

The Graduate Market in 2021

Annual review of graduate vacancies & starting salaries at the UK's leading employers



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How has the Coronavirus crisis affected final year university students from the 'Class of 2021'?

Join our student research programme to find out.

For the last 27 years, **High Fliers Research** has conducted detailed research into graduate recruitment at the UK's leading universities, providing the country's top employers with an unrivalled insight into the attitudes & aspirations of final year university students.

Since the start of the pandemic, **The UK Graduate Careers Survey 2021** has been tracking the 'Class of 2021', to examine how the Coronavirus crisis has changed their career plans, their reactions to employers' online promotions & virtual events, and their applications for graduate jobs in 2021.

Based on three rounds of in-depth research with final year students graduating in the summer of 2021 and interviews with up to 20,000 finalists being conducted in February, the research programme provides graduate recruiters with a unique understanding of the 'Coronavirus Generation' of university students.

To find out how your organisation can join over 70 national & international graduate employers and access the very latest research on the 'Class of 2021', email sally.hyman@highfliers.co.uk or tim.wise@highfliers.co.uk



Foreword

Executive Summary

The Graduate Market in 2021 is a study of the latest graduate vacancies and starting salaries at the UK's one hundred best-known and most successful employers, conducted by **High Fliers Research** during **December 2020**:

- The unprecedented Coronavirus crisis meant that employers featured in *The Times Top 100 Graduate Employers* **cut their graduate recruitment by 15.1%** in 2020, compared to the original recruitment targets for the year.
- The number of graduates recruited was **12.3% lower than in 2019**, the largest annual fall in graduate recruitment at the UK's top employers for eleven years.
- The country's top employers recruited **3,700 fewer graduates** in 2020 than had been expected at the beginning of the year – this was the **biggest mid-year cut in graduate vacancies** since 2008, the start of the global financial crisis and recession.
- Graduate recruitment fell in **thirteen out of fifteen** of the most sought-after industries and business sectors, including accounting & professional services firms, engineering & industrial companies, and public sector employers.
- **Fifty-seven** of the country's one hundred leading employers **recruited fewer graduates** than in 2019 or hired **no graduates at all** in 2020.
- The latest recruitment targets for the country's leading employers suggest that the number of graduate jobs on offer in 2021 **may increase by 2.5%**, but there remains considerable uncertainty for graduate employers and the wider economy because of the ongoing Coronavirus pandemic.
- **Public sector employers** are expected to be the largest recruiters of new graduates in 2021, with a record **5,400** entry-level vacancies available for university-leavers.
- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the seventh consecutive year in 2020, at a median starting salary of **£30,000**.
- Fourteen of the country's best-known graduate employers are paying salaries in excess of **£45,000** this year.
- The most generous salaries in 2021 are those on offer from the **investment banks** (median of £50,000), **law firms** (median of £46,000), **consulting firms** (median of £45,000), and **oil & energy companies** (median of £40,000).
- The highest published graduate starting salaries for 2021 include law firms **White & Case** (£50,000), **Clifford Chance** (£48,000), **Baker McKenzie** (£48,000), **Linklaters** (£47,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).

- Half of the country's leading employers have **cut their graduate recruitment budgets** for the 2020-2021 recruitment round.
- The Coronavirus pandemic has forced employers to switch almost **all of their graduate recruitment promotions online** this year, using a range of university-run virtual events, online presentations, social media, online advertising, email services, and advertising in graduate directories.
- Feedback about **universities' virtual careers fairs** was mixed, with up to two-fifths of employers who participated in them describing the events as 'not very successful'.
- Employers have **reduced the number of universities** that they have actively marketed their graduate vacancies at during the 2020-2021 recruitment season, and one in six employers has **given-up targeting** individual universities altogether.
- The ten universities **targeted** by the largest number of top graduate employers in 2020-2021 are Birmingham, Manchester, University College London, Nottingham, Leeds, Warwick, Bristol, Cambridge, Oxford and Imperial College London.
- More than four-fifths of the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year.
- On average, the country's top employers have received **41% more graduate job applications** so far, compared with the equivalent period in the 2019-2020 recruitment round, the highest-ever annual increase recorded by this research.
- Half the UK's leading employers are hoping to be able to deliver **in-person vacation work placements and internships** this summer, but spring taster programmes for first year students are expected to take place online.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2021**, the annual review of graduate vacancies and starting salaries at the UK's top employers, produced by **High Fliers Research**.

This research, conducted during December 2020, assesses the impact that the Coronavirus pandemic had on graduate recruitment in 2020 and looks ahead to how many vacancies are available for new graduates in 2021.

It also analyses the latest starting salaries on offer to new graduates, reviews the promotions employers have been using to publicise their vacancies during the 2020-2021 recruitment season, and the number of job applications employers have received so far.

This is the sixteenth year that High Fliers Research has produced its independent assessment of the graduate job market. The research is based on a study of graduate recruitment at the organisations named as *The Times Top 100 Graduate Employers* for 2020 in a poll of 19,863 final year students to find “Which employer offers the best opportunities for graduates”.

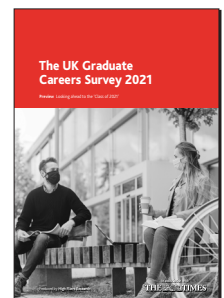


About High Fliers Research

Established in 1994, **High Fliers Research** is an independent market research company which specialises in student and graduate research. It has worked with more than 200 leading employers to measure the impact of their graduate recruitment campaigns on campus and help them understand their position in the graduate job market.

The company is best-known for *The UK Graduate Careers Survey*, its comprehensive annual study of over 20,000 final year undergraduates at thirty-four leading universities, which is supported and funded by up to 75 national and international employers each year.

The survey gives employers a unique insight into the career expectations and aspirations of final year students – just weeks before they graduate – and provides a definitive record of their search for a graduate job.



High Fliers Research also hosts *The National Graduate Recruitment Conference*, a one-day event held exclusively for graduate recruiters in September each year; *The National Graduate Careers Conference*, an annual briefing on the graduate job market for careers advisers from the UK's leading schools & sixth form colleges; plus *The National Higher & Degree Apprenticeship Conference* for the UK's leading apprenticeship employers.

In 2020, High Fliers Research developed and launched *The Top 100 Apprenticeship Employers* on behalf of the **National Apprenticeship Service**, to celebrate and recognise England's leading apprenticeship employers.

The Times Top 100 Graduate Employers

As part of the research for *The UK Graduate Careers Survey 2020*, a total of 19,863 final year students from thirty-four leading universities were asked the unprompted question “Which employer do you think offers the best opportunities for graduates?”.

Between them, finalists named over 1,500 different organisations during the survey – the one hundred employers with the most student votes formed *The Times Top 100 Graduate Employers* for 2020.

It is these employers that are included in the research for **The Graduate Market in 2021** report:

<i>Accenture</i>	<i>CMS</i>	<i>McKinsey & Company</i>
<i>Admiral</i>	<i>Deloitte</i>	<i>MI5</i>
<i>AECOM</i>	<i>Deutsche Bank</i>	<i>Microsoft</i>
<i>Airbus</i>	<i>DLA Piper</i>	<i>Morgan Stanley</i>
<i>Aldi</i>	<i>Dyson</i>	<i>Mott Macdonald</i>
<i>Allen & Overy</i>	<i>Enterprise Rent-a-Car</i>	<i>Natwest Group</i>
<i>Amazon</i>	<i>Environment Agency</i>	<i>Network Rail</i>
<i>American Express</i>	<i>ExxonMobil</i>	<i>Newton</i>
<i>Apple</i>	<i>EY</i>	<i>NHS</i>
<i>Army</i>	<i>Facebook</i>	<i>Penguin Random House</i>
<i>Arup</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>Pinsent Masons</i>
<i>ASOS</i>	<i>Frontline</i>	<i>Police Now</i>
<i>AstraZeneca</i>	<i>GCHQ</i>	<i>Procter & Gamble</i>
<i>Atkins</i>	<i>Goldman Sachs</i>	<i>PwC</i>
<i>BAE Systems</i>	<i>Google</i>	<i>RAF</i>
<i>Bain & Company</i>	<i>Grant Thornton</i>	<i>Rolls-Royce</i>
<i>Baker McKenzie</i>	<i>GSK</i>	<i>Royal Navy</i>
<i>Bank of England</i>	<i>Herbert Smith Freehills</i>	<i>Samsung</i>
<i>Barclays</i>	<i>Hogan Lovells</i>	<i>Savills</i>
<i>BBC</i>	<i>HSBC</i>	<i>Shell</i>
<i>BlackRock</i>	<i>Huawei</i>	<i>Siemens</i>
<i>Bloomberg</i>	<i>IBM</i>	<i>Sky</i>
<i>BMW</i>	<i>Jaguar Land Rover</i>	<i>Slaughter and May</i>
<i>Boots</i>	<i>JP Morgan</i>	<i>Teach First</i>
<i>Boston Consulting Group</i>	<i>KPMG</i>	<i>Tesco</i>
<i>BP</i>	<i>L'Oréal</i>	<i>Tesla</i>
<i>BT</i>	<i>Lidl</i>	<i>Think Ahead</i>
<i>Capital One</i>	<i>Linklaters</i>	<i>TPP</i>
<i>Channel 4</i>	<i>Lloyds Banking Group</i>	<i>UBS</i>
<i>CharityWorks</i>	<i>Local Government</i>	<i>Unilever</i>
<i>Citi</i>	<i>Marks & Spencer</i>	<i>Unlocked</i>
<i>Civil Service</i>	<i>Mars</i>	<i>Vodafone</i>
<i>Clifford Chance</i>	<i>McDonald's</i>	<i>Wellcome</i>
		<i>White & Case</i>

Chapter 2

Graduate Vacancies

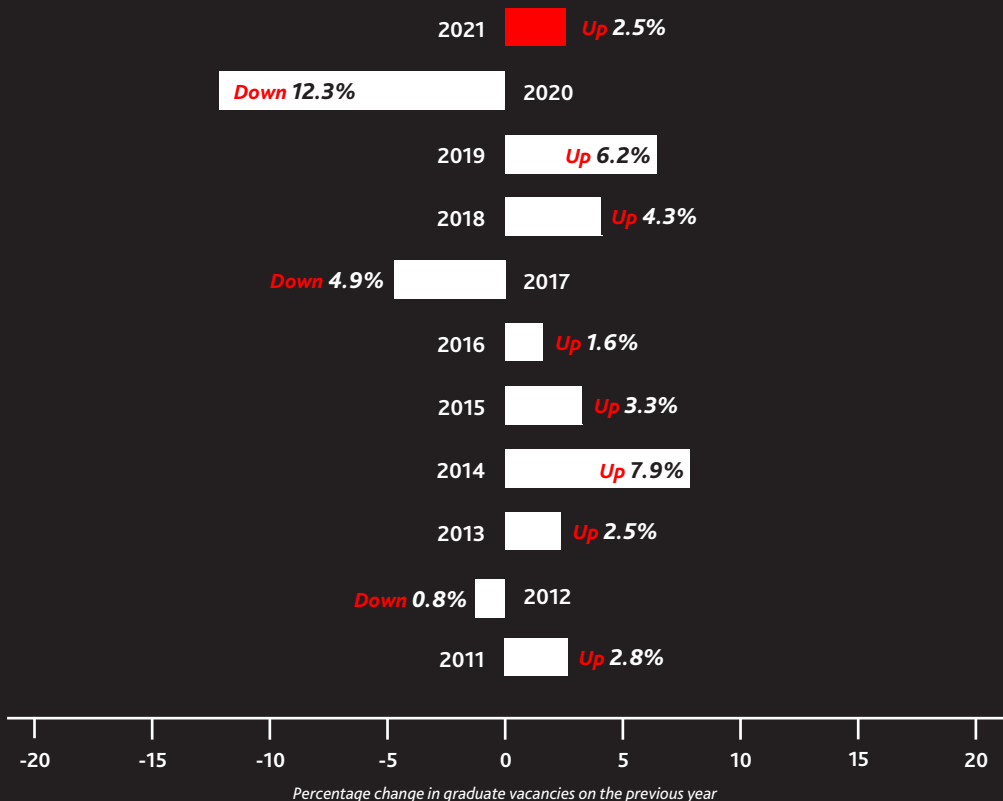
Job Vacancies for Graduates

The first part of the research examines the number of graduates recruited by the UK's leading employers in 2020 and looks ahead to the number of graduate jobs on offer from these organisations in 2021. Graduate vacancies for 2021 are typically positions with an autumn 2021 start date, promoted to final year university students during the current 2020-2021 academic year.

