The Graduate Labour Market in the UK: Demand, Supply and Economic Returns

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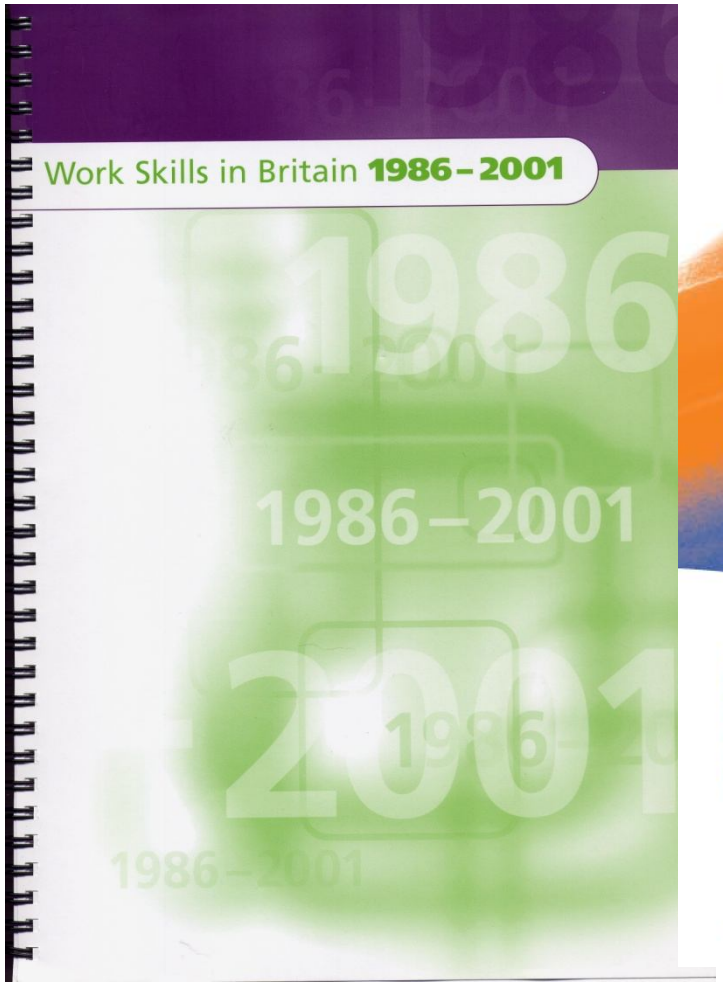
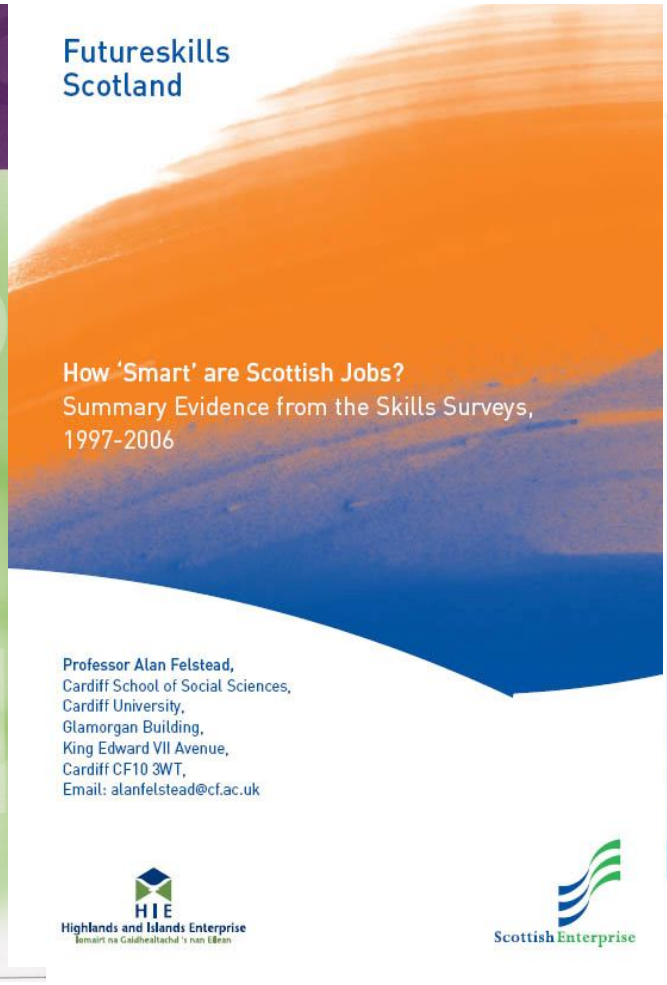
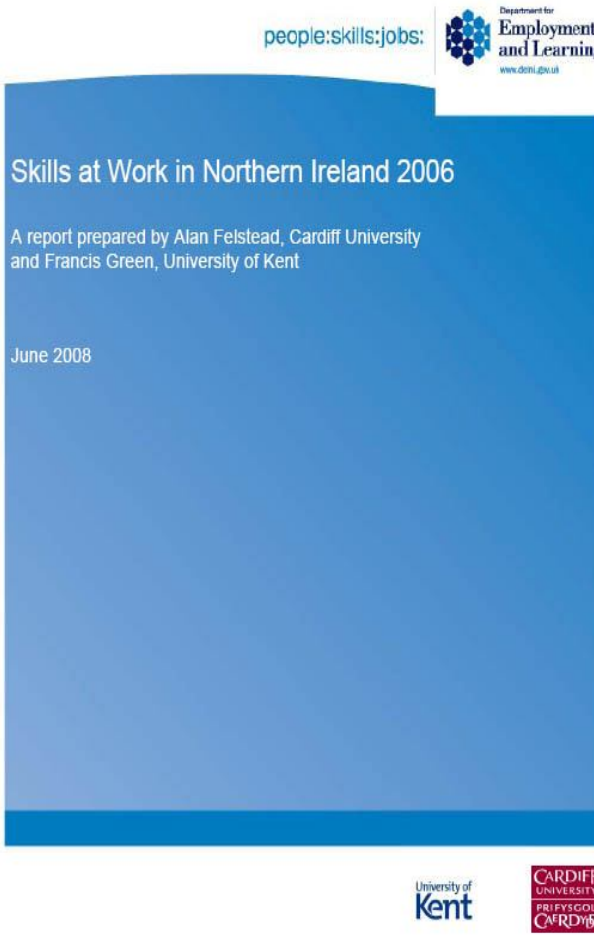
Data Sources

