

The Graduate Market in 2018

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 2018 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 2017**:

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate 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 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%** 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 consulting firm **Newton** (£45,000), law firms **White & Case** (£46,000), **Baker & McKenzie** (£45,000), **Herbert Smith Freehills** (£44,000), 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).
- Substantial numbers of employers now also have work experience places for **first year undergraduates** – a quarter of organisations offer paid internships and over a third of employers run introductory courses, open days and other taster experiences for first year students.
- **More 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 processes for the top employers' graduate programmes.
- Fewer than a quarter of the country's leading employers have **increased** their graduate recruitment budgets for the 2017-2018 recruitment round.
- Employers have been actively marketing their 2018 graduate vacancies at an average of **21** 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 apps** during this year's recruitment campaigns – and did less **advertising** in career sector guides, local guides and student newspapers.
- The ten universities most-often targeted by the UK's top graduate employers in 2017-2018 are Manchester, Birmingham, Warwick, Bristol, University College London, Cambridge, Leeds, Nottingham, Oxford and Durham.
- 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 **10% more graduate job applications** so far, compared with the equivalent period in the 2016-2017 recruitment round.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2018**, 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 2017, examines how many graduates the leading employers recruited in 2017 and assesses their latest recruitment targets for 2018.

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 2017-2018 recruitment season.

This is the thirteenth 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 2017 in a poll of 20,102 final year students to find “Which employer offers the best opportunities for graduates”.

About High Fliers Research

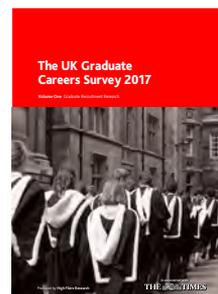
Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 150 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position 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 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 the UK'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 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 2017*, some 20,102 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 2017.

It is these employers that are included in the research for **The Graduate Market in 2018** report:

<i>Accenture</i>	<i>Diageo</i>	<i>McKinsey & Company</i>
<i>Aecom</i>	<i>DLA Piper</i>	<i>Mi5 - The Security Service</i>
<i>Airbus</i>	<i>Dyson</i>	<i>Microsoft</i>
<i>Aldi</i>	<i>E.ON</i>	<i>Morgan Stanley</i>
<i>Allen & Overy</i>	<i>Exxonmobil</i>	<i>Mott Macdonald</i>
<i>Amazon</i>	<i>EY</i>	<i>Nestlé</i>
<i>Apple</i>	<i>Facebook</i>	<i>Network Rail</i>
<i>Army</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Newton Europe</i>
<i>Arup</i>	<i>Frontline</i>	<i>NHS</i>
<i>AstraZeneca</i>	<i>GCHQ</i>	<i>Norton Rose Fulbright</i>
<i>Atkins</i>	<i>GE</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 Now</i>
<i>Baker & Mckenzie</i>	<i>Grant Thornton</i>	<i>Procter & Gamble</i>
<i>Bank of England</i>	<i>GSK</i>	<i>PwC</i>
<i>Barclays</i>	<i>Herbert Smith Freehills</i>	<i>RAF</i>
<i>BBC</i>	<i>Hogan Lovells</i>	<i>RBS</i>
<i>Bloomberg</i>	<i>HSBC</i>	<i>Rolls-Royce</i>
<i>BMW Group</i>	<i>IBM</i>	<i>Royal Navy</i>
<i>Boots</i>	<i>Irwin Mitchell</i>	<i>Santander</i>
<i>Boston Consulting Group</i>	<i>Jaguar Land Rover</i>	<i>Savills</i>
<i>BP</i>	<i>John Lewis Partnership</i>	<i>Shell</i>
<i>BT</i>	<i>JP Morgan</i>	<i>Siemens</i>
<i>Cancer Research UK</i>	<i>KPMG</i>	<i>Sky</i>
<i>Centrica</i>	<i>L'Oreal</i>	<i>Slaughter and May</i>
<i>Charityworks</i>	<i>Lidl</i>	<i>Teach First</i>
<i>Citi</i>	<i>Linklaters</i>	<i>Tesco</i>
<i>Civil Service Fast Stream</i>	<i>Lloyd's</i>	<i>Think Ahead</i>
<i>Clifford Chance</i>	<i>Lloyds Banking Group</i>	<i>UBS</i>
<i>CMS</i>	<i>Local Government</i>	<i>Unilever</i>
<i>Danone</i>	<i>Marks & Spencer</i>	<i>Virgin Media</i>
<i>Deloitte</i>	<i>Mars</i>	<i>Wellcome</i>
<i>Deutsche Bank</i>	<i>McDonald's Restaurants</i>	<i>White & Case</i>
		<i>WPP</i>

Chapter 2

Graduate Vacancies

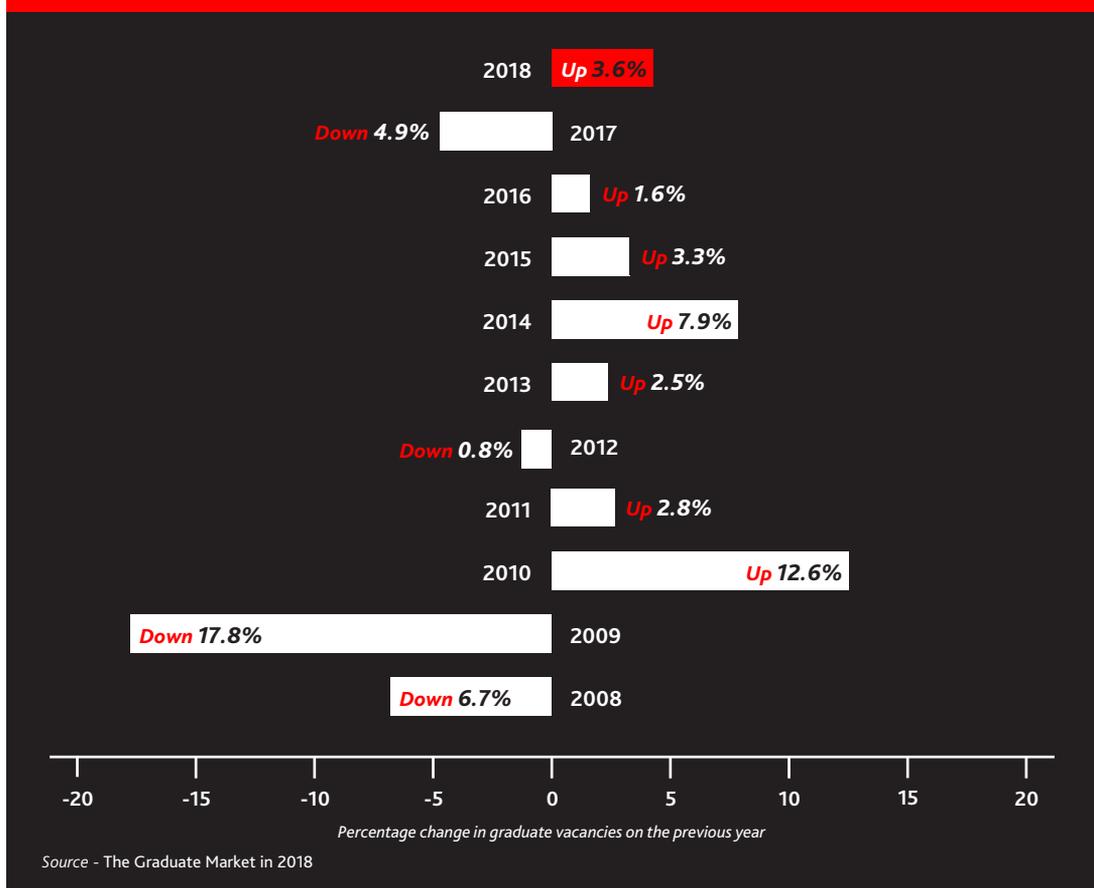
Job Vacancies for Graduates

The first part of the research examines the number of graduate vacancies available at the UK's leading employers in 2018, compared with actual recruitment in 2017. Graduate vacancies for 2018 are typically positions with an autumn 2018 start date, promoted during the current 2017-2018 recruitment season.

The Graduate Market in 2017 report confirmed that the country's top employers increased their graduate recruitment by 1.6% in 2016, following rises of 3.3%, 7.9% and 2.5% over the previous three recruiting seasons, and that recruitment was expected to rise for the fifth year running in 2017, taking graduate vacancies to their highest level since 2007.

The latest research reveals that significantly fewer graduates were recruited last year than predicted but that the UK's leading employers have more ambitious graduate recruitment targets for 2018 (see *Chart 2.1*).

Chart 2.1 How Employers' Vacancies for Graduates Changed from 2008 to 2018



Graduates Recruited in 2017

The UK’s leading employers began the 2016-2017 recruitment season with bold targets for their 2017 graduate intake. Graduate recruitment at the country’s best-known organisations had reached an all-time high during the 2015-2016 recruitment round, and although several prominent organisations had struggled to fill all their 2016 vacancies, many were keen to continue expanding their annual graduate intake.