When *The Graduate Market in 2020* report was published in January 2020, it confirmed that the number of graduates recruited by the UK's best-known and most successful employers increased sharply in 2019 (see *Chart 2.1*), the eighth annual rise in graduate recruitment in the decade following the global financial crisis and recession of 2008-2009.

This latest research reveals the significant impact that the Coronavirus pandemic has had on graduate recruitment at the country's top employers since March 2020.

Chart 2.1 Annual Change in Graduate Vacancies at the UK's Top Employers 2011-2021



Source - The Graduate Market in 2020

Graduates Recruited in 2020

In September 2019, at the beginning of the 2019-2020 academic year, the UK's top employers set their highest-ever graduate recruitment targets for 2020 (see *Table 2.3*), with employers in twelve out of fifteen key industries and business sectors expecting to recruit more graduates than they had in 2019.

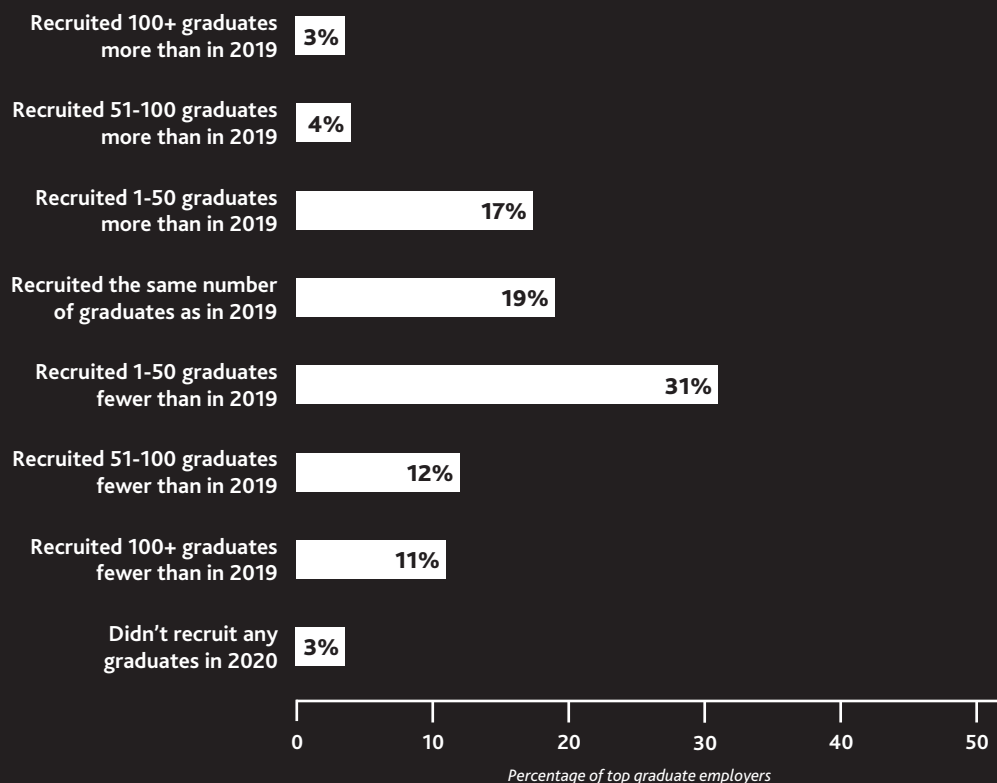
By January 2020, the halfway stage in the graduate recruitment season, organisations featured in *The Times Top 100 Graduate Employers* confirmed that they would be recruiting a record 24,760 graduates in 2020, a 3.3% increase compared to graduate recruitment in 2019 and the third consecutive annual rise in entry-level vacancies for university-leavers.

The onset of the Coronavirus crisis in the UK in March and the subsequent three-month national lockdown brought widespread disruption to the economy. Although many of the country's top employers had completed their graduate recruitment for 2020 by this point, a significant number of employers that were still recruiting opted to close applications early, scale back their remaining vacancies or leave graduate positions unfilled.

This latest research shows that the majority of graduate job offers that were made before the pandemic took hold have been honoured by employers, although the start dates for some new graduates were delayed and in some cases postponed into 2021.

The overall effect of the Coronavirus crisis on 2020's graduate recruitment was that the UK's leading employers recruited 3,700 fewer graduates than originally planned – taking

Chart 2.2 Changes to Graduate Vacancies at the UK's Leading Employers in 2020



Source - The Graduate Market in 2021

recruitment 12.3% below its 2019 level (see *Chart 2.1* on page 9) and 15.1% lower than graduate employers' recruitment targets from January 2020. This is the largest annual drop in graduate recruitment for eleven years and the biggest shift in recruitment targets during a single academic year since 2008, the start of the global financial crisis and recession.

In all, fifty-seven of the country's top employers reduced the number of graduates recruited, compared with recruitment in 2019, or hired no graduates at all in 2020 (see *Chart 2.2*). At the majority of these employers, up to fifty graduate jobs were cancelled or left unfilled but eleven employers reported reducing their intake by more than one hundred graduate positions in 2020, and two employers cut or postponed over five hundred graduate jobs each.

Graduate recruitment was lower year-on-year in thirteen out of fifteen industries and business sectors featured in the research (see *Table 2.3*). The hardest-hit were accounting & professional services firms, engineering & industrial companies and public sector employers, which together recruited almost 1,500 fewer graduates than in 2019. Just two sectors – investment banking and oil & energy – recorded modest annual increases in recruitment.

The research also highlights a stark difference in the way that the Coronavirus crisis affected graduate employers in the public and private sectors. Recruitment in 2020 was cut by 6.8% in the public sector (including the Armed Forces), compared with 14.6% in the private sector.

Table 2.3 Analysis of Graduate Vacancies in 2020, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2020, as published in Sept 2019	Recruitment target for 2020, as revised in Jan 2020	Recruitment target for 2020, as revised in August 2020	Actual graduates recruited by Dec 2020	% change from recruitment in 2019	Vacancies added (cut), compared with 2019
Accounting & professional services	5,205	5,357	4,444	4,629	▼ 11.1%	(580)
Armed Forces	1,550	1,700	1,650	1,620	▼ 3.9%	(66)
Banking & finance	2,120	2,152	1,908	1,645	▼ 11.3%	(210)
Charity & voluntary sector	162	162	112	85	▼ 40.1%	(57)
Chemicals & pharmaceuticals	148	150	148	103	▼ 34.8%	(55)
Consulting	230	265	201	228	▼ 8.8%	(22)
Consumer goods	201	185	167	172	▼ 1.7%	(3)
Engineering & industrial	2,348	1,840	1,491	1,496	▼ 24.1%	(474)
Investment banking	1,815	1,658	1,634	1,741	▲ 2.1%	36
Law	926	967	906	908	▼ 3.9%	(37)
Media	1,014	762	620	611	▼ 15.3%	(110)
Oil & energy	170	170	110	167	▲ 10.6%	16
Public sector	5,222	5,594	5,303	4,993	▼ 7.7%	(417)
Retailing	800	854	812	661	▼ 14.2%	(109)
Technology	1,814	2,044	1,698	1,661	▼ 15.6%	(306)
ALL SECTORS	24,625	24,760	21,384	21,020	▼ 12.3%	(2,944)

Source - The Graduate Market in 2021

Expected Graduate Vacancies in 2021

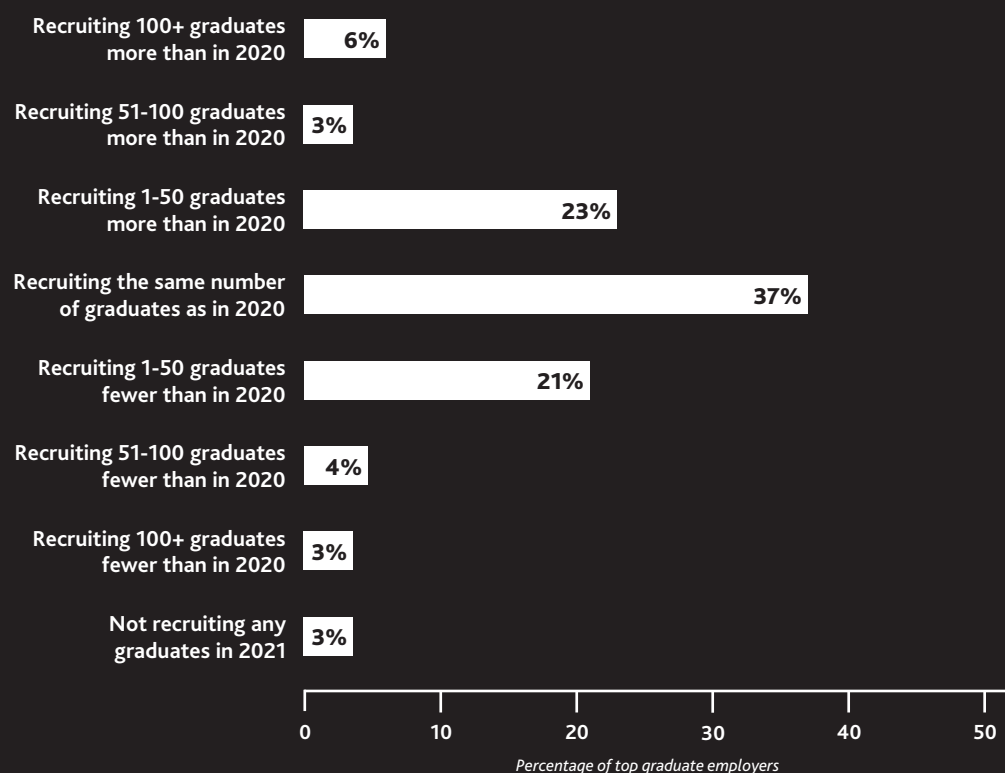
When the 2020-2021 academic year and the new 2021 graduate recruitment cycle began in September 2020, the continuing Coronavirus crisis meant that there was considerable uncertainty for employers and the wider economy. Employers' published recruitment targets were understandably cautious and suggested that graduate vacancies were likely to fall further in 2021.