- Individual-level surveys where job-holder is questioned about skills used at work
- 5 surveys carried out over the last 20 years
- 1986 (4,047); 1992 (3,855); 1997 (2,467); 2001 (4,470); 2006 (7,787)
- British comparisons possible based on these data (+ use of LFS for qualifications supply)



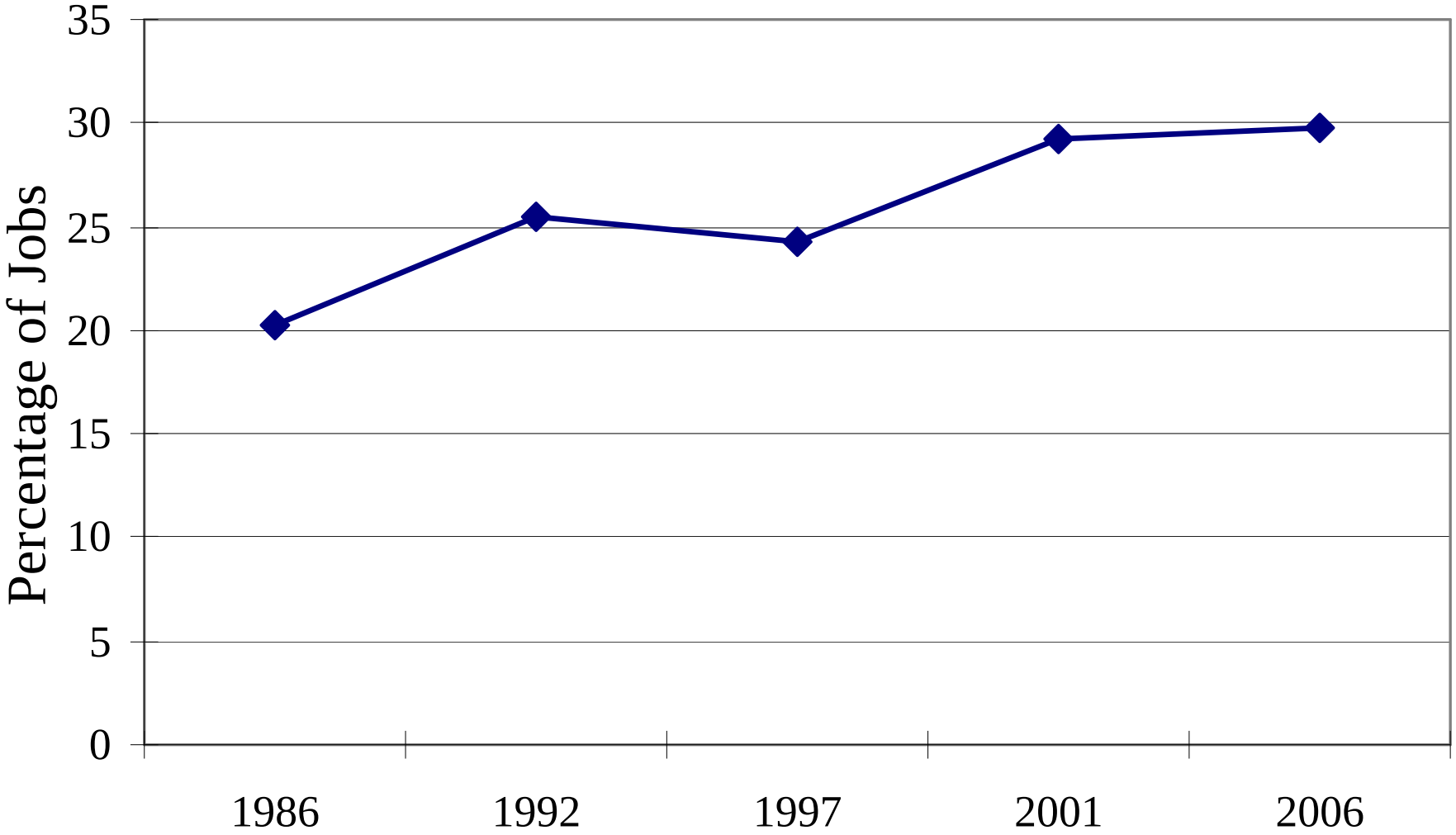




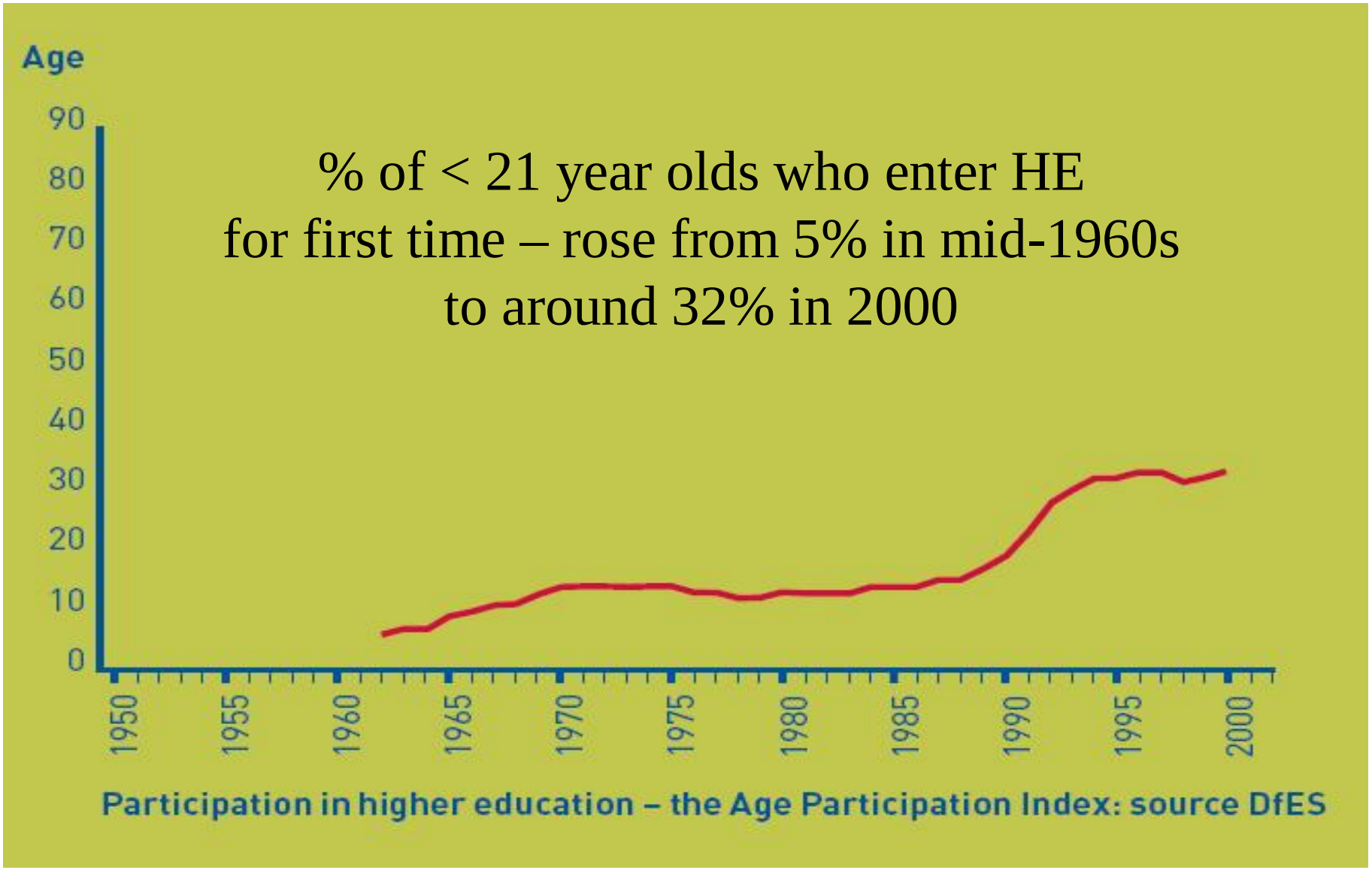
http://www.cf.ac.uk/people/alanfelstead/

Graduate Demand – 1986-2006

‘If they were applying today, what qualifications, if any, would someone need to *get* the type of job you have now?’

