

The Graduate Market in 2023

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



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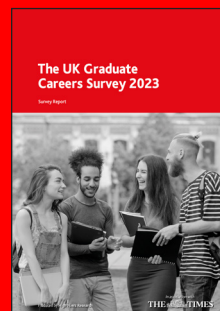
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How are finalists from the 'Class of 2023' faring in the post-pandemic graduate job maket?

Join our student research programme to find out.

For nearly three decades, **High Fliers Research** has conducted detailed annual research into graduate recruitment at the UK universities, providing top employers with an unrivalled insight into the attitudes & aspirations of final year university students.

The UK Graduate Careers Survey has been tracking students from the 'Class of 2023', to examine their career plans and expectations, their reactions to this year's on-campus and virtual recruitment events & promotions, and their applications for graduate jobs in 2023.



Based on two rounds of in-depth research with final year students graduating in the summer of 2023 and interviews with up to 15,000 finalists conducted in February, the research programme provides graduate recruiters with a unique understanding of graduates leaving university this summer.

To find out how your organisation can join over 70 national & international graduate employers and access the very latest research on the 'Class of 2023', email sally.hyman@highfliers.co.uk or tim.wise@highfliers.co.uk

Foreword

Executive Summary

The Graduate Market in 2023 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 **January 2023**:

- Graduate recruitment at employers featured in *The Times Top 100 Graduate Employers* **increased substantially** in 2022, following a dramatic cut in graduate vacancies in 2020 at the start of the Coronavirus pandemic and a limited recovery in 2021.
- The number of graduates recruited in 2022 **jumped by 14.5%**, compared with graduate recruitment in 2021, the biggest-ever annual increase in graduate vacancies, taking graduate recruitment to its highest level yet.
- The country's top employers recruited **3,500 more graduates** in 2022 than had been expected at the beginning of the 2021-2022 academic year – and year-on-year graduate recruitment increased in eleven out of fifteen of the most sought-after industries & business sectors.
- In a remarkable achievement, one of the 'Big Four' accounting & professional services firms hired more than 2,300 new graduates in 2022 – the most ever recruited by a single employer in the UK – after recruiting fewer trainees than usual during the pandemic.
- On average, employers received **39 applications** per graduate vacancy in 2022.
- The latest recruitment targets for the country's leading employers show that the number of graduate jobs available in 2023 is **expected to increase by a further 6.3%**.
- This takes the number of graduate vacancies on offer to 16% above than the pre-pandemic peak in graduate recruitment recorded in 2019.
- **Accounting & professional services firms** are expected to be the largest recruiters of new graduates in 2023, with a record **7,610** entry-level vacancies available for university-leavers.
- For the second year running **graduate starting salaries** at the UK's leading graduate employers are set to **increase in 2023**, to a new median starting salary of **£33,500**.
- This is an annual increase of £1,500, compared to the starting salaries paid to graduates in 2022 – and a rise of 11.7% since 2020 when the median starting salaries at the country's best-known graduate employers was £30,000.
- The most generous salaries in 2023 are those on offer from the **investment banks** (median of £55,000), **law firms** (median of £50,000) and **consulting firms** (median of £47,500).

- The highest published graduate starting salaries for 2023 include law firms **White & Case** (£52,000) and **Allen & Overy, Baker McKenzie, Clifford Chance, Freshfields, Herbert Smith Freehills, Latham Watkins, Linklaters and Slaughter and May** (each £50,000), technology company **TPP** and retailer **Aldi** (each £50,000).
- With graduate recruitment returning to a ‘new normal’ at the start of the 2022-2023 academic year and the number of graduate vacancies continuing to rise, the majority of the UK’s best-known employers opted to return to **in-person events and university promotions** for their graduate recruitment marketing.
- Feedback about **on-campus presentations & skills events** and **in-person careers fairs** was particularly positive, with up to two-fifths of employers who participated in them describing the events as ‘very successful’.
- Employers have **increased the number of universities** that they have actively marketed their graduate vacancies at during the 2022-2023 recruitment season, to an average of **27 universities**.
- The ten universities **targeted** by the largest number of top graduate employers in 2022-2023 are Manchester, Nottingham, Birmingham, Bristol, Warwick, Leeds, University College London, Cambridge, Durham and Southampton.
- Almost half of the UK’s leading employers said they had received **more graduate job applications** during this recruitment season, compared to last year.
- On average, applications for graduate vacancies have **increased by 8% year-on-year**, with more applicants in ten key industries and business sectors.

Chapter 1

Introduction

Researching the Graduate Market

Welcome to **The Graduate Market in 2023**, the annual review of graduate vacancies and starting salaries at the UK's top employers, produced by **High Fliers Research**.

This research, conducted during January 2023, provides a full assessment of graduate recruitment in 2022 and looks ahead to how many vacancies are available for new graduates in 2023.

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 2022-2023 recruitment season, and the number of job applications employers have received so far.

This is the 18th 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 2022 in a poll of 12,432 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 up to 15,000 final year undergraduates at thirty-two leading universities, which is supported and funded by up to 70 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 *Graduate Careers Live!*, a twice-yearly TV broadcast on the graduate job market and degree apprenticeships – for Sixth Form students, their parents and careers staff, at schools & sixth form colleges across the UK.

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

These prestigious new apprenticeship employer rankings are now produced annually by High Fliers Research for the **Department for Education**.



The Times Top 100 Graduate Employers

As part of the research for *The UK Graduate Careers Survey 2022*, a total of 12,432 final year students from thirty leading universities were asked the unprompted question “Which employer do you think offers the best opportunities for graduates?”.

Between them, finalists named over 900 different organisations during the survey – the one hundred employers with the most student votes formed *The Times Top 100 Graduate Employers* for 2022.



It is these employers that are included in the research for **The Graduate Market in 2023** report:

<i>Accenture</i>	<i>Deutsche Bank</i>	<i>Morgan Stanley</i>
<i>Airbus</i>	<i>Dyson</i>	<i>Mott Macdonald</i>
<i>Aldi</i>	<i>Enterprise Rent-a-car</i>	<i>Natwest Group</i>
<i>Allen & Overy</i>	<i>Eversheds Sutherland</i>	<i>Newton</i>
<i>Amazon</i>	<i>EY</i>	<i>NHS</i>
<i>American Express</i>	<i>Freshfields Bruckhaus Deringer</i>	<i>PA Consulting</i>
<i>Aon</i>	<i>Frontline</i>	<i>Penguin Random House</i>
<i>Apple</i>	<i>GCHQ</i>	<i>Pepsico</i>
<i>Arcadis</i>	<i>Goldman Sachs</i>	<i>Pfizer</i>
<i>Army</i>	<i>Google</i>	<i>Police Now</i>
<i>Arup</i>	<i>Grant Thornton</i>	<i>Procter & Gamble</i>
<i>AstraZeneca</i>	<i>GSK</i>	<i>PwC</i>
<i>Atkins</i>	<i>Herbert Smith Freehills</i>	<i>Reed Smith</i>
<i>BAE Systems</i>	<i>Hogan Lovells</i>	<i>Rolls-Royce</i>
<i>Bain & Company</i>	<i>HSBC</i>	<i>Royal Navy</i>
<i>Baker Mckenzie</i>	<i>Hugh James</i>	<i>Santander</i>
<i>Bank of America</i>	<i>IBM</i>	<i>Savills</i>
<i>Bank of England</i>	<i>Irwin Mitchell</i>	<i>Shell</i>
<i>Barclays</i>	<i>Jaguar Land Rover</i>	<i>Sky</i>
<i>BBC</i>	<i>Jane Street</i>	<i>Slaughter and May</i>
<i>BDO</i>	<i>JP Morgan</i>	<i>Specsavers</i>
<i>Blackrock</i>	<i>KPMG</i>	<i>Teach First</i>
<i>Bloomberg</i>	<i>Kubrick</i>	<i>Tesco</i>
<i>BMW Group</i>	<i>L'Oreal</i>	<i>THG</i>
<i>Boston Consulting Group</i>	<i>Latham & Watkins</i>	<i>Think Ahead</i>
<i>BP</i>	<i>Lidl</i>	<i>Tiktok</i>
<i>BT</i>	<i>Linklaters</i>	<i>TPP</i>
<i>Citi</i>	<i>Lloyds Banking Group</i>	<i>UBS</i>
<i>Civil Service</i>	<i>Local Government</i>	<i>Unilever</i>
<i>Clifford Chance</i>	<i>Mars</i>	<i>Unlocked</i>
<i>Clyde & Co</i>	<i>McDonald's</i>	<i>Vodafone</i>
<i>CMS</i>	<i>McKinsey & Co</i>	<i>White & Case</i>
<i>Credit Suisse</i>	<i>Mi5 - The Security Service</i>	
<i>Deloitte</i>	<i>Microsoft</i>	