The latest assessment of graduate recruitment at the UK's leading employers shows that despite the ongoing disruption caused by the pandemic, there has been a modest rise in the number of graduates vacancies on offer in 2021 (see *Table 2.6*). Graduate recruitment targets in nine key industries & business sectors have increased since the start of the recruitment cycle, most notably at the top accounting & professional services firms, engineering & industrial companies, investment banks and public sector employers.

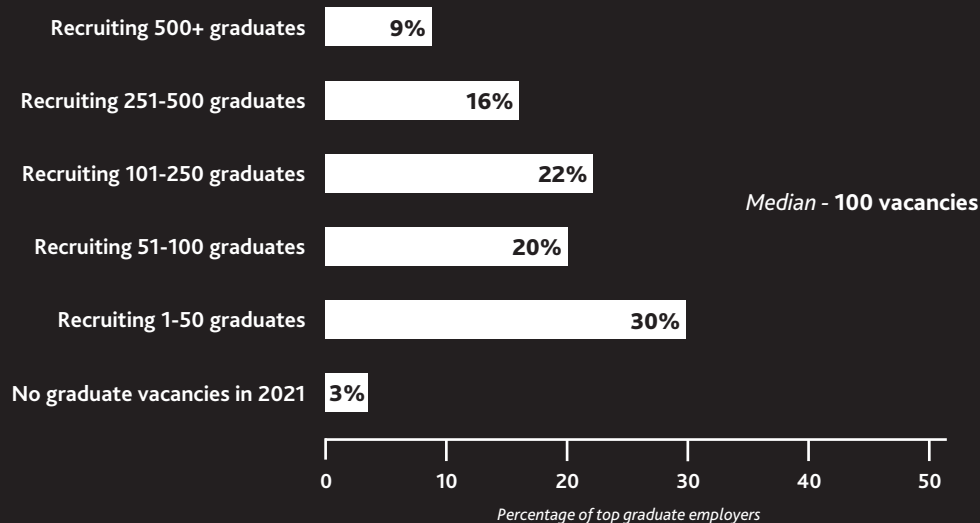
The largest recruiter of new graduates in 2021 will be the public sector, which is offering a record 5,400 entry-level places at organisations such as Police Now, Teach First and the Civil Service Fast Stream. Employers in another six industries & business sectors expect to increase their graduate recruitment year-on-year.

Although a third of the UK's top employers are hoping to recruit more graduates in 2021 than they were able to last year, a similar number expect that their graduate intake will be reduced (see *Chart 2.4*). The median number of vacancies available for university-leavers at *The Times Top 100 Graduate Employers* in 2021 is 100 graduates per employer (see *Chart 2.5*).

Chart 2.4 Changes to Graduate Vacancies at the UK's Leading Employers in 2021



Source - The Graduate Market in 2021

Chart 2.5 Graduate Vacancies at the UK's Top Employers in 2021

Source - The Graduate Market in 2021

Table 2.6 Analysis of Graduate Vacancies in 2021, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2021, as published in Sept 2020	Recruitment target for 2021, as revised in Jan 2021	% change from recruitment in 2020	Vacancies added (cut), compared with 2020
Accounting & professional services	3,925	4,281	▼ 1.1%	(48)
Armed Forces	1,600	1,620	NO CHANGE	0
Banking & finance	1,223	1,235	▼ 10.9%	(134)
Charity & voluntary sector	112	112	▲ 24.1%	27
Chemicals & pharmaceuticals	130	80	NO CHANGE	0
Consulting	215	255	▲ 10.6%	27
Consumer goods	163	164	▲ 8.5%	14
Engineering & industrial	1,290	1,554	▼ 0.5%	(7)
Investment banking	1,640	1,851	▲ 3.8%	70
Law	842	836	▲ 0.4%	3
Media	775	576	▼ 4.0%	(23)
Oil & energy	170	120	▼ 39.2%	(47)
Public sector	5,257	5,425	▲ 7.0%	382
Retailing	615	733	▲ 9.8%	72
Technology	1,665	1,651	▼ 0.6%	(10)
ALL SECTORS	20,122	21,093	▲ 2.5%	520

Source - The Graduate Market in 2021

Impact of the Coronavirus Crisis on Graduate Vacancies

The unprecedented Coronavirus pandemic has brought a decade of near-continuous growth in the UK's graduate job market to an abrupt end.

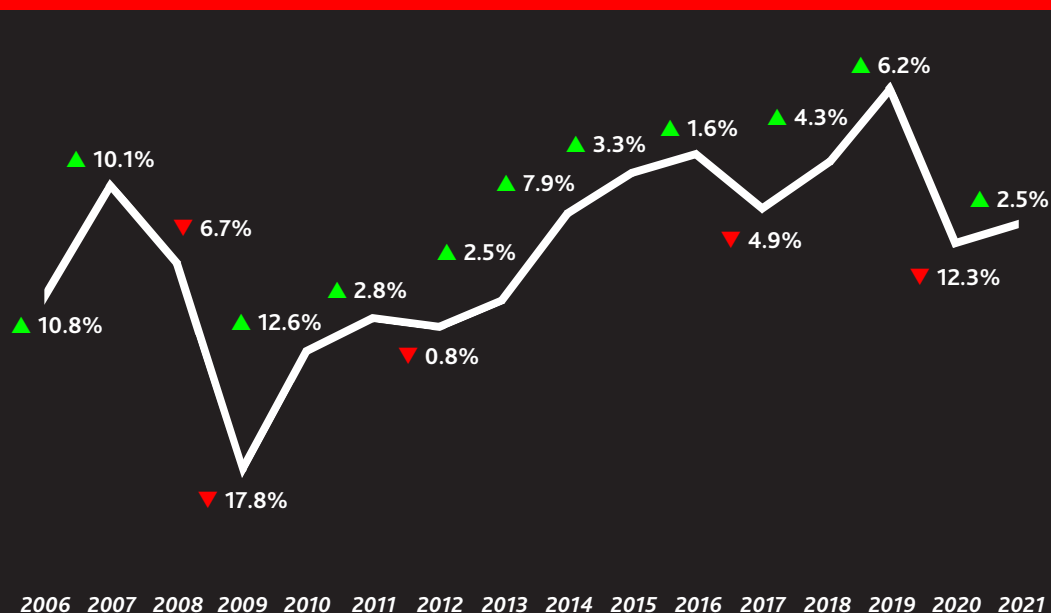
Twelve years ago, the global financial crisis and recession that followed in the UK had a profound effect on graduate employment and entry-level vacancies at organisations featured in *The Times Top 100 Graduate Employers* fell by almost a quarter during 2008 and 2009 (see *Chart 2.7*). Graduate positions were cut in thirteen of the fourteen most sought-after employment sectors and, in all, some fifty-nine employers saw their recruitment decline.

The worst of the cuts took place at the investment banks, technology firms, chemical & pharmaceuticals companies, and the media, where vacancies halved during the course of the two recruitment rounds. Just one employment area, the public sector, managed to increase its graduate recruitment, stepping up entry-level vacancies by 45% during this period.

In the years since, the graduate job market bounced back convincingly in 2010 with a 12.6% increase in vacancies and a further increase of 2.8% in 2011. The recovery stalled a year later but recruitment increased once more in 2013, taking vacancies to their highest level for five years. The significant 7.9% rise in graduate hires recorded in 2014, combined with a further increase of 3.3% the following year, meant that graduate recruitment in 2015 finally matched the 2007 pre-recession peak in vacancies.

Despite a dip in recruitment in 2017, following the UK's vote to leave the European Union and the subsequent political turmoil and economic uncertainty brought by the Brexit process, graduate vacancies increased again in both 2018 and 2019. This means that during the ten years since the end of the recession in 2009, graduate vacancies at the UK's leading employers rose by 39%. But this substantial and consistent growth in recruitment masks the long-term impact of the recession in 2008-2009.

Chart 2.7 Changes to Graduate Vacancies at the UK's Top Employers 2006 to 2021

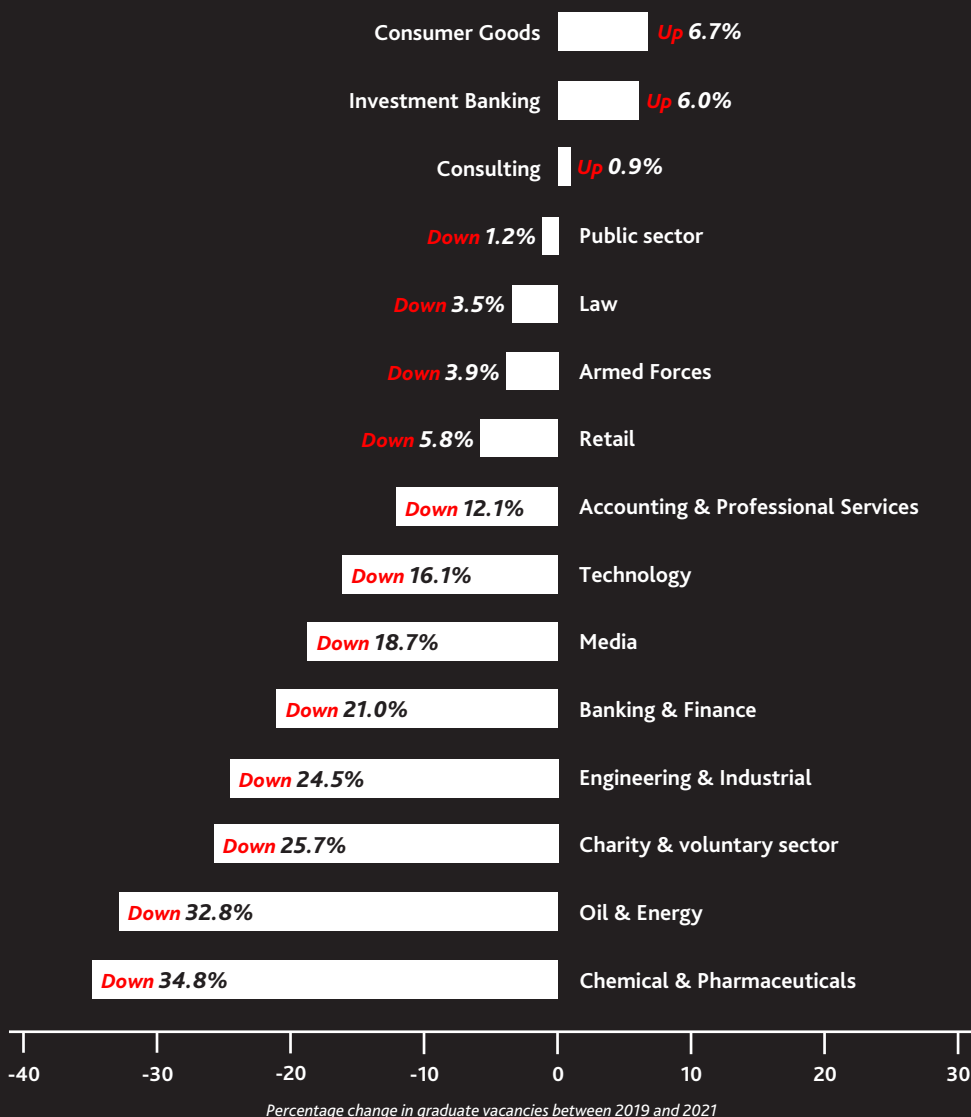


Source - The Graduate Market in 2021

Comparing the graduate intake in 2019 with the volume of new recruits hired in 2007, shows that recruitment increased by just 7% during the intervening twelve years. By contrast, according to the Higher Education Statistics Agency (HESA), the number of graduates leaving university after completing a first degree jumped by 37% over this same period.