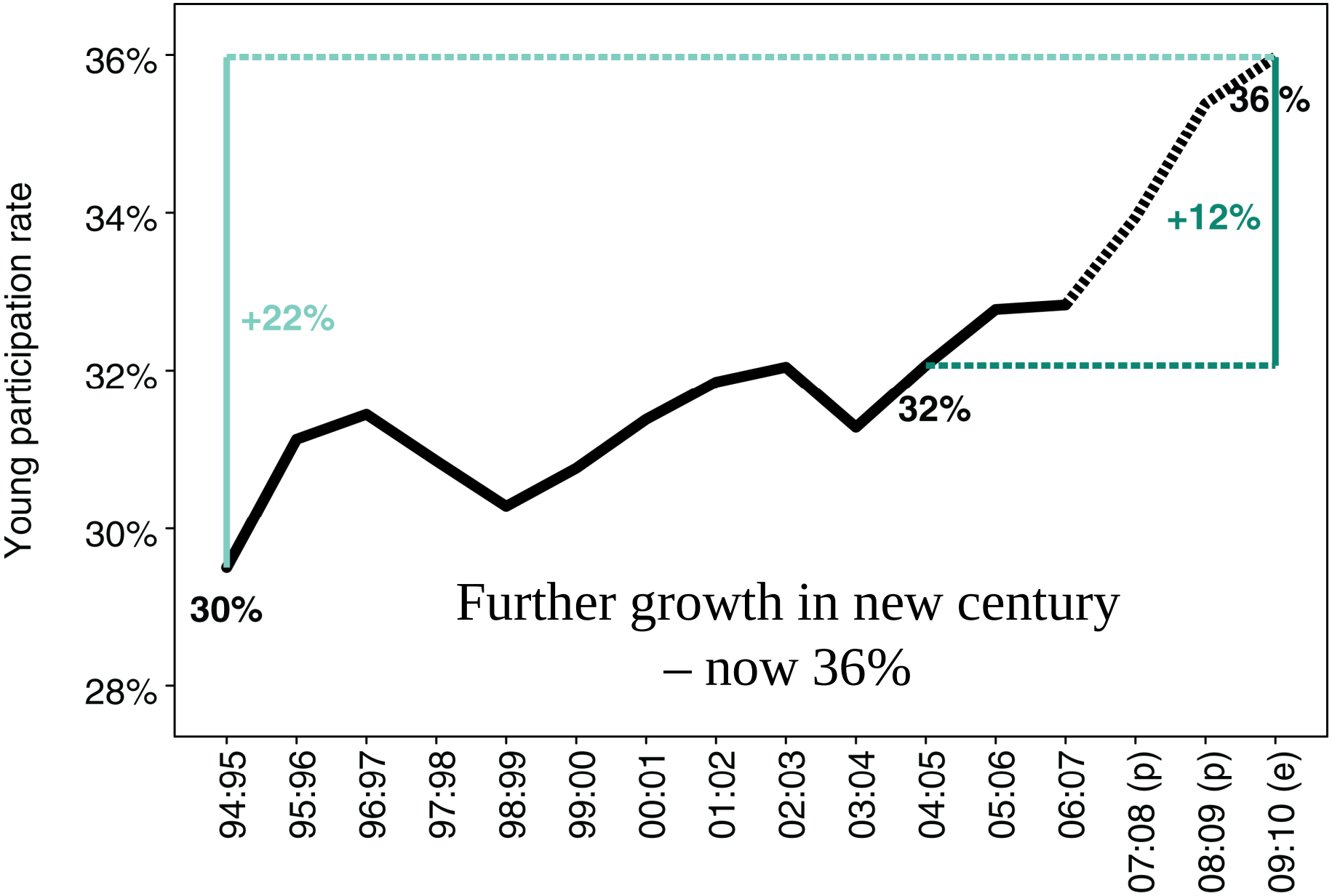


Graduate Supply – 1960s-2000

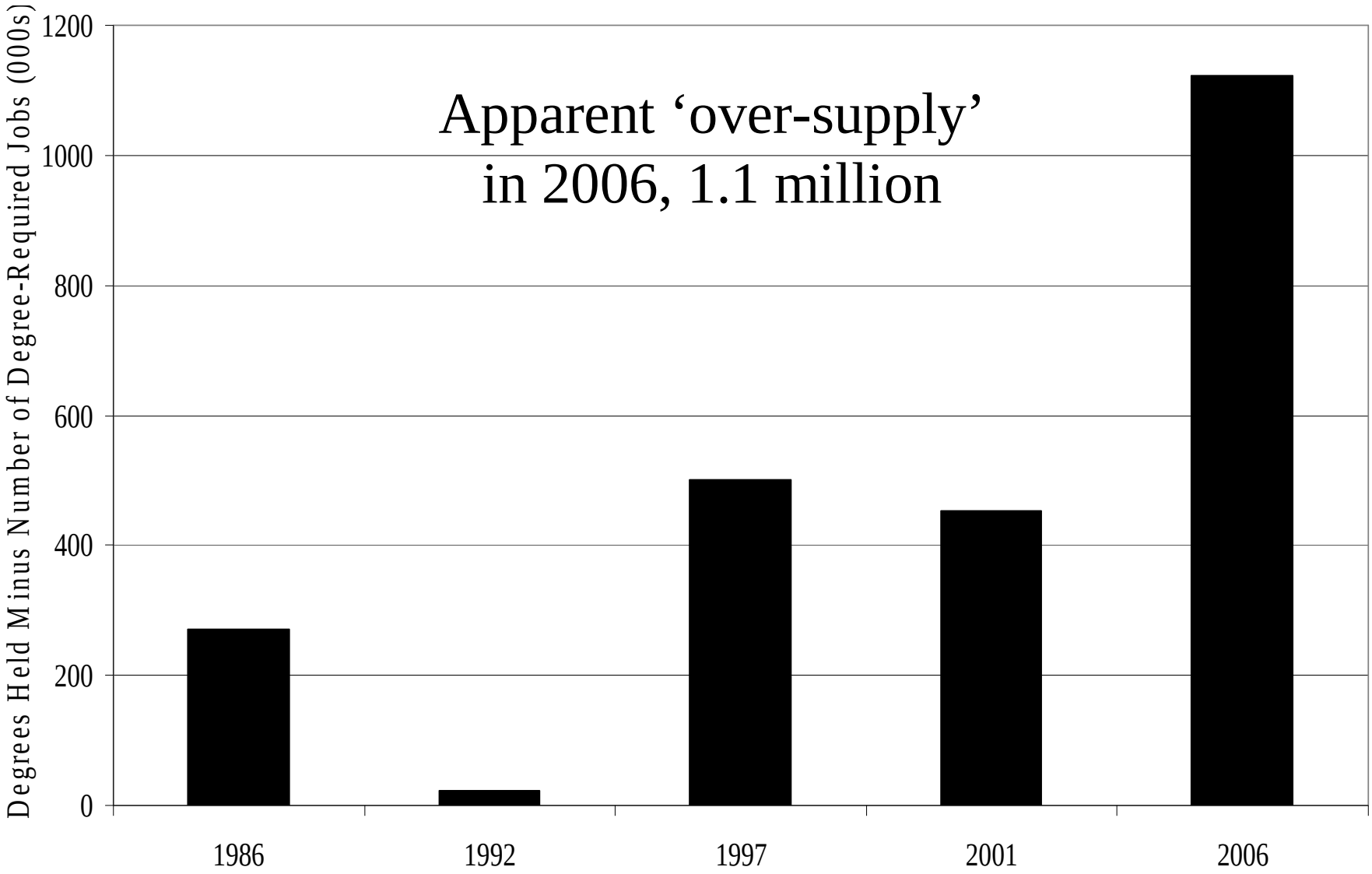


% of < 21 year olds who enter HE
for first time – rose from 5% in mid-1960s
to around 32% in 2000

