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New research shows graduate recruitment at the UK's leading employers fell for the first time in five years in 2017

A major new report on the graduate job market, published today (Wednesday 17th January 2018), shows that Britain's top employers recruited significantly fewer graduates than expected in 2017, leading to the first annual drop in graduate recruitment for five years.

The Graduate Market in 2018 is a study of graduate vacancies, starting salaries and undergraduate work experience programmes at the country's one hundred leading employers, conducted by **High Fliers Research** in December 2017.

The report reveals that graduate vacancies at the country's best-known employers had originally been expected to rise by up to 10% in 2017, but widespread uncertainty about the impact of Brexit meant recruitment was cut by 4.9% year-on-year, the biggest fall in recruitment since 2009.

The largest drop in the number of graduates recruited was at the accounting & professional services firms, banking & finance companies, and at the City's investment banks. Across the private sector, graduate recruitment fell by an average of 10.3% in 2017.

The research shows that employers are more optimistic about the year ahead, with graduate recruitment expected to recover by 3.6% in 2018.

Key findings from **The Graduate Market in 2018** report include:

- The number of graduates hired by the UK's one hundred leading employers **fell by 4.9%** in 2017, the first drop in graduate recruitment for five years and the biggest annual fall recorded since 2009.
- Graduate recruitment in 2017 was **substantially lower** than had been expected at the beginning of the 2016-2017 recruitment season, with graduate vacancy targets downgraded twice during the year, amidst widespread **uncertainty about the impact of Brexit**.
- Employers in eight out of thirteen key industries and employment areas **hired fewer graduates in 2017** than the year before, with the biggest drops in recruitment recorded at the top accounting & professional services firms, banking & financial companies, and the City's investment banks.

- Private sector employers **cut their graduate recruitment** by an average of **10.3%** in 2017, compared with their intake in 2016.
- The outlook for 2018 is **cautiously optimistic**, with graduate recruitment at the country's top employers expected to **increase by 3.6%** this year.
- The biggest growth in vacancies is expected at **public sector organisations, accounting & professional services firms** and **engineering & industrial companies**, which together intend to recruit over 750 extra graduates in 2018.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the fourth consecutive year in 2018, 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 nine of the country's best-known graduate employers are paying salaries in excess of **£45,000** this year.
- The most generous salaries in 2018 are those on offer from the **investment banks** (median of £47,000), **law firms** (median of £44,000), **oil & energy companies** (median of £35,000) and **retailers** (median of £35,000).
- The highest published graduate starting salaries for 2018 include law firms **White & Case** (£46,000), **Baker & McKenzie** (£45,000), **Herbert Smith Freehills** (£44,000), consulting firm **Newton** (£45,000), and retailer **Aldi** (£44,000).
- The number of work experience places available at the UK's leading graduate employers is expected to **increase by 0.8%** in 2018, following a drop in work placements in 2017.
- **More than four-fifths** of the country's top graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2017-2018 academic year, providing a total of **12,849 places**.
- Three-quarters of employers provide **paid vacation internships** for **penultimate year students** and three-fifths offer **course placements** for undergraduates (typically lasting 6-12 months as part of a university degree course).

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

“It clear from our latest research that the uncertainty caused by Brexit has already hit the graduate job market. The country's best-known employers hired almost 3,000 fewer graduates than expected in 2017 and recorded the biggest annual fall in graduate recruitment since the recession in 2008 and 2009. Although employers in a number of key industries and business sectors are hoping to increase their graduate recruitment again in 2018, the outlook of many recruiters remains cautious for the year ahead.”

Notes to Editors:

1. *The Graduate Market in 2018* is produced by **High Fliers Research**, the independent market research company which has specialised in researching graduate recruitment at UK universities since 1994.
2. The **employers** included in *The Graduate Market in 2018* research are the one hundred organisations that final year university students from the UK's leading universities believe offer the best opportunities for new graduates – including PwC, Civil Service Fast Stream, Goldman Sachs, BP, HSBC, Rolls-Royce, Unilever, BBC, Jaguar Land Rover and the NHS.
3. **Martin Birchall**, Managing Director of High Fliers Research is available for interview.
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