Chapter 2

Graduate Vacancies

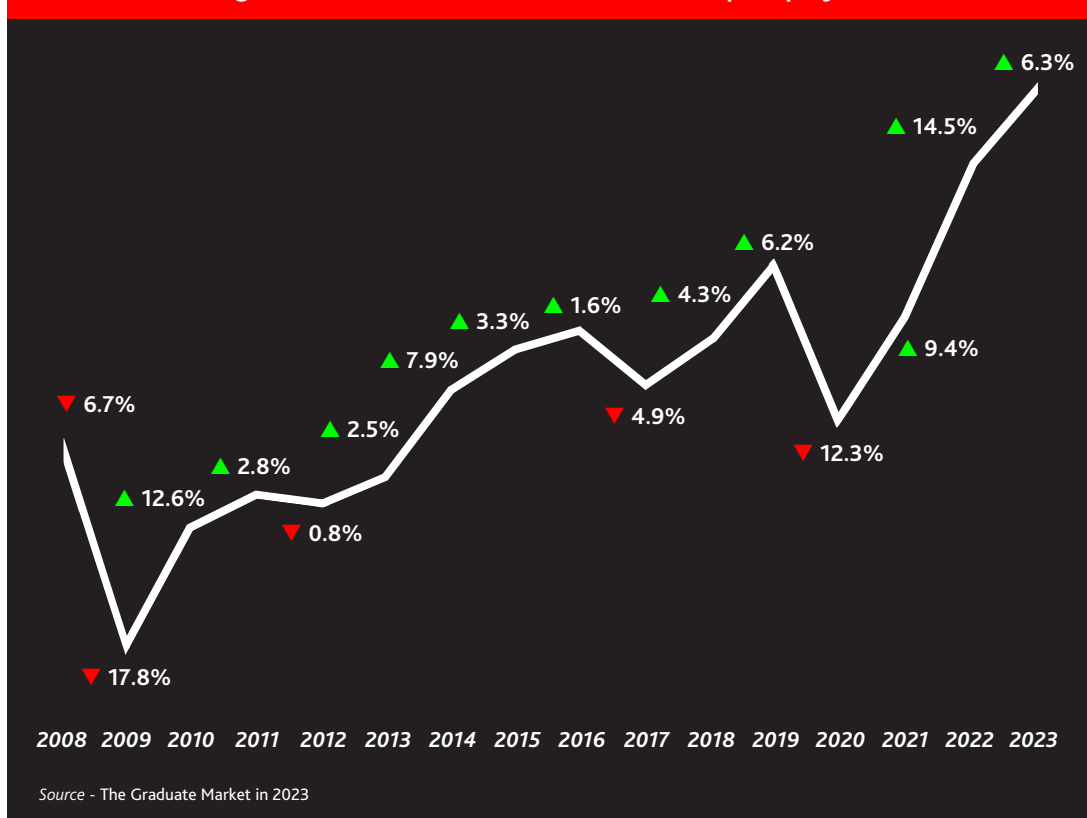
Job Vacancies for Graduates

The first part of the research examines the number of graduates recruited by the UK's leading employers in 2022 and looks ahead to the number of graduate jobs on offer from these organisations in 2023. These vacancies are typically positions with an autumn 2023 start date, promoted to final year university students during the current 2022-2023 academic year.

The number of graduates recruited by the UK's best-known and most successful employers dropped by almost a quarter during the global financial crisis and recession of 2008-2009. But in the decade that followed, there were eight annual rises in graduate recruitment, increasing the number of graduate vacancies available to university-leavers by more than 40 per cent between 2009 and 2019 (see *Chart 2.1*).

The Graduate Market in 2021 report, published by High Fliers Research, confirmed that the Coronavirus pandemic brought this extended period of sustained growth in recruitment to an abrupt end and employers cut their graduate intake by more than 12 per cent in 2020, but graduate recruitment re-bounded by over 9 per cent the following year.

Chart 2.1 Changes to Graduate Vacancies at the UK's Top Employers 2008 to 2023



Graduates Recruited in 2022

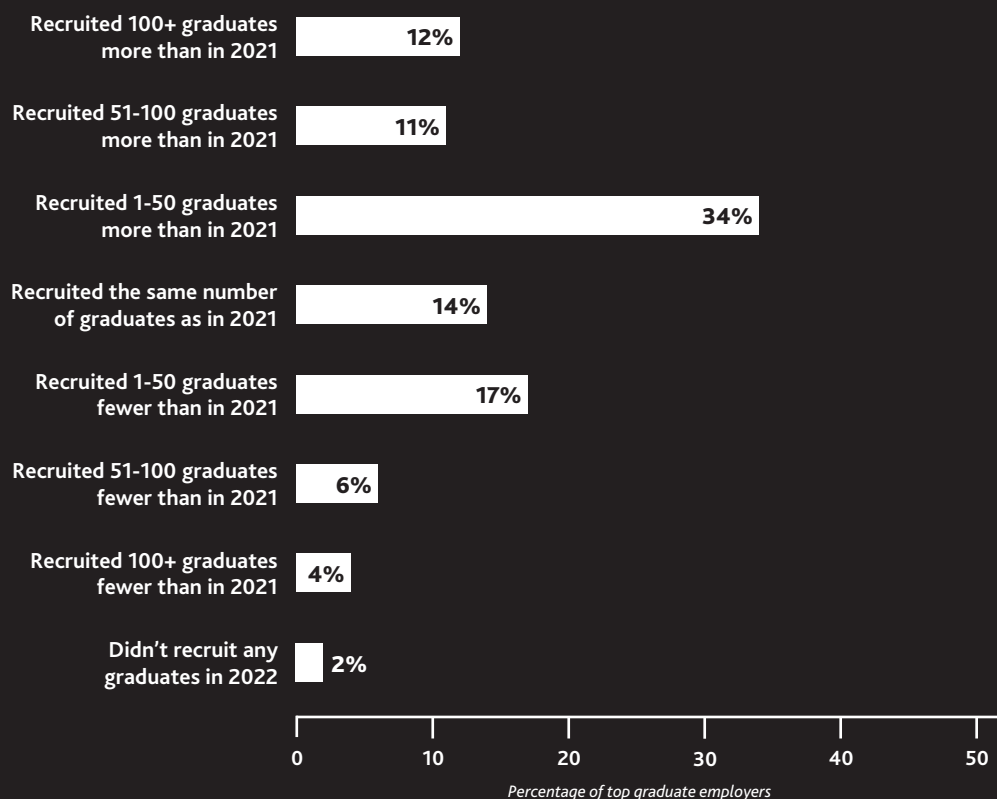
The overall effect of the Coronavirus pandemic on graduate recruitment in 2019-2020 was that the UK's leading employers recruited 3,700 fewer graduates than originally planned in 2020 – a drop of more than 12 per cent year-on-year, instead of the expected annual increase of 3 per cent. This was the largest annual drop in graduate recruitment for eleven years and the biggest shift in recruitment targets during a single academic year since 2008, the beginning of the global financial crisis and recession.

Although the continuing pandemic meant considerable uncertainty for graduate employers at the beginning of the 2020-2021 recruitment round, the outlook gradually improved during the year and the final number of graduates recruited by the country's top employers in 2021 was 9.4 per cent higher than in 2020.

As the 2021-2022 academic year began, employers' published graduate recruitment targets were cautious and initially suggested that graduate vacancies were likely to be similar in 2022 to the numbers recruited in 2021.

But by the mid-point in the recruitment season in January 2022, considerable optimism had returned and employers expected that their graduate recruitment was likely to grow by an impressive 15 per cent in 2022. Recruitment targets in ten key industries & business sectors had increased since the start of the recruitment cycle, most notably at the top accounting & professional services firms, technology companies, and engineering & industrial companies.

Chart 2.2 Changes to Graduate Recruitment at the UK's Leading Employers in 2022



Source - The Graduate Market in 2023

By the summer of 2022, graduate recruitment targets at many well-known employers had been increased further, as employers sought to make up for the reduced number of graduates hired over the previous two years.

This latest research confirms that by the end of the graduate recruitment round for 2022, the UK's top employers had recruited 3,500 more graduates than had been expected at the start of the 2021-2022 academic year. The number of graduates recruited was 14.5 per cent higher than in 2021, taking graduate recruitment to its best-ever level, almost 10 per cent above the pre-pandemic peak in recruitment recorded in 2019 (see *Chart 4.1* on page 9).

A total of fifty-seven of the country's top employers increased the number of graduates recruited in 2022, compared with the previous year's recruitment (see *Chart 2.2*).

Graduate recruitment was higher in eleven out of fifteen industries and business sectors featured in the research in 2022 (see *Table 2.3*). The largest rises were at accounting & professional services firms, technology companies, and engineering & industrial companies, which together recruited over 3,000 more graduates than in 2021.

One of the 'Big Four' accounting & professional services firms hired more than 2,300 new graduates in 2022 – the highest-ever number of graduates recruited by an individual employer in the UK – as it made up for the under-recruitment of trainees during the pandemic.