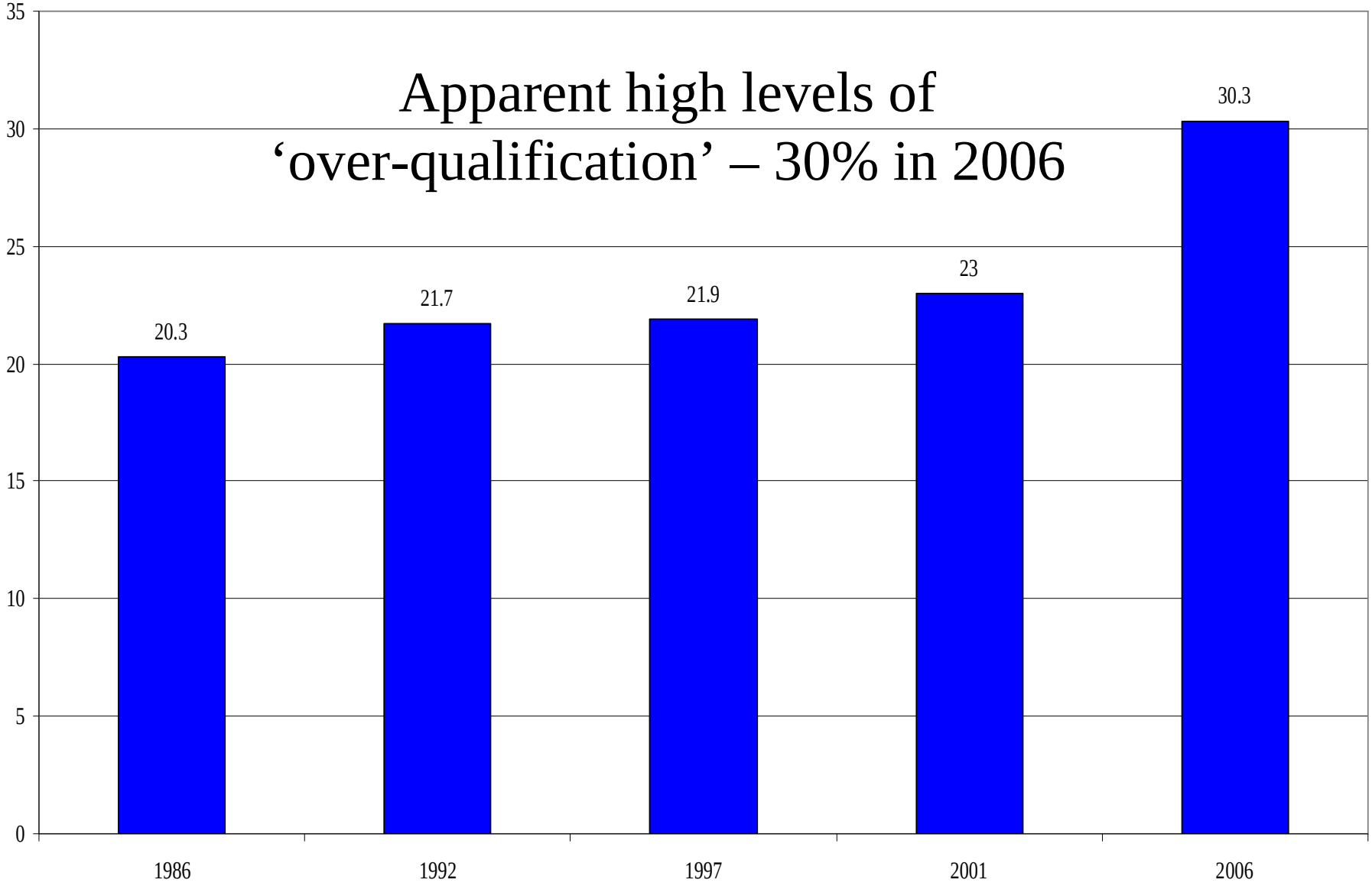
Graduate Supply – mid-1990s-2009



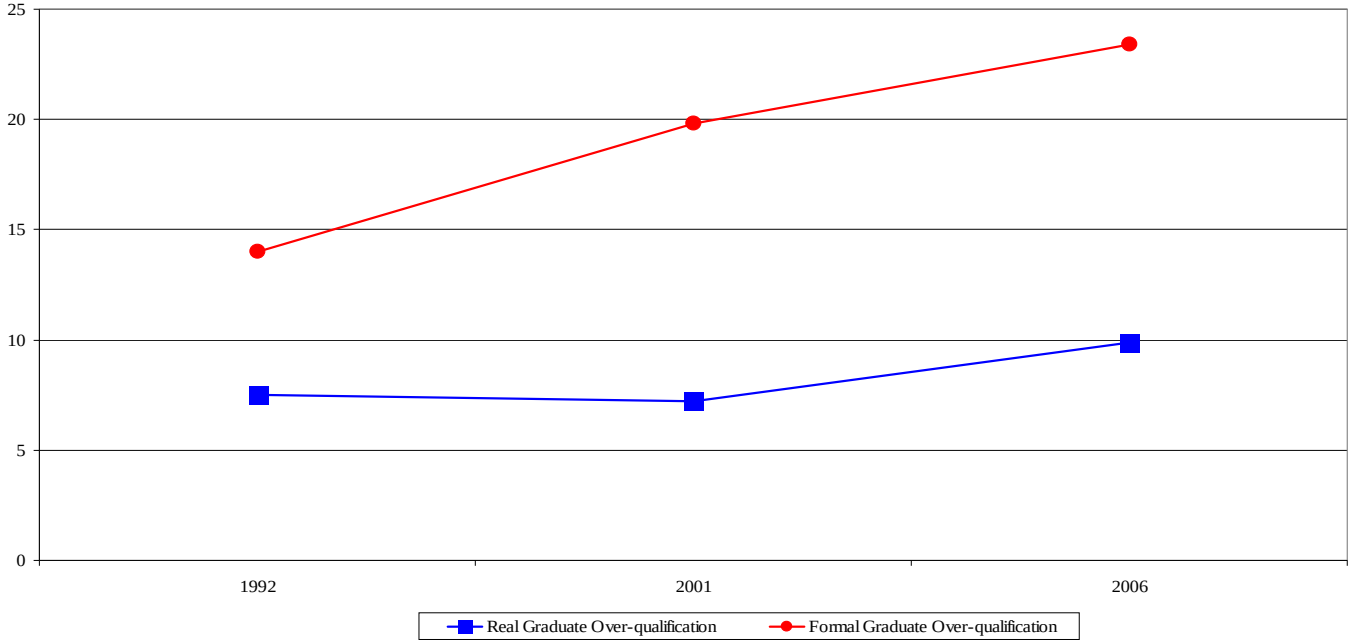
Graduate Supply and Demand – Aggregate

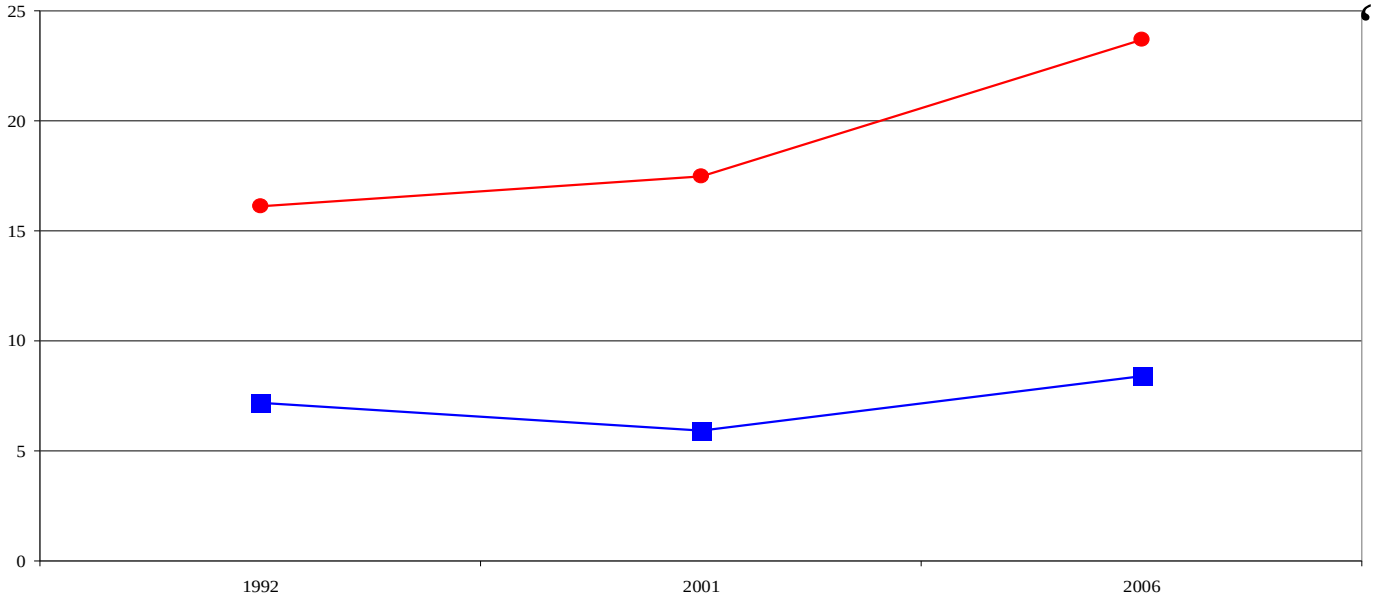


Graduate Supply and Demand – Individual



