

Media Release: *New Graduate Outcomes Data*

Embargoed until 11:30 pm, Friday 18 December 2009

New Graduates Feel Effect of the GFC

Following a strong year for graduate employment outcomes in 2008, the preliminary results of the national 2009 Australian Graduate Survey (AGS) conducted by Graduate Careers Australia (GCA) reflected a fall in employment prospects for new bachelor degree graduates:

- 79.2 per cent were in full-time employment within four months of completing their degrees (85.2 per cent in 2008);
- 13.4 per cent were working on a part-time or casual basis while continuing to seek full-time employment (9.6 per cent in 2008); and
- 7.4 per cent were not working and still looking for full-time employment at the time of the survey (5.2 per cent in 2008).

These figures represent labour market outcomes for new university graduates in late 2008 and early 2009, and show a six percentage point decline in full-time graduate employment from the previous AGS.

However, while the overall proportion of graduates seeking full-time employment was up, most of those graduates seeking full-time employment were in part-time work. The proportion of unemployed graduates seeking full-time employment was 7.4 per cent in 2009, just 2.2 percentage points higher than the 5.2 per cent found in 2008.

In addition, graduate starting salaries continued their upward climb despite the economic downturn. In the 2009 AGS, Australian resident bachelor degree graduates under 25 years of age and in their first full-time employment reported a median salary of \$48,000, up \$3,000 from 2008. This was equivalent to 83.0 per cent of a measure of the annual rate of average weekly earnings (\$57,785 at the time of the AGS) and actually represented an improvement from 80.9 per cent in 2008.

Bruce Guthrie, Acting Executive Director of GCA, said, "As expected, after four consecutive years of improvements in the employment figures for new graduates, the economic downturn in late 2008 and 2009 has seen graduates taking longer to find employment than in previous years. However, new graduates have fared better in 2009 than during the downturn of the early 1990s, with the difference most likely to have been the overall state of the Australian economy."

He added, "Additional research GCA has conducted with graduate recruiters suggests that while a few employers have reduced their graduate intake, most recruited similar numbers in 2009 as in 2008. This is consistent with the more moderate fall in full-time employment we are seeing in the current AGS."

Further information and comment

For more detailed AGS findings, see the attached Media Backgrounder. All figures are drawn from the preliminary reports *GradStats* and *GradFiles*. Members of the public can download copies of these reports free of charge at www.graduatecareers.com.au.

For comment please contact Bruce Guthrie, GCA Acting Executive Director, on (02) 6367 5347.

Media Backgrounder

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Graduate Employment

Preliminary results from the 2009 AGS show that of bachelor degree graduates who were available for full-time employment, that is, those who were in or looking for full-time employment (*see Table 1a in GradStats*)

- 79.2 per cent were in full-time employment within four months of completing their degrees (down from 85.2 per cent last year);
- 13.4 per cent were working on a part-time or casual basis while continuing to seek full-time employment (up from 9.6 per cent last year); and
- 7.4 per cent were not working and still looking for full-time employment at the time of the survey (5.2 per cent last year).

These figures represent the late 2008 and early 2009 labour market for new graduates, and show growth in unemployment after the previous year's results, which had been the strongest since 1990. Of all those in, or seeking, full-time employment, the proportion unemployed was up just 2.2 percentage points from 5.2 per cent. It should be noted that, while the total proportion of graduates seeking full-time employment was up, most of these were in part-time work while seeking a full-time position. These figures represent graduate outcomes after just four to six months of completing their qualifications.

Historically, after figures fell from the previous highest point in 2000 and levelled out between 2003 and 2004, the AGS showed a continued improvement in employment prospects for new graduates from 2005 through 2008, before the impact of the recent economic downturn became apparent in 2009 figures.

The current labour market for graduates is now being surveyed and results will be available in late 2010.

Further Full-time Study

Generally, between one-fifth and one-quarter of respondents elect to continue in further full-time study. Further study is often undertaken to improve a graduate's employment opportunities, or to add professional qualifications to a generalist degree, or for the purposes of professional registration.

- In 2009, almost one-fifth of respondents (18.3 per cent – down from 19.6 per cent last year), were undertaking further full-time study after completing their bachelor qualifications (*see Table 1 in GradStats*).

Graduate Starting Salaries

The median annual starting salary for new Australian resident bachelor degree graduates aged less than 25 and in their first full-time employment in Australia in 2009 was \$48,000 (\$45,000 last year).

- This was 83.0 per cent of the annual rate of male average weekly earnings (\$57,785 at the time of the AGS), up from 80.9 per cent in 2008 (*see page 7 and Table 3 in GradStats*).
- Males started work on a median salary of \$50,000 (up from \$47,000 last year) and females earned \$47,000 (up from \$45,000 last year) (*see Table 3 in GradStats*).

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Additional points of note from the 2009 AGS are

- At \$70,000, dentistry graduates again earned the highest median starting salary of all aggregated fields of education (see Tables 3 and 4 in *GradStats*).
- The top ranked fields in terms of graduate starting salaries were dentistry, optometry, engineering, earth sciences and medicine (see Table 4 in *GradStats* for full list).
- Between 2008 and 2009, the starting salaries for some fields of education increased notably. The median starting salary for Veterinary Science graduates increased by \$5,000 to \$45,000 in 2009, Optometry by \$4,500 to \$64,500, Medicine, Education and Earth Sciences all increased by \$4,000 (to reach \$54,000, \$51,000 and \$54,000 respectively).
- Fields of education with the highest proportions in full-time employment at the time of the AGS included pharmacy, nursing, medicine, civil engineering and dentistry (see Table 2 in *GradStats*).

The employment figures reported here are for new bachelor degree graduates. Employment figures for the wider population demonstrate the labour market advantage conferred by higher education. The most recently available Australian Bureau of Statistics (ABS) data (May 2009) show that, in the population as a whole, just 3.4 per cent of bachelor degree graduates were unemployed. The comparative figure for the total population (with or without non-school qualifications) was 6.0 per cent and 8.6 per cent for persons with no post-secondary qualifications.

Further information about these highlights and additional findings has just been released in Graduate Careers Australia's (GCA) summary publications, *GradStats* and *GradFiles*. *GradStats* is a general summary of the AGS results while *GradFiles* is aimed at prospective higher education students and provides a broader overview of graduate outcomes.

The Australian Graduate Survey is conducted annually in co-operation with all Australian institutions of higher education, tracking the activities of new university graduates who completed their qualifications in the previous calendar year. In 2009, information from over 122,000 new graduates was collected and analysed for these new reports.

Further information and comment

For more detailed AGS findings, including statistics on employment, further full-time study and starting salaries, members of the public can download copies of *GradStats* and *GradFiles* (free of charge) by going to www.graduatecareers.com.au.

For comment please contact Bruce Guthrie, GCA Acting Executive Director on (02) 6367 5347.