Table 2.3 Analysis of Graduates Recruited in 2022, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2022, as published in Sept 2021	Recruitment target for 2022, as revised in Jan 2022	Actual graduates recruited by Dec 2022	% change from recruitment in 2021	Vacancies added (cut), compared with 2021
Accounting & professional services	5,800	7,424	7,752	▲ 31.5%	1,856
Armed Forces	1,100	1,100	1,100	▲ 1.9%	20
Banking & finance	1,525	1,654	1,693	▲ 21.7%	302
Charity & voluntary sector	112	95	102	▲ 3.0%	3
Chemicals & pharmaceuticals	190	144	96	▼ 23.8%	(30)
Consulting	380	310	332	▲ 36.1%	88
Consumer goods	270	273	269	▲ 9.8%	24
Engineering & industrial	1,925	2,410	2,642	▲ 30.5%	617
Investment banking	1,980	2,005	2,102	▲ 7.9%	154
Law	866	892	1,010	▲ 14.8%	130
Media	855	920	751	▼ 5.9%	(47)
Oil & energy	140	138	154	▲ 54.0%	54
Public sector	4,690	4,748	4,331	▼ 6.5%	(299)
Retailing	1,310	1,617	1,368	▼ 5.0%	(72)
Technology	2,355	2,944	2,975	▲ 40.4%	856
ALL SECTORS	24,378	28,411	28,107	▲ 14.5%	3,865

Source - The Graduate Market in 2023

Applications to Employers & Diversity of Graduates Recruited in 2022

The considerable disruption that the Coronavirus pandemic brought to both the 2020 and 2021 graduate recruitment rounds inevitably resulted in very dramatic fluctuations in application levels for graduate vacancies at the UK's leading employers.

Graduate recruitment returned to a more normal basis during 2021-2022 and employers received an average of 39 applications per graduate vacancy (see *Table 2.4*) – a very similar level to 2018 and 2019, before the onset of the pandemic.

The most oversubscribed graduate programmes were those offered by consumer goods and oil & energy companies, where more than a hundred graduates competed for each available position. Graduate employers with lower application rates include engineering & industrial companies, accountancy & professional services firms and public sector organisations. Employers received an average of 12,300 applications for their programmes in 2021-2022.

In addition to recording application numbers, employers were also asked about the profile of the graduates recruited in 2022. It should be noted that whilst almost every employer taking part in the research stressed that diversity & inclusion was one of their highest priorities, they were only able to provide limited data about their 2022 cohort for this analysis.

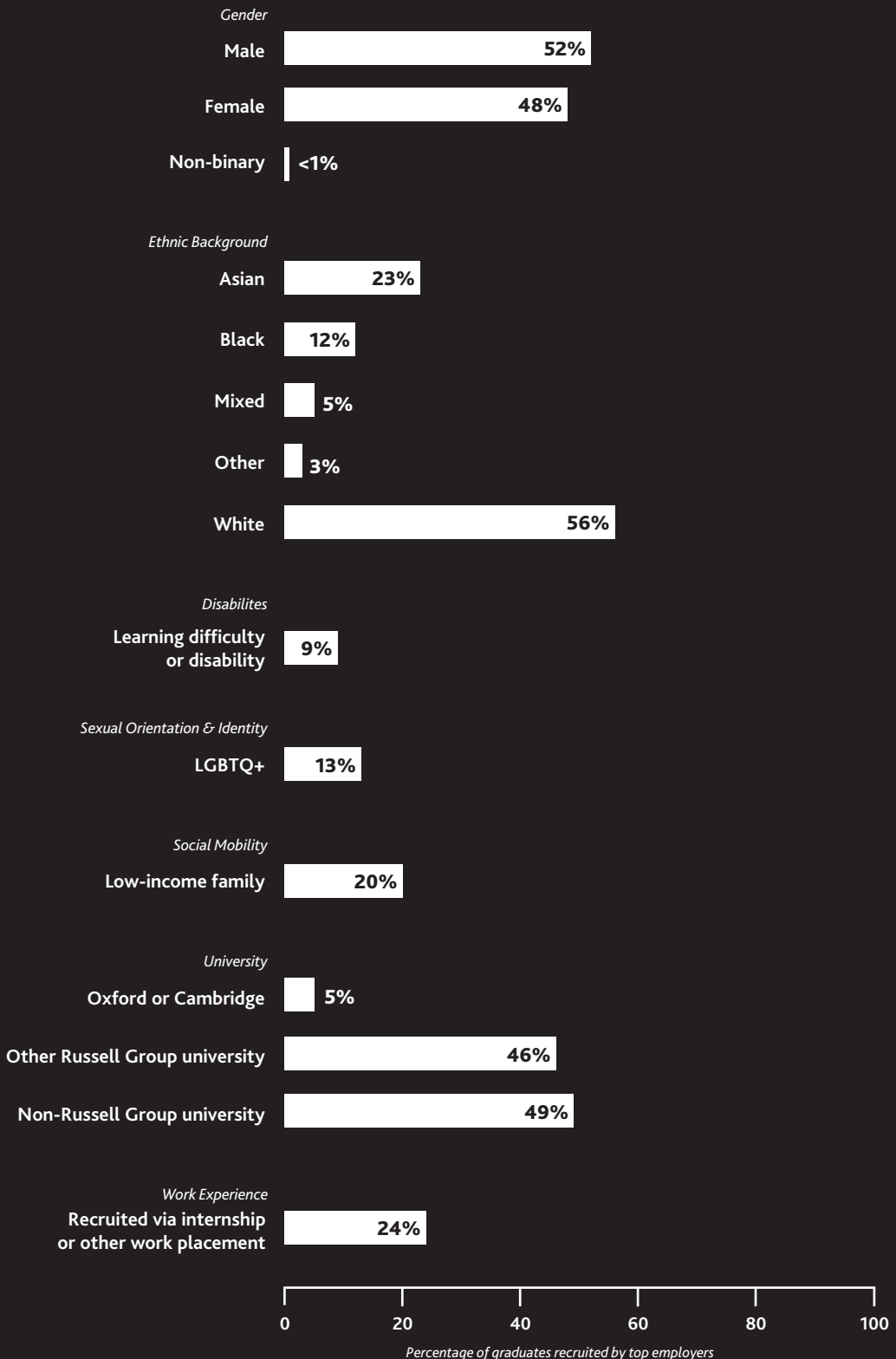
So although most employers gave details of graduates' gender, only half supplied data on the ethnic background of their graduates, just a third had information on graduates with disabilities or learning difficulties, and fewer than a quarter had recorded graduates' sexual orientation or identity, or knew whether they were from a low income background.

From the information that was supplied by employers, 52 per cent of graduates recruited in 2022 by the country's top employers are male, 48 per cent are female and fewer than one per cent are non-binary (see *Chart 2.5*). Two fifths of graduates are black, Asian or minority ethnic, one in ten have learning difficulties or disabilities, 13 per cent are LGBTQ+, and one in five graduates are from low-income families. The research also confirmed that a quarter of graduates had been recruited through employers' work experience programmes – and that more than half had studied at Oxford, Cambridge or another Russell Group university.

Table 2.4 Graduate Job Applications to the UK's Top Employers in 2021-2022

Industry or Business Sector	Average applications per employer in 2021-2022	Average applications per graduate vacancy in 2021-2022	Industry or Business Sector	Average applications per employer in 2021-2022	Average applications per graduate vacancy in 2021-2022
Accounting & professional services	30,200	29.5	Law	2,900	46.1
Banking & finance	13,200	59.1	Media	9,300	49.1
Chemical & pharmaceuticals	1,700	60.5	Oil & energy	9,600	124.8
Consulting	8,200	76.0	Public sector	10,400	21.1
Consumer goods	6,800	357.1	Retailing	7,000	67.3
Engineering & industrial	10,800	33.3	Technology	13,500	41.5
Investment banking	26,400	90.0	ALL SECTORS	12,300	39.3

Source - The Graduate Market in 2023

Chart 2.5 Diversity of Graduates Recruited by the UK's Top Employers in 2022

Expected Graduate Vacancies in 2023

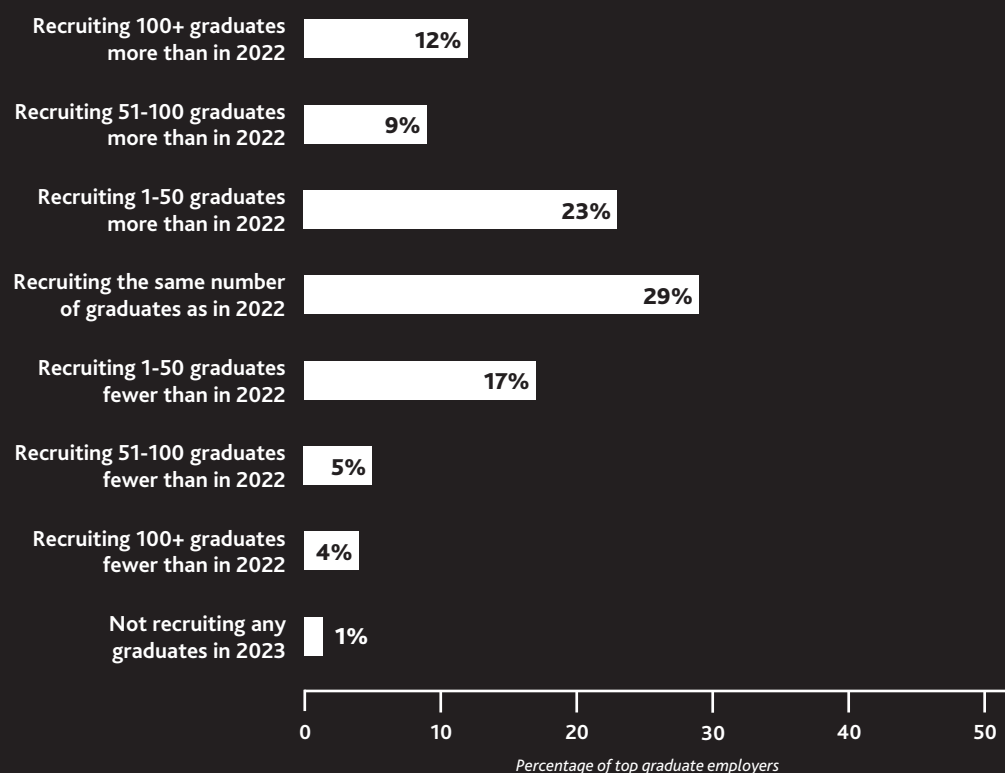
At the start of the new 2022-2023 graduate recruitment cycle in September 2022, the post-pandemic economic outlook had worsened considerably, with the Bank of England predicting that the UK economy could face a prolonged recession during 2023.