Extent of Graduate Under-utilization?

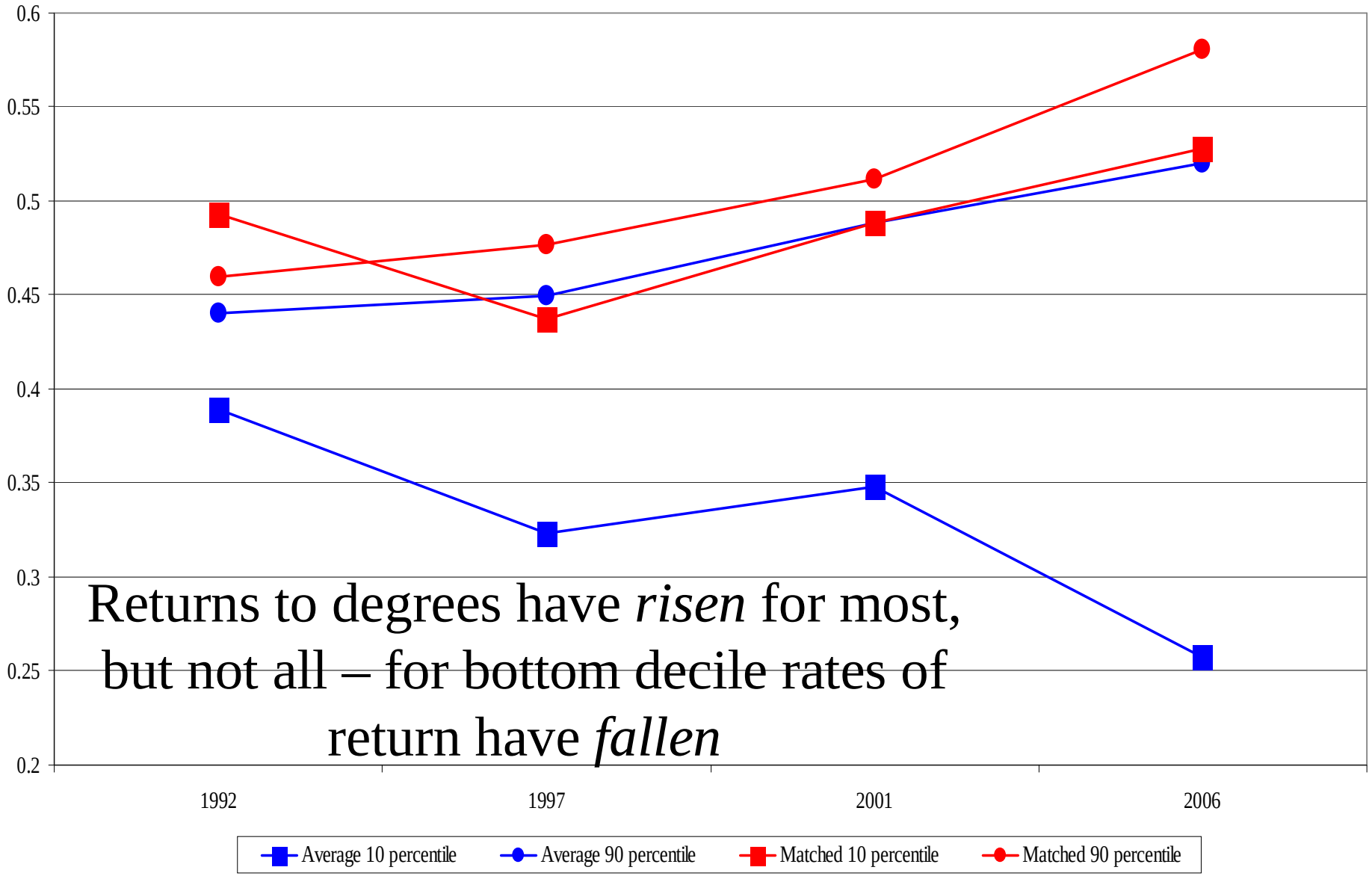




¾ of mismatched graduates use ‘almost all’ or ‘quite a lot’ of their skills at work, but ¼ of mismatched graduates use ‘very little’ or ‘little’ of their past skill, experience and abilities

