

Media Backgrounder: **New Graduate Outcomes**

Embargoed until 10:30 pm, Thursday, 23 July 2015

Graduate Employment: Not Just About the First Job

At a time when employment prospects for new graduates are a focus of concern across Australia, updated graduate labour market research just released by Graduate Careers Australia (GCA) shows where employed graduates were working and how they found their jobs.

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

- *Graduate Destinations 2014* (recent graduates' labour market and further study outcomes),
- *Graduate Salaries 2014* (recent graduates' earnings), and
- *Graduate Course Experience 2014* (recent graduates' experience of higher education).

In 2014, 68.1 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 71.3 per cent in 2013¹.

It is clear that the labour market for new graduates has yet to fully recover from the downturn experienced in late 2008 following the global financial crisis (GFC), which was in turn followed by a series of economic and policy events such as the mining downturn, flattened consumer confidence, workforce globalisation and off shoring, increasing task automation and concerns about the state of the international economy as seen in Greece and China. It is perhaps not surprising that local recruiters are adopting a prudent ongoing hiring stance that sees new graduates taking longer than usual to find employment.

However, GCA's *Beyond Graduation Survey* (BGS), which follows up AGS respondents three years after their original survey response, shows that in 2013, the full-time employment figure for 2010 graduates was 90.2 per cent, an increase of almost 14 percentage points from 76.3 per cent.

And in the longer-term, graduates' prospects remain even stronger. Australian Bureau of Statistics (ABS) figures for May 2014 show that, in the general labour force (aged 15-74), just 3.2 per cent of bachelor degree graduates were unemployed (3.4 per cent in 2013). This compares very favourably with the May 2014 unemployment rate for those without post-school qualifications, which was 8.2 per cent.

Additionally, the latest Department of Employment projections show that job prospects for skilled workers, those with a bachelor degree or higher qualification, remain favourable.

¹ Editor: the *Graduate Destinations 2014* employment figures quoted above are for new graduates who have recently completed their higher education awards.

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Employment of graduates is forecast to grow by 13.1 per cent over the five years to November 2019 in comparison with expected growth in overall employment of 10.0 per cent.

The GCA's *Graduate Destinations 2014* report noted that those bachelor degree graduates with some work experience gained before or during their study years had an advantage in the labour market after graduation (see Table 4b in *Graduate Destinations, 2014*). 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.

Of graduates who found full-time work in 2014, the most common methods were (in order of success) checking advertisements via the internet, talking to family or friends, using their university or college careers service, and approaching employers directly {see Table 13a in *Graduate Destinations, 2014*}.

Graduate Destinations 2014

The *Graduate Destinations 2014* report showed a notable change in where graduates were employed over the last 12 years, showing that most graduates in full-time work at the time of survey had found employment in the private sector. In 2014, two-thirds of male graduates (66.6 per cent) were employed in the private sector along with almost half of employed female graduates (44.4 per cent). These figures (respectively) are up from 53.5 per cent and 36.9 per cent in 2003.

Conversely, males in full-time government employment fell from 22.0 per cent in 2003 to 8.2 per cent in 2014. For females the figures were 15.0 per cent and 6.3 per cent (see Table 3 in *Graduate Destinations, 2014*).

Overall, in 2014, 68.1 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 20.3 per cent were working on a part-time or casual basis and were still seeking a full-time job and 11.6 per cent were 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, 2014*}.
 - 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.
- Graduates from a non-English speaking background were notably **less likely** to have been in full-time employment than the total group (60.9 per cent compared with 68.1 per cent) {see Table 4c in *Graduate Destinations, 2014*}.

² Editor: the *Graduate Destinations 2014* employment figures quoted above are for new domestic graduates who have recently completed their higher education awards.

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- Indigenous graduates were **more likely** to have been in full-time employment than the total group (76.6 per cent compared with 68.1 per cent) {see Table 4c in *Graduate Destinations, 2014*}.
- **Graduates from NT** (81.6 per cent) had notably better full-time employment prospects than those from other States {see Table 7a reproduced below from *Graduate Destinations, 2014*}.

Graduate Salaries, 2014

In 2014, the median starting salary for bachelor degree graduates aged less than 25 and in their first full-time employment was \$52,500 (essentially **unchanged** from \$52,450 in 2013, and \$52,000 in 2012). This was 74.0 per cent of the annual rate of male average weekly earnings (\$71,000 at the time of the survey), down slightly from 74.6 per cent in 2013 {see Tables 1 and 4 in *Graduate Salaries, 2014*}.

- Males started full-time work on a median salary of \$55,000 (**unchanged** from 2012 and 2013) while females in full-time employment earned \$52,000 (**up from** \$51,600 in 2013).
 - 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 \$75,000, 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 (\$62,000), and earth sciences, mathematics and medicine (\$60,000) {see Table 8 in *Graduate Salaries, 2014*}.
- Graduates employed in the Northern Territory (\$59,000) and Western Australia (\$58,000) earned **the highest** median starting salaries of all the Australian States and Territories in 2014 {see Table 6 in *Graduate Salaries, 2014*}.
 - Graduates employed in Victoria earned the lowest median starting salary (\$50,000, unchanged from 2013).

Graduate Course Experience 2014

Overall satisfaction with courses as measured by the Course Experience Questionnaire (CEQ) remained at a high level, with 93.8 per cent of bachelor degree graduates expressing broad overall satisfaction with their higher education experience {see Table 4 in *Graduate Course Experience, 2014*}. Additionally

- 90.0 per cent broadly agreed that their course helped them to develop their ability to work as a team member
- 95.4 per cent said that their course sharpened their analytic skills

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- 95.1 per cent said that their course developed their problem-solving skills
- 93.8 per cent agreed that their course had improved their skills in written communication
- 94.0 per cent agreed that, as a result of their course, they felt confident about tackling unfamiliar problems
- 94.9 per cent agreed that their course helped them to develop the ability to plan their own work.

The Australian Graduate Survey

Bruce Guthrie, GCA's Policy and Strategy Adviser, said, "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 higher education institutions, participating. In the 2014 AGS, more than 190,000 new domestic graduates were invited to respond to the survey four months after they had completed requirements for their awards and over 113,000 did so, giving a response rate of 59.3 per cent.

For comment please contact Bruce Guthrie on 02 6367 5347.

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, 2014 (%)*

<i>Available for full-time employment and ...</i>	ACT	NSW	VIC	QLD	SA	WA	TAS	NT	All
... in full-time employment	69.4	69.7	65.0	71.3	66.0	65.4	66.9	81.6	68.1
... seeking full-time employment, not working	11.7	10.7	12.7	11.5	10.5	12.8	13.3	7.7	11.6
... seeking full-time employment, working part-time or casual	18.9	19.6	22.3	17.2	23.5	21.8	19.8	10.7	20.3
<i>Total seeking full-time employment</i>	30.6	30.3	35.0	28.7	34.0	34.6	33.1	18.4	31.9
Number available for full-time employment	1,059	15,181	10,462	8,535	3,704	4,632	656	261	44,490
In full-time study (%)	20.5	19.8	25.7	17.5	20.8	17.4	26.9	12.4	20.8
Number in full-time study	336	4,720	4,831	2,328	1,276	1,264	333	52	15,140
* Table based on Australian citizens and permanent residents only.									