

Research

Barely half of graduates are in graduate-level jobs

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By Annie Makoff

CIPD survey suggests official figures may be over-estimated; female graduates earn £2,500 less on average

Universities have come under pressure to justify their tuition fees after new CIPD research revealed that a little over half of graduates are in graduate-level jobs six months after leaving education.

Graduates are also earning well below the UK average wage, while female graduates are paid less than men, according to [***The graduate employment gap: expectations versus reality.***](#)

Just 52 per cent of university graduates had found graduate-level jobs six months after graduation, while almost a third were earning less than £20,000, compared to the UK average wage of £28,300. While the average salary for male graduates is £24,000, women are paid just £21,500.

STEM (science, technology, engineering and mathematics) graduates were found to be more likely to be unemployed after six months than the average graduate, despite successive government strategies designed to prioritise such degrees.

Lizzie Crowley, skills adviser at the CIPD, said the report showed the government's "preoccupation" with boosting graduate numbers had led to high levels of over-qualification and "potential skills mismatches" that undermined productivity growth. She called on the government to consider linking tuition fees to graduate destination data, to prevent higher education institutions charging top-rate fees while delivering disappointing outcomes.

Coming just a week ahead of the autumn budget, the report accused the government of 'inflating' official figures and claiming that 77 per cent of graduates are in graduate-level jobs six months after graduating, by including jobs that do not necessarily require a degree such as fitness instructors, youth and community workers, choreographers and dancers. It recommended that universities should be prevented from charging students the maximum level of tuition fee unless better outcomes are delivered.

It is not the first time graduate salaries have been the subject of controversy. Last year, *People Management* reported that one third of graduates earn less per hour than qualified apprentices. Data obtained by MP Frank Field, chairman of the House of Commons' work and pensions select committee, showed that 29 per cent of graduates earned less per hour than fully fledged apprentices, while pay rates for 10 per cent of graduates had actually decreased.

The figures on gender were particularly troubling, said Crowley, who dismissed previous claims that differential

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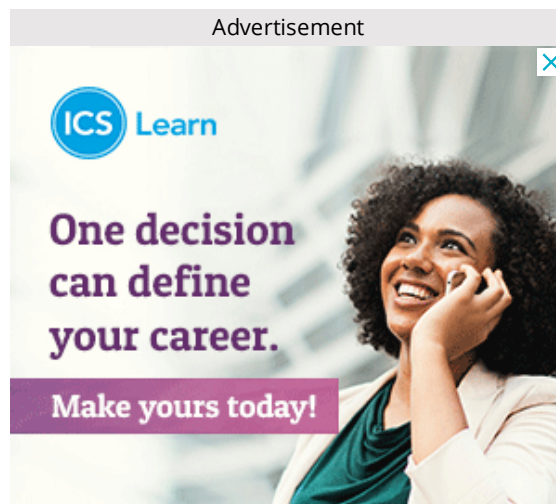
ACCEPT AND CLOSE

A YouGov survey in July revealed that **one in 10 employers were paying women less than men**, and suggested the gender pay gap spanned all levels of employment. Female apprentices were £2,000 a year worse off than their male counterparts.

Duncan Brown, head of HR consultancy at the Institute for Employment Studies, said: “Common assumptions that the gender pay gap is no more for the under 30s are rightly brought into question by the CIPD report. What is particularly worrying are the gaps we are seeing for newly recruited graduates in the same discipline. HR needs to ensure that any pay discretion line managers have on recruitment salaries is properly monitored and controlled.”

But Stephen Isherwood, chief executive of the Institute of Student Employers, said it was not seeing any pay gaps for female graduates on corporate graduate programmes. Instead, female graduates are “more likely” to get through the selection process. However, there is a “fundamental issue” with careers advice and guidance in schools, he said, and he called for more support for pupils to help them understand which education route is best suited to their career aspirations.

Sophie Phillipson, founder of HelloGrads – which prepares students and recent graduates for life after university – told *People Management* that the issue of unemployed STEM graduates pointed to a much bigger problem: UK businesses are “lagging behind” in adopting new technologies and entry-level salaries do not reflect living, she said.





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