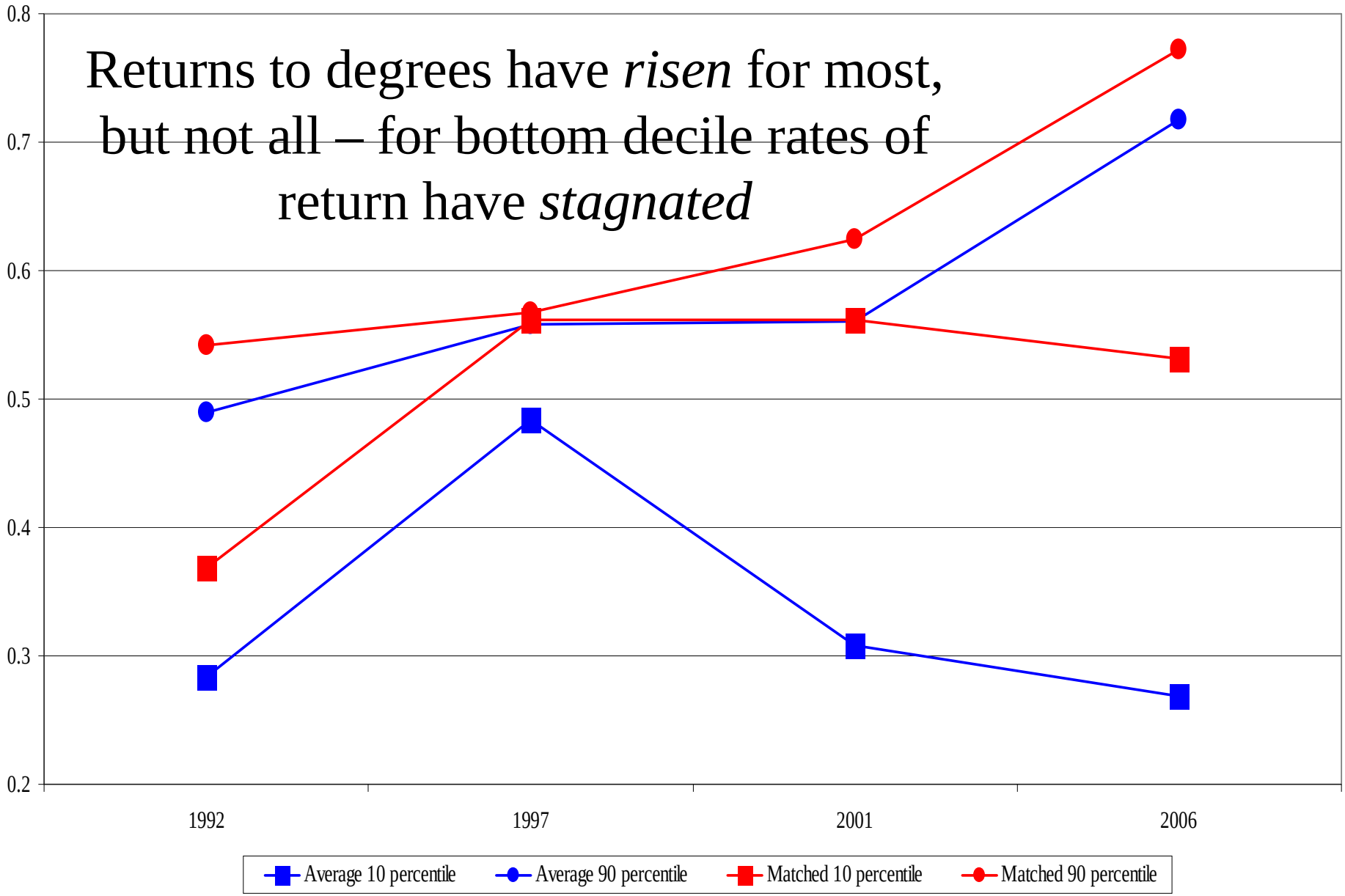
Situation has improved since 1992, when it was 2/3 v 1/3

Widening Economic Returns to Degrees: Men



Returns to degrees have *risen* for most, but not all – for bottom decile rates of return have *fallen*

Widening Economic Returns to Degrees: Women



However, According to Some Employers, Education is Not Fit for the Job

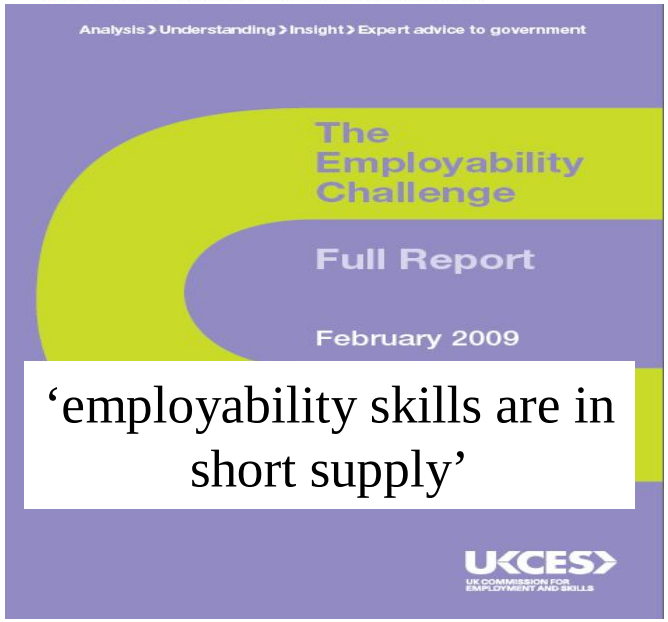
Latest news

Employability skills are essential for all graduates in today's job market

26 March 2009

The CBI in partnership with universities UK and support from DIUS, has today launched a report focussing on graduate employability. *Future fit: preparing graduates for the world of work* highlights examples of good practice in the development of employability skills by universities and employers, particularly looking at the delivery of these skills through on-campus activities and also work placements, internships and sandwich courses.