As a result, employers' initial recruitment targets for the year ahead were pessimistic, compared with graduate recruitment during 2021-2022. This, combined with the proposed 'pausing' of the Civil Service Fast Stream's 2023 intake, suggested that there would be 6 per cent fewer vacancies for graduates leaving university in the summer of 2023.

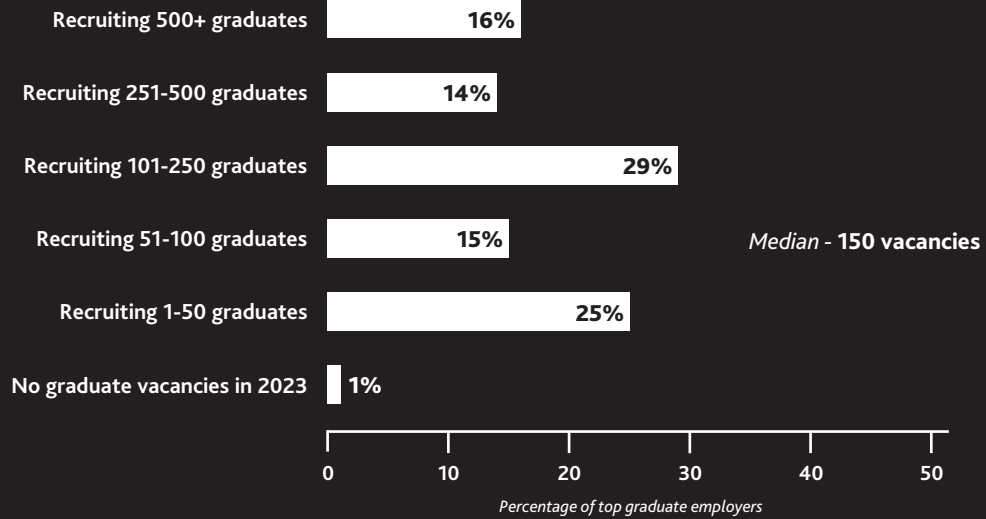
The latest assessment of graduate recruitment at the UK's top graduate employers shows that sentiment has improved over the past six months and there has been a noticeable increase in the number of graduates vacancies on offer in 2023 (see *Table 2.8*). The Civil Service Fast Stream has gone ahead with recruitment for its 2023 intake and graduate vacancies in seven key industries & business sectors have been stepped-up since the start of the recruitment cycle, most notably at the top accounting & professional services firms and other public sector employers, which have added more than 2,500 extra entry-level positions.

Three-fifths of employers are now planning to recruit more graduates in 2023 (see *Chart 2.6*) and the median number of graduate vacancies available for university-leavers is 150 per employer (see *Chart 2.7*). Employers in a total of eleven industries & business sectors featured in the research expect to increase or maintain their graduate recruitment in 2023 and together, they expect to increase their graduate vacancies by 6.3 per cent.

Chart 2.6 Changes to Graduate Vacancies at the UK's Leading Employers in 2023



Source - The Graduate Market in 2023

Chart 2.7 Graduate Vacancies at the UK's Top Employers in 2023

Source - The Graduate Market in 2023

Table 2.8 Analysis of Graduate Vacancies in 2023, by Industry or Business Sector

Industry or Business Sector	Recruitment target for 2023, as published in Sept 2022	Recruitment target for 2023, as revised in Jan 2023	% change from recruitment in 2022	Vacancies added (cut), compared with 2022
Accounting & professional services	6,075	7,610	▲ 6.0%	428
Armed Forces	1,100	1,100	NO CHANGE	-
Banking & finance	1,790	1,666	▼ 9.6%	(177)
Chemicals & pharmaceuticals	145	105	▲ 5.0%	5
Consulting	485	500	▲ 3.7%	18
Consumer goods	190	168	NO CHANGE	-
Engineering & industrial	2,510	3,555	▲ 33.7%	897
Investment banking	2,320	2,412	▲ 2.6%	60
Law	1,037	1,020	▼ 5.3%	(57)
Media	920	681	▼ 4.9%	(35)
Oil & energy	170	241	▲ 56.5%	87
Property	150	160	NO CHANGE	0
Public sector	3,720	4,822	▲ 11.3%	491
Retailing	1,916	1,406	▼ 3.6%	(52)
Technology	3,100	3,004	NO CHANGE	-
ALL SECTORS	26,428	29,800	▲ 6.3%	1,745

Source - The Graduate Market in 2023

Summary & Conclusions

- Graduate recruitment at employers featured in *The Times Top 100 Graduate Employers* **increased substantially** in 2022, following a dramatic cut in graduate vacancies in 2020 at the start of the Coronavirus pandemic and a limited recovery in 2021.
- The number of graduates recruited in 2022 **jumped by 14.5%**, compared with graduate recruitment in 2021, the biggest-ever annual increase in graduate vacancies, taking graduate recruitment to its highest level yet.
- The country's top employers recruited **3,500 more graduates** in 2022 than had been expected at the beginning of the 2021-2022 academic year – and year-on-year graduate recruitment increased in eleven out of fifteen of the most sought-after industries & business sectors.
- In a remarkable achievement, one of the 'Big Four' accounting & professional services firms hired more than 2,300 new graduates in 2022 – the most ever recruited by a single employer in the UK – after recruiting fewer trainees than usual during the pandemic.
- On average, employers received **39 applications** per graduate vacancy in 2022.
- The latest recruitment targets for the country's leading employers show that the number of graduate jobs available in 2023 is **expected to increase by a further 6.3%**.
- This takes the number of graduate vacancies on offer to 16% above than the pre-pandemic peak in graduate recruitment recorded in 2019.
- **Accounting & professional services firms** are expected to be the largest recruiters of new graduates in 2023, with a record **7,610** entry-level vacancies available for university-leavers.

Chapter 3

Graduate Starting Salaries

Starting Salaries for Graduates

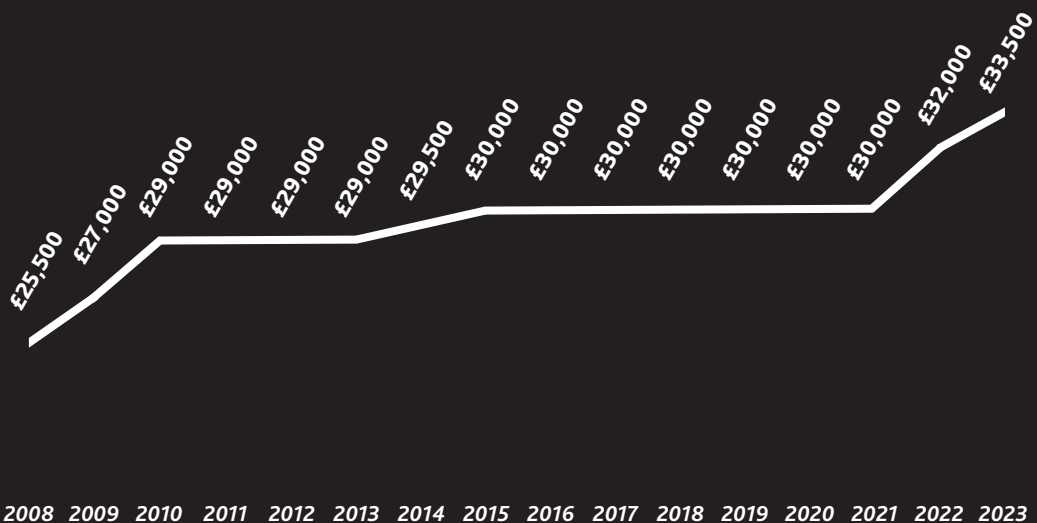
The second part of the research examines the starting salaries that the UK's top employers are preparing to pay new graduates who are due to join their organisations in 2023, compared with the salaries paid to graduate recruits who began work in 2022.

