

The Graduate Market in 2019

Annual review of graduate vacancies & starting salaries at the UK'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 regularly 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 2019 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 2018**:

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **increased by 4.3%** in 2018, following a drop in graduate recruitment in 2017 in the aftermath of the UK's vote to leave the European Union in the summer 2016.
- Graduate recruitment at the country's leading employers is **expected to rise substantially in 2019**, with employers in eleven out of fifteen key industries and business sectors planning to recruit more new graduates this year.
- Together, the UK's top employers are **increasing their graduate vacancies by 9.1%** in 2019, the highest annual rise in graduate recruitment since 2010.
- The biggest increases in vacancies are expected at **public sector employers, accounting & professional services firms and engineering & industrial companies** who intend to recruit more than **1,500 additional graduates** in 2019.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the fifth consecutive year in 2019, 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 2019 are those on offer from the **investment banks** (median of £47,000), **law firms** (median of £45,000), **consulting firms** (median of £45,000), **oil & energy companies** (median of £38,500) and **retailers** (median of £35,000).
- The highest published graduate starting salaries for 2019 include law firms **Linklaters** (£47,000), **White & Case** (£46,000), **Baker McKenzie** (£45,000), **Freshfields Bruckhaus Deringer** (£45,000), **Allen & Overy** (£45,000) and **Hogan Lovells** (£45,000), consulting firm **Newton** (£45,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).
- The number of **paid work experience places** available at the UK's leading graduate employers is expected to **increase by 1.8%** in 2019.
- **More than four-fifths** of the country's top graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2018-2019 academic year, providing a total of **13,098 places**.

- Nearly three-quarters of employers provide **paid vacation internships** for **penultimate year students** and over two-fifths offer **course placements** for undergraduates (usually 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** – a fifth of organisations offer paid internships and two-fifths of employers run introductory courses, open days and other taster experiences for first year students.
- **Over than 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 for their graduate programmes.
- Just under a quarter of the country's leading graduate employers have **increased** their graduate recruitment budgets for the 2018-2019 recruitment round.
- Employers have been actively marketing their 2018 graduate vacancies at an average of **22** 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 **recruitment websites** during this year's recruitment campaigns – and did less **advertising** in career sector guides, local guides and student newspapers and spent less sponsoring student societies & clubs.
- The ten universities **targeted** by the largest number of top graduate employers in 2018-2019 are Manchester, Bristol, Birmingham, Warwick, University College London, Cambridge, Nottingham, Durham, Leeds and Oxford.
- Over two-fifths 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 a third also believed the quality of applications had improved.
- Together, the country's top employers have received **4% more graduate job applications** so far, compared with the equivalent period in the 2017-2018 recruitment round.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2019**, the annual review of graduate vacancies and starting salaries at the UK's top employers, produced by **High Fliers Research**.

This research, conducted during December 2018, examines how many graduates the leading employers recruited in 2018 and assesses their latest recruitment targets for 2019.

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 2018-2019 recruitment season.

This is the fourteenth 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 2018 in a poll of 19,147 final year students to find “Which employer offers the best opportunities for graduates”.

About High Fliers Research

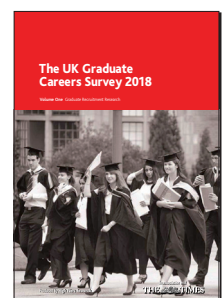
Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 150 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position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

The company is best-known for *The UK Graduate Careers Survey*, its comprehensive annual study of over 20,000 final year undergraduates at thirty-five leading universities, which is supported and funded by up to 75 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 the UK's top employers to research their graduate vacancies and starting salaries, and to 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 regular 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 2018*, some 19,147 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 2018.

It is these employers that are included in the research for **The Graduate Market in 2019** report:

<i>Accenture</i>	<i>Danone</i>	<i>McKinsey & Company</i>
<i>AECOM</i>	<i>Deloitte</i>	<i>MIS - The Security Service</i>
<i>Airbus</i>	<i>Deutsche Bank</i>	<i>Microsoft</i>
<i>Aldi</i>	<i>DLA Piper</i>	<i>Mondelēz International</i>
<i>Allen & Overy</i>	<i>Dyson</i>	<i>Morgan Stanley</i>
<i>Amazon</i>	<i>ExxonMobil</i>	<i>Nestlé</i>
<i>Aon</i>	<i>EY</i>	<i>Network Rail</i>
<i>Apple</i>	<i>Facebook</i>	<i>Newton Europe</i>
<i>Army</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>NHS</i>
<i>Arup</i>	<i>Frontline</i>	<i>Penguin Random House</i>
<i>ASOS</i>	<i>Goldman Sachs</i>	<i>Pfizer</i>
<i>AstraZeneca</i>	<i>Google</i>	<i>Pinsent Masons</i>
<i>Atkins</i>	<i>Grant Thornton</i>	<i>Police Now</i>
<i>BAE Systems</i>	<i>GSK</i>	<i>Procter & Gamble</i>
<i>Bain & Company</i>	<i>Herbert Smith Freehills</i>	<i>PwC</i>
<i>Baker McKenzie</i>	<i>Hogan Lovells</i>	<i>RBS</i>
<i>Bank of England</i>	<i>HSBC</i>	<i>Rolls-Royce</i>
<i>Barclays Bank</i>	<i>IBM</i>	<i>Royal Air Force</i>
<i>BBC</i>	<i>Irwin Mitchell</i>	<i>Royal Navy</i>
<i>BlackRock</i>	<i>J.P. Morgan</i>	<i>Santander</i>
<i>Bloomberg</i>	<i>Jaguar Land Rover</i>	<i>Savills</i>
<i>BMW Group</i>	<i>John Lewis Partnership</i>	<i>Shell</i>
<i>Boots</i>	<i>Johnson & Johnson</i>	<i>Siemens</i>
<i>Boston Consulting Group</i>	<i>KPMG</i>	<i>Sky</i>
<i>BP</i>	<i>L'Oréal</i>	<i>Slaughter and May</i>
<i>British Airways</i>	<i>Lidl UK</i>	<i>Teach First</i>
<i>BT</i>	<i>Linklaters</i>	<i>Tesco</i>
<i>Cancer Research UK</i>	<i>Lloyd's</i>	<i>Think Ahead</i>
<i>Charityworks</i>	<i>Lloyds Banking Group</i>	<i>TPP</i>
<i>Citi</i>	<i>Local Government</i>	<i>Unilever</i>
<i>Civil Service Fast Stream</i>	<i>Marks & Spencer</i>	<i>Virgin Media</i>
<i>Clifford Chance</i>	<i>Mars</i>	<i>Wellcome Trust</i>
<i>CMS</i>	<i>McDonald's Restaurants</i>	<i>White & Case</i>
		<i>WPP</i>

Chapter 2

Graduate Vacancies

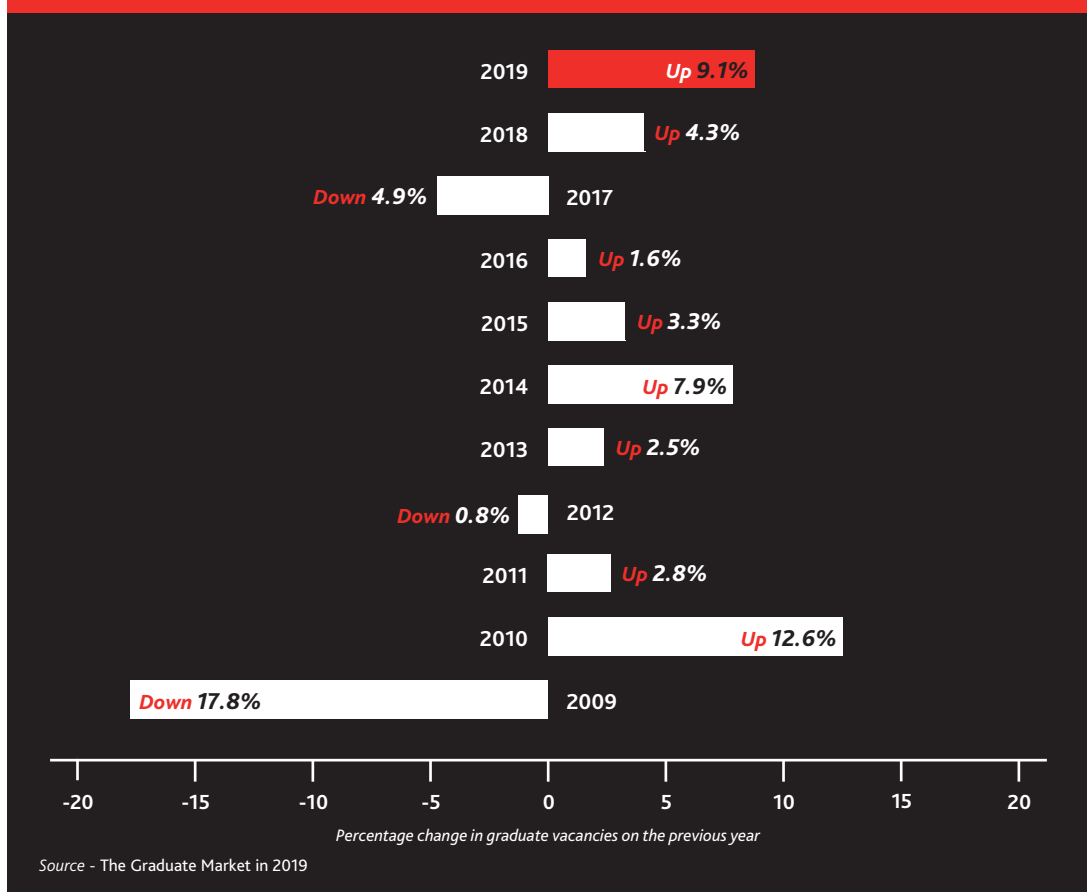
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2019, compared with actual recruitment in 2018. Graduate vacancies for 2019 are typically positions with an autumn 2019 start date, promoted during the current 2018-2019 recruitment season.

The Graduate Market in 2018 report confirmed that the country's top employers cut back on their graduate recruitment in 2017, following the UK's vote to leave the European Union in the summer of 2016. This was the first drop in recruitment for five years and the largest annual decrease in graduate vacancies since the recession in 2008-2009.

The latest research reveals that graduate recruitment rebounded during 2018 and that the UK's leading employers expect to hire significantly more graduates for their organisations this year (see *Chart 2.1*).

Chart 2.1 How Employers' Vacancies for Graduates Changed from 2009 to 2019



Graduates Recruited in 2018

After an unexpected dip in graduate vacancies during the 2016-2017 recruitment season in the aftermath of the UK’s decision to leave the EU, the country’s top employers began the 2017-2018 recruitment round in September 2017 with cautious targets for their 2018 graduate intake. Few employers planned to take on extra graduates and most industries and business sectors expected that recruitment was likely to be at a similar level to 2017.