The very sharp drop in the number of graduates recruited in 2020 is the biggest annual fall since 2009 and took graduate recruitment to below the pre-recession level recorded in 2007 for only the second time in the last seven years. Although there are signs that graduate recruitment may begin a tentative recovery in 2021, vacancies in twelve out of fifteen key industries & business sectors are expected to be lower this year than they were in 2019 (see *Chart 2.8*). And in the worst-affected sectors, there will be between a quarter and a third fewer vacancies for university-leavers in 2021 than there were two years ago.

Chart 2.8 Changes to Graduate Vacancies from 2019 to 2021, by Sector or Industry



Source - The Graduate Market in 2021

Summary & Conclusions

- The unprecedented Coronavirus crisis meant that employers featured in *The Times Top 100 Graduate Employers* **cut their graduate recruitment by 15.1%** in 2020, compared to the original recruitment targets for the year.
- The number of graduates recruited was **12.3% lower than in 2019**, the largest annual fall in graduate recruitment at the UK's top employers for eleven years.
- The country's top employers recruited **3,700 fewer graduates** in 2020 than had been expected at the beginning of the year – this was the **biggest mid-year cut in graduate vacancies** since 2008, the start of the global financial crisis and recession.
- Graduate recruitment fell in **thirteen out of fifteen** of the most sought-after industries and business sectors, including accounting & professional services firms, engineering & industrial companies, and public sector employers.
- **Fifty-seven** of the country's one hundred leading employers **recruited fewer graduates** than in 2019 or hired **no graduates at all** in 2020.
- The latest recruitment targets for the country's leading employers suggest that the number of graduate jobs on offer in 2021 **may increase by 2.5%**, but there remains considerable uncertainty for graduate employers and the wider economy because of the ongoing Coronavirus pandemic.
- **Public sector employers** are expected to be the largest recruiters of new graduates in 2021, with a record **5,400** entry-level vacancies available for university-leavers.

Chapter 3

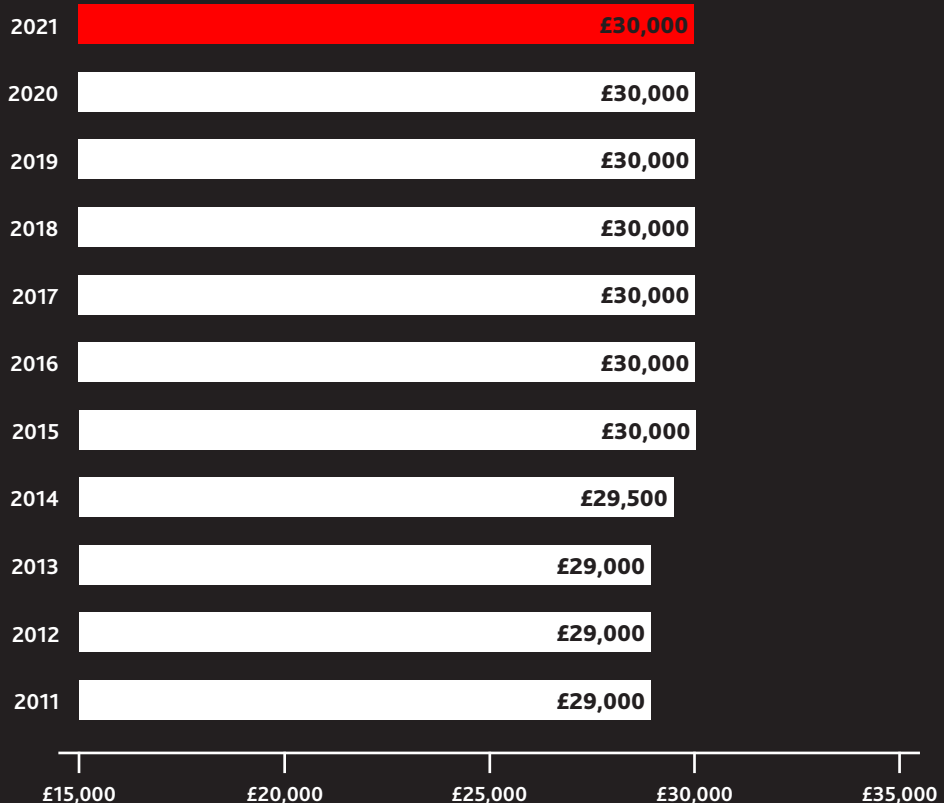
Graduate Starting Salaries

Starting Salaries for Graduates

The second part of the research examines the starting salaries that the UK's top employers are preparing to pay new graduates who are due to join their organisations in 2021, compared with the salaries paid to graduate recruits who began work in 2020. The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2019-2020 and 2020-2021 recruitment rounds. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

Graduate starting salaries rose every year until 2010, but in more than a decade since the recession ended, there have only been two annual rises in 2014 and 2015 (see *Chart 3.1*). The median starting salary for new graduates has increased by just £1,000 over that period and has remained at £30,000 for the last six years.

Chart 3.1 Median Graduate Starting Salary at the UK's Top Employers 2011-2021



Source - The Graduate Market in 2021

Median graduate starting salaries

Graduate Starting Salaries in 2021

The median graduate starting salary on offer in 2021 from the UK's leading employers is again expected to be £30,000, unchanged for the seventh year running.

At the very top of the market there are fourteen organisations offering graduate salaries in excess of £45,000 this year, whereas just three employers have starting salaries of £20,000 or less (see *Chart 3.2*). Analysis of the salaries paid for individual roles shows that more than a sixth of graduate jobs at the country's leading employers now have initial salaries of £40,000 or more.

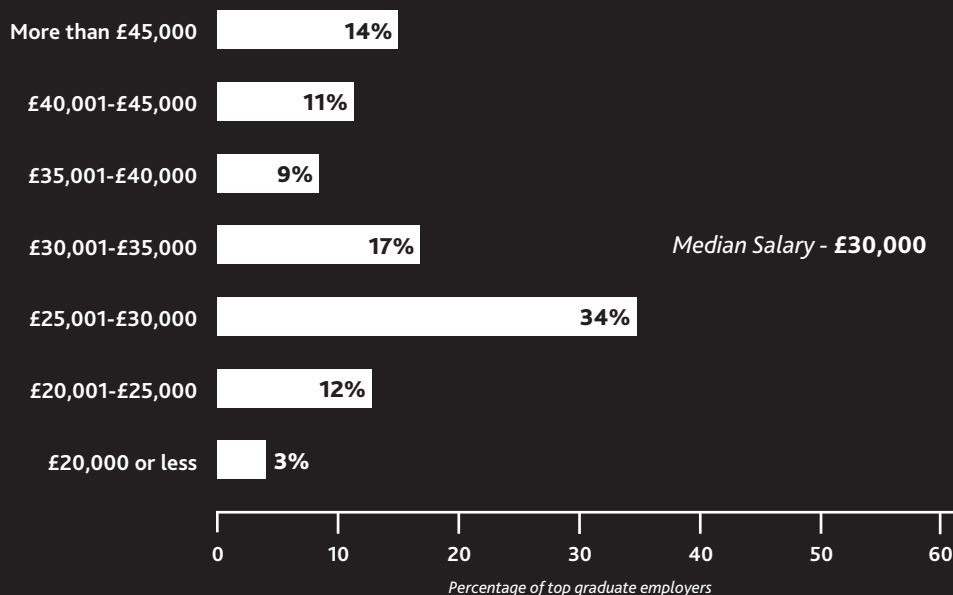
The majority of employers are not expecting to change the starting salaries they pay to new graduates in 2021 (see *Chart 3.3*). Fewer than a fifth of organisations included in the research are increasing their graduate pay – typically by between 1.5 and 5.0 per cent compared with 2020 – and one in ten employers have reduced their starting salaries for this year's new recruits.

The highest-paying sector for new graduates is again investment banking, where the median starting salary is £50,000 (see *Chart 3.4*). Salaries for trainee solicitors at the country's top law firms have increased to £46,000, whereas graduate salaries at the top strategy consulting firms are now £45,000. Median starting salaries have also risen in the oil & energy sector, retailing, technology and media companies.

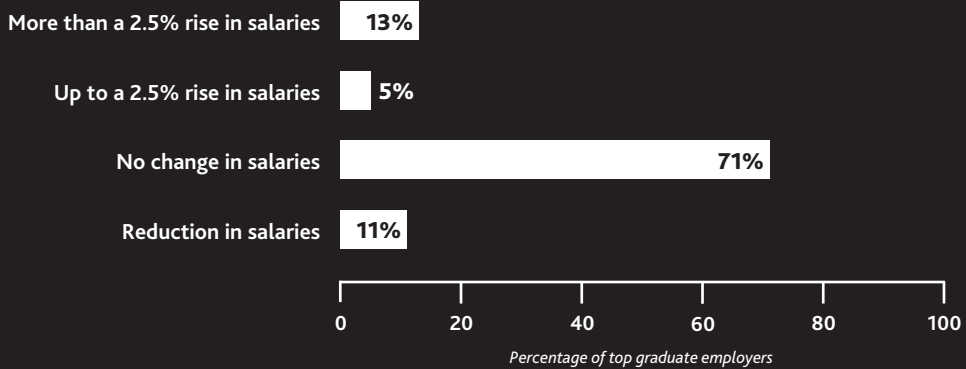
Beyond the City and the legal sector, this year's highest published starting salaries are at technology company TPP – which offers new graduates salaries of up to £45,000 – and retailer Aldi, where pay for graduates joining its trainee area manager programme is £44,000.

It is interesting to note that if the median graduate starting salary of £29,000 paid by the UK's top employers a decade ago had kept pace with inflation, it would now be worth over £37,200 – some £7,000 more than this year's median pay for new graduates.