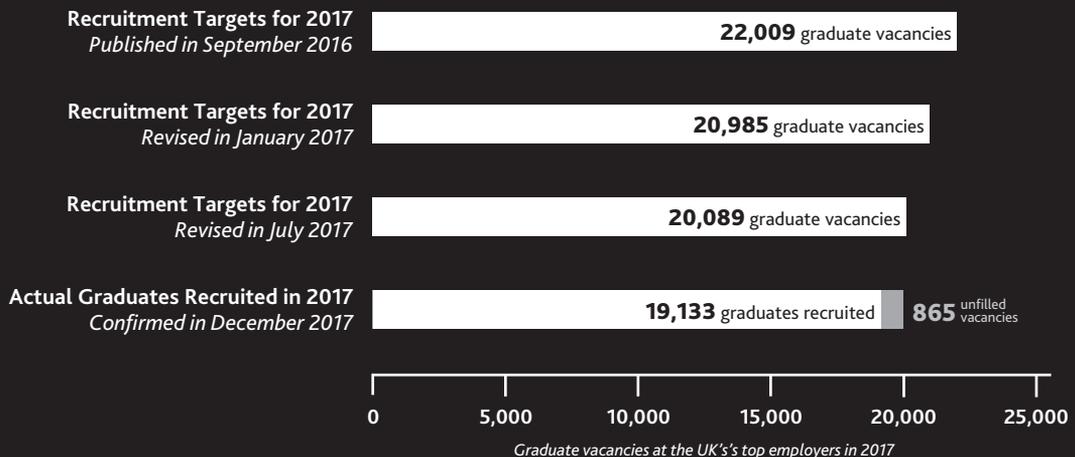
For most employers, their initial graduate recruitment targets for 2017 were set in the summer of 2016, just before the UK’s vote to leave the European Union. These targets, first published in September 2016, suggested the top employers were planning to recruit over 22,000 new graduates in 2017, their biggest intake yet and almost 10% more graduates than had been recruited in 2016.

But by the mid-season assessment of graduate vacancies in January 2017, the widespread uncertainty about the impact of Brexit meant that employers’ recruitment targets for 2017 had been reduced significantly. As the season progressed, these targets were downgraded further and by July 2017, the final estimate concluded that there would be no annual growth in graduate jobs in 2017 (see *Chart 2.2*).

The latest research, however, shows that a total of just 19,133 graduates actually started work with the organisations featured in *The Times Top 100 Graduate Employers* in 2017, substantially fewer than had been expected, even in the latter stages of the recruitment season (see *Table 2.3*). This means that for the first time in five years, the number of graduates recruited by the country’s leading employers fell year-on-year. Recruitment was 4.9% lower than that recorded in 2016, the largest annual decrease in graduate employment since 2009.

Whilst much of the reduction in recruitment in 2017 was ascribed to the cautious approach taken by many employers in the aftermath of the Brexit vote, it is apparent that some organisations struggled to recruit graduates for their harder-to-fill vacancies. For the third year running, more than 800 graduate roles were left vacant (see *Chart 2.2*), either because employers didn’t receive sufficient applications for their more specialist graduate vacancies or because graduates turned down or reneged on employers’ job offers.

Chart 2.2 How Graduate Recruitment Targets Changed during 2017



Source - The Graduate Market in 2018

Overall, sixty of the UK's one hundred leading employers recruited fewer graduates in 2017 than they had hired the previous year, whilst only a quarter expanded their intake of new graduates. Graduate recruitment was reduced in eight of thirteen key industries and business sectors, with the biggest cuts recorded at accounting and professional services firms, the top City investment banks and other financial institutions, retailers and consulting firms. Recruitment remained at similar levels at employers in the IT & telecommunications and oil & energy sectors.

Across the private sector employers featured in the research, graduate recruitment dropped by an average of 10.6% year-on-year in 2017 and only employers in the engineering & industrial sector reported an increase in their annual recruitment. By contrast, the number of graduates recruited for public sector employers and the Armed Forces increased by an average of 12.3%, taking graduate recruitment in these sectors to its highest level ever.

These results mean that employers' graduate recruitment targets were cut by almost 3,000 over the course of the 2016-2017 recruitment season, a reduction of more than 13% during the year.

The largest recruiters of graduates in 2017 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.

Table 2.3 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 Jan 2017	Recruitment target for 2017, as revised in July 2017	Actual graduates recruited by Dec 2017	% change from recruitment in 2016	Vacancies added (cut), compared with 2016
Accounting & professional services	5,050	4,489	4,416	4,247	▼ 13.3%	(652)
Armed Forces	1,600	1,580	1,746	1,666	▲ 1.6%	27
Banking & finance	1,685	1,436	1,318	1,231	▼ 16.4%	(242)
Consulting	750	691	654	605	▼ 20.5%	(156)
Consumer goods	386	321	254	242	▼ 36.1%	(137)
Engineering & industrial	2,230	2,155	2,027	1,988	▲ 7.7%	142
Investment banking	2,120	2,005	1,895	1,849	▼ 10.8%	(223)
IT & telecommunications	915	961	842	912	NO CHANGE	1
Law	797	789	774	733	▼ 3.2%	(24)
Media	437	545	445	454	▼ 18.9%	(106)
Oil & energy	195	160	165	148	NO CHANGE	1
Public sector	4,040	4,287	4,046	4,000	▲ 17.4%	593
Retailing	1,460	1,313	1,293	816	▼ 17.7%	(176)
ALL SECTORS	22,009	20,985	20,089	19,133	▼ 4.9%	(984)

Source - The Graduate Market in 2018

Expected Graduate Vacancies in 2018

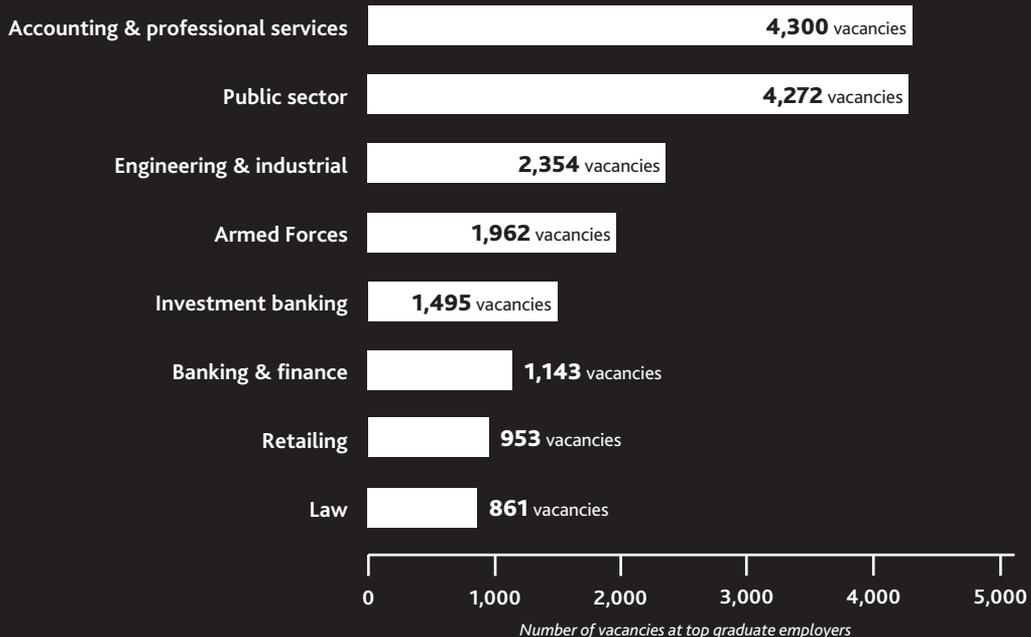
Although the UK’s leading graduate employers recruited substantially fewer graduates than originally planned during the 2017 recruiting season, the outlook for 2018 is cautiously optimistic, with graduate recruitment expected to increase by 3.6% in the year ahead. Together, the country’s top employers intend to recruit 20,277 new graduates, a target that has been revised upwards since the beginning of the recruitment season.

Two-fifths of organisations are preparing to take on more graduates, with eight employers planning to hire more than fifty extra graduates during 2018. A third of employers plan to hire similar numbers of graduates to their 2017 intake, but a quarter warn they will have fewer entry-level vacancies this year. The median number of vacancies at the top employers in 2018 is 90 graduates, but ten of the largest employers are intending to recruit more than 500 university-leavers in the coming months (see *Chart 2.5*).

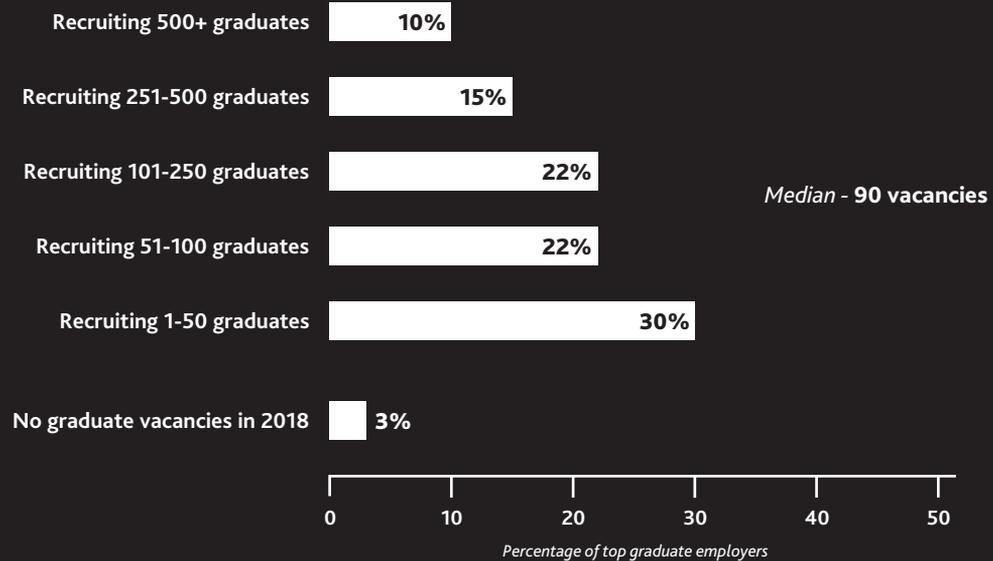
The largest recruiters of graduates in 2018 are expected to be the accounting & professional services firms, public sector employers, and engineering & industrial companies who have combined recruitment targets of nearly 11,000 graduate positions (see *Chart 2.4*). In comparison to the final recruitment figures for 2017, vacancies for graduates are set to increase in seven of the thirteen main employment areas (see *Table 2.6*). The largest growth is at public sector organisations, accounting & professional services firms, engineering & industrial companies, and the Armed Forces. Sectors with fewer graduate vacancies this year include investment banking, IT & telecommunications and banking & finance.