The starting salaries quoted are generally the average national salaries that have been promoted by employers during the 2022-2023 recruitment round. The figures do not include additional benefits such as relocation allowances, regional weighting, subsidised company facilities or bonus schemes.

Graduate starting salaries at the country's leading employers rose each year until 2010 but in the decade that followed the end of the global financial crisis, pay for university-leavers remained largely unchanged (see *Chart 3.1*). There were only two annual rises in graduate starting salaries over this period – in 2014 and in 2015 – and the median starting salary for new graduates increased by just £1,000 between 2010 and 2021, remaining at £30,000 for seven years running.

This extended period of stability for graduate starting salaries coincided with a lengthy period of low inflation in the UK and austerity in the public sector, following the recession of 2008 and 2009. With the number of graduates leaving university continuing to far outstrip the number of graduate vacancies available at the country's top employers during this period, there was little market pressure for employers to improve their graduate starting salaries.

Chart 3.1 Graduate Starting Salaries at the UK's Top Employers 2008 to 2023



Source - The Graduate Market in 2023

Graduate Starting Salaries in 2023

For the second consecutive year, the median graduate starting salary on offer from the UK's leading employers is expected to rise – to £33,500 in 2023. This is an increase of £1,500 compared to the median salary paid to new graduates in 2022 and means that graduate pay has risen by 11.7% in the past two years.

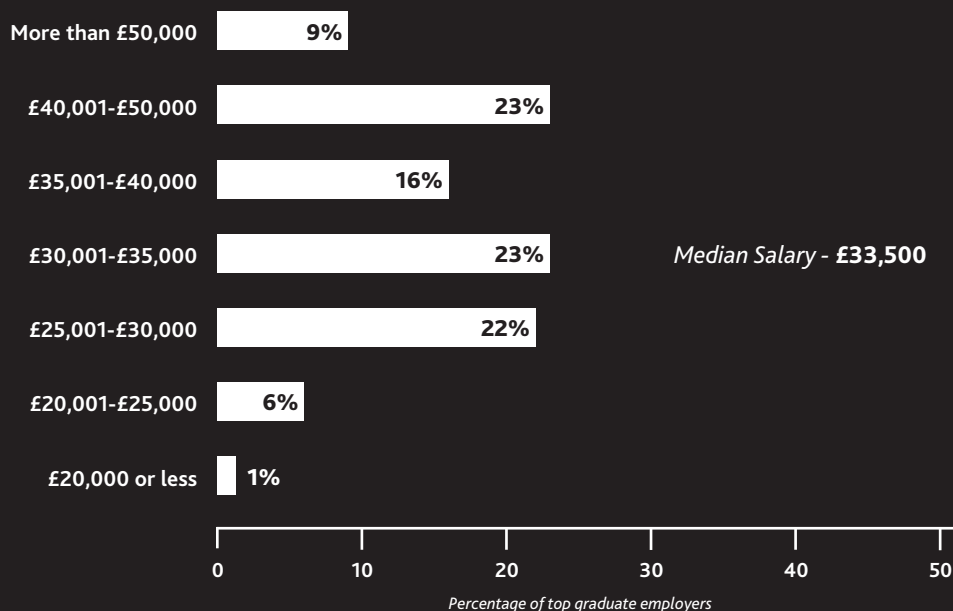
There are nine employers at the very top of the market that are offering graduate starting salaries in excess of £50,000 this year, whereas just one employer has a starting salary of £20,000 or less (see *Chart 3.2*). Analysis of the starting salaries paid for individual roles shows that a sixth of graduate jobs at the country's leading employers now have initial salaries of £40,000 or more.

Over half of employers included in the research are increasing their graduate pay this year – most by up to 10.0 per cent compared with 2022 (see *Chart 3.3*) but a fifth are offering more generous increases. Two-fifths of employers are not planning to change their starting salaries and four organisations have reduced the starting salaries for this year's new recruits.

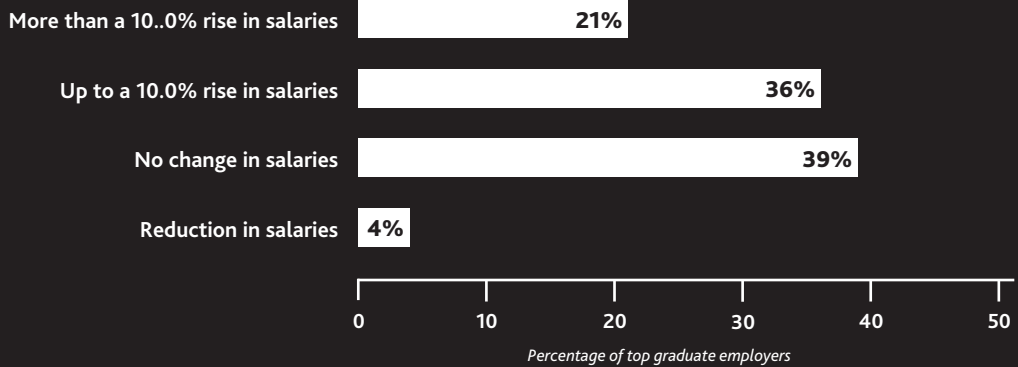
Among the highest-paying sectors for new graduates, investment banking now offers a median starting salary of £55,000 (see *Chart 3.4*), the median salary for trainee solicitors at the country's top law firms is £50,000, and the graduate pay at the leading strategy consulting firms is £47,500. Beyond the City and the legal sector, this year's highest published starting salaries are at retailer Aldi – where the starting salary for graduates joining its popular trainee area manager programme has jumped to £50,000 in 2023 – and technology company TPP – which also offers new graduates salaries of up to £50,000.

It is interesting to note that if the median starting salary of £29,000 paid by employers a decade ago had kept pace with inflation over the past ten years, it would now be worth approximately £39,000 – some £5,500 more than this year's median pay for new graduates.

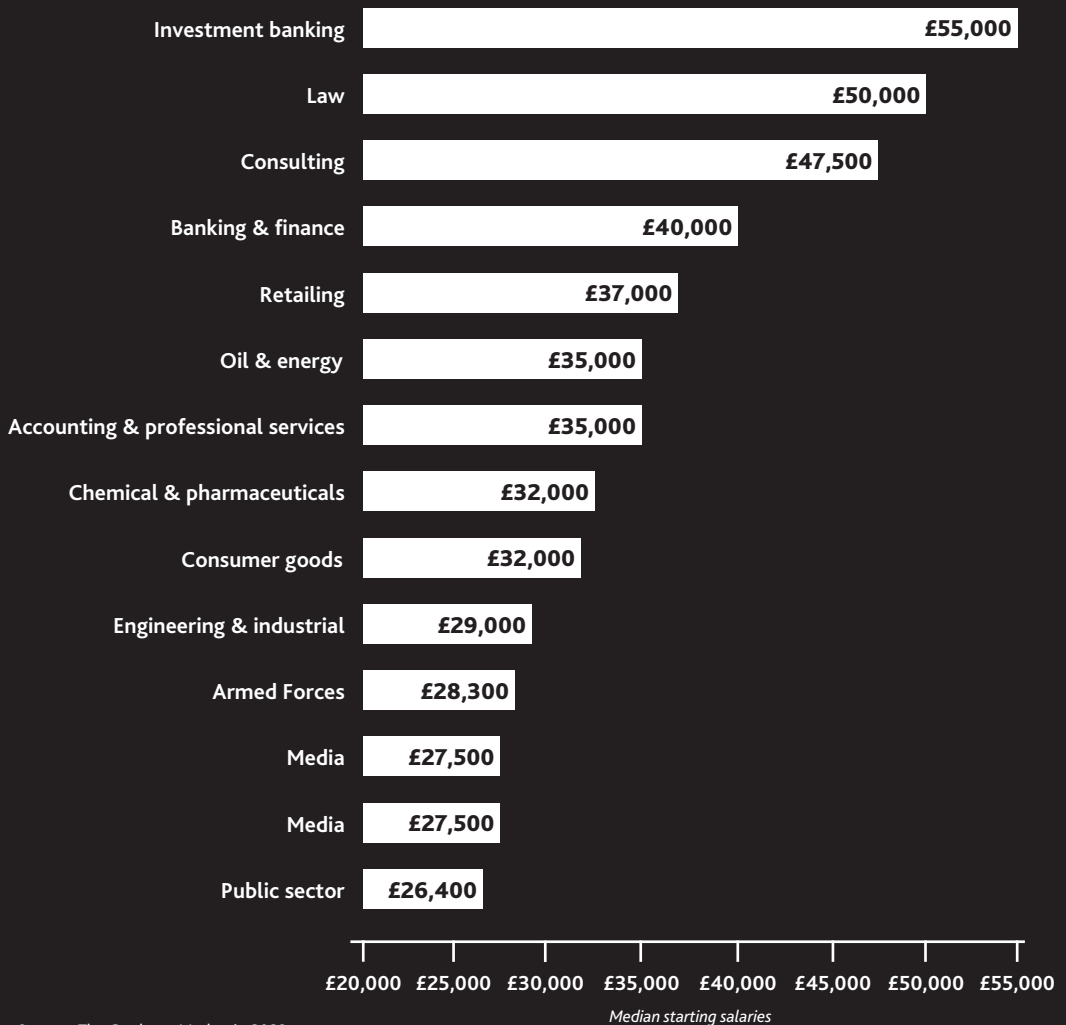
Chart 3.2 Graduate Starting Salaries at leading UK Employers in 2023