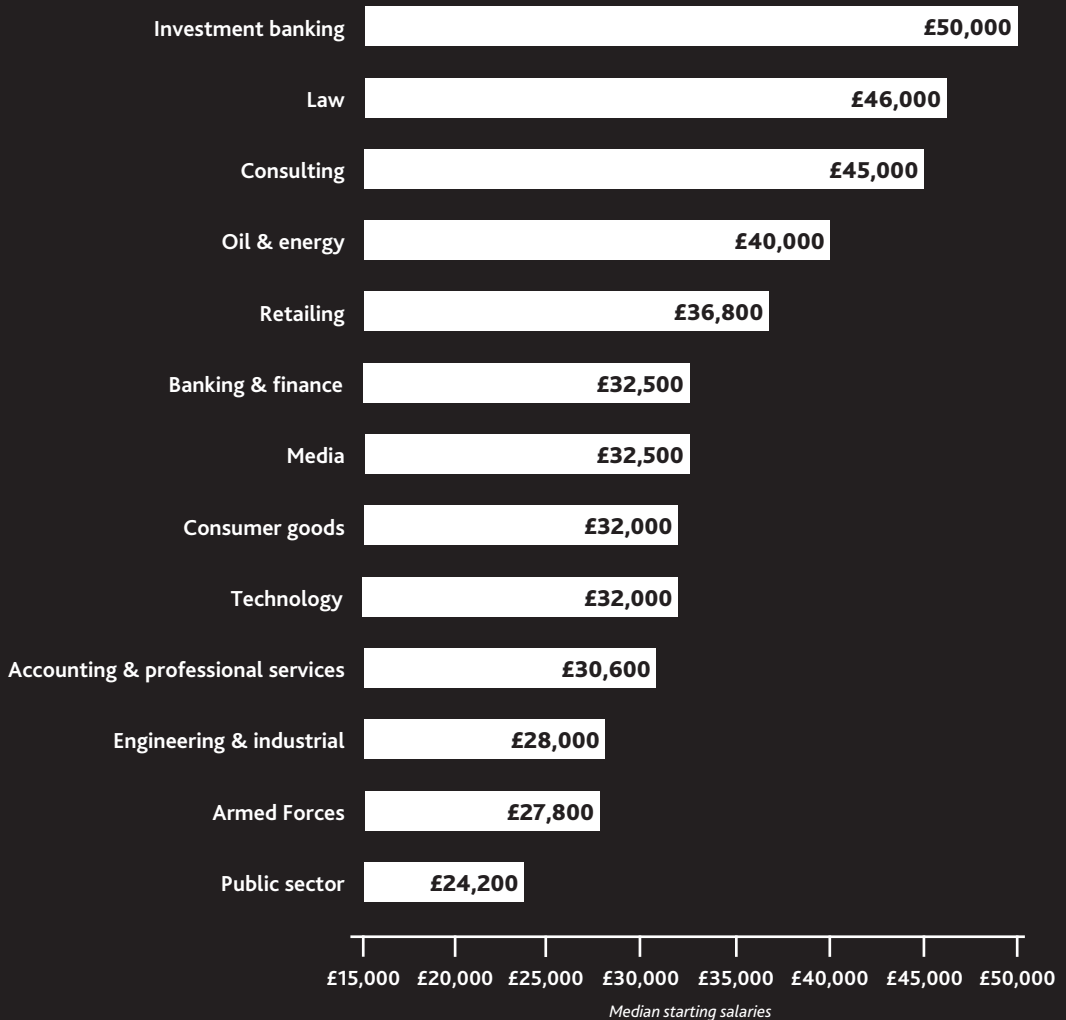
Chart 3.2 Graduate Starting Salaries at leading UK Employers in 2021



Source - The Graduate Market in 2021

Chart 3.3 Changes to Graduate Starting Salaries at leading UK Employers in 2021

Source - The Graduate Market in 2021

Chart 3.4 Graduate Salaries at the UK's Top Employers in 2021, by Sector or Industry

Source - The Graduate Market in 2021

Summary & Conclusions

- **Graduate starting salaries** at the UK's leading graduate employers are expected to **remain unchanged** for the seventh consecutive year in 2020, at a median starting salary of **£30,000**.
- Fourteen of the country's best-known graduate employers are paying salaries in excess of **£45,000** this year.
- The most generous salaries in 2021 are those on offer from the **investment banks** (median of £50,000), **law firms** (median of £46,000), **consulting firms** (median of £45,000), and **oil & energy companies** (median of £40,000).
- The highest published graduate starting salaries for 2021 include law firms **White & Case** (£50,000), **Clifford Chance** (£48,000), **Baker McKenzie** (£48,000), **Linklaters** (£47,000), technology company **TPP** (£45,000) and retailer **Aldi** (£44,000).

Chapter 4

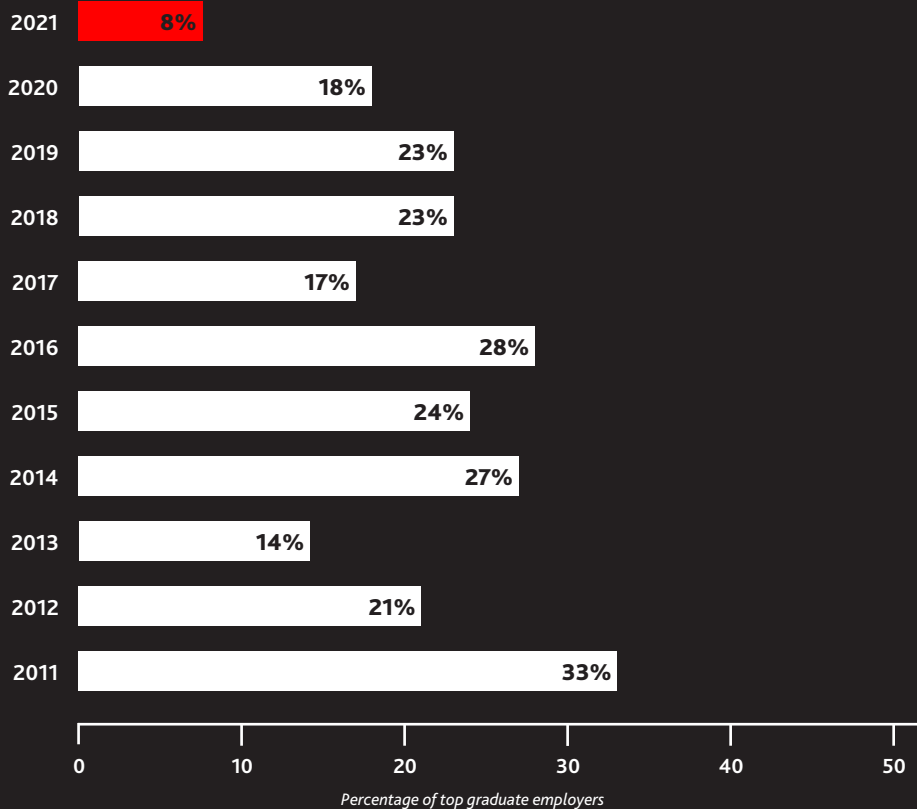
Graduate Recruitment in 2020-2021

Recruiting Graduates in 2020-2021

The final part of the research examines how the UK's leading employers are approaching the 2020-2021 recruitment round – from the promotions they are using to publicise their graduate programmes and their recruitment priorities, to the universities they are targeting for their recruitment and the volume and quality of graduate applications received so far.

Twelve years ago, the global financial crisis and recession in 2008 and 2009 had a very substantial impact on the resources available to the UK's leading graduate recruiters and *The Graduate Market in 2010* report confirmed that recruitment budgets at almost half of the country's top graduate employers were cut that year. In the decade since, spending on recruiting new graduates has varied considerably but as recruitment targets rose in 2011, again from 2014 to 2016, and once more from 2018 to 2020, the proportion of employers with larger recruitment budgets increased accordingly (see *Chart 4.1*).

Chart 4.1 Employers with increased annual Graduate Recruitment Budgets 2011-2021



Source - The Graduate Market in 2021

Graduate Recruitment Priorities in 2020-2021

The significant economic impact of the Coronavirus pandemic on graduate employers in many different industries and businesses means that recruitment budgets have been cut at half of the UK leading employers this year.

Twenty employers confirmed that their budget to attract and recruit graduates during the 2020-2021 recruitment season had ‘decreased considerably’, compared with the previous recruitment cycle (see *Chart 4.2*), and a further thirty organisations reported that their graduate recruitment budget had ‘decreased a little’.

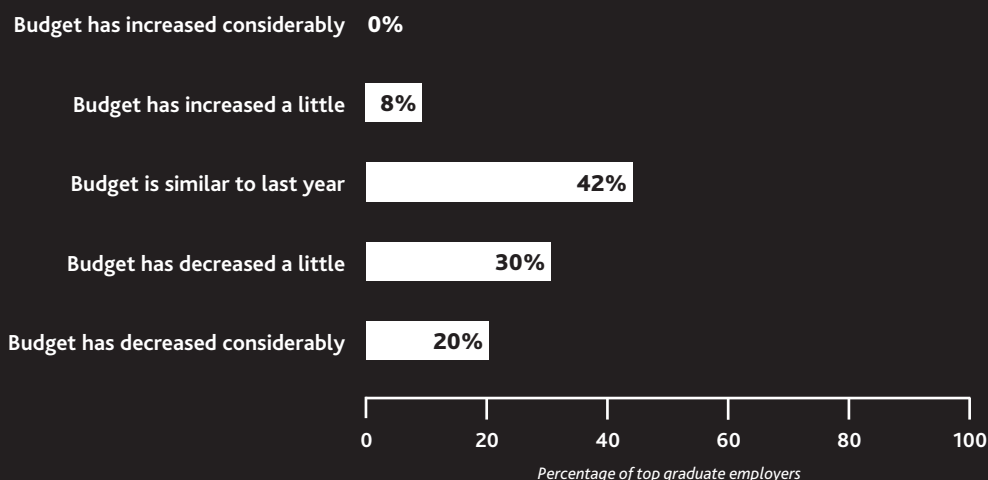
For most of the country’s top graduate employers, their principle challenge for the 2020-2021 recruitment round has been moving all of their recruitment marketing and selection processes online because of the ongoing Coronavirus restrictions. But graduate recruiters taking part in the research were asked what their other main priorities have been for this year’s recruitment.

The results show that setting and achieving diversity targets remains the highest priority for recruiters, as organisations seek to recruit a more balanced workforce, with graduates from a wider range of backgrounds and circumstances (see *Chart 4.3*). More than four-fifths of the UK’s top employers said that ethnic diversity targets were a ‘very high’ priority this year, over three-quarters were working hard on achieving gender diversity, and a record 72% confirmed that social mobility targets were a key goal for their organisations.

Some employers commented that switching to fully-online recruitment promotions this year had enabled them to attract an even broader range of applicants for their graduate programmes than usual, helping them towards their diversity targets. But others warned that their diversity initiatives had suffered because they hadn’t been able to run their usual programme of campus-based recruitment events.

Two-thirds of employers said improving students’ perceptions of their organisations was a ‘very high’ priority this year, three-fifths were more concerned about maintaining their organisation’s profile with students in the current circumstances, and almost half were focused on improving the quality of the graduates they recruited.

