Autumn 2006

Graduate Market Trends

In Brief

Maths A-level leads to higher earnings for men

Men who have an A-level in mathematics are more likely to earn higher wages than their male peers who have A-levels in other subjects.

Examining a sample of men born in one week in 1958, researchers at the Centre for Longitudinal Studies at the Institute of Education found that at age 33, men who had an A-level in mathematics earned between 10% and 14% more than similarly educated males without a maths A-level.

According to Dr Anna Vignoles, who carried out the research, 'the skills associated with other A-level subjects – even subjects generally considered harder than maths, such as physics or chemistry – simply do not have the same impact on earnings.'

Further research in this area also reveals that employers are not willing to pay premium wages to those who have pursued a broad range of subjects at A-level.

Dr Vignoles says: 'In the light of the most recent reforms to the 16 to 19 curriculum, which encourage students to study a broader range of subjects, this finding is rather worrying. Our research would indicate that the debate about the excessive over-specialisation at age 16 in the UK is somewhat misplaced.'

For more information, go to *http://ioewebserver.ioe.ac.uk/*.

Being 'work ready' tops employers' wish list

Having relevant work experience is the most important factor employers look for when recruiting a new graduate, according to a survey of 505 employers by the University of Hertfordshire.

Almost half (46%) of employers surveyed ranked relevant work experience as one of the top three things they look for in potential new recruits. Almost the same number (43%) look for evidence of a good 'work ethic', while two-fifths (41%) cited a degree subject relevant to the job as one of the most important factors. Over three-quarters (77%) of recruiters are put off a CV by spelling mistakes and one in five (19%) would decline an interview with someone with no relevant work experience.

Reported on Onrec.com, a Manpower survey of 745 graduates found that while three-quarters (76%) of graduates believe that relevant work experience is necessary to secure the job they want, 79% say they cannot afford to secure this experience by working for free on a placement.

For more information, go to *http://perseus.herts.ac.uk/* and *www.onrec.com*.

Students 'flee responsibility and entrepreneurship'

Becoming a manager or setting up a business are not nearly as important to today's students as having a work-life balance, according to The Universum UK Graduate Survey 2006.

The latest survey by Universum Communications (*www.universumeurope.com*), covering over 7,500 final and penultimate-year students, found that a balanced personal life and career is the most important career goal, stated by 52% of the students surveyed. This is above reaching a managerial level (19%), managing projects (16%) and starting a business (6%).

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The survey also found that banking and financial companies are more popular as future employers among Chinese than students from other ethnic groups, while Asian/Asian British students have a stronger tendency towards IT companies and the pharmaceutical industry than most. Amongst white students and students with a mixed ethnic background, government departments and the public bodies are most frequently selected as ideal employers.

Three-quarters of new graduates entered employment, DLHE survey found

According to the latest Destinations of Leavers from Higher Education (DLHE) survey, in 2004/05, of the 188,800 full-time first degree graduates whose destination was known, 63% were in employment only, 8% were in a combination of work and study, 16% were involved in further study only, and 7% were assumed to be unemployed.

Amongst UK-domiciled full-time first degree graduates, the highest proportions of those working were in medicine & dentistry, subjects allied to medicine, veterinary science and education, all above 80%. The highest proportions of those studying were in law, at over 50%, and mathematical sciences, physical sciences, and historical & philosophical studies, all above 30%. Computer science had the highest unemployment rate, at just under 11%, and creative arts & design, and engineering & technology were both above 8%.

More information can be found at *www.hesa.ac.uk.* Look out also for *What Do Graduates Do? 2007,* a joint HECSU and AGCAS publication detailing graduates' destinations by subject areas, out in November this year.

What do graduates from Scotland do?

One year after gaining their qualification in either a Scottish higher or further education institution, almost half (45%) of graduates from the class of 2004 feel that they have commenced their chosen career, while a further quarter (26%) feel they are on track but not quite there yet.

The second sweep of the *On Track: Class of 2004* longitudinal survey (*www.mori.com/ontrack*) also found that given a list of things that institutions could have done to help learners with their next steps, the most popular choices selected are publicising the careers service more effectively, setting up work shadowing opportunities and work experience.

Another report, *Scotland's Class of '99,* which complements the On Track study, shows that 83% of graduates from Scottish higher education institutions (HEIs) manage to secure graduate-level employment within four years of graduation. Graduates from Scottish HEIs were also more likely to indicate that their current jobs were ideal or near-ideal for someone with their skills and qualifications – 48% compared with 43% of graduates from HEIs in England and Wales. Moreover, the average annual wages for male and female graduates are closer in Scotland (a gap of £3,100) than for the rest of the UK (a gap of £3,900).

Scotland's Class of '99 can be downloaded from *www.sfc.ac.uk.* The results are found to correspond closely with the findings of Futureskills Scotland's recent study, *The Labour Market for Graduates in Scotland* (see the article 'Destinations of Scottish graduates' in the Summer 06 issue of *Graduate Market Trends*).