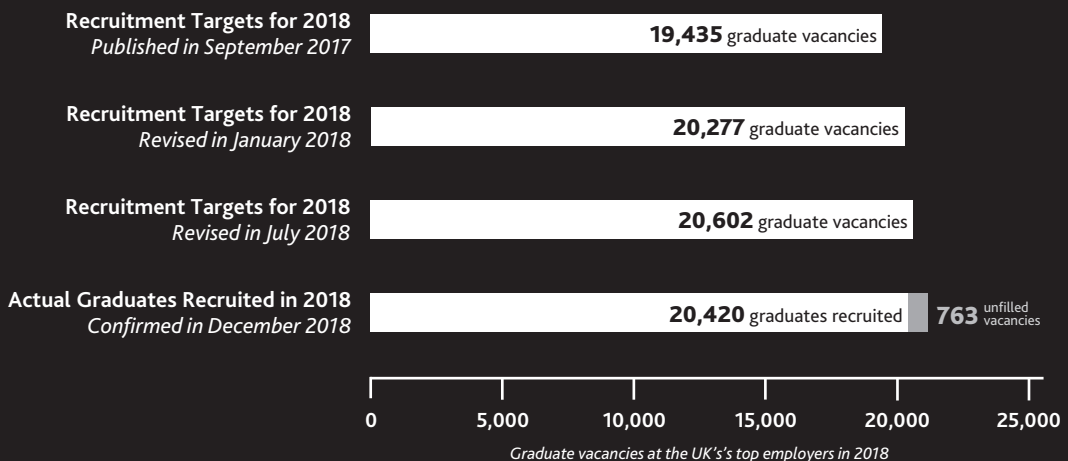
As the recruitment cycle progressed, confidence improved and by the mid-season assessment of graduate vacancies in January 2018, employers were planning to step up their recruitment by 3.6% (see *Chart 2.2*). And by July 2018, the final estimate concluded that the number of graduates hired could be over 5% higher than the previous year.

The latest research, however, shows that a total of 20,420 graduates actually started work with the organisations featured in *The Times Top 100 Graduate Employers* in 2018, a welcome 4.3% rise on recruitment in 2017 (see *Table 2.4*). The annual increase would have been even higher than had been predicted in July 2018, but several major employers struggled to recruit graduates for their harder-to-fill vacancies. More than 700 graduate roles were left unfilled (see *Chart 2.2*), either because employers didn’t receive sufficient applications for their more specialist vacancies or because graduates turned down or reneged on employers’ job offers.

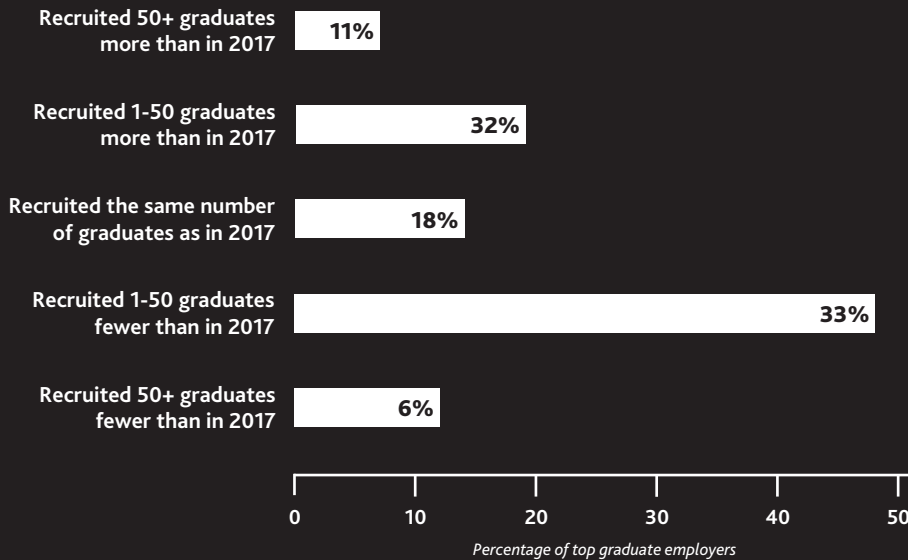
Overall, three-fifths of the UK’s one hundred leading employers maintained or expanded their graduate vacancies in 2018 (see *Chart 2.3*). Graduate recruitment increased in nine of fifteen key industries and business sectors, with the biggest rises recorded at accounting and professional services firms, banking and financial institutions and the Armed Forces (see *Table 2.4*). There was, however, a further drop in the number of graduate roles available at the City’s investment banks and fewer entry-level jobs in the media, oil & energy, chemicals & pharmaceuticals and consumer goods sectors.

The largest recruiters of graduates in 2018 were the accounting & professional services firms and public sector employers which together hired more than 8,000 graduates for their organisations, more than two-fifths of the total number of graduates recruited by the UK’s leading employers during the year.

Chart 2.2 How Graduate Recruitment Targets Changed during 2018



Source - The Graduate Market in 2019

Chart 2.3 How Employers' Graduate Vacancies Changed in 2018, compared with 2017

Source - The Graduate Market in 2019

Table 2.4 Analysis of Graduate Vacancies in 2018, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2018, as published in Sept 2017	Recruitment target for 2018, as revised in Jan 2018	Recruitment target for 2018, as revised in July 2018	Actual graduates recruited by Dec 2018	% change from recruitment in 2017	Vacancies added (cut), compared with 2017
Accounting & professional services	4,200	4,300	4,574	4,524	▲ 11.8%	477
Armed Forces	1,600	1,962	1,862	1,984	▲ 6.2%	116
Banking & finance	1,140	1,143	1,247	1,270	▲ 7.4%	87
Charity	171	140	160	160	NO CHANGE	0
Chemicals & pharmaceuticals	150	143	145	127	▼ 11.2%	(16)
Consulting	660	650	650	637	▲ 4.1%	25
Consumer goods	207	188	186	180	▼ 10.9%	(22)
Engineering & industrial	2,275	2,354	2,337	2,180	▲ 3.4%	71
Investment banking	1,220	1,495	1,397	1,471	▼ 7.3%	(116)
IT & telecommunications	905	953	1,007	1,084	▲ 4.6%	48
Law	870	861	850	871	▲ 5.2%	43
Media	500	638	623	610	▼ 8.0%	(53)
Oil & energy	285	276	241	238	▼ 8.1%	(21)
Public sector	4,177	4,272	4,401	4,119	▲ 2.8%	112
Retailing	985	782	822	813	▲ 2.5%	20
ALL SECTORS	19,435	20,277	20,602	20,420	▲ 4.3%	763

Source - The Graduate Market in 2019

Expected Graduate Vacancies in 2019

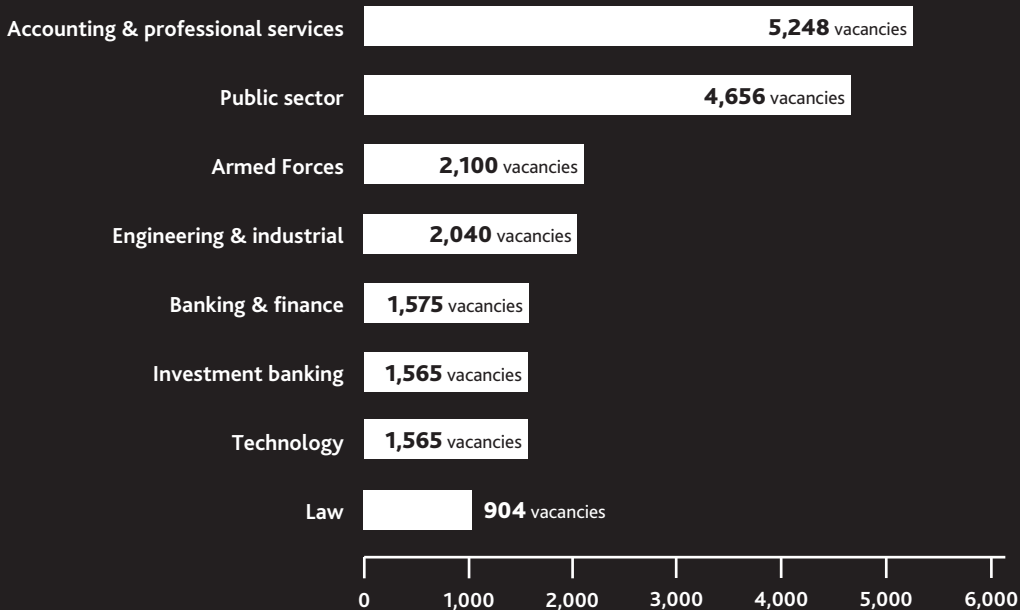
The rebound in graduate recruitment at the UK’s leading employers in 2018 meant that many of these organisations began the 2019 recruitment season in confident mood, with noticeably higher graduate vacancy targets for the year ahead. The latest assessment of vacancies confirms that employers are expecting to step up their graduate recruitment by an impressive 9.1% this year (see *Table 2.7*), the highest annual rise in vacancies for university-leavers for nine years.

Almost half of the country’s best-known employers are preparing to take on more new graduates this year, with twelve organisations planning to hire more than 50 extra graduates during 2019. Over a quarter of employers expect to hire similar numbers of graduates to their 2018 intake, but a quarter warn they will have fewer entry-level vacancies this year. The median number of vacancies at the top employers in 2019 is 90 graduates, but eight of the largest employers are intending to recruit more than 500 university-leavers in the coming months (see *Chart 2.6*).

The largest recruiters of graduates in 2019 are expected to be the accounting & professional services firms, public sector employers, the Armed Forces and engineering & industrial companies who have combined recruitment targets of over 14,000 graduate positions (see *Chart 2.5*). In comparison to the final recruitment figures for 2018, vacancies for graduates are set to increase in eleven of fifteen key industries and business sectors (see *Table 2.7*).