Chart 4.2 Employers’ Graduate Recruitment Budgets for 2020-2021

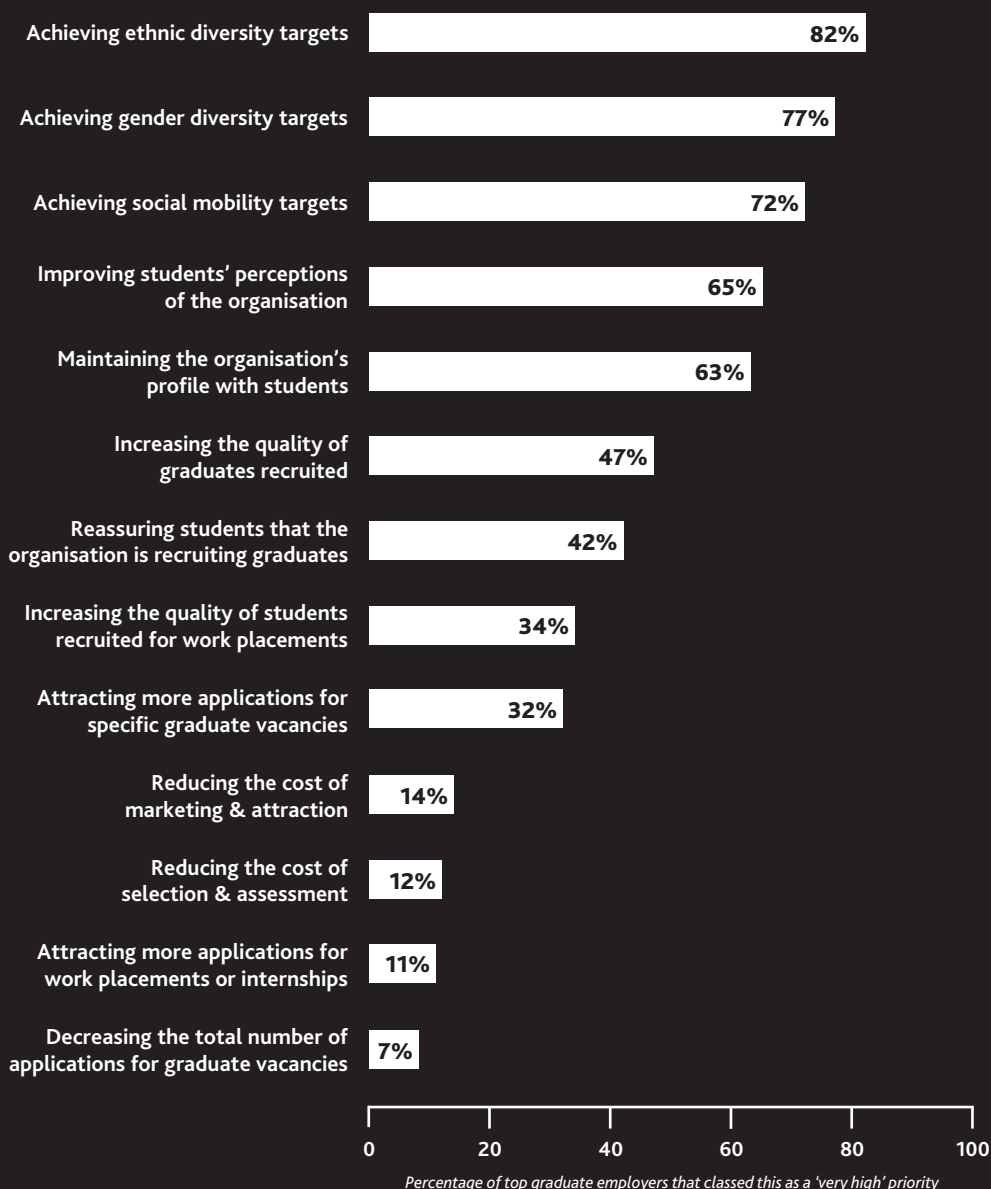


Source - The Graduate Market in 2021

Two-fifths of recruiters acknowledged that they needed to reassure university students and recent graduates that their organisations were continuing to recruit graduates, despite the considerable economic damage caused by the continuing Coronavirus crisis.

Very few employers wanted to increase the total number of graduate applications that they received but almost third of graduate recruiters hoped to attract more applicants for specific job functions or graduate programmes, particularly those with difficult-to-fill technology, engineering or other STEM vacancies. Given the significant difficulties that employers have faced delivering work experience programmes during the pandemic, it is little surprise that only one in ten employers were seeking more applicants for their internship programmes.

Chart 4.3 Priorities for Graduate Recruiters at the UK's Top Employers in 2020-2021



Source - The Graduate Market in 2021

Graduate Recruitment Promotions in 2020-2021

Since the beginning of the Coronavirus crisis in March 2020, the UK's leading employers have been unable to host their usual programme of on-campus recruitment events at universities around the country and have had to move almost all of their recruitment marketing and promotions online.

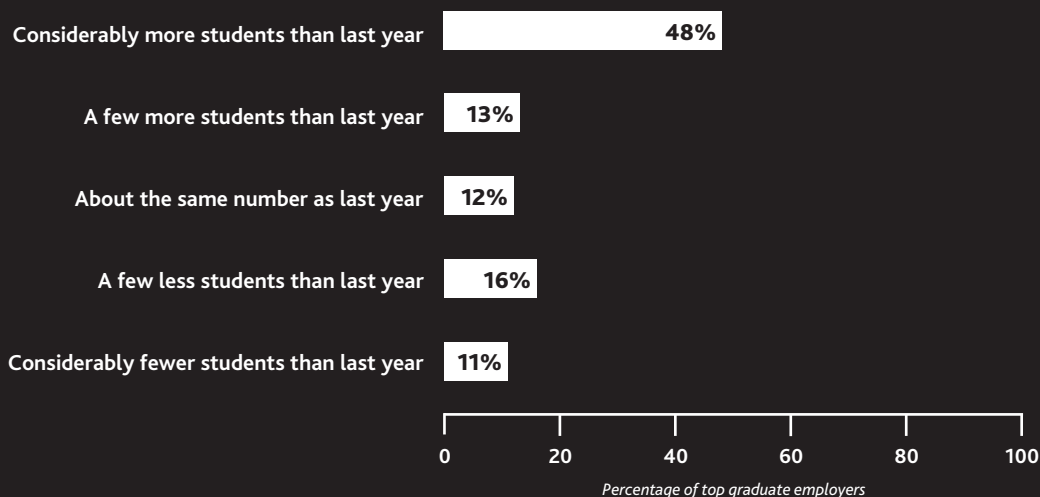
During the 2020-2021 recruitment season, almost every major employer has been using online presentations and most found them to be a successful way to promote their graduate vacancies (see *Table 4.5*). Some presentations have been held specifically for students at individual universities, mirroring the on-campus events of previous years, but many have been offered to all interested students and recent graduates, irrespective of their institution.

Employers have used a variety of different technologies to deliver these events, with some positioned as live 'meetings' to encourage interaction and discussion, whilst others have been more like 'broadcasts' with limited opportunities to ask questions or speak to recruiters. Many of these online presentations have been made available to watch again after the original event on employers' graduate websites.

The majority of graduate employers have made good use of social media this year, with around two-fifths of recruiters describing these promotions as 'very successful'. Almost nine out of ten of the UK's top graduate employers used advertising in graduate directories (such as *The Times Top 100 Graduate Employers* and *The UK 300*) and promotions on commercial graduate recruitment websites (such as *TARGETJobs*, *Prospects* and *Gradcracker*) to publicise their recruitment programmes. Employers have been similarly-reliant on the email services provided by recruitment websites and publishers, to publicise their recruitment programmes to prospective students and recent graduates, but fewer than a third of recruiters are currently using recruitment apps (such as *Debut* and *Reed*).

More than four-fifths of graduate employers arranged promotions through university careers services and a similar number took part in university-run virtual careers fairs, which replaced universities' usual on-campus fairs and sector events. Whilst most employers appreciated

Chart 4.4 Students taking part in Employers' Recruitment Promotions in 2020-2021



Source - The Graduate Market in 2021

how quickly university careers services managed to reinvent their in-person events online, the feedback about the effectiveness of these virtual fairs was mixed. Almost two-fifths of participating employers described them as ‘not very successful’, either due to poor attendances, fewer opportunities for ‘one-to-one’ interaction with students, or technical issues. By contrast, a higher proportion of employers who took part in national or sector-run virtual careers fairs described them as successful, particularly those that enabled graduate recruiters to have live video conversations with individual students or groups of students.

Despite the lack of direct access to university campuses, more than half of the UK’s top graduate employers have continued to support student societies and clubs during the 2020-2021 academic year and two-fifths have recruited their own network of student brand managers to publicise their graduate and work experience programmes to fellow students. The majority of employers who used these communication channels found them effective this year, describing them as either ‘very successful’ or ‘quite successful’.

The move to online events and virtual promotions means it is difficult to compare students’ level of engagement with graduate employers during the 2020-2021 recruitment season with past years, when recruitment marketing was a mix of campus and online promotions. However, almost half of the employers taking part in the research believed that their promotions had reached ‘considerably more students’ this year (see *Chart 4.4*) and, in total, over three-fifths of recruiters thought that more students had engaged with their promotions since switching to a fully-online marketing campaign. One in eight employers thought that a similar number of students had seen their promotions this year, whereas a quarter were concerned that fewer job hunters had heard about their graduate or work experience programmes.

Table 4.5 Analysis of Employers’ Graduate Recruitment Promotions in 2020-2021

<i>Graduate Recruitment Promotion</i>	<i>% of employers that used promotion during 2020-2021</i>	<i>Promotion was 'Very Successful' %</i>	<i>Promotion was 'Quite Successful' %</i>	<i>Promotion was 'Not Very Successful' %</i>
Online presentations	97	53	39	5
Promotions on social media	91	38	49	4
Advertising in graduate directories	89	15	62	12
Promotions on graduate recruitment websites	87	38	44	5
Promotions via university careers services	85	4	66	15
University-run virtual careers fairs	84	6	45	33
Email services	79	29	46	4
National sector-specific virtual careers fairs	71	20	41	10
Sponsorship of student societies & clubs	53	11	35	7
Advertising in career guides	52	9	32	11
Campus brand managers	42	18	21	3
Recruitment apps	32	6	13	13

Source - The Graduate Market in 2021

Universities Targeted by Employers in 2020-2021

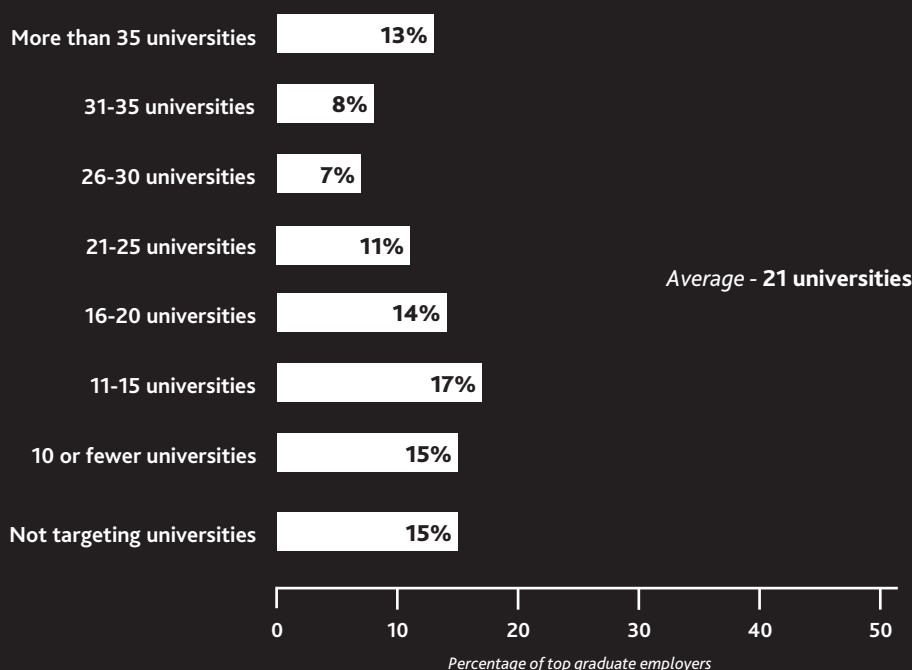
This latest research shows that one consequence of the Coronavirus pandemic and the switch to fully-online graduate recruitment marketing for the 2020-2021 recruitment season is that a significant minority of the UK's top graduate employers have abandoned targeting specific universities. One in six recruiters confirmed that they are no longer involved in local promotions at universities and are instead taking a national or sector-led approach to their graduate recruitment (see *Chart 4.6*).

Furthermore, the employers that are continuing to target specific universities have reduced the number of institutions included in their targeting – from an average of 24 universities in 2019-2020 to 21 universities in 2020-2021. Accounting & professional services firms, public sector employers and law firms have actively publicised their graduate vacancies at the largest number of universities (see *Chart 4.7*).