It is worth noting, however, that more than half the 700 additional graduate jobs expected at the UK’s leading employers in 2018 are at just four individual organisations – two in the public sector, one of the Armed Forces, and one of the ‘Big Four’ accounting & professional services firms – none of which achieved their graduate recruitment targets in 2017.

Chart 2.4 Industries or Business Sectors with the most Graduate Vacancies in 2018



Source - The Graduate Market in 2018

Chart 2.5 Graduate Vacancies at the UK's Top Employers in 2018

Source - The Graduate Market in 2018

Table 2.6 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 Dec 2017	% change from recruitment in 2017	Vacancies added (cut), compared with 2017
Accounting & professional services	4,200	4,300	▲ 6.3%	253
Armed Forces	1,600	1,962	▲ 5.0%	94
Banking & finance	1,140	1,143	▼ 3.4%	(40)
Consulting	660	650	▲ 6.2%	38
Consumer goods	207	188	▼ 6.9%	(14)
Engineering & industrial	2,275	2,354	▲ 11.6%	245
Investment banking	1,220	1,495	▼ 5.8%	(92)
IT & telecommunications	905	953	▼ 8.0%	(83)
Law	870	861	▲ 4.0%	33
Media	500	638	▼ 3.8%	(25)
Oil & energy	285	276	▲ 6.6%	17
Public sector	4,177	4,272	▲ 6.6%	265
Retailing	985	782	▼ 1.4%	(11)
ALL SECTORS	19,435	20,277	▲ 3.6%	700

Source - The Graduate Market in 2018

Changes to Graduate Vacancies 2007-2017

For university students who graduated a decade ago, 2007 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.

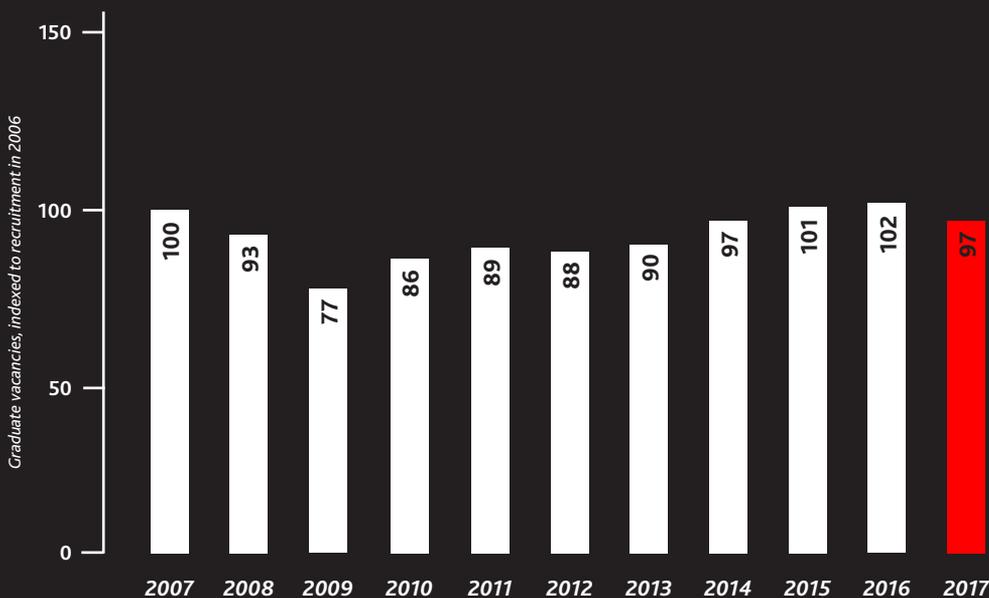
But the onset of the global financial crisis and the recession that followed in the UK had a profound effect on the graduate job market, and graduate vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by an unprecedented 23.3% in 2008 and 2009. Entry-level positions were 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 2.9*). 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 2.9 Indexing Graduate Vacancies at the UK’s Top Employers 2007 to 2017



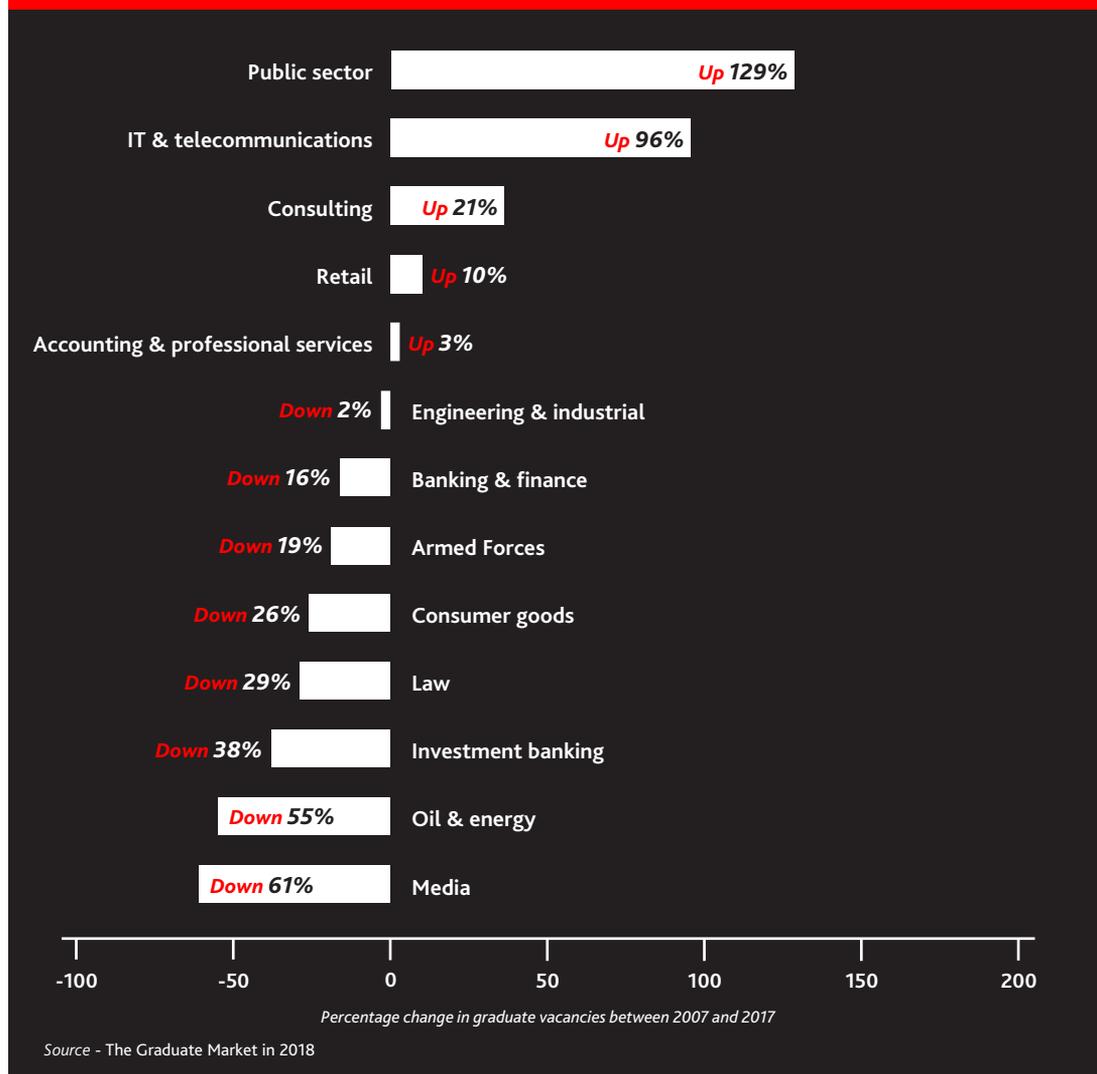
Source - The Graduate Market in 2018

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 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 in five key employment areas, recruitment was higher than ten years ago (see *Chart 2.10*). The number of entry-level positions available for graduates in the public sector has more than doubled over the last ten years, whilst recruitment at the top IT & telecommunications companies has jumped by over 90%. However, graduate recruitment at the top media companies, oil & energy groups, City investment banks, law firms, consumer goods manufacturers, the Armed Forces, banking & finance firms, and engineering & industrial employers remains lower than it was in 2007.

Chart 2.10 How Graduate Vacancies Changed 2007 to 2017, by Sector or Industry



Summary

- The number of graduates hired by organisations featured in *The Times Top 100 Graduate 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 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%** 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.