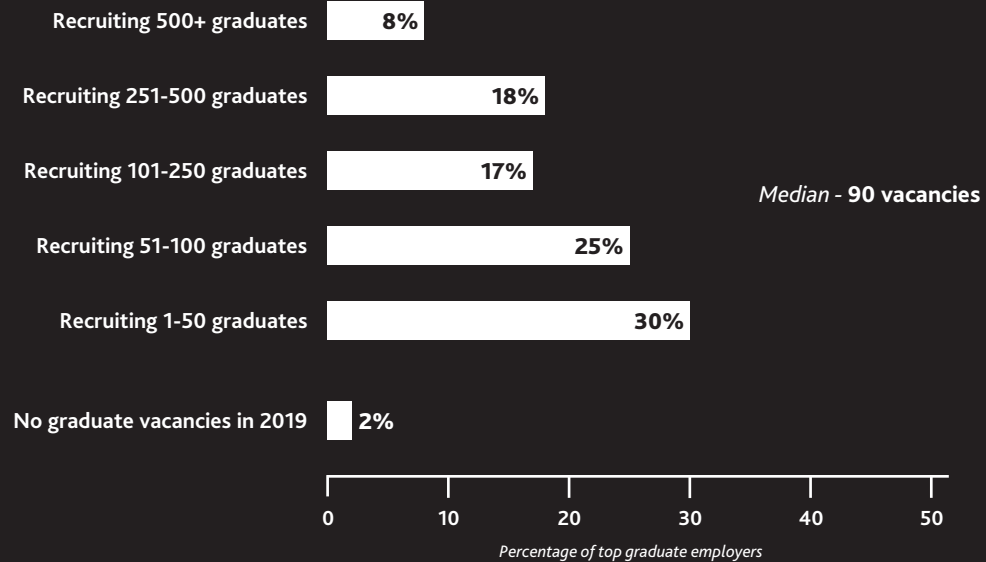
The biggest growth in graduate vacancies is at public sector organisations, accounting & professional services firms and engineering & industrial companies, who together have added more than 1,500 additional graduate positions for 2019. By contrast, there will be small reductions in graduate recruitment in the media, chemicals & pharmaceuticals and consumer goods sectors, and vacancies at oil & energy companies is expected to remain unchanged.

Chart 2.5 Industries or Business Sectors with the most Graduate Vacancies in 2019



Source - The Graduate Market in 2019

Number of vacancies at top graduate employers

Chart 2.6 Graduate Vacancies at the UK's Top Employers in 2019

Source - The Graduate Market in 2019

Table 2.7 Analysis of Graduate Vacancies in 2019, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2019, as published in Sept 2018	Recruitment target for 2019, as revised in Jan 2019	% change from recruitment in 2018	Vacancies added (cut), compared with 2018
Accounting & professional services	4,850	5,248	▲ 14.2%	654
Armed Forces	1,600	2,100	▲ 5.8%	116
Banking & finance	1,790	1,575	▲ 6.4%	95
Charity	160	174	▲ 8.8%	14
Chemicals & pharmaceuticals	188	165	▼ 5.7%	(10)
Consulting	220	230	▲ 23.0%	43
Consumer goods	198	227	▼ 1.3%	(3)
Engineering & industrial	2,200	2,040	▲ 9.1%	170
Investment banking	1,530	1,565	▲ 1.6%	24
Law	888	904	▲ 0.1%	1
Media	935	727	▼ 6.0%	(46)
Oil & energy	168	165	NO CHANGE	0
Public sector	5,018	4,656	▲ 18.8%	737
Retailing	785	670	▲ 5.3%	34
Technology	1,215	1,565	▲ 2.6%	39
ALL SECTORS	21,920	22,181	▲ 9.1%	1,846

Source - The Graduate Market in 2019

Changes to Graduate Vacancies since the Recession

For university students who completed their degrees in 2007, it proved to be a boom year in graduate recruitment – the number of entry-level vacancies at the UK’s leading employers increased for the third year running and there were more opportunities for graduates in each of fourteen key industries and business sectors.

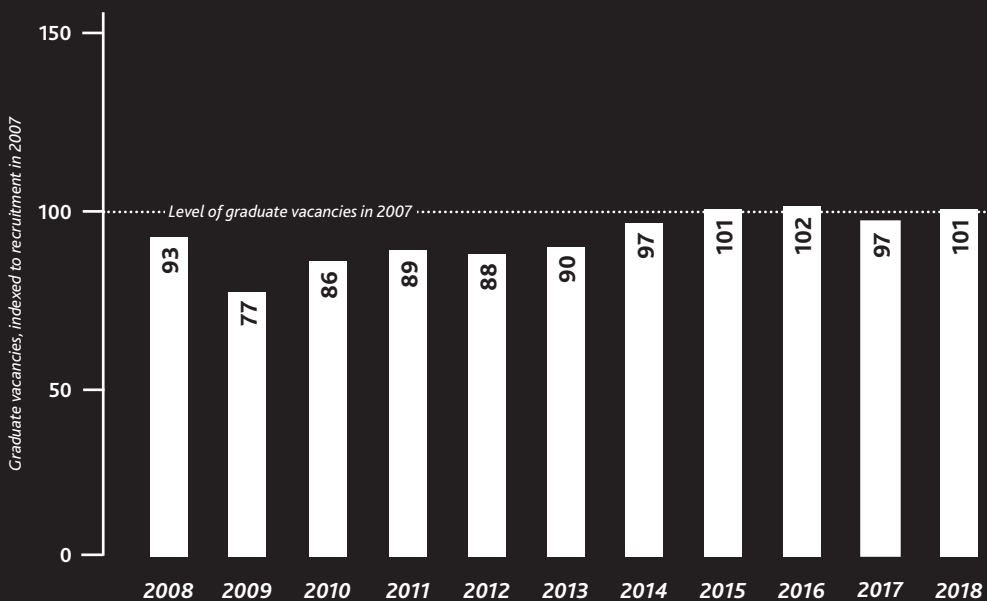
But the onset of the global financial crisis and the recession that followed in the UK had a profound effect on the graduate job market, and graduate vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by an unprecedented 23.3% during 2008 and 2009. Entry-level positions 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 & telecommunications 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 entry-level 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 2.8*). By indexing each year’s vacancies to graduate recruitment in 2007, it shows how dramatically the economic downturn affected graduate jobs over the last decade.

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. 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 the increase of 3.3%

Chart 2.8 Indexing Graduate Vacancies at the UK’s Top Employers 2008 to 2018



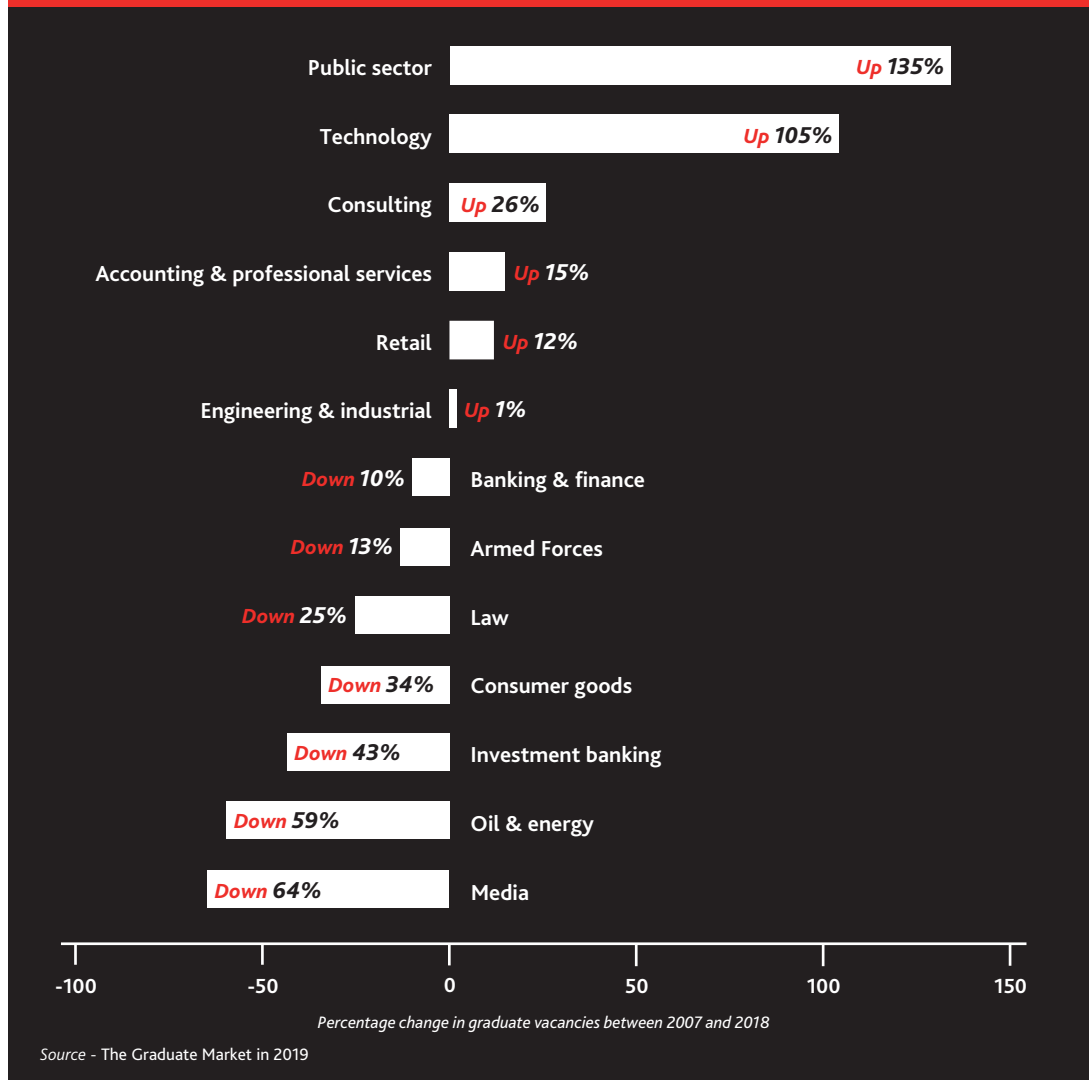
Source - The Graduate Market in 2019

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

Another modest rise in the number of graduates recruited in 2016 took recruitment to its highest level to date, with almost a third more vacancies than in 2009, the low-point in the graduate job market during the economic crisis. But the subsequent fall in graduate recruitment during 2017 meant that hiring dropped back to the level recorded three years earlier.

Comparing last year’s final graduate intake for individual industries and business sectors with the volume of new recruits hired in 2007, shows that recruitment has increased in just five employment areas over the last decade (see *Chart 2.9*). The number of entry-level positions available for graduates in the public sector and at technology companies has more than doubled, and there have been smaller rises in recruitment at consulting firms, in the accountancy & professional service sector and at the leading retailers. However, graduate recruitment at the top media companies, oil & energy groups and City investment banks, consumer goods manufacturers remains substantially lower than it was before the recession.

Chart 2.9 Changes to Graduate Vacancies since the Recession, by Sector or Industry



Summary

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate Employers* **increased by 4.3%** in 2018, following a drop in graduate recruitment in 2017 in the aftermath of the UK's vote to leave the European Union in the summer 2016.
- Graduate recruitment at the country's leading employers is **expected to rise substantially in 2019**, with employers in eleven out of fifteen key industries and business sectors planning to recruit more new graduates this year.
- Together, the UK's top employers are **increasing their graduate vacancies by 9.1%** in 2019, the highest annual rise in graduate recruitment since 2010.
- The biggest increases in vacancies are expected at **public sector employers, accounting & professional services firms and engineering & industrial companies** who intend to recruit more than **1,500 additional graduates** in 2019.