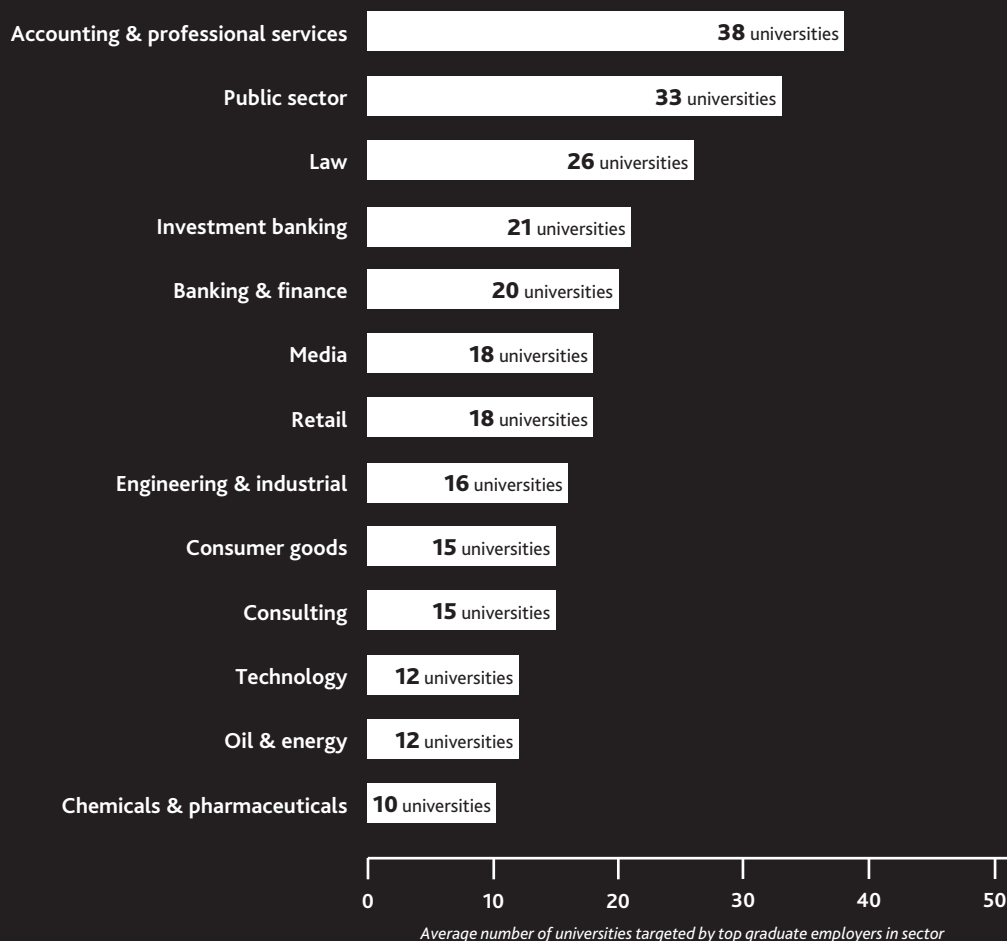
Although the number of employers targeting individual universities has dropped by around a sixth, the five universities currently targeted by the largest number of the UK's leading graduate employers are Birmingham, Manchester, University College London, Nottingham and Leeds (see *Table 4.8*). These institutions have attracted the largest number of top graduate employers for virtual university careers fairs, university-specific employer presentations, careers service promotions and initiatives, and other locally-run publicity in 2020-2021.

It is interesting to compare this list with *The Times & Sunday Times Good University Guide 2021* – the latest league table of institutions compiled from a range of university data. In these rankings, Cambridge and Oxford are in 1st and 2nd place but Manchester, Birmingham and Nottingham, three of the top five most-targeted universities for the UK's leading employers, are only ranked in 14th, 19th and 26th places respectively.

Chart 4.6 Number of Universities Targeted by Top Employers in 2020-2021



Source - The Graduate Market in 2021

Chart 4.7 Universities Targeted by Top Employers in 2020-2021, by Sector or Industry

Source - The Graduate Market in 2021

Table 4.8 Universities Targeted by the Largest Number of Top Employers in 2020-2021

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Birmingham	19	11. London School of Economics	4
2. Manchester	14	12. Durham	6
3. London University College	8	13. Edinburgh	17
4. Nottingham	26	14. London King's College	30
5. Leeds	15	15. Sheffield	23
6. Warwick	10	16. Exeter	12
7. Bristol	13	17. Bath	9
8. Cambridge	1	18. London Queen Mary	41
9. Oxford	2	19. Newcastle	31
10. London Imperial College	5	20. York	20

Source - The Graduate Market in 2021

* The Times & Sunday Times Good University Guide 2021

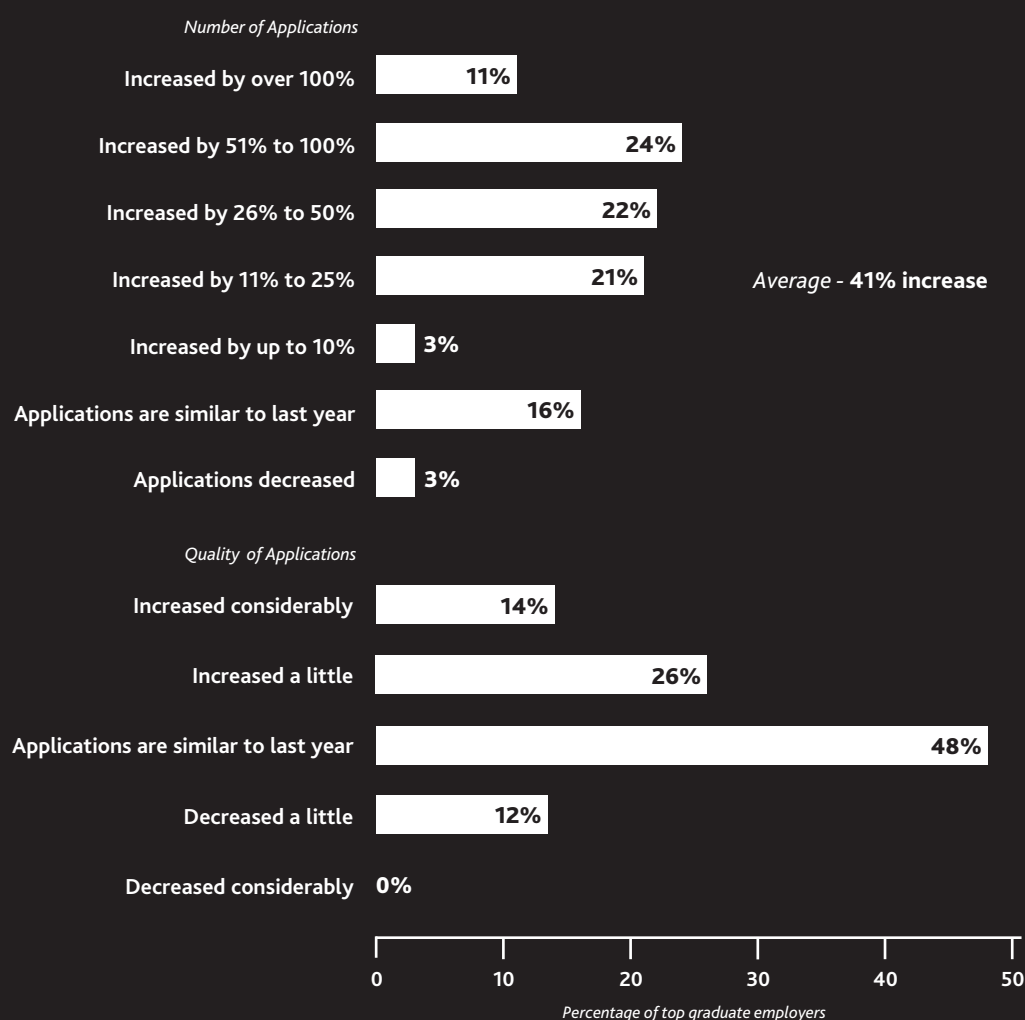
Graduate Job Applications in 2020-2021

The sharp drop in graduate vacancies available to university-leavers in 2020 caused by the Coronavirus pandemic means that a significant number of new graduates from the 'Class of 2020' weren't able to start a graduate job last autumn and are now competing with this year's final year students for places on employers' 2021 graduate programmes.

As a result, more than four-fifths of the UK's top employers have seen an increase in the number of graduate job applications they have received in the early part of the 2020-2021 recruitment round, compared with the same period last year (see *Chart 4.9*).

Eleven organisations from different industries and business sectors said that their graduate application levels had more than doubled year-on-year, whilst a further twenty-five employers reported that applications had increased by more than 50% this year. On average, graduate job applications have increased by 41%, in comparison with last year's recruitment round, making this the largest-ever annual increase in applicants recorded by the country's leading graduate employers.

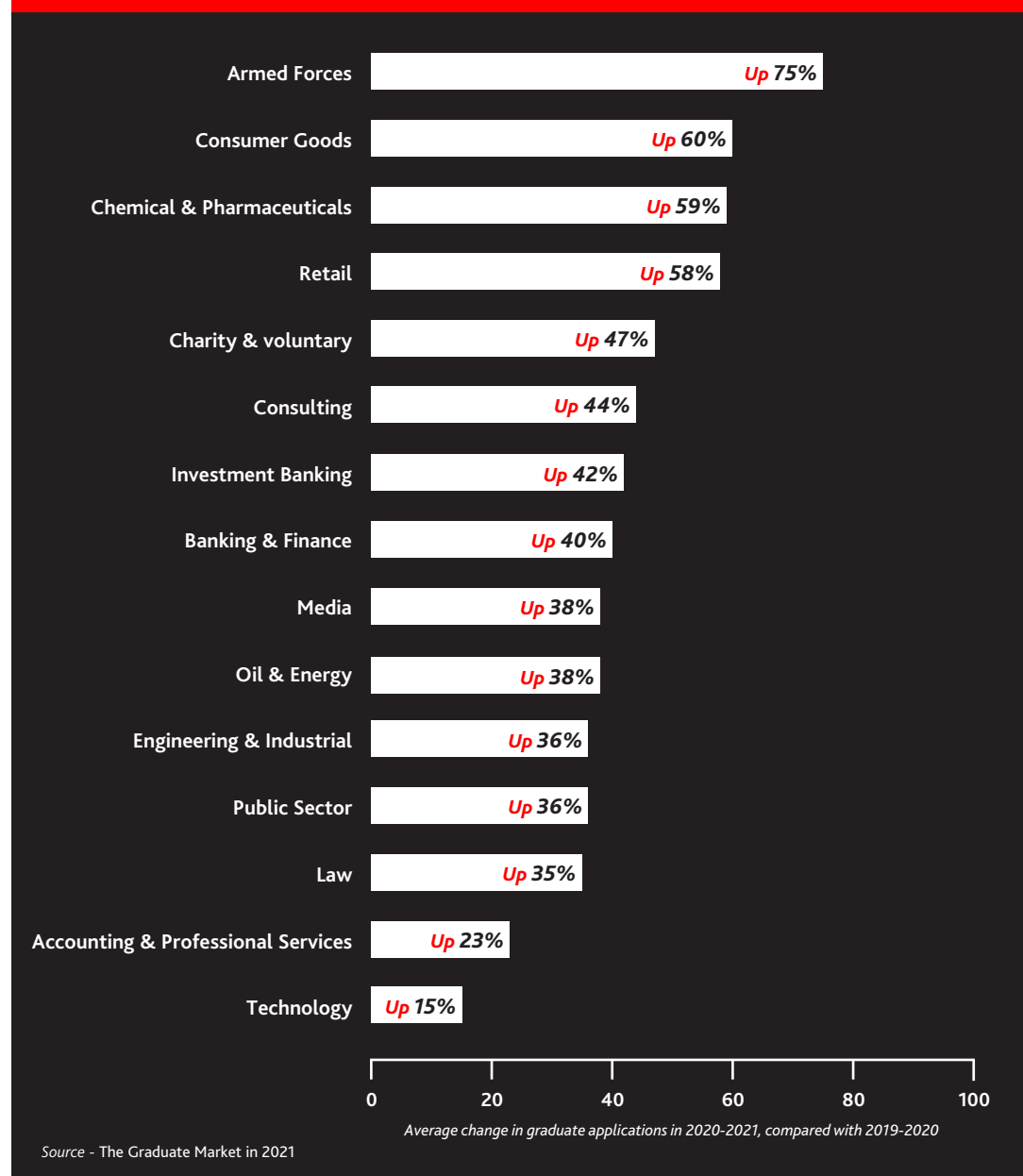
Chart 4.9 Graduate Job Applications made to the UK's Top Employers in 2020-2021