Chapter 3

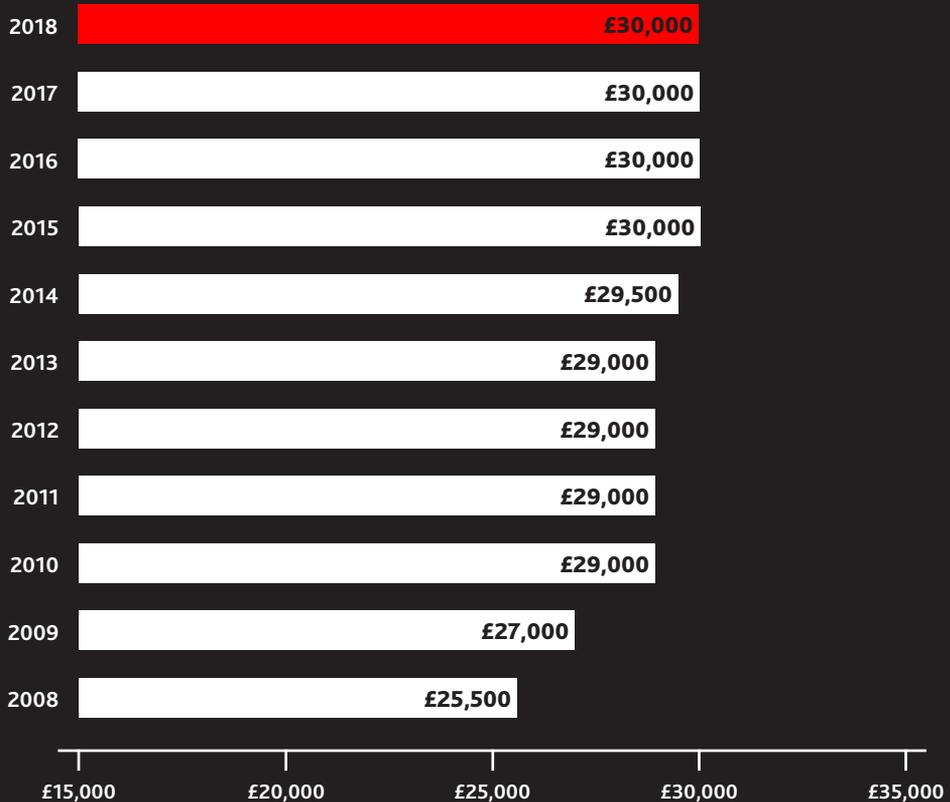
Graduate Starting Salaries

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 2018, compared with the salaries paid to graduate recruits who began work in 2017. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2016-2017 and 2017-2018 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 2008 to 2018



Source - The Graduate Market in 2018

Median starting salaries

Graduate Starting Salaries in 2018

The median graduate starting salary on offer in 2018 from the UK’s leading employers is expected to be £30,000, unchanged for the fourth year running.

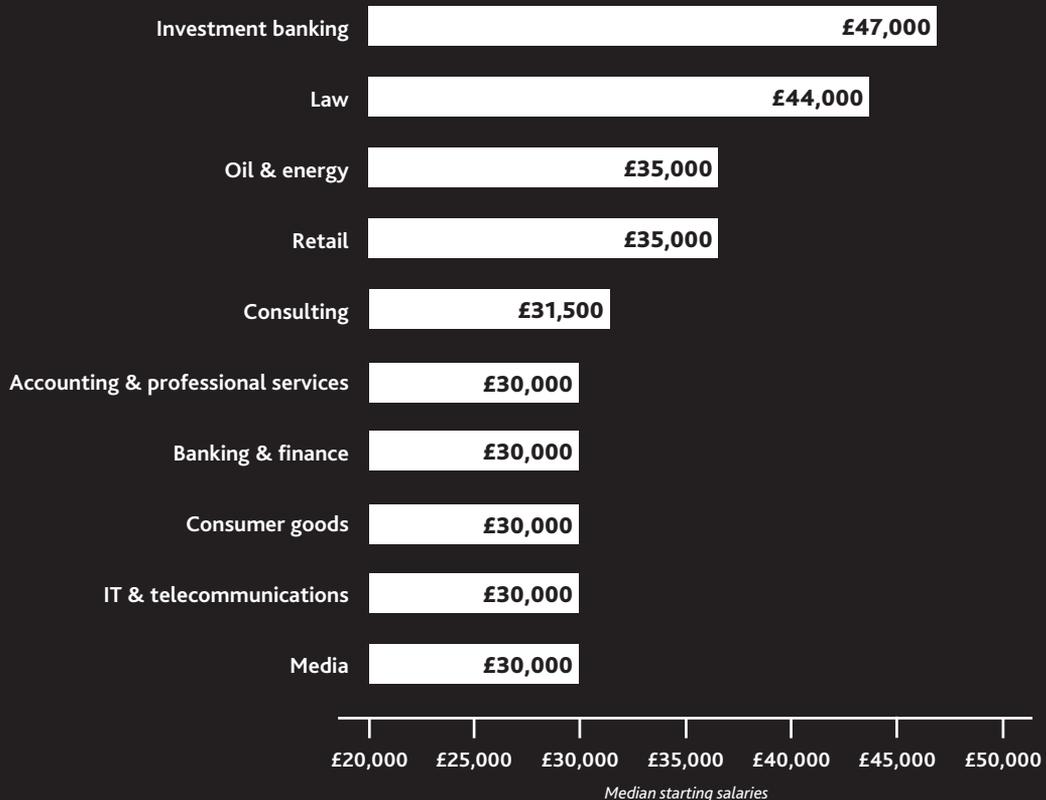
At the very top of the market there are nine organisations offering graduate salaries in excess of £45,000 this year, whereas just four employers have starting salaries of £20,000 or less. Analysis of the salaries paid for individual roles shows that more than a sixth of jobs at the country’s top employers now have initial salaries of £40,000 or more (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 fourth time in four years, to a new high of £44,000. The median starting salary available to university-leavers has also risen at high street & online retailers (see *Table 3.4*). Median salaries are set to remain unchanged in eleven industries and business sectors in 2018.

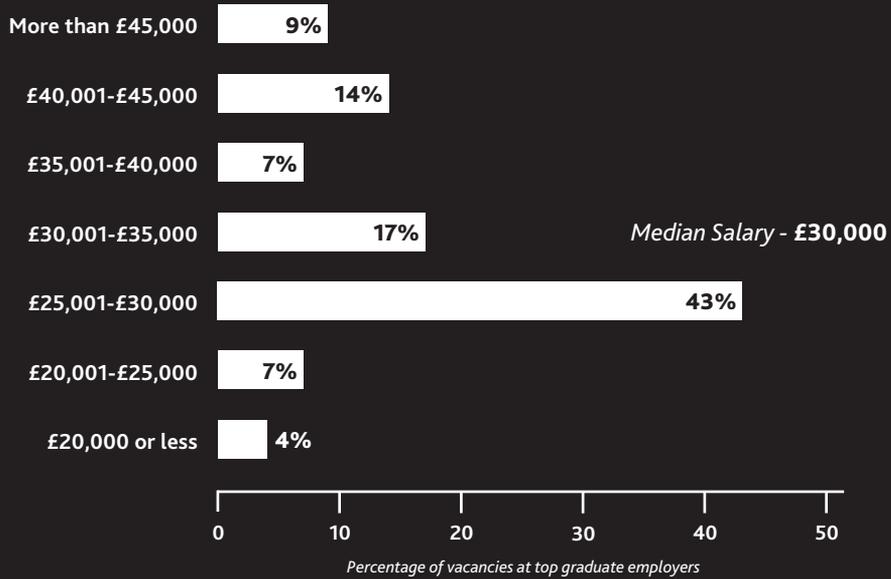
Away from the City and the legal sector, this year’s highest published starting salaries are at the consulting firm Newton – which offers its graduate recruits £45,000 – and Aldi, where the pay for graduates joining its trainee area manager programme has increased to £44,000.

It is interesting to note that had the median graduate starting salary of £25,500 paid by the UK’s top employers in 2008 kept pace with inflation, it would now be worth over £34,700, almost £5,000 more than this year’s median pay.

Chart 3.2 Industries or Business Sectors with the highest Graduate Salaries in 2018



Source - The Graduate Market in 2018

Chart 3.3 Graduate Starting Salaries at leading UK Employers in 2018

Source - The Graduate Market in 2018

Table 3.4 Analysis of Graduate Salaries in 2018, by Industry or Business Sector

Industry or Business Sector	Median graduate starting salary for 2018	Range of graduate starting salaries on offer in 2018	% change in median salary since 2017	Increase (decrease) in median salary
Accounting & professional services	£30,000	£17,000-£42,000	NO CHANGE	NO CHANGE
Armed Forces	£26,000	£26,000-£32,000	NO CHANGE	NO CHANGE
Banking & finance	£30,000	£27,000-£55,000	NO CHANGE	NO CHANGE
Consulting	£31,500	£31,500-£50,000	NO CHANGE	NO CHANGE
Consumer goods	£30,000	£27,000-£32,000	NO CHANGE	NO CHANGE
Engineering & industrial	£27,500	£24,000-£30,100	NO CHANGE	NO CHANGE
Investment banking	£47,000	£40,000-£56,000	NO CHANGE	NO CHANGE
IT & telecommunications	£30,000	£28,200-£37,000	NO CHANGE	NO CHANGE
Law	£44,000	£27,000-£46,000	▲ 2.3%	£1,000
Media	£30,000	£17,000-£40,000	NO CHANGE	NO CHANGE
Oil & energy	£35,000	£27,000-£38,500	NO CHANGE	NO CHANGE
Public sector	£24,200	£16,000-£28,000	NO CHANGE	NO CHANGE
Retailing	£35,000	£22,000-£44,000	▲ 2.9%	£1,000
ALL SECTORS	£30,000	£16,000-£56,000	NO CHANGE	NO CHANGE

Source - The Graduate Market in 2018

Summary

- **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 consulting firm **Newton** (£45,000), law firms **White & Case** (£46,000), **Baker & McKenzie** (£45,000), **Herbert Smith Freehills** (£44,000), and retailer **Aldi** (£44,000).