Source - The Graduate Market in 2023

Chart 3.3 Changes to Graduate Starting Salaries at leading UK Employers in 2023

Source - The Graduate Market in 2023

Chart 3.4 Graduate Salaries at the UK's Top Employers in 2023, by Sector or Industry

Source - The Graduate Market in 2023

Summary & Conclusions

- For the second year running **graduate starting salaries** at the UK's leading graduate employers are set to **increase in 2023**, to a new median starting salary of **£33,500**.
- This is an annual increase of £1,500, compared to the starting salaries paid to graduates in 2022 – and a rise of 11.7% since 2020 when the median starting salaries at the country's best-known graduate employers was £30,000.
- The most generous salaries in 2023 are those on offer from the **investment banks** (median of £55,000), **law firms** (median of £50,000) and **consulting firms** (median of £47,500).
- The highest published graduate starting salaries for 2023 include law firms **White & Case** (£52,000) and **Allen & Overy**, **Baker McKenzie**, **Clifford Chance**, **Freshfields**, **Herbert Smith Freehills**, **Latham Watkins**, **Linklaters** and **Slaughter and May** (each £50,000), technology company **TPP** and retailer **Aldi** (each £50,000).

Chapter 4

Graduate Recruitment in 2022-2023

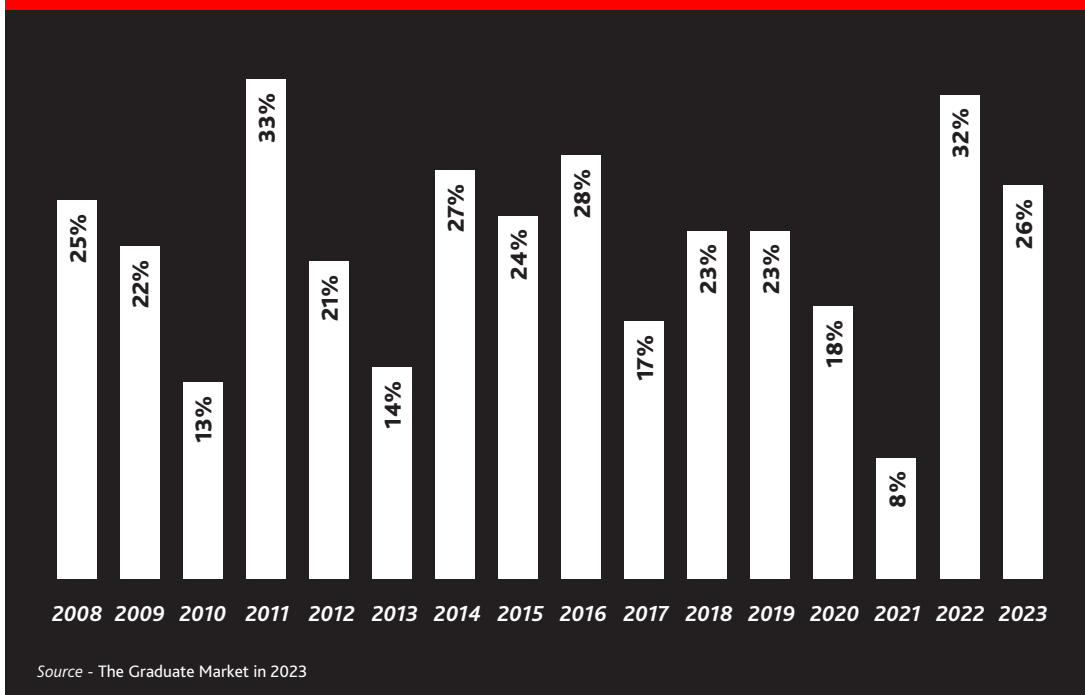
Employers' Graduate Recruitment Campaigns in 2022-2023

The final part of the research examines how the UK's leading employers are approaching their graduate recruitment campaigns in 2022-2023 – 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*).

With graduate recruitment targets cut significantly as a result of the pandemic in 2021, budgets were dramatically reduced accordingly. But a third of employers increased their spending as graduate recruitment recovered in 2022 and budgets have risen at more than a quarter of the country's top graduate employers in 2023 (see *Chart 4.2* overleaf).

Chart 4.1 Employers with increased annual Graduate Recruitment Budgets 2008-2023



Graduate Recruitment Promotions in 2022-2023

The onset of the Coronavirus crisis in March 2020 meant that the UK's leading graduate employers were unable to host their usual programme of on-campus recruitment events at universities around the country and moved almost all of their graduate recruitment marketing and promotions online for the 2020-2021 academic year.

With uncertainty about the pandemic remaining at the beginning of the 2021-2022 graduate recruitment season, most employers took the decision to continue to use virtual events and online publicity, rather than return to on-campus recruitment events and promotions.

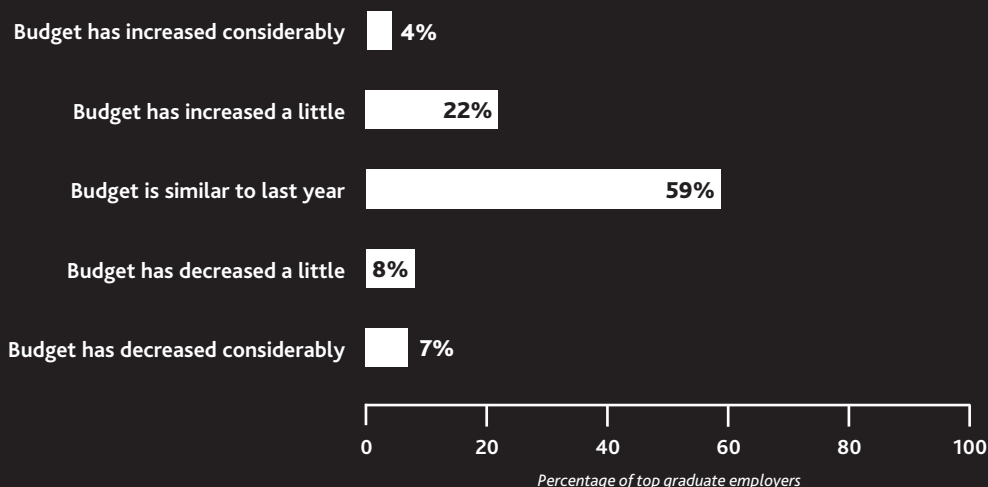
The 2022-2023 academic year has seen many well-known graduate employers return to UK universities to take part in a range of on-campus events and recruitment promotions, often for the first time in three years. But a significant proportion of the country's top employers have opted to carry on using the virtual recruitment events and online publicity that proved effective during the pandemic.

Almost all employers arranged promotions through local university careers services for their graduate recruitment campaign in 2022-2023. During the year, three quarters of employers hosted on-campus presentations or skills events and a similar proportion attended in-person local careers fairs at universities, but more than four-fifths provided online presentations and skills sessions and three-fifths took part in virtual careers fairs (see *Table 4.3*).

It is noticeable that a much higher proportion of employers described the on-campus events they had held as 'very successful', compared to their online or virtual events. One graduate recruiter from a well-known retailer commented: "*Students have been very engaged with in-person careers fairs this season and seem to be pleased that employers are back onsite rather than just relying on virtual experiences.*"

And a recruiter at an investment bank was impressed by the impact of on-campus careers fairs: "*We took a new approach this year to attend fairs at our target universities, where we'd usually just host presentations and dinners etc, but we found that being at fairs meant many students who wouldn't normally be interested in banking came and asked questions.*"

Chart 4.2 Employers' Graduate Recruitment Budgets for 2022-2023



Source - The Graduate Market in 2023

Feedback from employers suggests the return to on-campus events wasn't always straightforward. A graduate recruiter from a banking & finance employer commented: *"We faced challenges this recruitment season that are new, such as increased costs on almost all aspects of recruiting and unfamiliarity of how events on campus work, for both suppliers and students."* And one of the leading law firms felt that universities could have done more to encourage students to make the most of on-campus events: *"Careers services and universities are not the strong supporters – in terms of rallying activities and thinking creatively – that they used to be. It's been very challenging in terms of event attendance and harder than anticipated to reach students en-mass."*

Nearly all the UK's top graduate employers have made good use of social media this year, with over a quarter of recruiters describing these promotions as 'very successful'. Almost nine out of ten employers have used promotions on commercial graduate recruitment websites (such as *TARGETJobs*, *Bright Network* and *Gradcracker*) to publicise their recruitment programmes and four-fifths advertised in graduate directories (such as *The Times Top 100 Graduate Employers* and *UK 300*). Employers have been similarly-reliant on the email services provided by recruitment websites and publishers.

With the increased emphasis on in-person, on-campus events during the 2022-2023 academic year, three-fifths of the UK's top graduate employers sponsored student societies and clubs during and half 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.