Graduate applications have increased by more than half in four key industries and business sectors – the Armed Forces, consumer goods companies, chemicals & pharmaceuticals companies and online & high street retailers (see *Chart 4.10*). Just two sectors reported an increase in applications of less than 25% year-on-year – accounting & professional services firms and technology companies.

Despite the considerable increase in the volume of applications received, most employers felt that the quality of the applications they've received so far was similar to last year or better. A quarter said that the quality of applications had increased 'a little' and fourteen employers thought the quality had increased 'considerably' (see *Chart 4.9*). Just twelve organisations were worried that the quality of their graduate applicants had decreased year-on-year.

Chart 4.10 Number of Applications to Employers in 2020-2021, by Sector or Industry



Recruiting Graduates through Work Experience Programmes

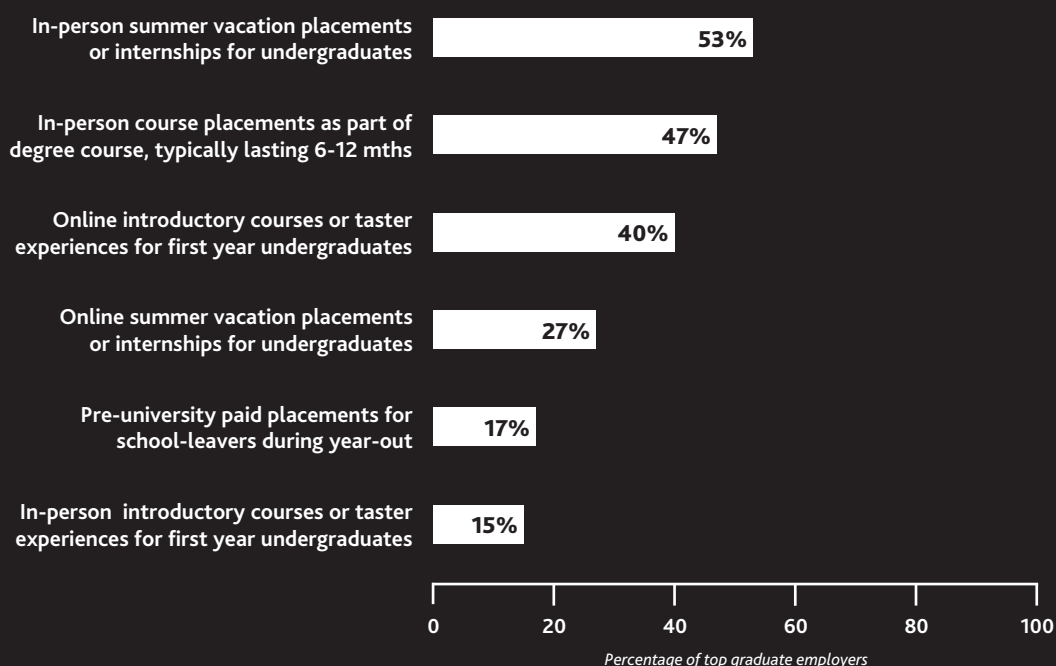
In last January's report on *The Graduate Market in 2020*, the UK's leading graduate employers confirmed that they were planning to offer a record 13,514 places on work experience programmes in 2020, mainly through summer vacations placements, internships or course placements.

From the onset of the Coronavirus crisis in March 2020 and the 'stay home' instruction that followed, it was evident that many employers would not be able to deliver their planned spring or summer work experience programmes. The special *Coronavirus Update* on the graduate job market, produced by High Fliers Research in May 2020, confirmed that a fifth of employers who had been planning to offer summer work experience had cancelled their programmes and remainder moved their placements online or postponed the experiences.

With the UK now in its third national lockdown for the early months of 2021, the widespread continuing uncertainty means that it isn't possible to estimate how many work experience places will be available at the country's top graduate employers this year. However, more than half of the leading employers are hoping they will be able to offer in-person vacation placements or internships this summer (see *Chart 4.11*) whereas a quarter are preparing to offer these placements online.

Fewer than one in six employers are confident that they'll be able to provide in-person taster experiences for first year undergraduates in the spring, but two-fifths plan to run them online instead. Up to half of the UK's top employers are expecting to offer in-person course placements, as part of university degree courses, typically starting in September or October and lasting up to 12 months. One in six employers are preparing gap-year work experience for students between school and university.

Chart 4.11 Type of Work Experience available at the UK's Top Employers in 2021



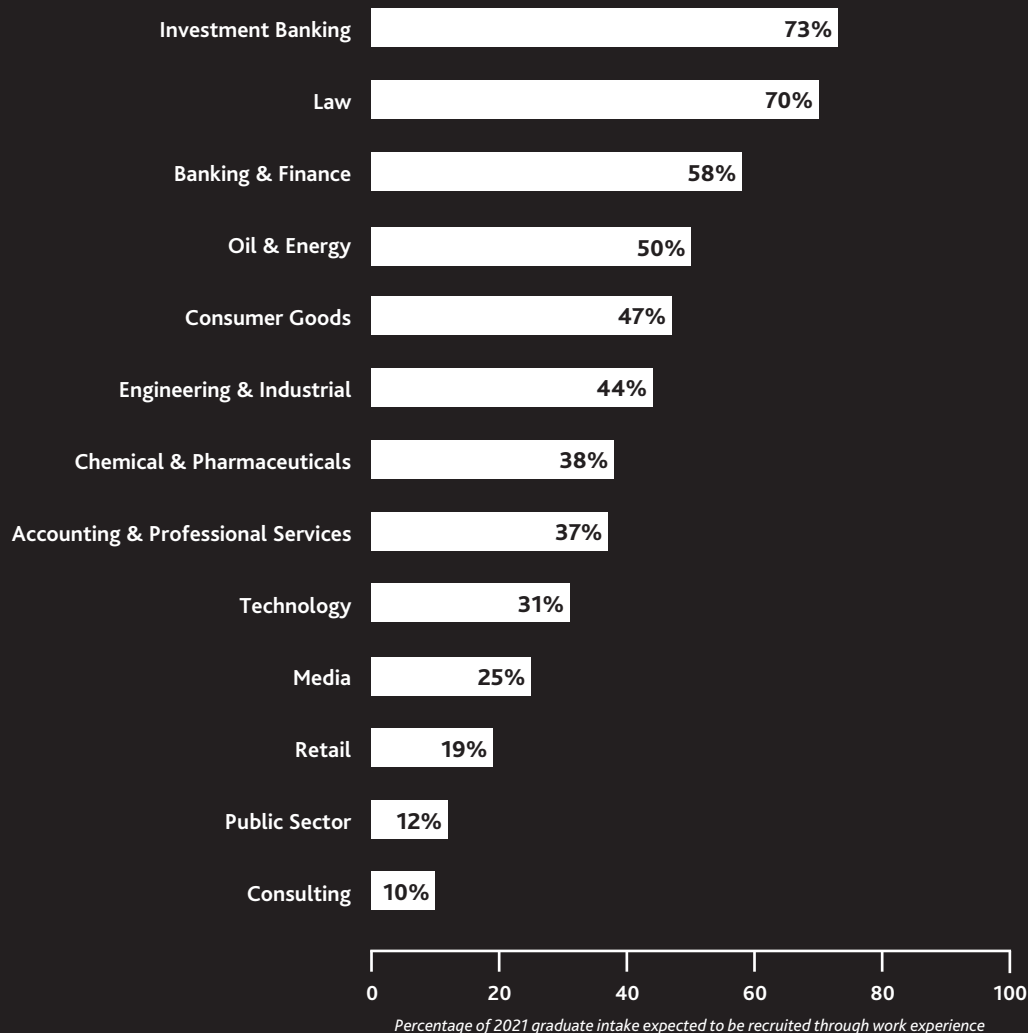
Source - The Graduate Market in 2021

Despite the ongoing disruption to work experience, the majority of the country's leading graduate employers have been very keen to continue offering experiences to students in their early years of university, because many of these successful placements lead to the recruitment of candidates for their graduate programmes.

Employers taking part in the research estimated that 34% of the graduates that they are recruiting for their 2021 intake will have completed work experience with their organisations whilst at university, with many receiving – and accepting – job offers at their end of their work placements or internships.

Almost three-quarters of graduates joining the top investment banks have been recruited via work experience programmes (see *Chart 4.12*), and at least half those recruited for the leading law firms, banking & finance employers and oil & energy companies have been offered graduate jobs after completing successful work experience. Employers in retail, consulting and the public sector were the least-likely to recruit graduates through work placements.

Chart 4.12 Graduates Recruited through Work Experience, by Sector or Industry



Source - The Graduate Market in 2021

Summary

- Half of the country's leading employers have **cut their graduate recruitment budgets** for the 2020-2021 recruitment round.
- The Coronavirus pandemic has forced employers to switch almost **all of their graduate recruitment promotions online** this year, using a range of university-run virtual events, online presentations, social media, online advertising, email services, and advertising in graduate directories.
- Feedback about **universities' virtual careers fairs** was mixed, with up to two-fifths of employers who participated in them describing the events as 'not very successful'.
- Employers have **reduced the number of universities** that they have actively marketed their graduate vacancies at during the 2020-2021 recruitment season, and one in six employers has **given-up targeting** individual universities altogether.
- The ten universities **targeted** by the largest number of top graduate employers in 2020-2021 are Birmingham, Manchester, University College London, Nottingham, Leeds, Warwick, Bristol, Cambridge, Oxford and Imperial College London.
- More than four-fifths of the UK's leading employers said they had received **more completed graduate job applications** during the early part of the recruitment season than they had last year.
- On average, the country's top employers have received **41% more graduate job applications** so far, compared with the equivalent period in the 2019-2020 recruitment round, the highest-ever annual increase recorded by this research.
- Half the UK's leading employers are hoping to be able to deliver **in-person vacation work placements and internships** this summer, but spring taster programmes for first year students are expected to take place online.