Chapter 3

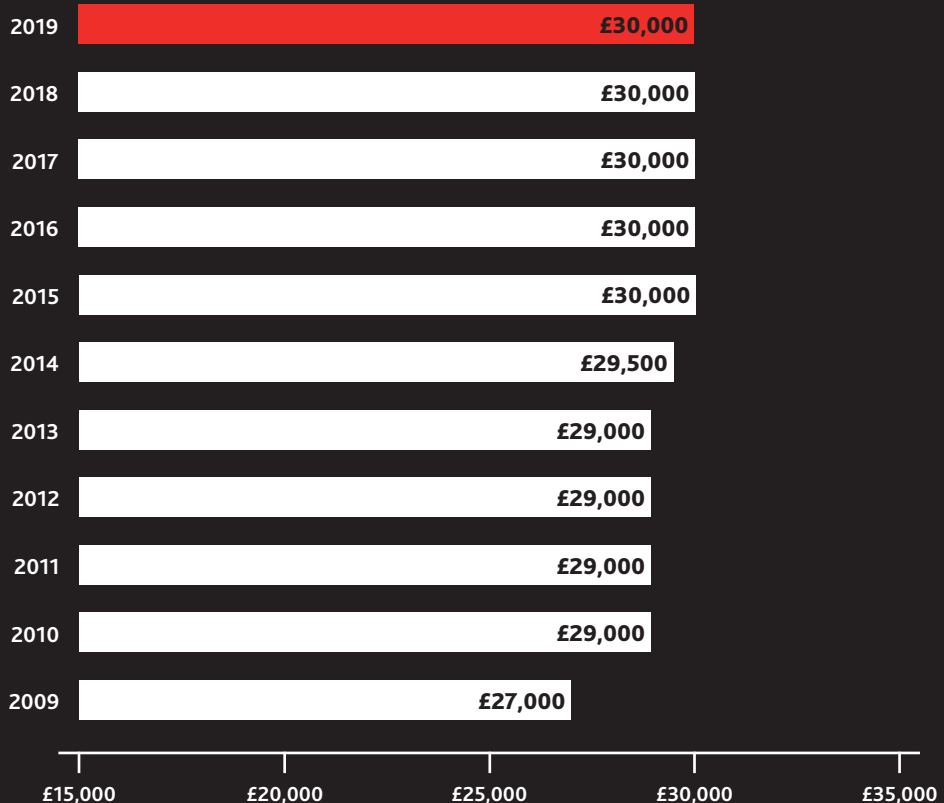
Graduate Starting Salaries

Starting Salaries for Graduates

The second part of the research examines the starting salaries that the UK's top employers are preparing to pay new graduates who are due to join their organisations in 2019, compared with the salaries paid to graduate recruits who began work in 2018. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2017-2018 and 2018-2019 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

Graduate starting salaries rose annually until 2010, but in the aftermath of the recession, the median starting salary for new recruits remained unchanged at £29,000 for four years until to 2013 (see *Chart 3.1*). Salaries increased slightly in 2014 and had a further modest rise in 2015, taking the median graduate starting salary to £30,000 for the first time.

Chart 3.1 How Employers' Graduate Starting Salaries Changed from 2009 to 2019



Source - The Graduate Market in 2019

Median graduate starting salaries

Graduate Starting Salaries in 2019

The median graduate starting salary on offer in 2019 from the UK’s leading employers is expected to be £30,000, unchanged for the fifth year running.

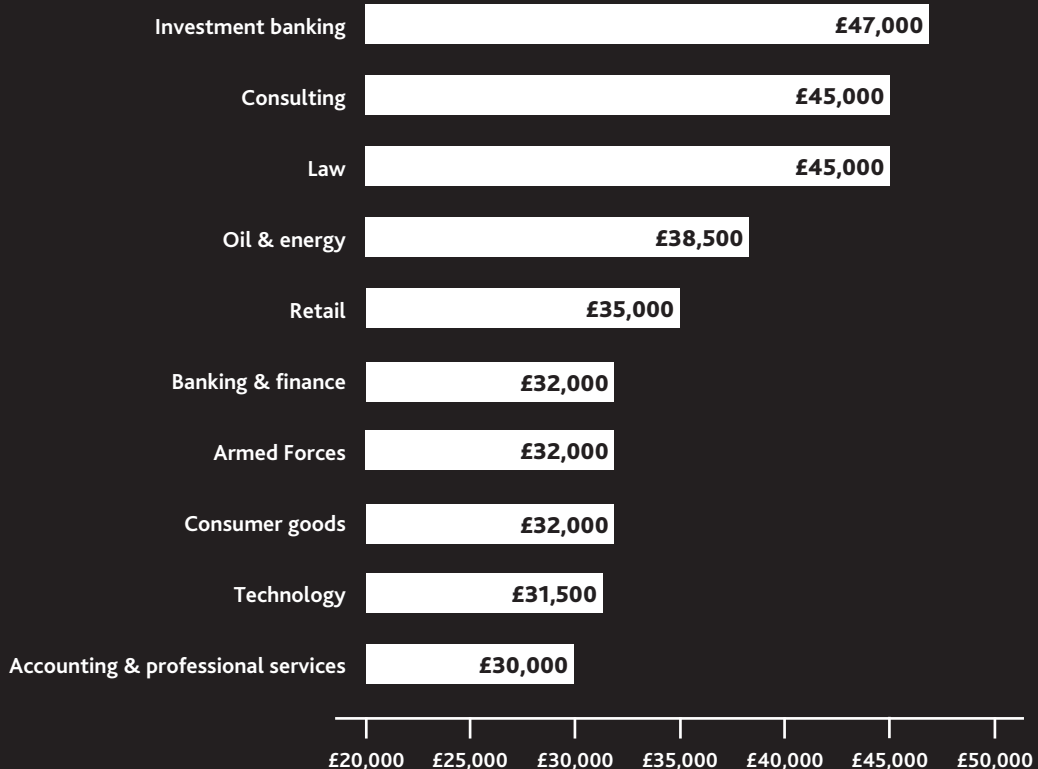
At the very top of the market there are nine organisations offering graduate salaries in excess of £45,000 this year, whereas just four employers have starting salaries of £20,000 or less (see *Chart 3.3*). Analysis of the salaries paid for individual roles shows that more than a sixth of jobs at the country’s top employers now have initial salaries of £40,000 or more.

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 country’s top law firms have increased the salaries for trainee solicitors for the fifth time in five years, to a new high of £45,000. The median starting salaries available to university-leavers have also risen in the consumer goods, charity and chemicals & pharmaceuticals sectors (see *Table 3.4*).

Beyond the City and the legal sector, this year’s highest published starting salaries are at the consulting firm Newton and technology company TPP – which both offer new graduate recruits £45,000 – and Aldi, where the pay for graduates joining its trainee area manager programme is £44,000.

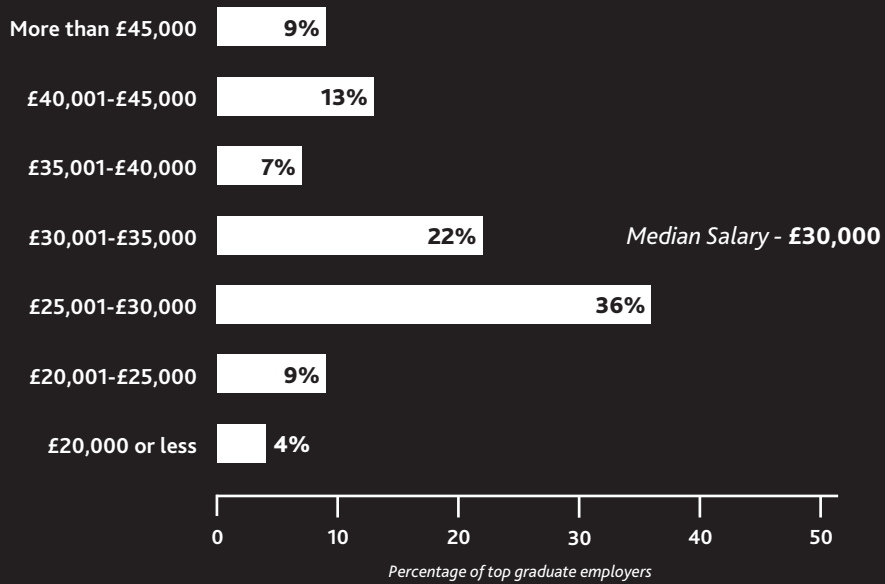
It is interesting to note that had the median graduate starting salary of £27,000 paid by the UK’s top employers in 2009 kept pace with inflation, it would now be worth over £35,500, over £5,000 more than this year’s median pay.

Chart 3.2 Industries or Business Sectors with the highest Graduate Salaries in 2019



Source - The Graduate Market in 2019

Median starting salaries

Chart 3.3 Graduate Starting Salaries at leading UK Employers in 2019

Source - The Graduate Market in 2019

Table 3.4 Analysis of Graduate Salaries in 2019, by Industry or Business Sector

Industry or Business Sector	Median graduate starting salary for 2019	Range of graduate starting salaries on offer in 2019	% change in median salary since 2018	Increase (decrease) in median salary
Accounting & professional services	£30,000	£20,500-£42,000	NO CHANGE	NO CHANGE
Armed Forces	£32,000	£26,000-£32,000	NO CHANGE	NO CHANGE
Banking & finance	£32,500	£27,000-£40,000	NO CHANGE	NO CHANGE
Charity	£20,000	£18,000-£26,000	▲ 5.3%	£1,000
Chemicals & pharmaceuticals	£29,000	£28,000-£30,000	▲ 1.8%	£500
Consulting	£45,000	£45,000-£45,500	NO CHANGE	NO CHANGE
Consumer goods	£32,000	£25,000-£32,000	▲ 6.7%	£2,000
Engineering & industrial	£27,000	£22,000-£31,000	▼ 3.6%	(£1,000)
Investment banking	£47,000	£35,000-£60,000	NO CHANGE	NO CHANGE
Law	£45,000	£25,000-£47,000	▲ 2.3%	£1,000
Media	£30,000	£21,200-£48,000	NO CHANGE	NO CHANGE
Oil & energy	£38,500	£33,200-£43,000	NO CHANGE	NO CHANGE
Public sector	£23,100	£17,000-£31,000	▼ 4.5%	(£1,100)
Retailing	£35,000	£22,000-£44,000	NO CHANGE	NO CHANGE
Technology	£31,500	£28,000-£45,000	NO CHANGE	NO CHANGE
ALL SECTORS	£30,000	£17,000-£60,000	NO CHANGE	NO CHANGE

Source - The Graduate Market in 2019

Summary

- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the fifth consecutive year in 2019, 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 2019 are those on offer from the **investment banks** (median of £47,000), **law firms** (median of £45,000), **consulting firms** (median of £45,000), **oil & energy companies** (median of £38,500) and **retailers** (median of £35,000).
- The highest published graduate starting salaries for 2019 include law firms **Linklaters** (£47,000), **White & Case** (£46,000), **Baker McKenzie** (£45,000), **Freshfields Bruckhaus Deringer** (£45,000), **Allen & Overy** (£45,000) and **Hogan Lovells** (£45,000), consulting firm **Newton** (£45,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).