Chapter 4

Internships & Work Placements

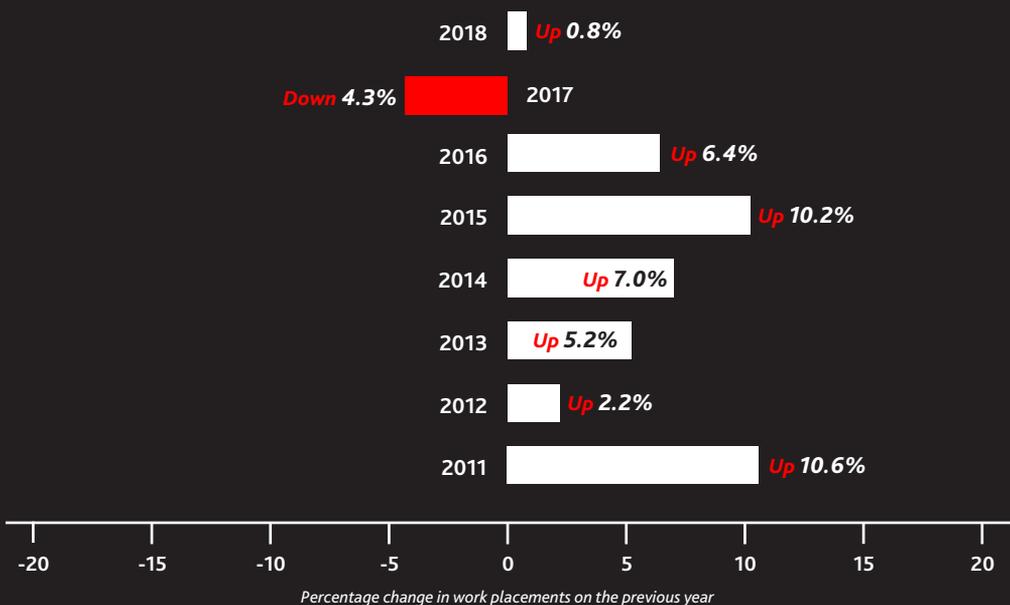
Recruiting Graduates through Work Experience Programmes

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. Many recruiters also consider that hiring candidates who have proven their abilities during a placement to be a more reliable way of employing graduates.

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 eight years (see *Chart 4.1*).

Chart 4.1 How Work Placements for University Students Changed from 2011 to 2018



Source - The Graduate Market in 2017

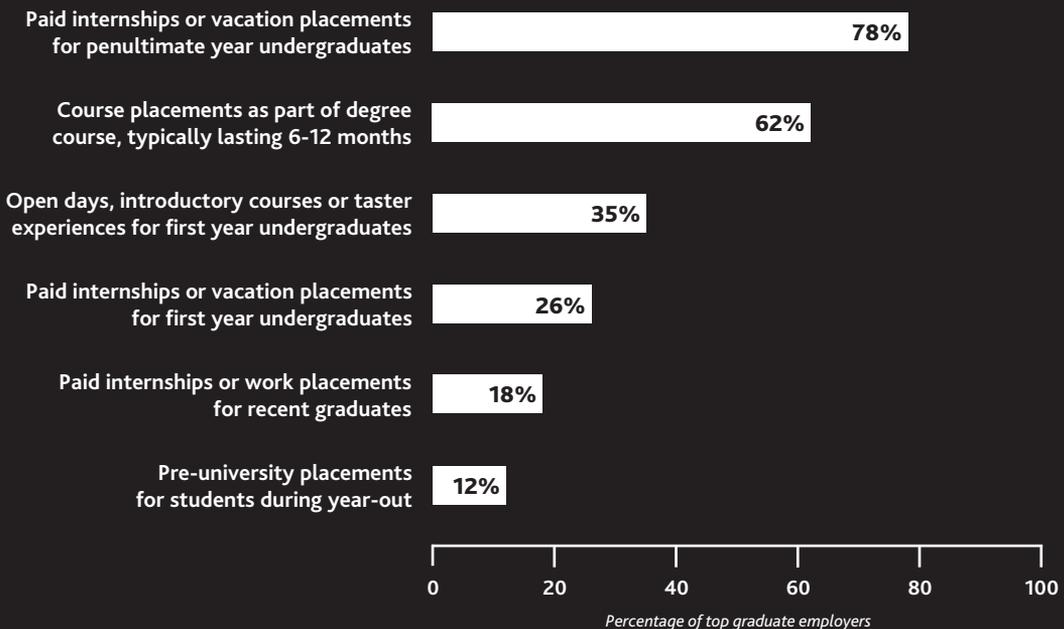
Availability of Work Experience in 2018

More than three-quarters of the country’s top graduate employers will be providing paid internships to penultimate year students during their 2018 summer vacations (see *Chart 4.2*) and over three-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 almost 13,000 paid internships and work experience placements this year (see *Table 4.4*). This is a slight increase on the number of work placements that were provided by graduate employers in 2017, when places on work experience programmes dipped by 4.3% 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 2018, the country’s top graduate employers are offering a median of 90 paid internships or work placements (see *Chart 4.3*) but sixteen organisations are providing more than 250 placements each. The leading engineering & industrial companies have the most places available this year, with over 2,400 paid internships and work placements. This is one of just five sectors where the number of work experience places on offer from employers outstrips the number of permanent jobs available to graduates. Consulting 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.

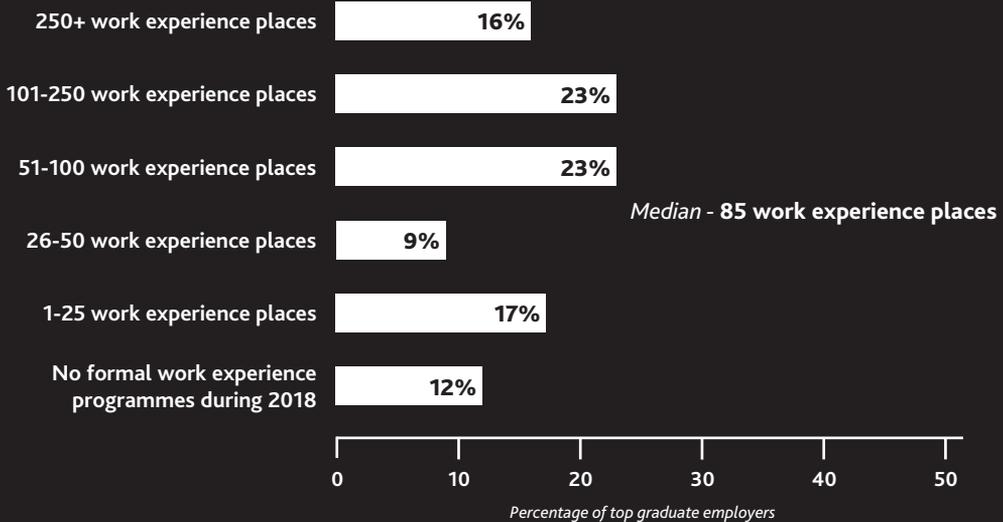
Chart 4.2 Type of Work Experience available at the UK’s Top Employers in 2018



Source - The Graduate Market in 2018

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 2018



Source - The Graduate Market in 2018

Table 4.4 Analysis of Paid Work Experience in 2018, by Industry or Business Sector

Industry or Business Sector	Total work experience places available in 2017	Total work experience places available in 2018	% change in places between 2017 & 2018	Ratio of work experience places to graduate vacancies in 2018
Accounting & professional services	1,866	1,793	▼ 3.9%	42:100
Banking & finance	1,354	1,233	▼ 8.9%	108:100
Consulting	210	115	▼ 45.2%	18:100
Consumer goods	391	405	▲ 3.6%	215:100
Engineering & industrial	1,993	2,419	▲ 21.4%	103:100
Investment banking	2,075	1,925	▼ 7.2%	129:100
IT & telecommunications	686	548	▼ 20.1%	58:100
Law	1,407	1,250	▼ 11.2%	145:100
Oil & energy	272	263	▼ 3.3%	95:100
Public sector	676	1,077	▲ 59.3%	25:100
Retailing	456	473	▲ 3.7%	60:100
ALL SECTORS	12,753	12,849	▲ 0.8%	63:100

Source - The Graduate Market in 2018

Summary

- 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).
- Substantial numbers of employers now also have work experience places for **first year undergraduates** – a quarter of organisations offer paid internships and over a third of employers run introductory courses, open days and other taster experiences for first year students.
- **More 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 2017-2018

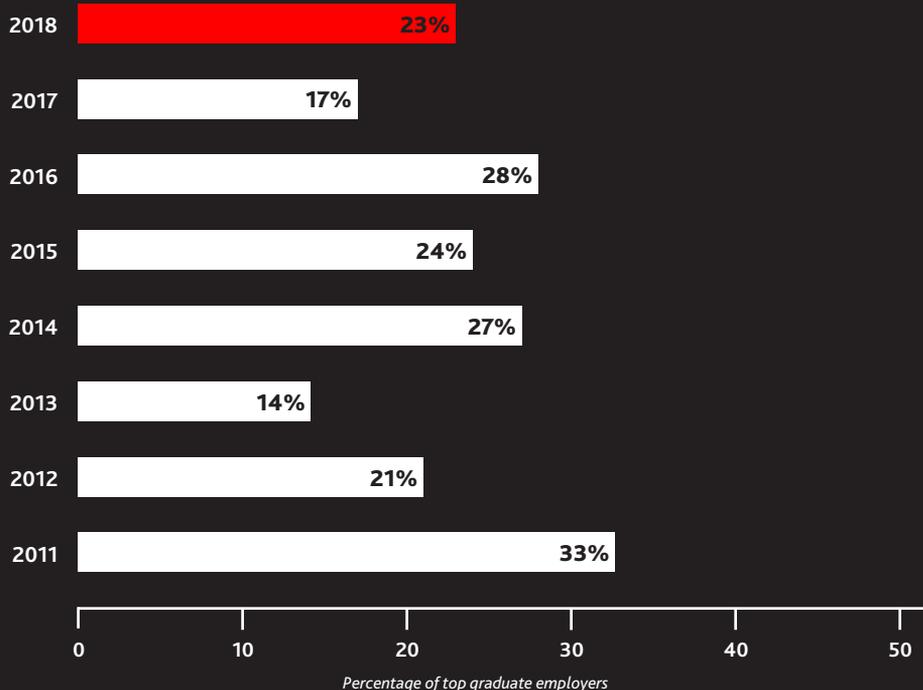
Promoting Graduate Programmes

The final part of the research examines how the UK's leading recruiters have approached the 2017-2018 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 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. Just thirteen employers increased their annual graduate recruitment budget that year.

