

Graduate unemployment increases 44% in one year

Higher Education Careers Services Unit warns picture could be even worse for those graduating this year

- Rachel Williams
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The last time levels of joblessness among graduates was so high was in 1995-96. Photograph: Ben Stansall/AFP/Getty Images

Graduate unemployment has increased by 44% in 12 months and is now at its highest for 12 years, according to research released today.

Some 7.9% of students who left university in 2008 were out of work in January, the [Higher Education Careers Services Unit \(HECSU\)](#) found, up from 5.5% the previous year. HECSU warned the picture could be even worse for those graduating this year. The last time levels of joblessness were so high was in 1995-96.

The research found that recruitment in the public sector bucked the downward graduate employment trend, with the number of graduates entering healthcare, teaching and social work increasing.

But architecture and building graduates were particularly badly hit, reflecting the slump in the construction industry, with unemployment nearly tripling from 2.9% in 2007 to 8.5% for those who left in 2008. The proportion of civil engineering graduates without a job increased from 2.4% to 7%.

The proportion of graduates employed in business or financial work fell to 7.5%, compared with 8.7% the year before. And the number working as financial and investment advisers or mortgage consultants dropped 19%, with only 1,700 of the 220,065 graduates surveyed getting that kind of job, compared with 2,100 in 2007.

Among those who revealed how much they earned, the average salary was £19,677 – up 2% from 2007. But Scotland saw a rise of 5.6%, to an average of £19,953 – higher than the £19,561 reported in the south-east, traditionally the highest-paid region after London.

Mike Hill, the chief executive of HECSU, said: "We're now starting to see the extent of the impact the recession has had on graduate employment. Despite unemployment increasing, for those who have found a job, salary levels are holding up."

The research comes as Lord Mandelson's Department for Business, Innovation and Skills prepares to publish a 10-year higher education strategy featuring a food labelling-style system to highlight each course's employment rates, drop-out rates and amount of teaching time. The framework, published tomorrow, will also identify how universities can work more closely with business to jump-start employment.