Chapter 4

Internships & Work Placements

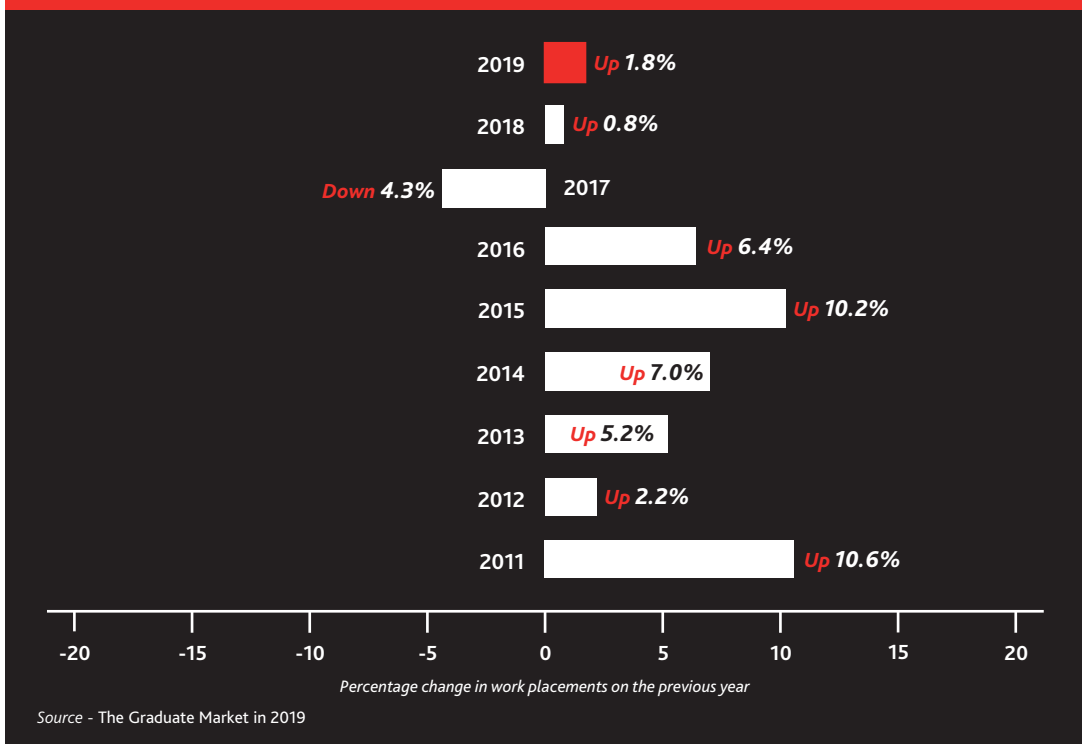
Recruiting Graduates through Work Experience Programmes

Over 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 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 students a graduate position, often a full year before they are due to leave university and several months ahead of employers who recruit graduates during their final year of study.

The increased importance of work experience has meant the number of paid placements on offer at the UK's top employers has risen sharply over the last nine years (see *Chart 4.1*).

Chart 4.1 How Work Placements for University Students Changed 2011-2019



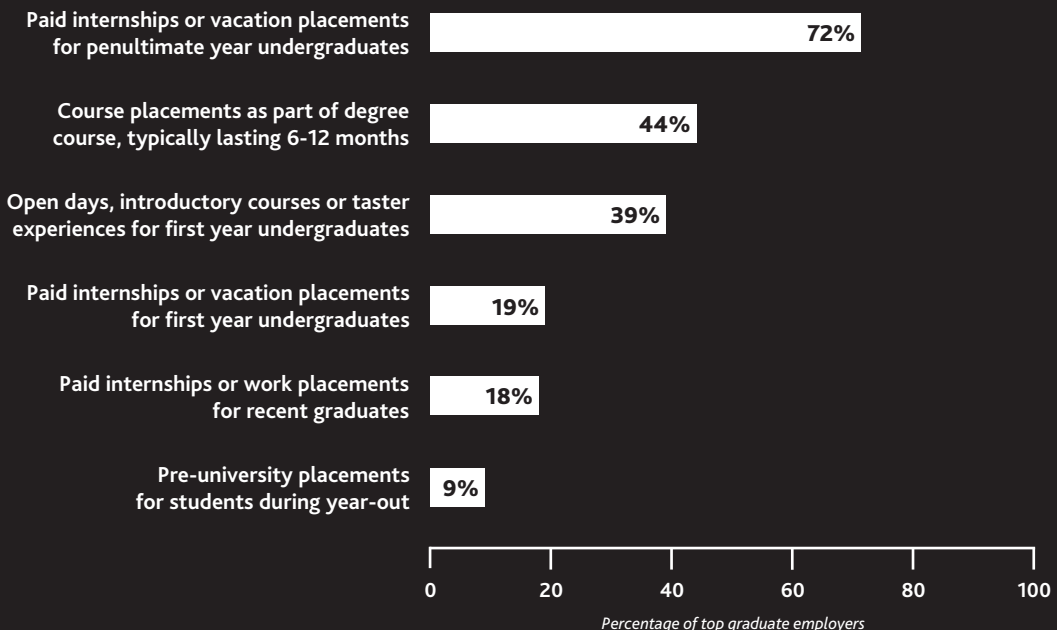
Availability of Work Experience in 2019

Almost three-quarters of the country’s top graduate employers will be providing paid internships to penultimate year students during their 2019 summer vacations (see *Chart 4.2*) and over two-fifths are hosting course placements – structured work experience organised as part of university degree courses (sometimes described as ‘sandwich’ courses) and typically lasting between six and twelve months – that give 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 over 13,000 paid internships and work experience placements this year (see *Table 4.4*). This is a modest increase on the number of work placements that were provided by graduate employers in 2018. In the six years from 2010, the number of work experience places available for students and recent graduates grew substantially, increasing by almost 50% in total, almost double the rise in graduate vacancies over the same period.

In 2019, the country’s top graduate employers are offering a median of 95 paid internships or work placements (see *Chart 4.3*) but fifteen organisations are providing more than 250 placements each. The City’s top investment banks have the most places available this year, with over 2,600 paid internships and work placements. This 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. Accounting & professional services firms and public sector employers have the lowest ratio of placements to graduate jobs, making it harder for students interested in these areas to get relevant experience before they apply for graduate roles.

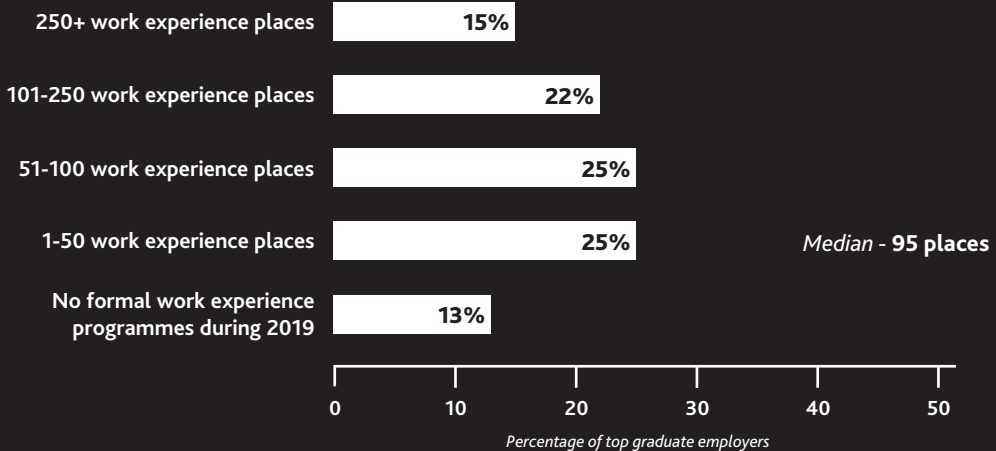
Chart 4.2 Type of Work Experience available at the UK’s Top Employers in 2019



Source - The Graduate Market in 2019

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. Over a third warned that in today's competitive job market, 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 2019



Source - The Graduate Market in 2019

Table 4.4 Analysis of Paid Work Experience in 2019, by Industry or Business Sector

Industry or Business Sector	Total work experience places available in 2018	Total work experience places available in 2019	% change in places between 2018 & 2019	Ratio of work experience places to graduate vacancies in 2019
Accounting & professional services	1,863	1,785	▼ 4.2%	34:100
Banking & finance	1,363	1,541	▲ 13.1%	98:100
Chemicals & pharmaceuticals	450	450	NO CHANGE	273:100
Consumer goods	385	388	▲ 0.8%	172:100
Engineering & industrial	1,995	1,879	▼ 5.8%	92:100
Investment banking	2,025	2,616	▲ 29.2%	167:100
Law	1,352	1,235	▼ 8.7%	123:100
Media	638	641	▲ 0.5%	88:100
Oil & energy	155	135	▼ 12.9%	82:100
Public sector	977	936	▼ 4.2%	20:100
Retailing	473	427	▼ 9.7%	64:100
Technology	688	590	▼ 14.2%	38:100
ALL SECTORS	12,861	13,098	▲ 1.8%	59:100

Source - The Graduate Market in 2019

Summary

- The number of work experience places available at the UK's leading graduate employers is expected to **increase by 1.8%** in 2019.
- **More than four-fifths** of the country's top graduate employers are offering **paid** work experience programmes for students and recent graduates during the 2018-2019 academic year, providing a total of **13,098 places**.
- Nearly three-quarters of employers provide **paid vacation internships** for **penultimate year students** and over two-fifths offer **course 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** – a fifth of organisations offer paid internships and two-fifths of employers run introductory courses, open days and other taster experiences for first year students.
- **Over than 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 for their graduate programmes.