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.

Chart 5.1 Top Employers with increased annual Graduate Recruitment Budgets



Source - The Graduate Market in 2018

Graduate Recruitment Challenges in 2017-2018

Graduate recruiters at half the UK’s leading employers have had similar resources to attract and recruit universities during the 2017-2018 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*).

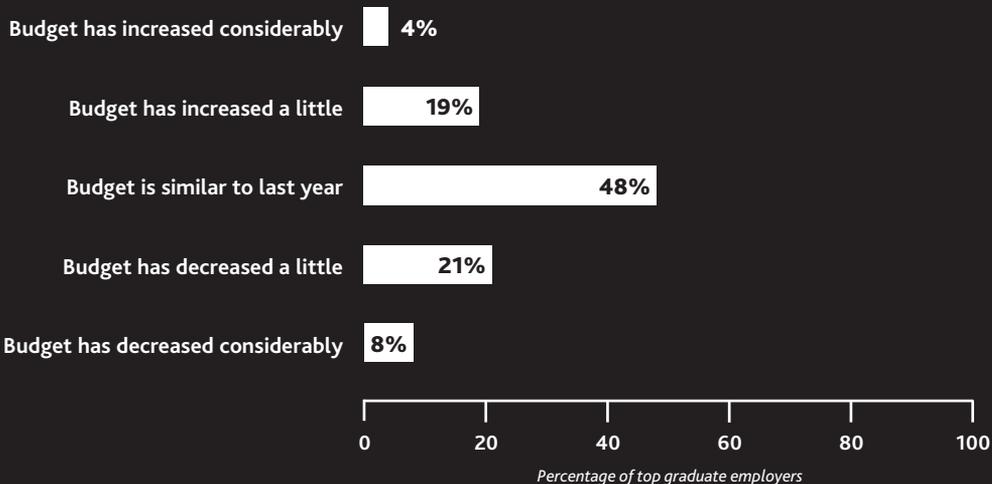
Recruiters from a total of twenty-nine organisations warned they have had less money to spend on graduate recruitment this year – including several well-known engineering & industrial companies, oil & energy companies, one of the ‘Big Four’ accounting & professional services firms, and a number of the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

Employers taking part in the research were asked about their main challenges and focuses during the current 2017-2018 recruitment round (see *Chart 5.3*). The results show that achieving diversity targets remain 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 half of employers confirmed they were focussed on improving students’ perceptions of their organisations, over two-fifths hoped to improve the quality of graduates they recruited and a similar proportion were trying to meet social mobility targets. Recruiters at a record forty-two organisations complained that they had insufficient resources in their graduate recruitment teams and a quarter were worried about their limited graduate recruitment marketing budget. A similar proportion were concerned about heightened competition from other graduate employers this year.

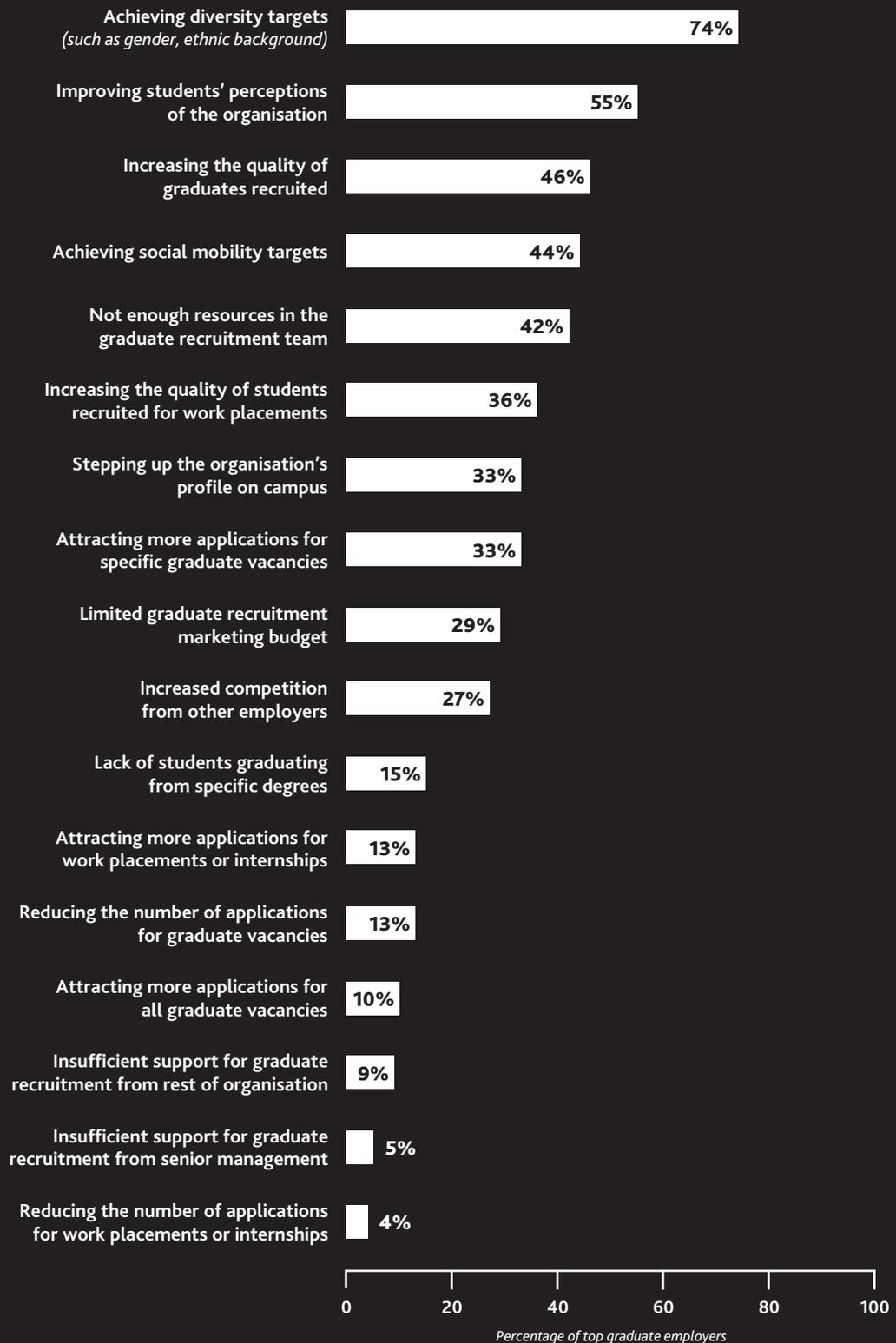
Very few employers wanted to increase the total number of graduate applications that they received but a third of recruiters hoped to attract more applicants for specific job functions, particularly those with engineering or other technical vacancies. There was also an increased emphasis on work experience at many organisations, with 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 2017-18



Source - The Graduate Market in 2018

Chart 5.3 Challenges for Graduate Recruiters at the UK's Top Employers in 2017-2018



Source - The Graduate Market in 2018

Graduate Recruitment Promotions in 2017-2018

The UK’s leading employers have used a very wide variety of promotions to publicise their graduate programmes during the 2017-2018 recruitment season (see *Table 5.5*).

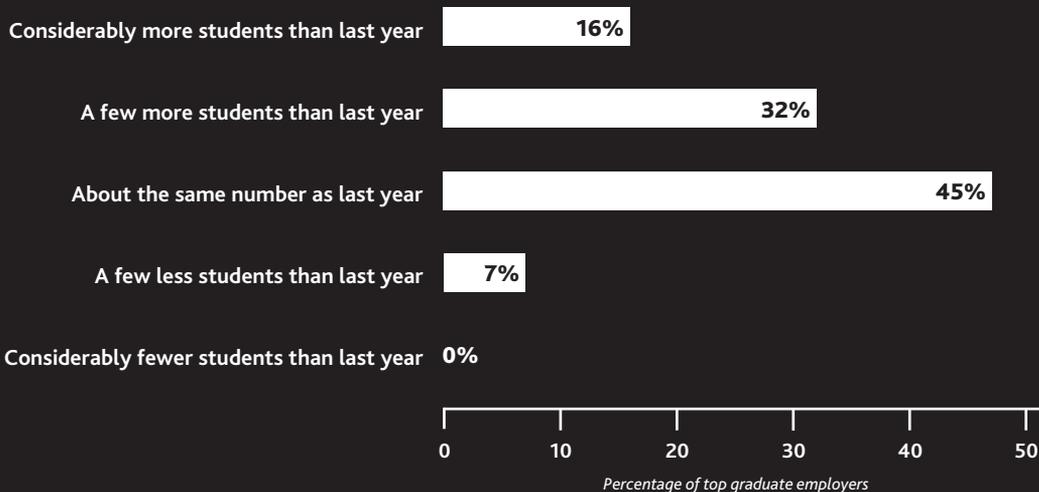
In terms of national promotions, more than three-fifths of graduate recruiters confirmed they had stepped-up use of social media this year and almost all of the country’s top employers have promoted their opportunities via graduate recruitment websites (such as *TARGETJobs*, *Milkround* and *Prospects*) 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 *Headstart*) their usage has increased year-on-year.

