

Employment for new Graduates: Slow but Steady

Updated graduate labour market research just released by Graduate Careers Australia (GCA) shows that some recent graduates are still taking longer to find their first job after study than prior to the Global Financial Crisis (GFC).

In 2013, 71.3 per cent of new bachelor degree graduates who entered the full-time labour market (that is, who were either in or seeking full-time employment) had found a full-time position within four months of course completion. This was down from 76.1 per cent in 2012¹.

The graduate employment market has yet to fully recover from the downturn experienced in late 2008 following the global financial crisis (GFC).

GCA Executive Director, Dr Noel Edge, characterised the entry of new graduates into the labour market as slower than pre-GFC but steady, with graduates just taking a little longer to find jobs.

He added that while the uptake of new graduates into the labour force remained slow, their longer-term prospects were very strong. Australian Bureau of Statistics (ABS) figures for May 2013 show that, in the general labour force (aged 15-64), just 3.4 per cent of bachelor degree graduates were unemployed (2.7 per cent in 2012). This compares very favourably with the May 2013 unemployment rate for those without post-school qualifications, which was 7.8 per cent.

GCA has updated its annual overview of the labour market for new graduates with the release of three new reports which include;

- *Graduate Destinations 2013* (recent graduates' labour market and further study outcomes),
- *Graduate Salaries 2013* (recent graduates' earnings), and
- *Graduate Course Experience 2013* (recent graduates' experience of higher education).

The *Graduate Destinations 2013* report noted that those with some work experience gained before or during their study years had an advantage in the labour market after graduation. Current students are encouraged to look for part-time work and to do some career planning (institutional careers services can assist with this) in advance of finishing their studies.

¹ Editor: the *Graduate Destinations 2013* employment figures quoted above are for new graduates who have recently completed their higher education awards.

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Embargoed until 10:30 pm, Tuesday, July 29, 2014

Graduate Destinations 2013

In 2013, 71.3 per cent of new bachelor degree graduates who entered the full-time labour market (that is, who were either in or seeking full-time employment) had found a full-time position within four months of the completion of their courses. An additional 18.1 per cent were working on a part-time or casual basis and were still seeking a full-time job and 10.6 per cent not working and seeking a full-time position².

- This figure remained essentially unchanged between 2010 and 2012 but has **fallen notably** from 76.1 per cent in 2012 {see Figure 3 in *Graduate Destinations, 2013*}.
 - Employment figures for new graduates were initially affected by the global financial crisis in late 2008, and continuing labour market uncertainty amongst graduate recruiters has seen graduate intakes remain conservative.
- Male graduates in full-time employment (66.8 per cent) were notably **more likely** than their female counterparts (45.1 per cent) to be working in the private sector {see Table 3 in *Graduate Destinations, 2013*}.
 - Almost a quarter of female graduates in full-time employment (23.7 per cent) were working in the health sector.
- Graduates from a non-English speaking background were notably **less likely** to have been in full-time employment than the total group (62.3 per cent compared with 71.3 per cent) {see Table 4c in *Graduate Destinations, 2013*}.
- Indigenous graduates were **more likely** to have been in full-time employment than the total group (82.7 per cent compared with 71.3 per cent) {see Table 4c in *Graduate Destinations, 2013*}.
- **Graduates from NT** (83.5 per cent) had better full-time employment prospects than those from other States {see Table 7a reproduced below from *Graduate Destinations, 2013*}.
 - Employment prospects for **ACT graduates** fell from 79.4 per cent in 2012 to 69.9 per cent in 2013.

Graduate Salaries 2013

In 2013, 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 **increased slightly** to \$52,500 from \$52,000 in 2012. This was 74.6 per cent of the annual rate of male average weekly earnings (\$70,300 at the time of the survey), down from 77.8 per cent in 2012 {see Tables 1 and 4 in *Graduate Salaries, 2013*}.

- Males started full-time work on a median salary of \$55,000 (**unchanged** from 2012) while females in full-time employment earned \$51,600 (**up from** \$50,000 in 2012).

² Editor: the *Graduate Destinations 2013* employment figures quoted above are for new domestic graduates who have recently completed their higher education awards.

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- GCA research has suggested that overall differences in median starting salaries between males and females can be partly explained in terms of the differing enrolment profiles of male and female students. While this initial analysis helps to explain part of the overall earnings difference seen here, there are many factors that interact to produce observed differences in median starting salaries, including differing employment factors such as occupation, type and location of employer, or hours worked.
- At \$80,000, the median starting salary for dentistry graduates remained **the highest** for this cohort of graduates. In a ranking based on starting salaries, they were followed by graduates from optometry (\$70,000), engineering (\$64,000), medicine (\$60,000), and earth sciences (also \$60,000) {see Table 8 in *Graduate Salaries, 2013*}.
- Graduates employed in Western Australia earned **the highest** median starting salary of all the Australian States and Territories in 2013 (\$57,000). They were followed by graduates in the ACT (\$56,000) and the Northern Territory (\$55,500) {see Table 6 in *Graduate Salaries, 2013*}.
 - Graduates employed in Victoria earned the lowest median starting salary (\$50,000).

Graduate Course Experience 2013

Overall satisfaction with courses as measured by the Course Experience Questionnaire (CEQ) remains at a high level, with 93.9 per cent of bachelor degree graduates expressing broad satisfaction with their higher education experience.

The Australian Graduate Survey

Dr Edge added, “All our research shows that unemployment is not a long-term concern for graduates and it’s important to understand that getting a degree is not just about the first job after university: it’s about a life-time of advantage in the labour market as well as the potential for huge personal growth”.

The Australian Graduate Survey (AGS) is conducted annually with all Australian universities, along with a number of smaller private institutions, participating. In the 2013 AGS, more than 182,000 new domestic graduates were invited to respond to the survey four months after they had completed requirements for their awards and over 109,000 did so, giving a response rate of 60.0 per cent.

For comment please contact Bruce Guthrie on 02 6367 5347.

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T 7a: Bachelor degree graduates available for full-time employment, and percentage in full-time study, by State or Territory of institution in which award was completed, 2013 (%)*.

<i>Available for full-time employment and ...</i>	ACT	NSW	VIC	QLD	SA	WA	TAS	NT	All
... in full-time employment	69.9	72.1	68.5	72.3	72.5	72.9	68.1	83.5	71.3
... seeking full-time employment, not working	11.2	10.0	11.8	10.9	9.5	9.6	13.5	5.6	10.6
... seeking full-time employment, working part-time or casual	18.9	18.0	19.7	16.8	18.0	17.5	18.4	10.9	18.1
<i>Total seeking full-time employment</i>	30.1	27.9	31.5	27.7	27.5	27.1	31.9	16.5	28.7
Number available for full-time employment	1,296	14,751	10,415	8,646	3,395	3,869	739	248	43,359
In full-time study (%)	23.3	18.7	26.5	16.8	21.1	16.9	26.5	11.5	20.7
Number in full-time study	485	4,342	4,889	2,203	1,193	1,036	350	42	14,540
* Table based on Australian citizens and permanent residents only.									