Chapter 5

Graduate Recruitment in 2018-2019

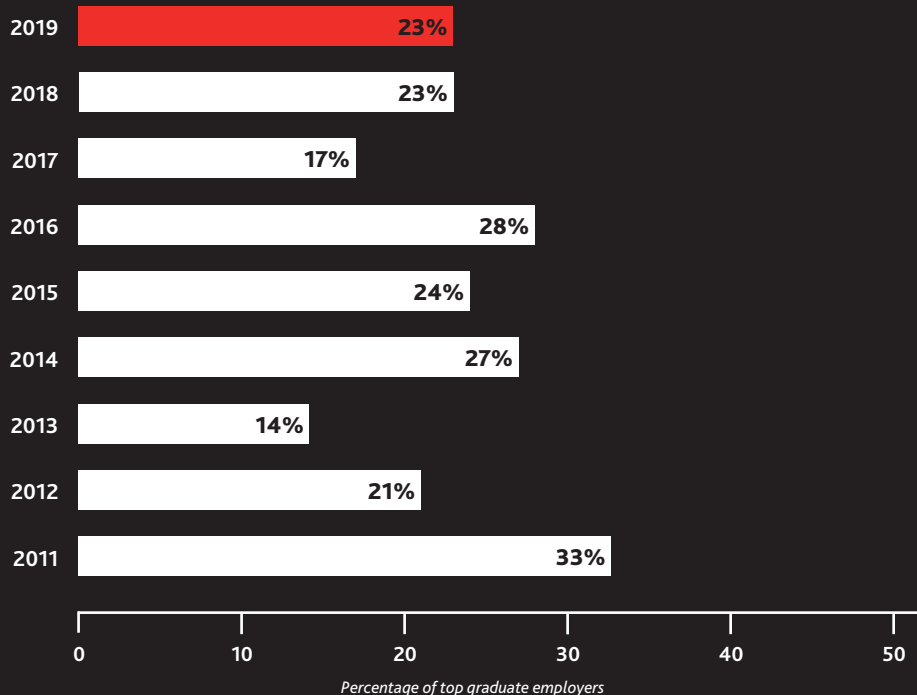
Promoting Graduate Programmes

The final part of the research examines how the UK's leading recruiters have approached the 2018-2019 recruitment round – from the promotions they used to publicise their graduate opportunities and the universities they targeted during their campus recruitment campaigns, to the volume and quality of applications received so far for their 2018 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. The outlook improved during the 2010-2011 recruitment season (see *Chart 5.1*), but in 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 next three recruiting seasons, around a quarter of the leading employers increased their recruitment spending, but this proportion dropped noticeably in 2016-2017. Over the last two years, budgets have increased again as the number of graduate vacancies has risen.

Chart 5.1 Employers with increased annual Graduate Recruitment Budgets 2011-2019



Source - The Graduate Market in 2019

Graduate Recruitment Challenges in 2018-2019

Graduate recruiters at half the UK’s leading employers have had similar resources to attract and recruit at universities during the 2018-2019 recruitment season, compared with last year, whereas a quarter of employers reported that their annual budget for graduate recruitment has increased (see *Chart 5.2*).

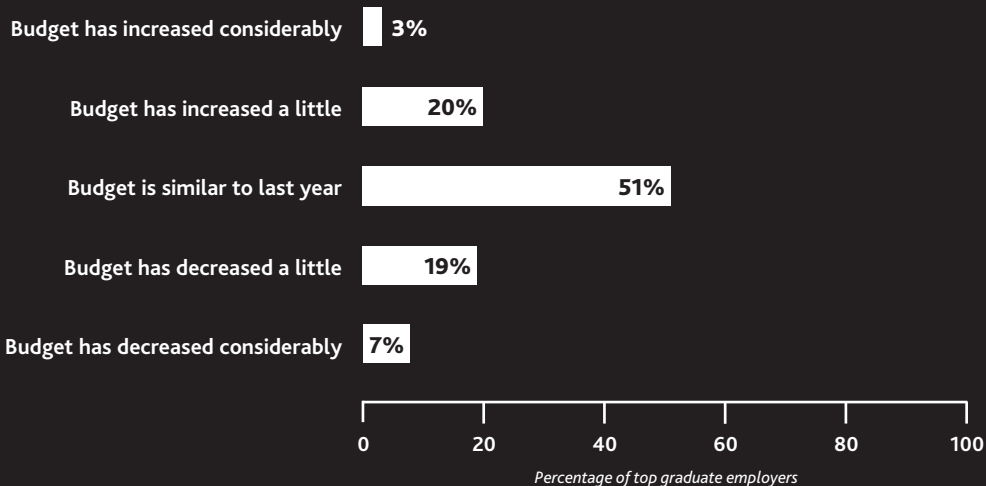
Recruiters from a total of twenty-six organisations warned they have had less money to spend on graduate recruitment this year – including several well-known engineering & industrial companies, two of the ‘Big Four’ accounting & professional services firms, two investment banks and several well-known retailers.

Graduate employers taking part in the research were asked about their main challenges and focuses during the current 2018-2019 recruitment round (see *Chart 5.3*). The results show that achieving diversity targets remains the highest priority for recruiters, as organisations seek to recruit a more balanced workforce, with graduates from a wider range of backgrounds and circumstances.

More than three-fifths of employers confirmed they were focussed on improving students’ perceptions of their organisations, half were trying to meet social mobility targets and two-fifths hoped to improve the quality of the graduates they recruited. Recruiters at a record forty-five organisations complained that they had insufficient resources in their graduate recruitment teams and almost a third were worried about their limited graduate recruitment marketing budget. Fewer employers were concerned about heightened competition from other graduate employers this year.

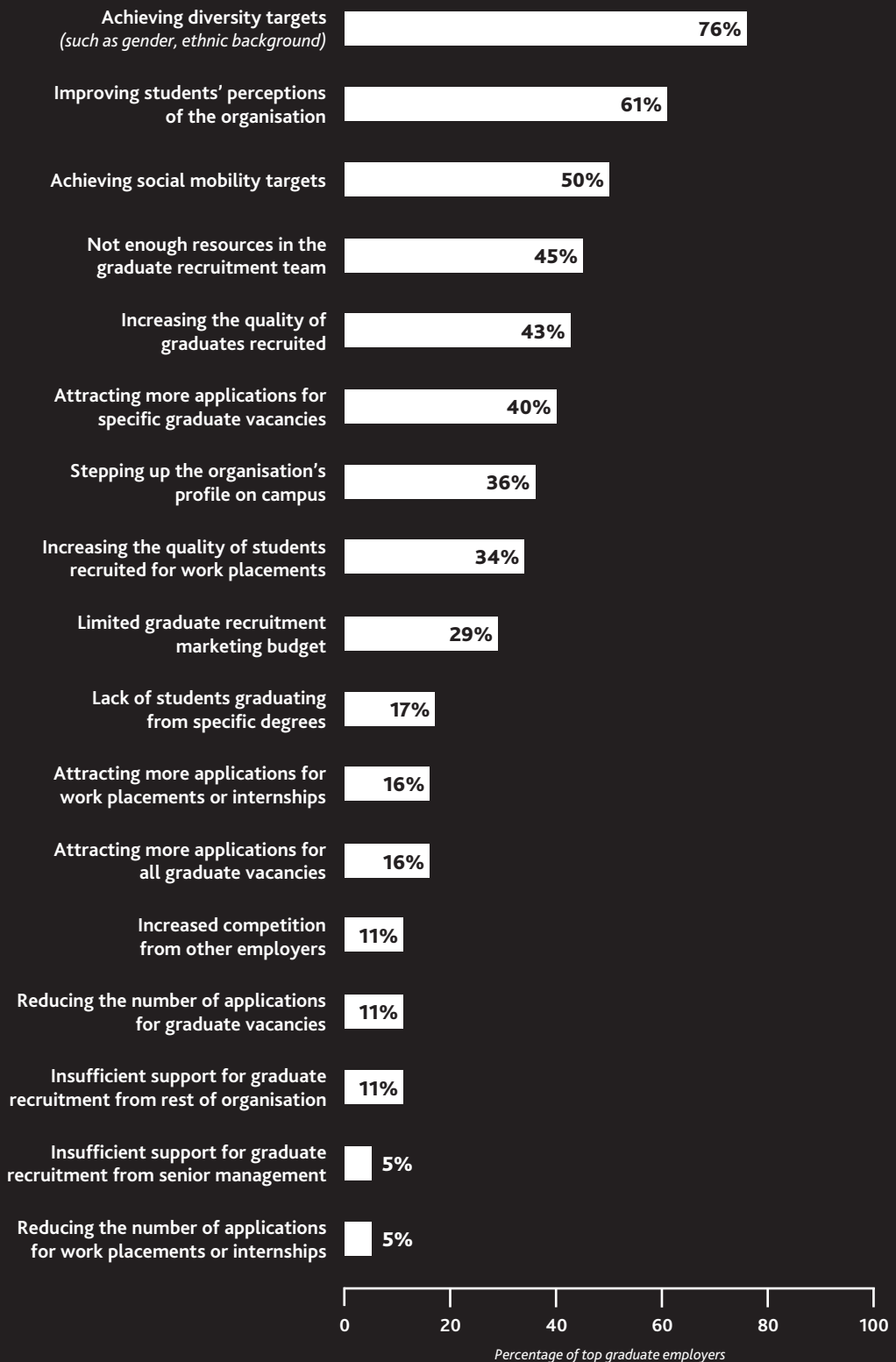
Few employers wanted to increase the total number of graduate applications that they received but a two-fifths of recruiters hoped to attract more applicants for specific job functions, particularly those with technology or engineering vacancies. There was also an increased emphasis on work experience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

Chart 5.2 Employers’ Graduate Recruitment Budgets for 2018-19



Source - The Graduate Market in 2019

Chart 5.3 Challenges for Graduate Recruiters at the UK's Top Employers in 2018-2019



Source - The Graduate Market in 2019

Graduate Recruitment Promotions in 2018-2019

The UK’s leading employers have used a very wide variety of promotions to publicise their graduate programmes during the 2018-2019 recruitment season (see *Table 5.5*).

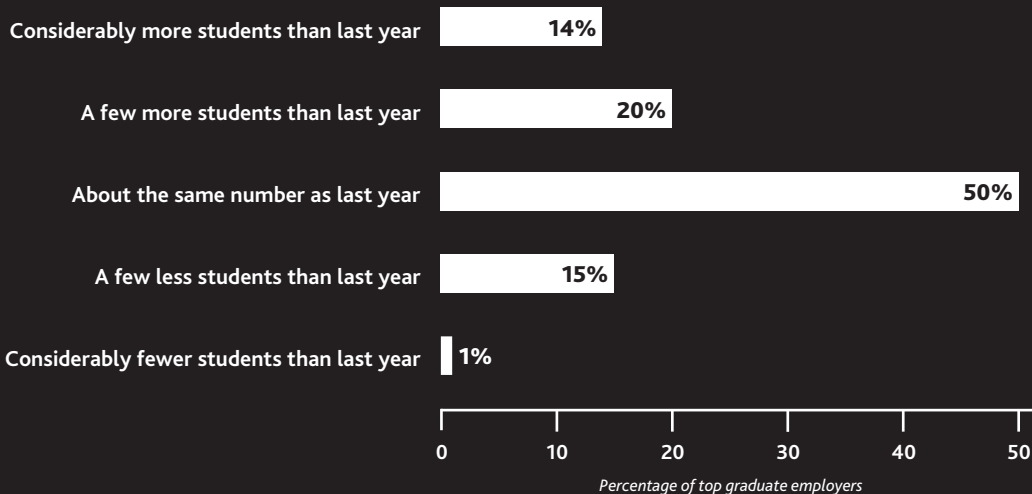
In terms of national promotions, three-fifths of graduate recruiters confirmed they had stepped-up use of social media this year and almost all of the country’s top employers have promoted their opportunities via graduate recruitment websites (such as *TARGETJobs*, *Milkround* and *Prospects*) or through advertising in graduate careers directories (such as *The Times Top 100 Graduate Employers* and *The Guardian UK 300*). Many employers have also been using commercial or university email services to contact individual students and although only half of recruiters are currently using recruitment apps (such as *Debut* or *Placer*), their usage has increased a little year-on-year.