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. Similar numbers of employers have been using careers fairs to publicise their graduate opportunities, although a third of recruiters had taken part in fewer individual events.

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

More than half of 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 assist recruiters with identifying potential local promotional opportunities. Two-thirds of recruiters sponsored student societies, clubs or sporting events almost have held national or inter-university student competitions to engage with potential graduate recruits.

Chart 5.4 Number of Students taking part in Employers’ Campus Events in 2017-2018



Source - The Graduate Market in 2018

By contrast, 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.

Employers have reported strong attendances by students at their campus events so far during the 2017-2018 recruitment season (see *Chart 5.4*) – nearly half 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. Over two-fifths of organisations thought the turnout from students had been similar to the previous recruitment season and just seven employers were disappointed 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 2017-2018 recruitment round specifically for first year students, such as taster sessions, open days or introductory courses.

A quarter 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 more than 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 2017-2018

<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	97	19	70	8
Promotions on social media	97	63	29	5
Promotions on graduate recruitment websites	96	16	57	23
Campus presentations	95	22	51	22
Careers fairs	94	19	42	33
Advertising in graduate directories	94	11	66	17
Email services	92	17	58	17
Skills training sessions	88	27	41	20
Campus drop-in sessions	74	11	31	32
Advertising in career sector guides	71	5	36	30
Sponsorship of student societies & clubs	65	8	27	30
Academic lectures	62	6	29	27
Campus brand managers	59	8	23	28
Recruitment apps	55	13	13	29
Advertising in local careers guides	50	2	17	31
National or inter-university competitions	45	2	16	27
Advertising in student newspapers	41	1	13	27

Source - The Graduate Market in 2018

Universities Targeted by Employers in 2017-2018

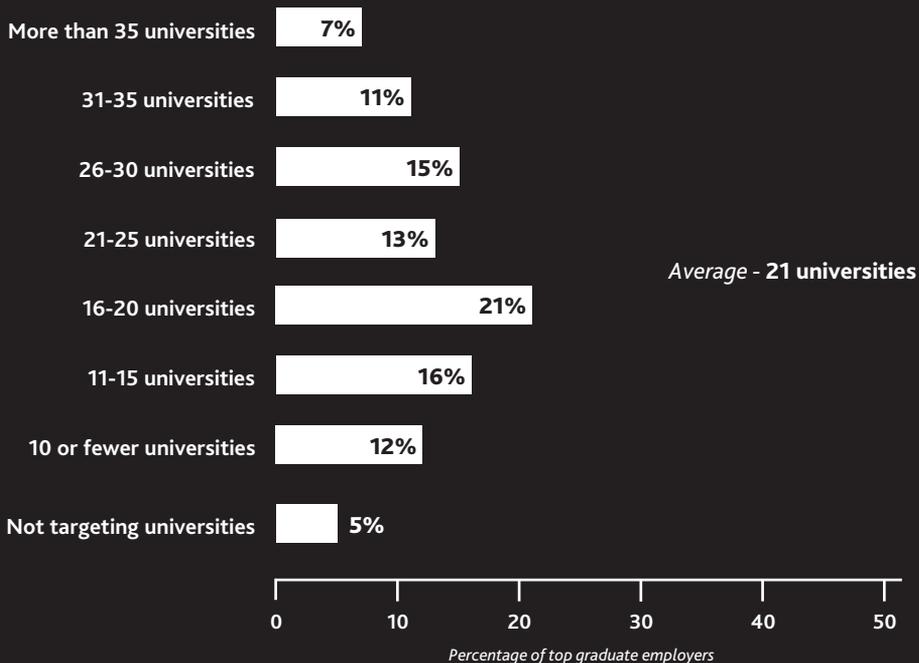
With over 140 universities offering undergraduate degree courses in the UK, employers have the widest-ever choice of higher education institutions from which to recruit graduates. Very few organisations have the resources to target all of these universities to promote their graduate opportunities, so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

For the 2017-2018 recruitment season, half the country’s top graduate employers have targeted between 10 and 25 universities each (see *Chart 5.6*), one in six organisations are visiting more than thirty campuses for their graduate promotions, and five employers are not targeting any individual universities at all. Accounting & professional services firms, public sector employers, retailers 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, Birmingham, Warwick, Bristol 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 2017-2018.

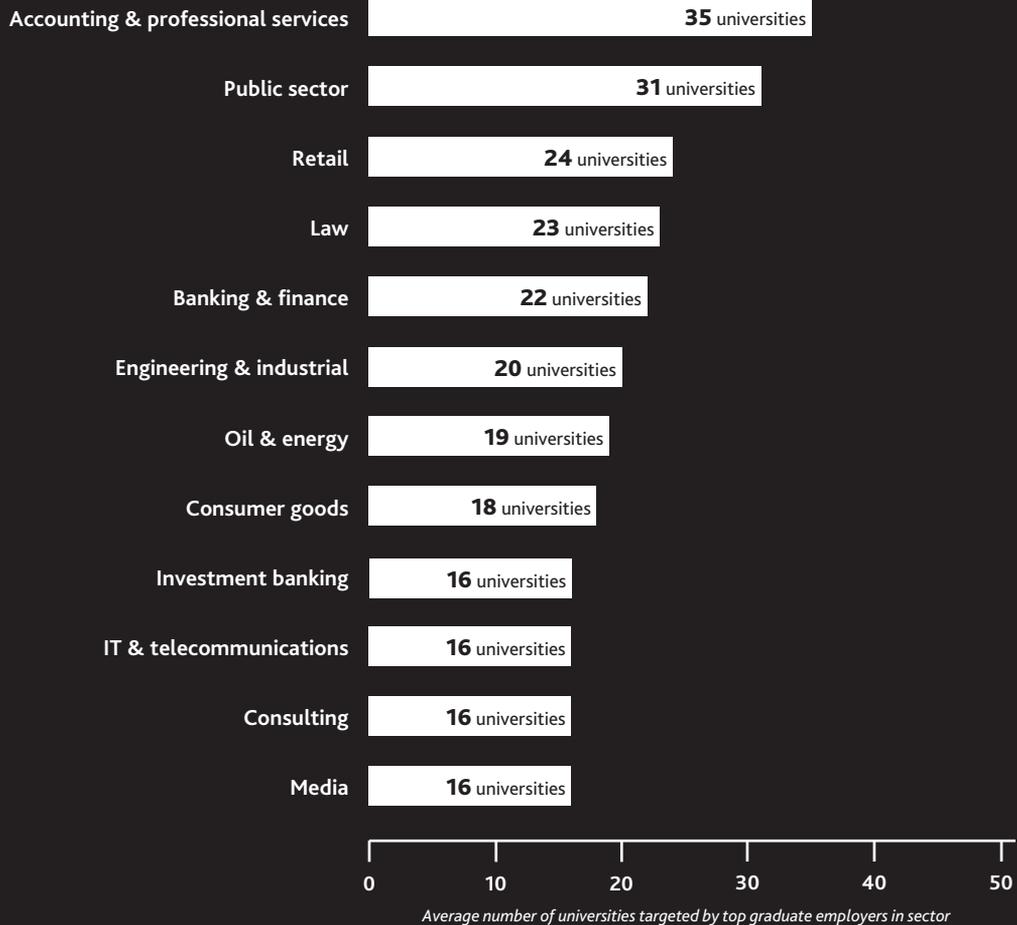
It is intriguing to compare this list with *The Times & Sunday Times Good University Guide 2018*, the latest league table of institutions compiled from a range of university data including entry standards, teaching performance, academic research, student funding and graduates’ career prospects. In these rankings, Cambridge and Oxford are in 1st and 2nd place but Manchester, the most-targeted university for the UK’s leading employers, fails to even make the top twenty. 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 2017-2018



Source - The Graduate Market in 2018

Chart 5.7 Universities Targeted by Top Employers in 2017-2018, by Sector or Industry



Source - The Graduate Market in 2018

Table 5.8 Universities Targeted by the Largest Number of Top Employers in 2017-2018

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Manchester	25	14. London Imperial College	4
2. Birmingham	15	15. Sheffield	21
3. Warwick	9	16. London School of Economics	11
4. Bristol	16	17. Southampton	30
5. London University College	7	18. Loughborough	7
6. Cambridge	1	19. London King's College	28
7. Leeds	10	20. Newcastle	26
8. Nottingham	18	21. York	16
9. Oxford	2	22. Cardiff	35
10. Durham	5	23. Leicester	34
11. Bath	12	24. Glasgow	20
12. Exeter	14	25. Liverpool	42
13. Edinburgh	24		

