

09 September 2015

Association of Graduates Recruiters (AGR)

The AGR Annual Survey 2015

Commissioned by AGR from CFE Research, the annual survey of AGR members explores predicted graduate vacancy levels for the 2014-15 recruitment season split by business sector, geographical area and career area, and changes observed since 2013-2014. It looks at starting salaries and the use of placement and internship programmes. Selection methods, the costs of hiring graduates and graduate retention are also covered. A total of 205 AGR employers took part in the survey which represents a 66% response rate.

The full report can be found at:

<https://www.dropbox.com/s/ykwuhrakxz2mlk6/AGR%202015%20Annual%20Survey%20-%20FINAL%20%5BWeds%209th%20September%20-%20embargo%5D%20%281%29.pdf?dl=0>

At-a-glance:

- Graduate vacancies have risen by 13.2% (p8, p13)
- The sectors with the largest graduate vacancy growth are accounting and professional services (23.0%), the public sector (14.6%) and engineering and industrial firms (12.1%) (p13)
- Three sectors have seen a decrease in the number of vacancies; Energy, water or utility firms (9.5% drop), transport and logistics (15.1%) law (1.1%) (p13)
- Starting salaries have increased by £1,000 – 3.7% - to £28,000 (p8, p22)
- Despite making up nearly 60% of all graduates, only 41.6% of graduates hired were women (p8, p18)
- The overall share of females has not improved in the last five years despite 62.8% of firms currently having a strategy to improve their gender balance (p7)
- 72.6% of employers offered internships to students in 2013-14 with 7,195 internship opportunities in total. An average of 44.5% of interns were converted into graduate hires for 2014-15, up from 36.8% the previous year (p8, p24)

- The average intern salary rose by 3.3% and is now at £317 a week (p9, p26)
- Over half of employers (56.3%) offered one or more sandwich/industrial placements with employers reporting a total of 2,676 opportunities (p24)
- 54.1% of vacancies are outside London, with the top two regions the West Midlands (7.7%) and the South East (6.9%) (p8, p15)

Other key points:

- The median salary after three years on the job has risen by 4.5% to £35,000, although rates of salary progression vary between different sectors (p23)
- Law had the highest starting salary at £37,000 (p22)
- The three sectors with the largest share of internships were law (20.8%), accounting and professional services (18.8%) and banking and financial services (16.2%) (p24)
- The average summer internship was 11 weeks long (p24)
- The median salary for sandwich industrial placement has risen by 1.6% to £326 per week (p26)
- Amongst those employers who offered internships and placement, the average number of internships offered was 52 and the average number of placements was 28 (p25)
- Applications per vacancy continue to drop and now stand at 65 compared to 69 in 2013-14 (p9)
- Selection methods remain largely static compared to last year. 77% of employers use a 2:1 degree entry standards (74.2% last year), 33.3% use UCAS tariffs (38.2% last year), and 29.1% have entry cut-offs based on specific subjects (30.3% last year) (p9)
- The use of video interviewing continues to rise, with 29.8% of employers now using this technology versus 21.2% last year and just 6.3% using it three years ago (p9)
- 76% of graduates are employed on permanent contracts, although this proportion varies by the size of firm (p9)
- The average length of time that graduates stay with one employer is 5 years. Just 11% of graduates leave their job in their first two years (p10)
- Four in five employers (78.4%) have at least one targeted strategy to improve diversity (p8)

- The average share of Black Asian Minority Ethnic (BAME) hires is 15.6%, compared to 18.6% of university graduates. Only 25.8% of employers monitor the socio-economic background of their hires (p8, p18)
- Among AGR members, 91.2% knew the proportion of females they had hired in 2013-14, but only 60.6% knew their proportion of black and minority ethnic hires (p19)
- Industry-wide attention is needed to address the gender gap in graduate recruitment (p17)
- The most widely-used monitoring metric is whether an applicant is a first generation graduate (95.0%), followed by their type of schooling (82.5%) and whether they had been in receipt of free school meals (62.5%) (p20)

Key graph:

Graduate vacancies in 2013-2014 and 2014-2015

AGR members are offering 13.2%³ more graduate vacancies in the 2014-15 season. Figure 1.1 presents year-on-year changes in vacancies since 2000 and shows that the market is now in a period of sustained growth. Employer members offered 24,126 graduate vacancies in 2014-15 overall.

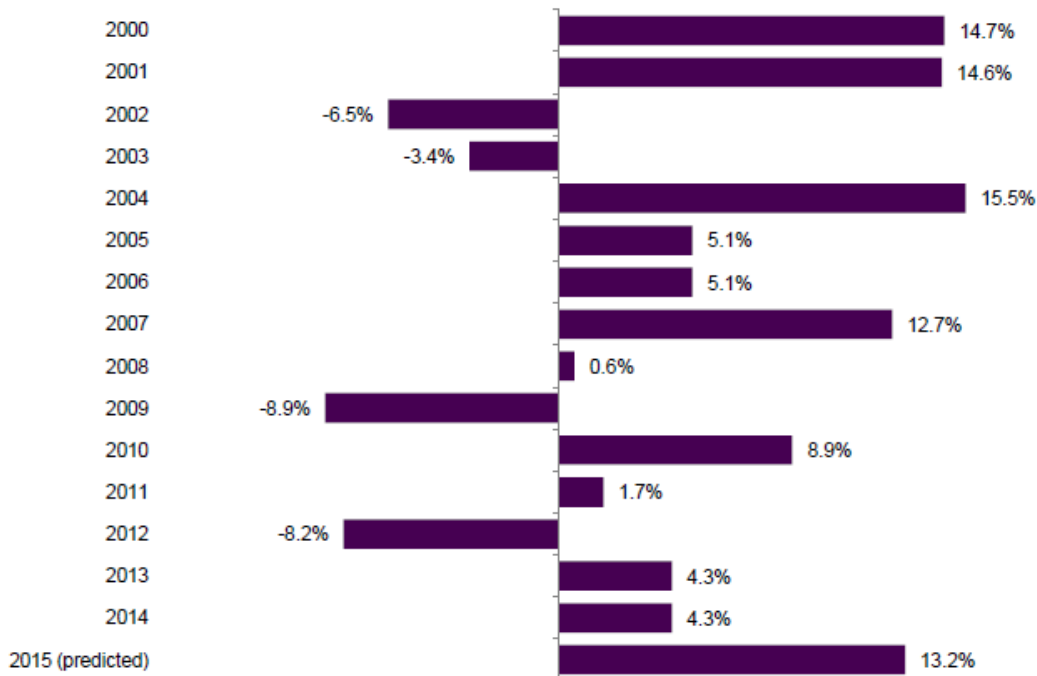


Figure 1.1: Graduate vacancy changes at AGR employers from 1999-2000 to 2014-2015 – Percentage increase or decrease on previous year - Varying bases

Key quotes:

"Gender diversity is an issue which requires more of our attention. Although our data cannot explain why women aren't securing more graduate placements, it indicates there is more to be done to attract female graduates who in turn need to make the most of the opportunities available." Stephen Isherwood, chief executive of the AGR (press release)

"Employers are doing more to invest in graduates with a continued increase in vacancies and rise in salaries. This investment is paying off. Despite the perception that all graduates are job-hoppers, graduates stay with our employer members for an average of five years. What's more, only 6% leave in their first year on the job and just 11% leave before the end of two years." Stephen Isherwood (press release)

"Intriguingly, more employers are trying to improve social mobility than are monitoring it. As more employers start initiatives to address social mobility, monitoring is going to be increasingly important in order to evaluate their success." (p21)