On campus, almost every major graduate employer has been working with university careers services this year and most are also taking part in a programme of local university recruitment events. Over ninety individual organisations hosted their own campus presentations across the UK, with almost a quarter opting to host more events than last year. Even more employers have been using careers fairs to publicise their graduate opportunities, although a handful of recruiters had taken part in fewer individual events.

Skills training events continue to be widely-used, with more than a fifth of employers stepping up these events this year. Campus drop-in sessions were used by more than two-thirds of the top employers but have proved less popular than in previous years and fewer recruiters relied on academic lectures to promote their graduate vacancies

Over half of graduate employers have recruited their own network of campus brand managers – local students or postgraduates who are hired to help publicise an employer’s university events, to remind fellow students about application deadlines, and to assist recruiters with identifying potential local promotional opportunities. Three-fifths of recruiters are sponsoring student societies, clubs or sporting events this year to help publicise their employer brand at a local level.

Chart 5.4 Number of Students taking part in Employers’ Campus Events in 2018-2019



Source - The Graduate Market in 2019

However, fewer recruiters chose to advertise in printed 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.

Graduate employers have reported strong attendances by students at their campus events so far during the 2018-2019 recruitment season (see *Chart 5.4*) – over a third of organisations said that either a ‘few more’ or ‘considerably more’ students had taken part in their local recruitment presentations, skills training sessions or had met them at university careers fairs. Half of organisations thought the turnout from students had been similar to the previous recruitment season and fewer than one in six employers were disappointed that fewer job hunters attended their events this year.

It is also 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 2018-2019 recruitment round specifically for first year students, such as taster sessions, open days or introductory courses.

A third of graduate employers said they had done more with first year students than ever before or had worked harder to promote course placements, internships and work experience programmes to penultimate year undergraduates. And half of recruiters had stepped up their earliest graduate promotions, targeting pupils at schools and sixth form colleges.

Table 5.5 Analysis of Employers’ Graduate Recruitment Promotions in 2018-2019

<i>Graduate Recruitment Promotion</i>	<i>% of employers who used promotion during 2017-2018</i>	<i>Done more than last year %</i>	<i>About the same as last year %</i>	<i>Done less than last year %</i>
University careers services	94	23	62	8
Careers fairs	94	26	44	23
Promotions on social media	94	60	30	4
Promotions on recruitment websites	94	26	57	10
Advertising in graduate directories	94	8	78	8
Campus presentations	92	27	48	17
Email services	88	19	62	6
Skills training sessions	82	22	48	12
Advertising in career sector guides	75	5	61	9
Drop-in sessions	70	10	47	13
Sponsorship of student societies	62	6	48	8
Academic lectures	58	10	44	4
Campus brand managers	55	22	30	3
Advertising in local careers guides	53	1	43	9
Recruitment apps	51	19	25	6
Advertising in student newspapers	29	3	19	6

Source - The Graduate Market in 2019

Universities Targeted by Employers in 2018-2019

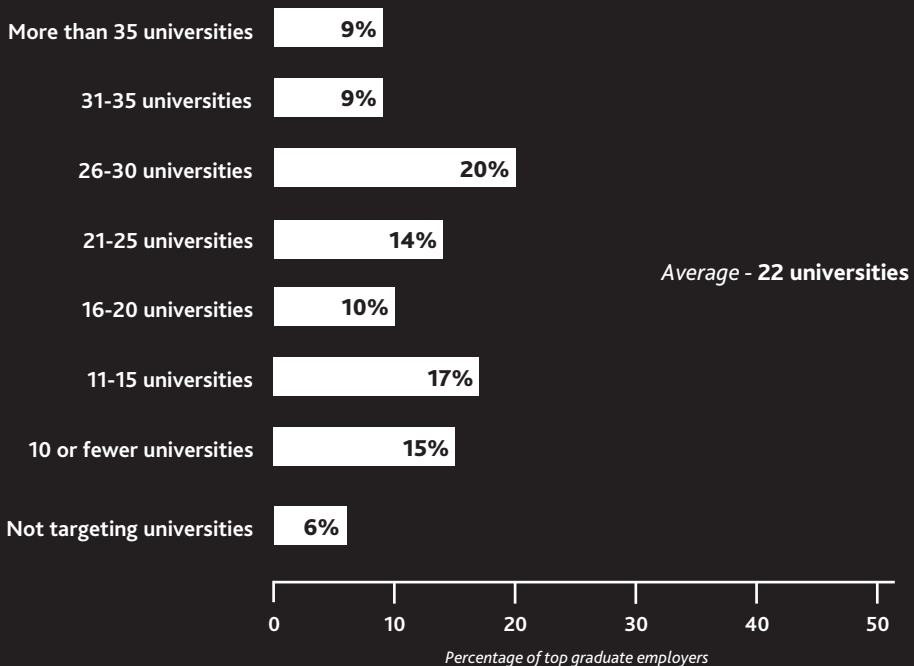
With over 140 universities offering undergraduate degree courses in the UK, employers have the widest-ever choice of higher education institutions from which to recruit graduates. Very few organisations have the resources to target all of these universities to promote their graduate opportunities, so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

For the 2018-2019 recruitment season, nearly half the country’s top graduate employers have targeted between 15 and 30 universities each (see *Chart 5.6*), one in six organisations are visiting more than thirty campuses for their graduate promotions, and six employers are not targeting any individual universities at all. Accounting & professional services firms, public sector employers and law firms have actively publicised their graduate vacancies at the largest number of universities (see *Chart 5.7*).

The five universities currently targeted by the largest number of top graduate employers are Manchester, Bristol, Birmingham, Warwick and University College London (see *Table 5.8*). These institutions have attracted the largest number of leading graduate recruiters for campus fairs, recruitment presentations or other local university promotions during 2018-2019.

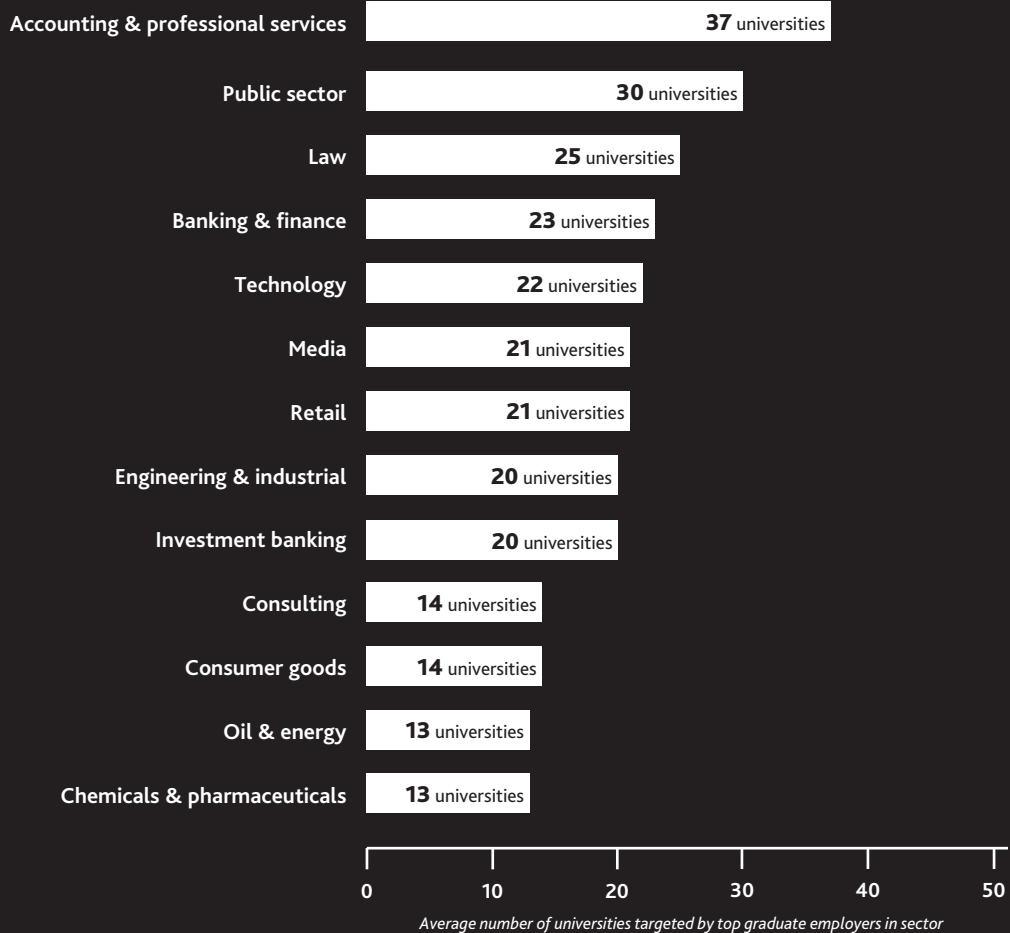
It is intriguing to compare this list with *The Times & Sunday Times Good University Guide 2019*, the latest league table of institutions compiled from a range of university data including entry standards, teaching performance, academic research, student funding and graduates’ career prospects. In these rankings, Cambridge and Oxford are in 1st and 2nd place but Manchester, the most-targeted university for the UK’s leading employers, is only ranked in 20th place. 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 2018-2019



Source - The Graduate Market in 2019

Chart 5.7 Universities Targeted by Top Employers in 2018-2019, by Sector or Industry



Source - The Graduate Market in 2019

Table 5.8 Universities Targeted by the Largest Number of Top Employers in 2018-2019