Table 4.3 Analysis of Employers' Graduate Recruitment Promotions in 2022-2023

Graduate Recruitment Promotion	% of employers that used promotion during 2022-2023	Promotion was 'Very Successful' %	Promotion was 'Quite Successful' %	Promotion was 'Not Very Successful' %
Promotions on social media	95	27	65	8
Promotions through university careers services	94	14	67	19
Promotions on graduate recruitment websites	86	32	66	2
Email services	85	24	73	4
Online presentations or skills events	84	18	71	11
Advertising in graduate careers directories	80	11	70	19
On-campus presentations or skills events	75	36	54	10
In-person careers fairs held on-campus	70	38	45	17
Virtual careers fairs run by commercial providers	62	24	59	17
Virtual careers fairs run by universities	60	15	46	38
Sponsorship of societies, clubs & sports teams	58	24	63	13
Campus brand managers or ambassadors	51	35	53	12

Source - The Graduate Market in 2023

Universities Targeted by Employers in 2022-2023

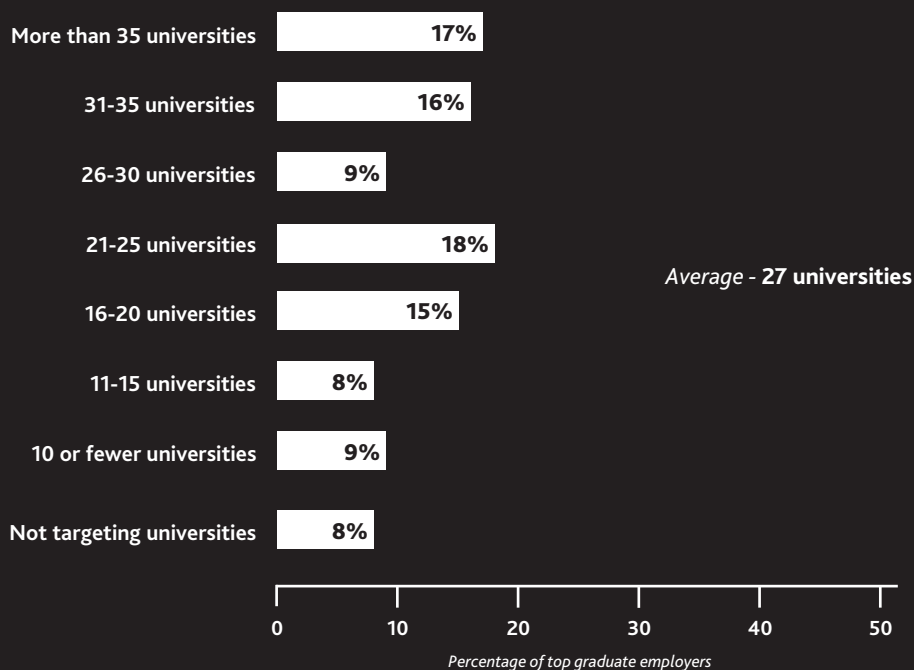
A key impact of the Coronavirus pandemic and the switch to fully-online graduate recruitment marketing in the 2020-2021 recruitment season was that a significant minority of the UK's graduate employers stopped targeting specific universities. This continued into the 2021-2022 academic year, with one in six recruiters taking a national or sector-led approach to their graduate recruitment, rather than focusing their promotions at individual local universities.

During the 2022-2023 recruitment season, with many top employers back on-campus for in-person recruitment events and promotions, targeting of specific universities has increased and the number of institutions included in employers' targeting has risen too – from an average of 21 universities in 2020-2021 to 27 universities in 2022-2023 (see *Chart 4.4*). Accounting & professional services firms, public sector employers and retailers have actively publicised their graduate vacancies at the largest number of local universities (see *Chart 4.5*).

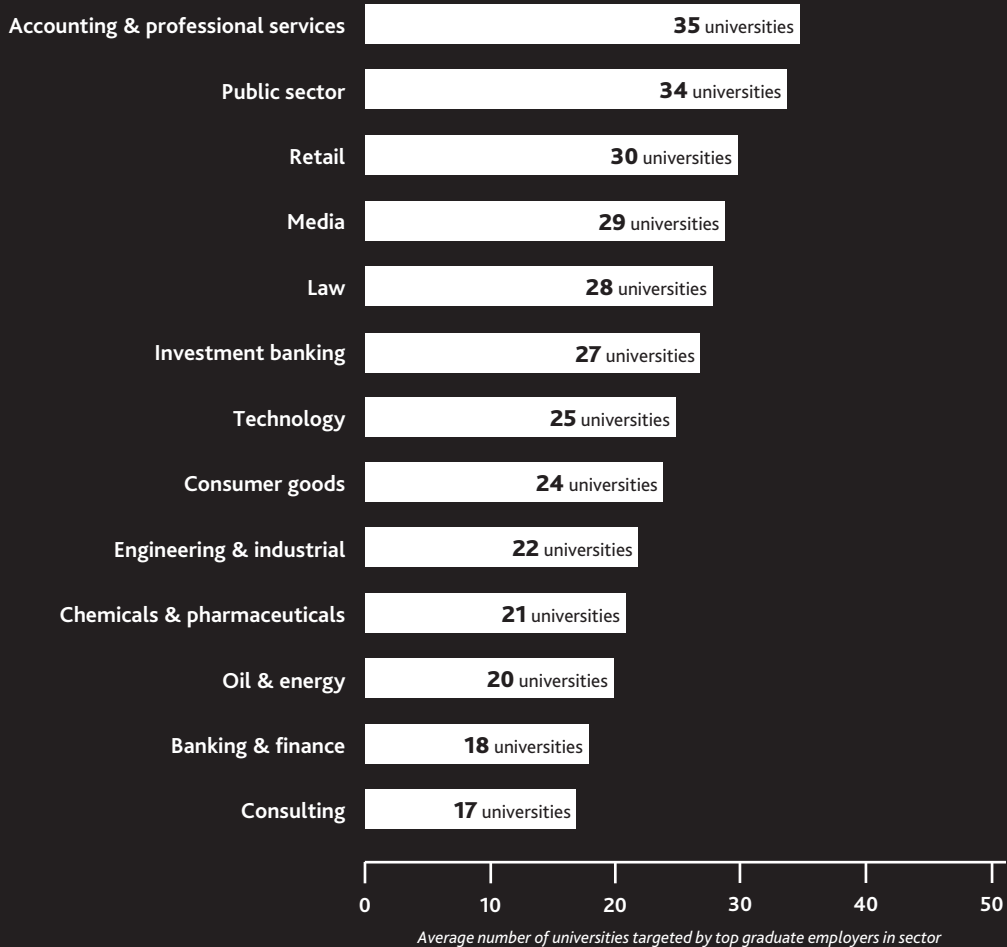
The five universities currently targeted by the largest number of the UK's leading graduate employers are Manchester, Nottingham, Birmingham, Bristol and Warwick (see *Table 4.6*). These institutions have attracted the most top graduate employers for university careers fairs, on-campus employer presentations, university-specific virtual events, careers service promotions and initiatives, and other locally-run publicity during 2022-2023.

It is interesting that this list of universities bears little resemblance to *The Times & Sunday Times Good University Guide 2023*, the latest league table compiled from a range of institutional data. The three universities most-often targeted by the UK's leading graduate employers – Manchester, Nottingham and Birmingham – are only ranked in 24th, 30th and 20th place respectively in the *Good University Guide*. And whilst St Andrews is currently in 2nd place in the guide, it doesn't appear amongst employers' top twenty universities.

Chart 4.4 Number of Universities Targeted by Top Employers in 2022-2023



Source - The Graduate Market in 2023

Chart 4.5 Universities Targeted by Top Employers in 2022-2023, by Sector or Industry

Source - The Graduate Market in 2023

Table 4.6 Universities Targeted by Largest Number of Top Employers in 2022-2023

	Ranking in 'Good University Guide' *		Ranking in 'Good University Guide' *
1. Manchester	24	11. Oxford	1
2. Nottingham	30	12. London King's College	26
3. Birmingham	20	13. Exeter	13
4. Bristol	15	14. London School of Economics	4
5. Warwick	9	15. Edinburgh	10
6. Leeds	23	16. Bath	8
7. London University College	7	17. London Imperial College	5
8. Cambridge	3	18. London Queen Mary	36
9. Durham	6	19. Sheffield	21
10. Southampton	16	20. Glasgow	14

