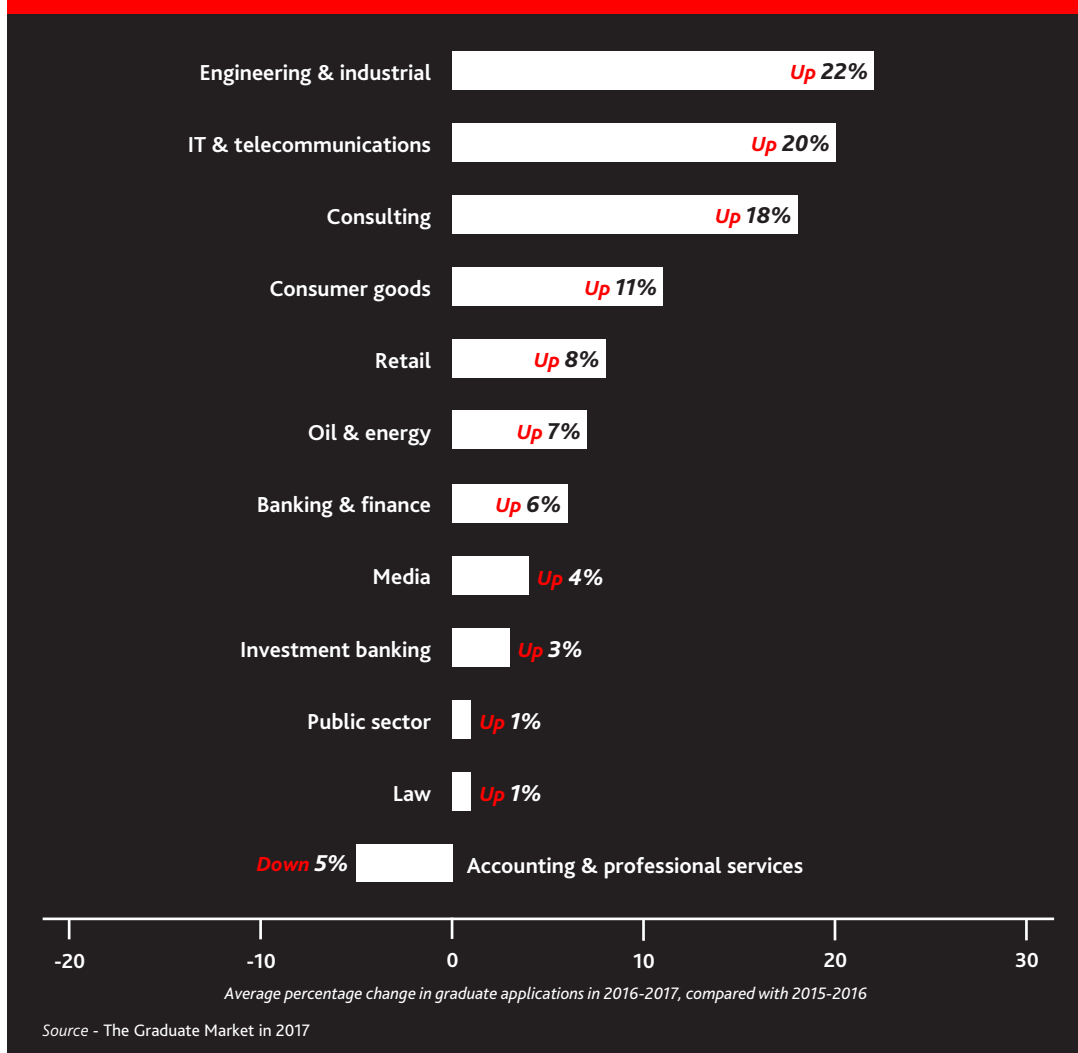
Graduate Applications Received in 2016-2017

Just under half the UK’s top employers have seen an increase in the number of graduate applications they received in the early part of the 2016-2017 recruitment round, compared with the same period last year (see *Chart 5.10*).

Twenty-one organisations from a number of different industries and business sectors said that their graduate application levels had risen by more than a quarter, a very significant year-on-year increase, whilst a further twenty-eight employers reported more modest increases. In contrast, ten employers have seen their graduate applications fall by more than 10% this year. These results equate to an average rise in graduate applications of 9%, compared with last year’s recruitment round. Applications rose by 13% in the early stages of the 2015-2016 recruitment season, by 6% in 2014-2015 and by 9% in 2013-2014.