The report contains case studies from universities and employers as well as survey findings from students, universities and employers. Here are some views from all three groups about employability skills and the benefits they bring.



'employability skills are in short supply'

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From The Times

November 24, 2009

School-leavers are not up to the job, claims Sir Stuart Rose

Angela Jameson

13 COMMENTS | RECOMMEND? (3)

Britain's school-leavers are "not fit for work" despite record levels of public spending on education, Sir Stuart Rose, executive chairman of Marks & Spencer, said yesterday.

Speaking at the CBI conference in London, the head of Britain's biggest clothing retailer said that he was extremely concerned about the huge gap between the best and and worst-qualified school-leavers.

WEDNESDAY OCTOBER 14 2009

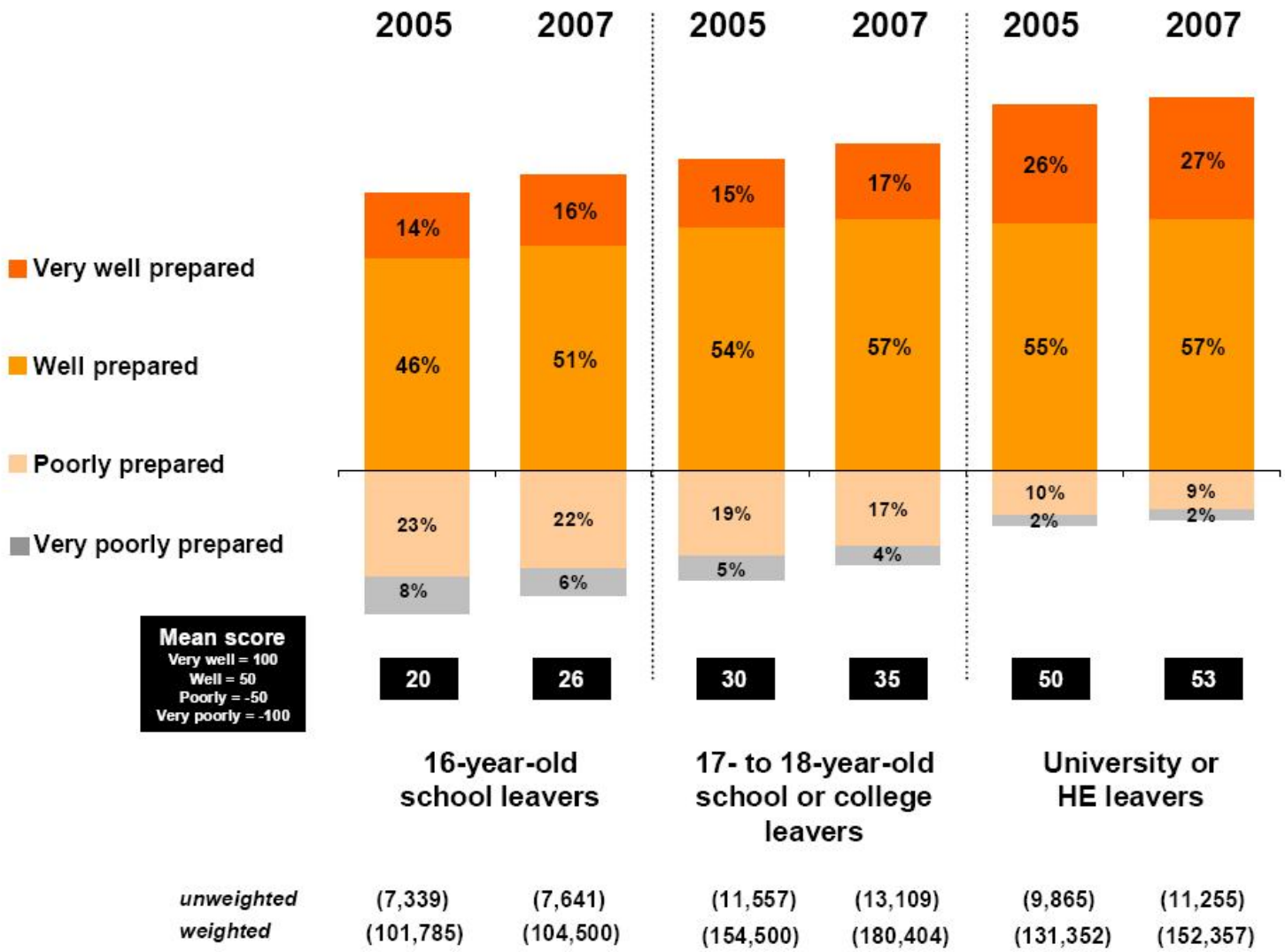
Tesco boss attacks 'woeful' standards in schools

Money > Graduate careers

Graduates 'not fit for workplace', claims Johnson

Press Association
guardian.co.uk, Monday 20 February 2006 00.17 GMT
Article history

Is the Scale of the Problem Exaggerated?



unweighted	(7,339)	(7,641)	(11,557)	(13,109)	(9,865)	(11,255)
weighted	(101,785)	(104,500)	(154,500)	(180,404)	(131,352)	(152,357)

Base: All employers that have recruited each type of 16- to 24-year-old leaver from education in the previous 12 months.

Discussion Points

- Is HE delivering what is required?
- What is ‘graduate employability’?
- Is it reasonable to expect graduates to be any more ‘job ready’ than they are now?
- How can ‘job readiness’ be delivered by HE?
- How can employers be involved more?
- Who should pay for HE?

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