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Manchester	20	14. Exeter	12
2. Bristol	19	15. Edinburgh	28
3. Birmingham	14	16. York	22
4. Warwick	10	17. London School of Economics	9
5. London University College	8	18. Newcastle	21
6. Cambridge	1	19. Southampton	18
7. Nottingham	16	20. London King's College	35
8. Durham	7	21. Loughborough	5
9. Leeds	11	22. Glasgow	17
10. Oxford	2	23. Cardiff	32
11. London Imperial College	4	24. Liverpool	31
12. Sheffield	25	25. Leicester	38
13. Bath	13		

Source - The Graduate Market in 2019

* The Times & Sunday Times Good University Guide 2019

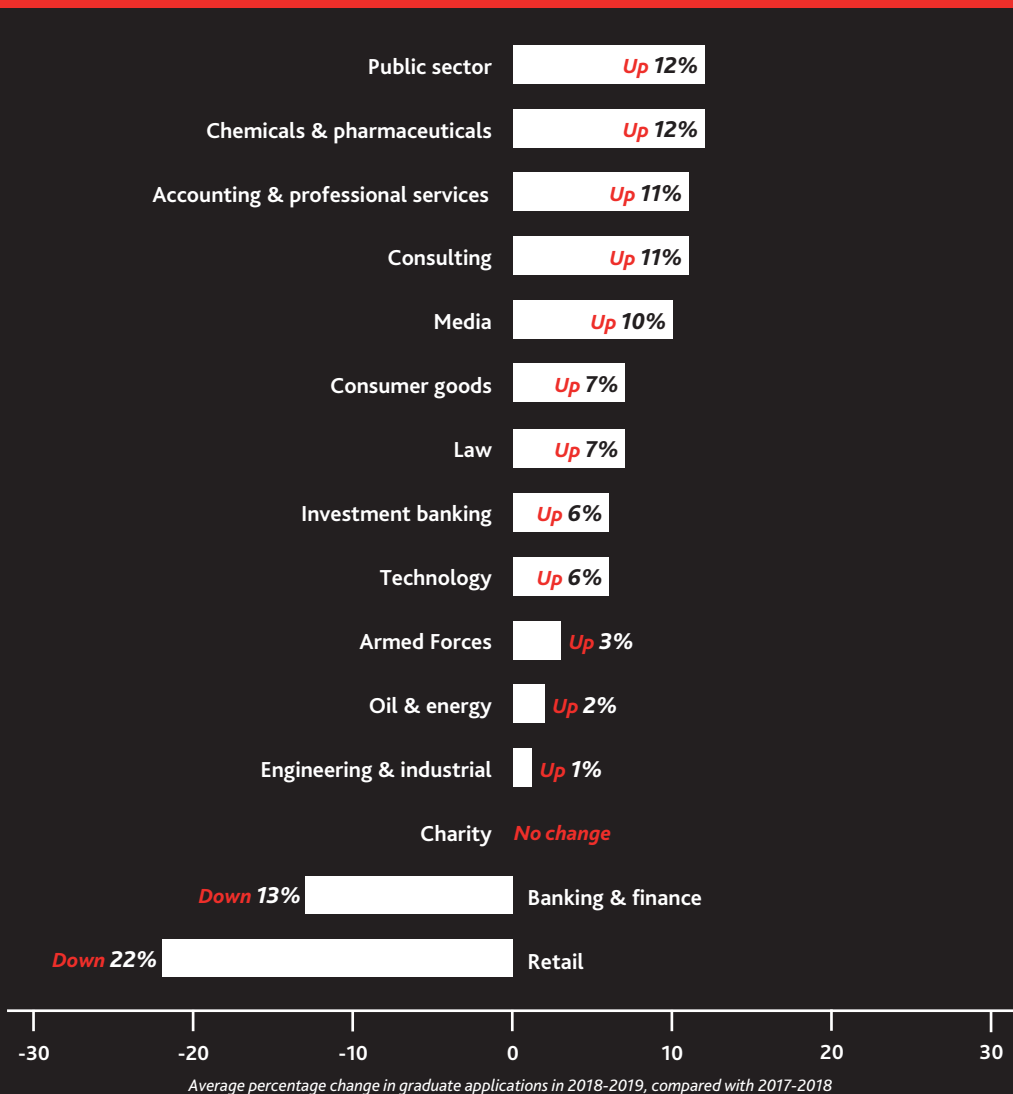
Graduate Applications Received in 2018-2019

Almost half the UK’s top employers have seen an increase in the number of graduate applications they received in the early part of the 2017-2018 recruitment round, compared with the same period last year (see *Chart 5.10*).

Eight organisations from different industries and business sectors said that their graduate application levels had risen by more than a quarter, a significant year-on-year increase, whilst a further thirty-six employers reported more modest increases. By contrast, nine employers have seen their graduate applications fall by more than 10% this year.

These results equate to an average rise in graduate applications of 4%, compared with last year’s recruitment round, the smallest annual increase for more than five years. Applications rose by 10% in the early stages of both the 2017-2018 and 2016-2017 recruitment seasons, by 13% in 2015-2016, by 6% in 2014-2015 and by 9% in 2013-2014.

Chart 5.9 Number of Applications to Employers in 2018-2019, by Sector or Industry



Source - The Graduate Market in 2019

Employers reporting the biggest increases in graduate applications in 2018-2019 are those in the public sector, chemicals & pharmaceuticals, accounting & professional services and consulting, where graduate applications have increased by more than 10% compared with a year ago (see *Chart 5.9*).

Over half of employers felt that the quality of the applications they've received was similar to last year, but a quarter said that the quality of applications had increased 'a little' and eight employers thought the quality had increased 'considerably' (see *Chart 5.11*).

Chart 5.10 Number of Graduate Applications Received by Employers in 2018-2019

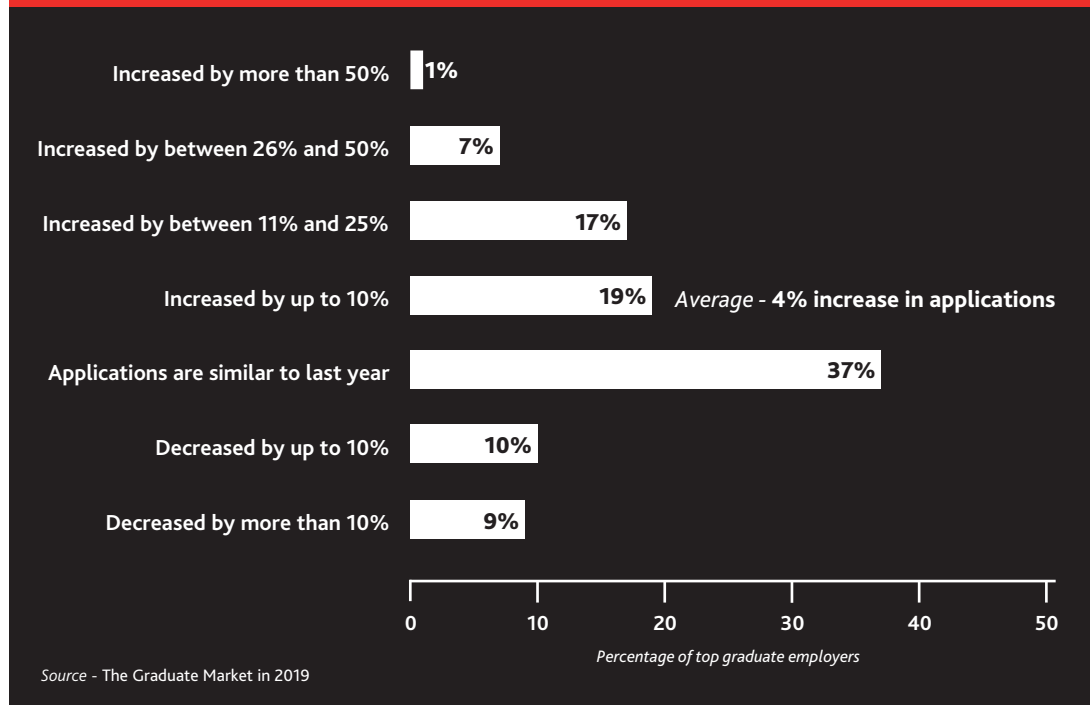
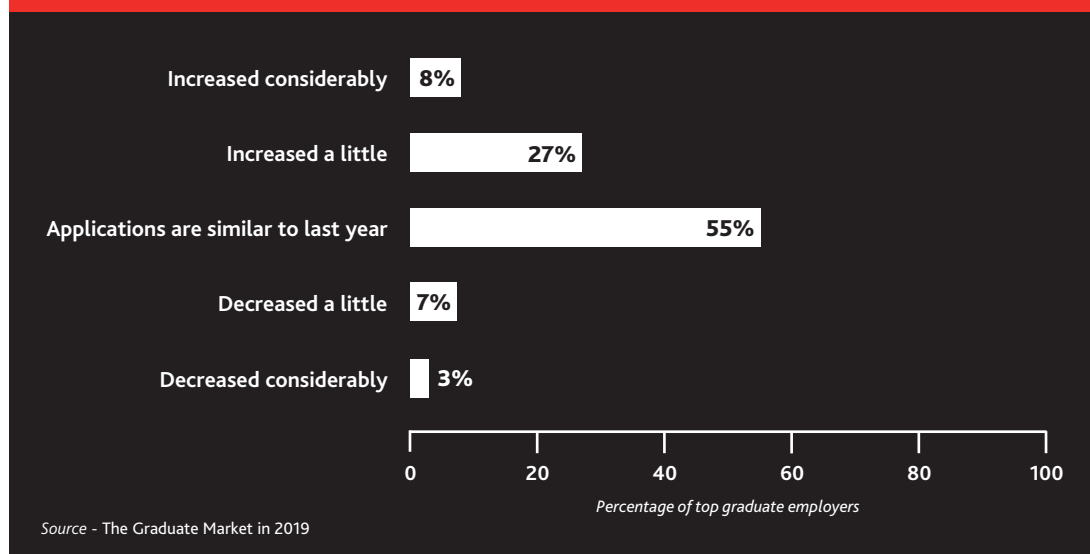


Chart 5.11 Quality of Graduate Applications Received by Employers in 2018-2019



Summary

- Just under a quarter of the country's leading graduate employers have **increased** their graduate recruitment budgets for the 2018-2019 recruitment round.
- Employers have been actively marketing their 2018 graduate vacancies at an average of **22** 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 **recruitment websites** during this year's recruitment campaigns – and did less **advertising** in career sector guides, local guides and student newspapers and spent less sponsoring student societies & clubs.
- The ten universities **targeted** by the largest number of top graduate employers in 2018-2019 are Manchester, Bristol, Birmingham, Warwick, University College London, Cambridge, Nottingham, Durham, Leeds and Oxford.
- Over two-fifths 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 a third also believed the quality of applications had improved.
- Together, the country's top employers have received **4% more graduate job applications** so far, compared with the equivalent period in the 2017-2018 recruitment round.