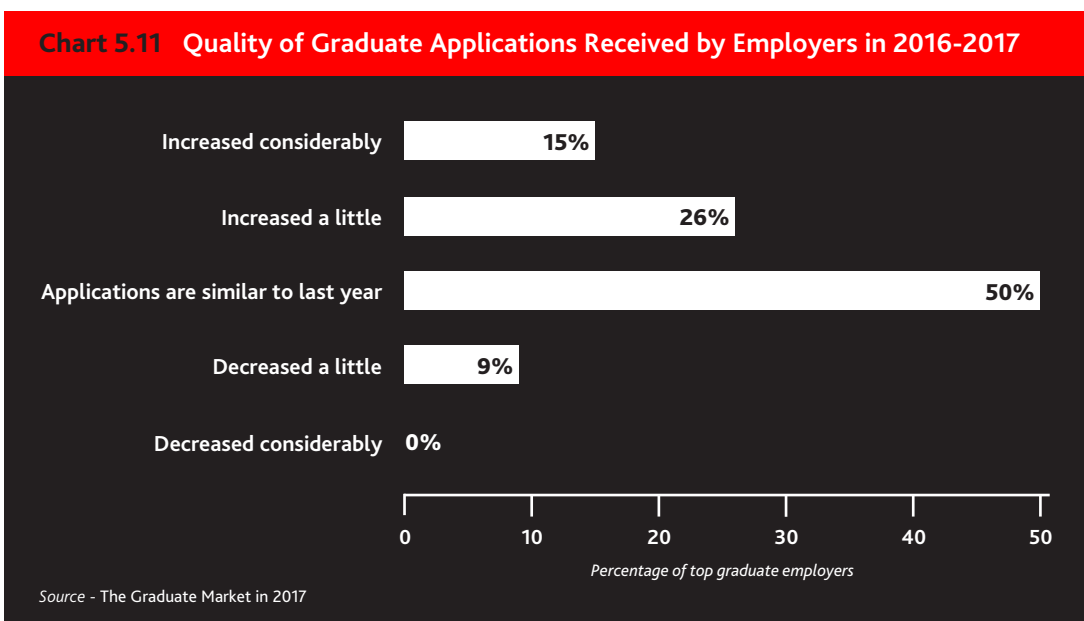
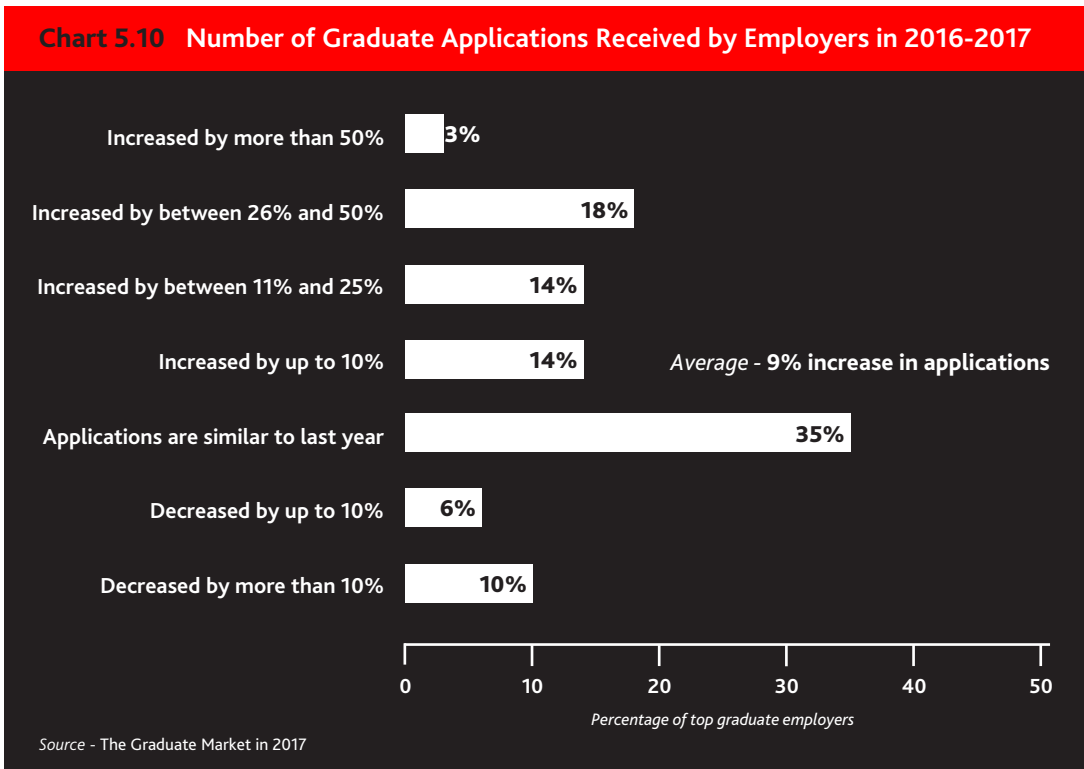
Employers reporting the biggest increases in graduate applications in 2016-2017 are the engineering & industrial and IT & telecommunications companies and the well-known consulting firms, where graduate applications have increased by at least a sixth compared with a year ago (see *Chart 5.9*).

Chart 5.9 Number of Applications to Employers in 2016-2017, by Sector or Industry



Half of employers felt that the quality of the graduate applications they had received was similar to the previous recruitment season, but a quarter commented that the quality of applications had increased ‘a little’ and fifteen organisations – including several engineering & industrial companies and two well-known public sector employers were impressed that the standard of their applicants had increased ‘considerably’ (see *Chart 5.11*).

Just nine employers were disappointed that the quality of graduate applications that they had received so far this year was lower.



Summary

- Fewer than a fifth of the country's leading employers have **increased** their graduate recruitment budgets for the 2016-2017 recruitment round.
- Employers have been actively marketing their 2017 graduate vacancies at an average of **20** UK universities, using a variety of campus **recruitment presentations**, local **careers fairs**, **skills training** events, promotions through **university careers services**, **online advertising** and **social media**.
- Graduate recruiters made more use of **social media**, university **recruitment presentations**, **skills training events** and **campus brand managers** during this year's recruitment campaigns – and did less **advertising** in career sector guides.
- The ten universities most-often targeted by Britain's top graduate employers in 2016-2017 are Warwick, Manchester, Bristol, Cambridge, Leeds, Birmingham, Nottingham, Oxford, Durham and Bath.
- Half the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year and two-fifths also believed the quality of applications had improved.
- Together, the country's top employers have received **9% more graduate job applications** so far, compared with the equivalent period in the 2015-2016 recruitment round.