Source - The Graduate Market in 2023

* The Times & Sunday Times Good University Guide 2023

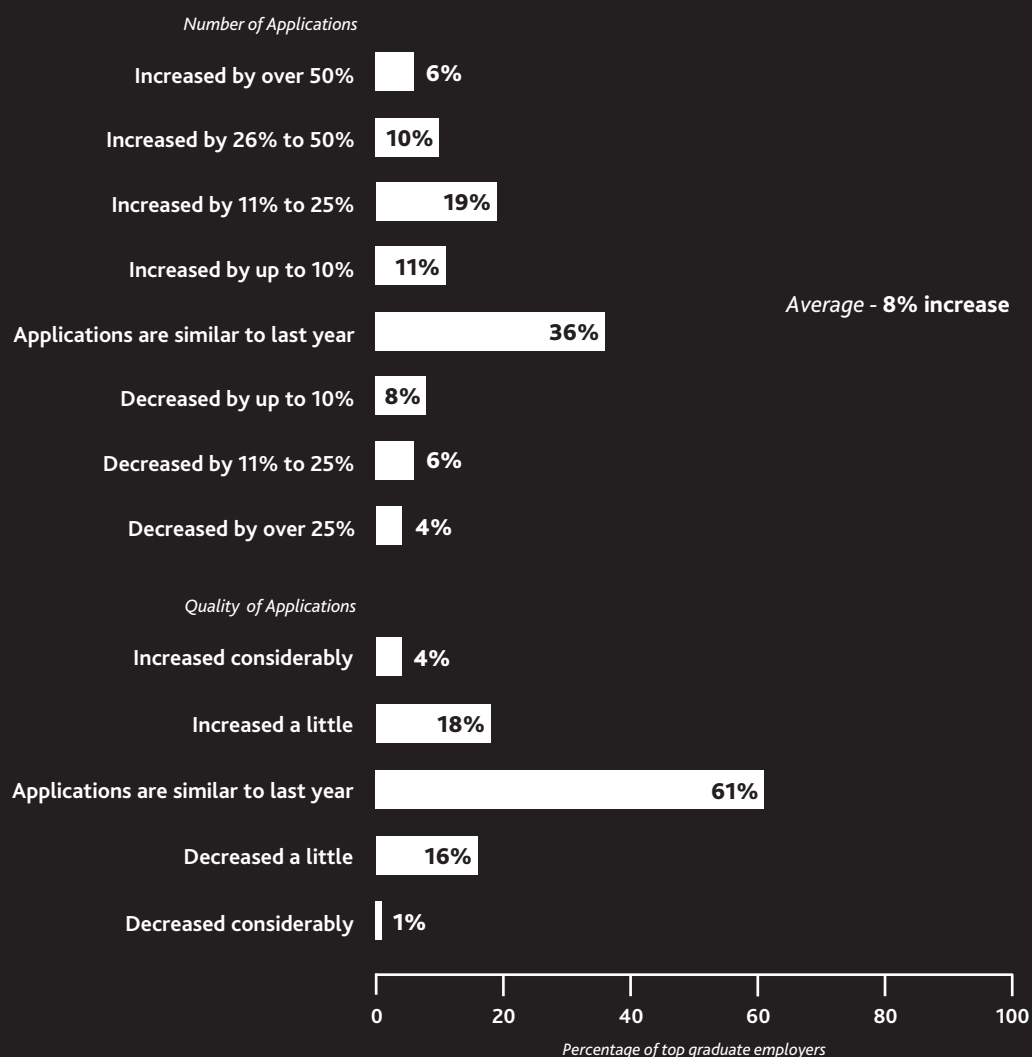
Graduate Job Applications in 2022-2023

At the start of Coronavirus pandemic, a sharp reduction in graduate recruitment meant that many graduates from the 'Class of 2020' were unable to start their first graduate job after university and instead applied for places on employers' 2021 graduate programmes.

As a result, graduate applications to the UK's top employers jumped by an unprecedented 41 per cent during the 2020-2021 recruitment season. But a year later, many employers reported a drop in applicants, with graduate applications decreasing by an average of 7 per cent in the first half of the 2021-2022 recruitment round.

So far in the current recruitment season, almost half of the country's top graduate employers have seen their applications increase, some by as much as 50 per cent year-on-year (see *Chart 4.7*). A third of employers have maintained their application numbers so far this year, but up to fifth are reporting a decrease in applications. On average, employers have seen applications rise by 8 per cent in 2022-2023.

Chart 4.7 Graduate Job Applications made to the UK's Top Employers in 2022-2023

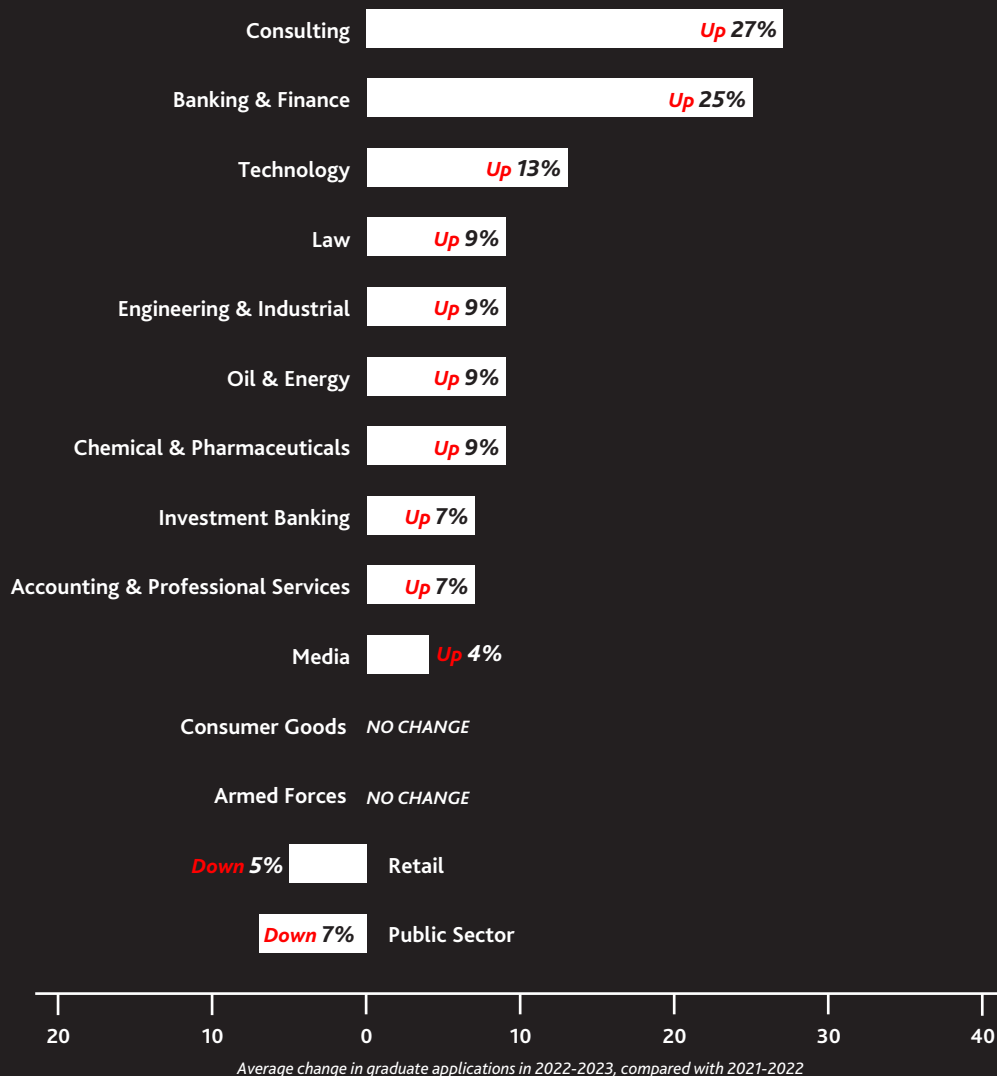


Graduate applications have risen in a total of ten individual industries and business sectors – with the biggest increases at consulting firms, graduate employers in the banking & finance sector and technology companies (see *Chart 4.8*).

Just two sectors reported a decrease in graduate applications this year – retailing and the public sector – whilst application levels are unchanged at consumer goods companies and the Armed Forces.

Over four-fifths of employers felt that the quality of the applications they've received so far for their graduate programmes was similar to last year or better. A fifth said that the quality of applications had increased, either 'a little' or 'considerably' (see *Chart 4.7*). Seventeen organisations were worried that the quality of their graduate applicants had decreased, compared to the 2021-2022 recruitment season.

Chart 4.8 Change in Applications to Employers in 2022-2023, by Sector or Industry



Source - The Graduate Market in 2023

Summary & Conclusions

- With graduate recruitment returning to a ‘new normal’ at the start of the 2022-2023 academic year and the number of graduate vacancies continuing to rise, the majority of the UK’s best-known employers opted to return to **in-person events and university promotions** for their graduate recruitment marketing.
- Feedback about **on-campus presentations & skills events** and **in-person careers fairs** was particularly positive, with up to two-fifths of employers who participated in them describing the events as ‘very successful’.
- Employers have **increased the number of universities** that they have actively marketed their graduate vacancies at during the 2022-2023 recruitment season, to an average of **27 universities**.
- The ten universities **targeted** by the largest number of top graduate employers in 2022-2023 are Manchester, Nottingham, Birmingham, Bristol, Warwick, Leeds, University College London, Cambridge, Durham and Southampton.
- Almost half of the UK’s leading employers said they had received **more graduate job applications** during this recruitment season, compared to last year.
- On average, applications for graduate vacancies have **increased by 8% year-on-year**, with more applicants in ten key industries and business sectors.