Source - The Graduate Market in 2018

* The Times & Sunday Times Good University Guide 2018

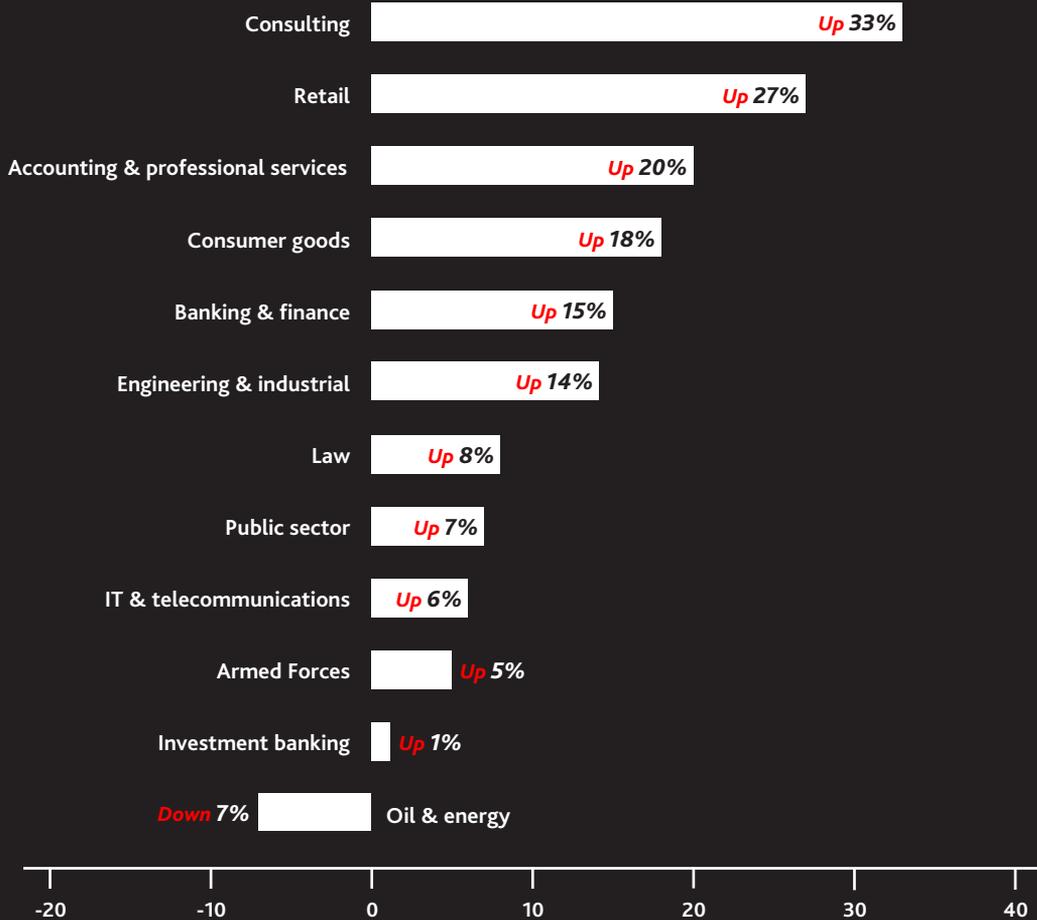
Graduate Applications Received in 2017-2018

Nearly 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*).

Eighteen 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 thirty-four employers reported more modest increases. In contrast, five employers have seen their graduate applications fall by more than 10% this year. These results equate to an average rise in graduate applications of 10%, compared with last year’s recruitment round. Applications rose by 10% in the early stages of the 2016-2017 recruitment season, by 13% in 2015-2016, by 6% in 2014-2015 and by 9% in 2013-2014.

Employers reporting the biggest increases in graduate applications in 2017-2018 are the well-known consulting firms, high street and online retailers, and the accounting & professional services firms, where graduate applications have increased by at least a fifth compared with a year ago (see *Chart 5.9*).

Chart 5.9 Number of Applications to Employers in 2017-2018, by Sector or Industry



Average percentage change in graduate applications in 2017-2018, compared with 2016-2017

Source - The Graduate Market in 2018

Around half of employers felt that the quality of the graduate applications they had received was similar to the previous recruitment season, but a third commented that the quality of applications had increased ‘a little’ and eight organisations – including two banking & finance companies and three public sector employers reported that the standard of their applicants had increased ‘considerably’ (see *Chart 5.11*).

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

Chart 5.10 Number of Graduate Applications Received by Employers in 2017-2018

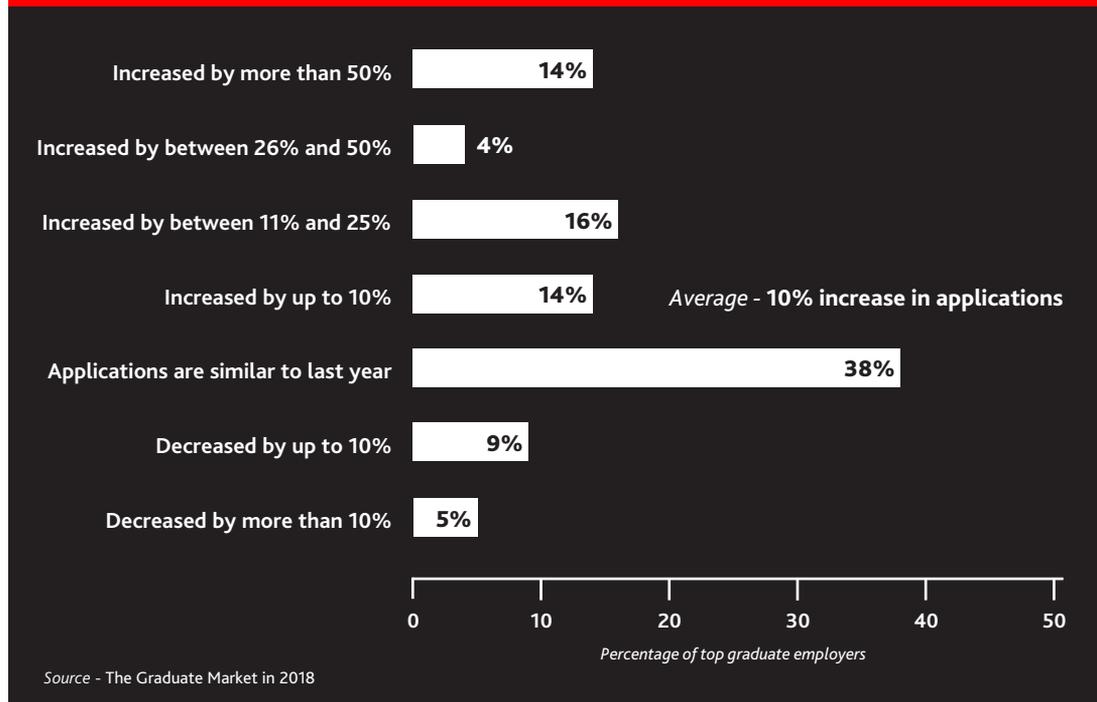
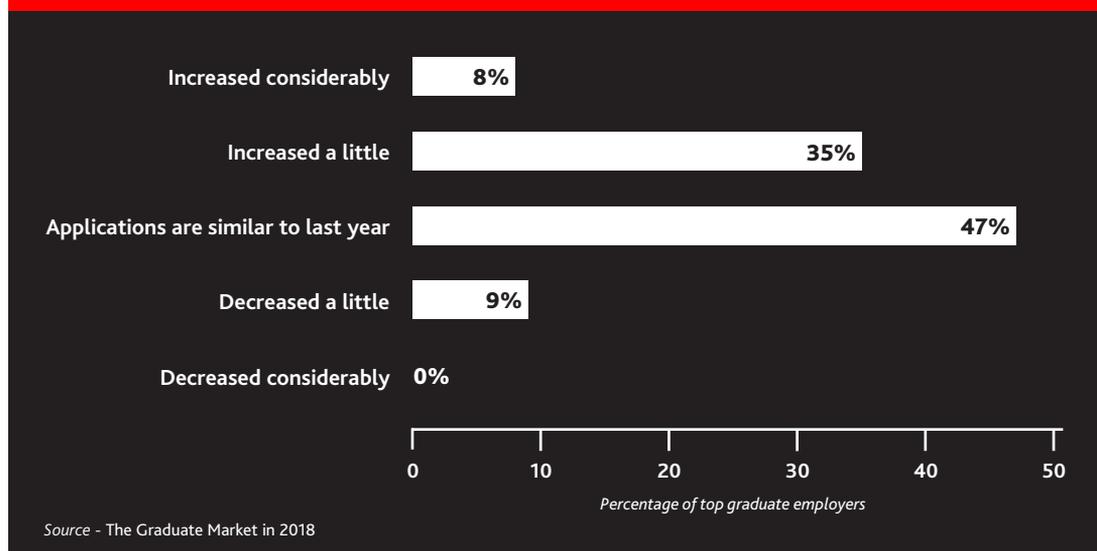


Chart 5.11 Quality of Graduate Applications Received by Employers in 2017-2018



Summary

- Fewer than a quarter of the country's leading employers have **increased** their graduate recruitment budgets for the 2017-2018 recruitment round.
- Employers have been actively marketing their 2018 graduate vacancies at an average of **21** 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 apps** during this year's recruitment campaigns – and did less **advertising** in career sector guides, local guides and student newspapers.
- The ten universities most-often targeted by the UK's top graduate employers in 2017-2018 are Manchester, Birmingham, Warwick, Bristol, University College London, Cambridge, Leeds, Nottingham, Oxford and Durham.
- 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 **10% more graduate job applications** so far, compared with the equivalent period in the 2016-2017 recruitment round.