

Media Release: Graduate Salaries

Page 1 of 3

Embargoed until 11:30 pm, Thursday, July 22, 2010

Graduate salaries survive GFC but females face pay gap

New female bachelor degree graduates were paid around 3 per cent less on average than their male counterparts, according to recently released findings from the Australian Graduate Survey.

The research, conducted by Graduate Careers Australia (GCA) into the salaries of Australian bachelor degree graduates in their first full-time employment, concluded that female graduates earn less on average than male graduates of a similar background and in similar employment.

GCA Senior Research Associate, David Carroll, explained that this finding did not suggest widespread discrimination against female graduates within particular firms, but that it pointed to an issue within the Australian labour market as a whole.

“This does not necessarily suggest that a graduate is paid less because she is female,” Mr Carroll said. “It does suggest, however, that female graduates do not always have the same access to highly-paid positions as male graduates within a given field of employment.”

The good news for graduates was that, in spite of the economic downturn, the median annual starting salary for bachelor degree graduates increased by \$3,000 between 2008 and 2009, growing from \$45,000 to \$48,000.

The three fields of education with the highest median starting salaries in 2009 were dentistry (\$70,000), optometry (\$64,500) and engineering (\$57,500), while the three fields with the lowest median starting salaries in 2009 were humanities and social sciences (each with \$42,000), art and design (\$37,300) and pharmacy (\$35,000).

Mr Carroll noted that graduates’ starting salaries were not always reflective of their lifelong earning potential. “Graduates from some fields may be required to complete a period of supervised practical experience immediately after graduation, which may be relatively low paid,” Mr Carroll said.

The Australian Graduate Survey is an annual survey of graduates who complete a course at an Australian higher education institution. More than 122,000 graduates completed the 2009 survey.

Further information and comment

For further information please refer to the attached Media Backgrounder. Copies of the recently released report, *Graduate Salaries 2009*, can be downloaded from the GCA website: www.graduatecareers.com.au.

For comment please contact Mr David Carroll (Senior Research Associate) on (03) 9605 3713 / 0407 375 859, or Mr Bruce Guthrie (Acting Executive Director) on (02) 6367 5347 / 0418 253 530.

Media Backgrounder

Page 2 of 3

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Graduate starting salaries in 2009

The median annual starting salary for new Australian bachelor degree graduates aged less than 25 years and in their first full-time jobs in Australia was \$48,000, representing an increase of \$3,000 or 6.7 per cent. This was much higher than the annual rate of inflation between 2008 and 2009 (1.8 per cent). See 'Graduate starting salaries and average weekly earnings' in *Graduate Salaries 2009* (p. 4).

Graduate starting salaries versus earnings in the wider population

In 2009, the median annual starting salary for bachelor degree graduates aged less than 25 years and in their first full-time jobs was \$48,000, compared with median annual earnings of \$39,000 for individuals aged 20-24 in the wider Australian population. While the median annual salary for these graduates grew by 6.7 per cent between 2008 and 2009, the median earnings of 20-24-year-olds in the wider population exhibited no growth. See 'Median salaries for new graduates and the population aged 20-24' in *Graduate Salaries 2009* (p. 11).

The impact of age and experience on graduate starting salaries

Australian bachelor degree graduates aged 25 and over with previous full-time employment experience earned a median salary of \$52,000 in 2009, while those aged 25 and over in their first full-time jobs after graduation earned a median salary of \$50,000. By comparison, graduates aged less than 25 years and in their first full-time jobs earned a median salary of \$48,000. See 'Impact of age and employment experience on graduate starting salaries' in *Graduate Salaries 2009* (p. 14).

Graduate starting salaries by location

Graduates aged less than 25 and in their first full-time jobs in the Northern Territory earned the highest median annual starting salary out of any Australian State or Territory in 2009 (\$52,000), followed by graduates employed in Western Australia and the Australian Capital Territory (each with \$49,000). Conversely, graduates employed in Tasmania earned the lowest median starting salary in 2009 (\$45,000). See 'Salaries by location' in *Graduate Salaries 2009* (p. 20).

Media Backgrounder

Page 3 of 3

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Graduate Salary rankings

Top 3 fields: median starting salaries	Bottom 3 fields: median starting salaries
1. Dentistry (\$70,000)	1. Pharmacy (\$35,000)
2. Optometry (\$64,500)	2. Art and Design (\$37,300)
3. Engineering (\$57,500)	3. Social Sciences (\$42,000)

See 'Salary rankings' in *Graduate Salaries 2009* (p. 27).

Factors affecting starting salaries

- Female bachelor degree graduates earned around 3 per cent less on average than male graduates of a similar background and in similar employment.
- Bachelor degree graduates with a disability did not earn a significantly different starting salary to those graduates in similar employment who did not identify themselves as having a disability.
- Bachelor degree graduates who had completed an honours degree earned around 5 per cent more than similar graduates who did not complete an honours degree, while graduates who completed a double degree qualification earned around 3 per cent more than otherwise similar graduates who had not undertaken a double degree.
- Bachelor degree graduates employed in small and medium enterprises earned around 8 per cent less on average than similar graduates employed in similar jobs in large firms.

See 'Factors affecting starting salaries' in *Graduate Salaries 2009* (p. 44).

Further information and comment

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