New students expect to pay £33,512 to get a degree

Sixth formers starting university this year expect to pay £33,512 for a three-year degree course, according to the 2006 NatWest Student Money Matters survey.

This is up from £28,600 last year and includes the new tuition fees. As a result, students expect to graduate with £14,779 of debt, an increase of £1,099 on 2005 figures.

The NatWest survey of graduates, students and sixth formers also reveals that graduate debt continues to rise, although at a much slower pace than previous years. Graduates now leave university with £13,252 of debt, an increase of £612 (5%) on 2005.

A press release with the survey results can be found at *www.natwest.com.*

Technology in Business Fast Stream launched

The first Technology in Business Fast Stream for the Civil Service has been launched by the Cabinet Office, and will form part of the Civil Service Fast Stream, an accelerated training and development programme for graduates.

According to the Cabinet Office, graduates for the new scheme will be selected for their potential to become future Chief Information Officers or leaders of large scale, IT–enabled business change. Applicants must have a 2:1 or above or a postgraduate qualification in business, engineering, librarianship, mathematical science, physical science, technology or IT management for business. Mixed degrees are accepted provided 50% of the course modules are in one of the disciplines specified.

Full information is available at *www.cio.gov.uk/ITProfession.* The application deadline is 30 November 2006.

One in three graduates have actively switched brands because of a bad recruitment experience

Over a third (34%) of graduate job-seekers have actively switched brand loyalty following a negative experience while applying for a job with that brand, according to research by Reed Consulting.

The research, which surveyed over 2,500 graduate job-seekers across a number of sectors, found that close to a quarter (22%) of graduates had turned down a job offer because they had been put off by an organisation's behaviour during the recruitment process.

The top five complaints were: 'not hearing back from a company at all' (66%); 'no feedback being given' (60%); 'job that was advertised changing or no longer being available' (32%); 'lack of information about the organisation or role' (31%) and 'long delays before attending final interview/assessment centre' (22.5%).

Fifty-eight per cent of respondents also said their perception of an organisation's brand has changed following first-hand experience of applying to work for them; of these, 66% said their view is now less favourable.

The research is said to indicate that 'employers need to ensure that all aspects of the recruitment process are run effectively in order to avoid any negative impact on their bottom line.'

Graduate Market Trends
is published by The Higher Education Careers Services Unit
Prospects House
Booth Street East
Manchester M13 9EP
t 0161 277 5200 **f** 0161 277 5210

Publisher and Editor
Pearl Mok **e** gmt@prospects.ac.uk

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Exploring Student Finances

Summary

Emma Pollard from the **Institute for Employment Studies** reports on the latest national Student Income and Expenditure Survey which presents data on the income, expenditure patterns and anticipated debt levels of students following higher education courses in 2004/05 – the year before the introduction of variable tuition fees. The large scale and comprehensive study shows how the levels of total student income vary for different groups of students and, more importantly, the degree to which students rely on particular sources of income to support them during their time in higher education. It also shows the increasing importance of paid work to student incomes.

Introduction

The study of student incomes and expenditure was undertaken jointly by a research team from the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES) and was commissioned by the Department for Education and Skills (DfES) and the National Assembly for Wales (NAW).[1] It involved face-to-face interviews with, and analysis of diaries of expenditure from, a random sample of over 3,700 full- and part-time higher education students across 88 higher and further education institutions in England and Wales.[2,3] It was the first comprehensive assessment of student finances undertaken since 1998/99 and was designed to provide a robust baseline against which future changes, following the introduction of variable tuition fees and changes to student financial support, could be monitored.[4]

How much money do students have and where does it come from?

The study found that the average full-time student had an income of just over £8,000 a year (£8,333 for English-domiciled students and £8,400 for those of Welsh domicile), which was used for study and living costs. Taking account of inflation, real student incomes have risen by almost one half (46%) in the six years since the last survey in 1998/99. The average income of a part-time student was much higher at around £11,000 (£11,196 for English students and £10,400 for Welsh students) but has seen a much more modest change since the previous survey, rising by only 18%.

Students can receive income from a range of sources. These include public HE support, the main sources of which are: reduced tuition fees (fee support); Student Loans; Access to Learning Funds or Financial Contingency Funds (often known as hardship funds); and Opportunity Bursaries which have been replaced by the new Higher Education Grant. Other public financial support is available but this tends to be targeted towards small groups of students with particular needs and/or backgrounds, such as students with children, students with disabilities, or those studying particular subjects. Students can also receive income from undertaking paid work during the academic year; from social security benefits; and from their family and friends through contributions towards costs of study and living costs, gifts, or sharing income with a partner.

Make up of incomes varied dramatically between full- and part-time students, partly due to part-time students' ineligibility for some forms of support and mostly to a much higher incidence of paid work among the part-time student population. For this group, on average, work income constituted the vast majority (77%) of their total income. The make up of full-time students' income was spread across a greater range of sources. Public HE support (particularly in the form of Student Loans) was the most significant source of income, making up 40% of their total income, contributions from family and friends were also important, making up 25%, and earnings from paid work contributed a further 22% towards full-time students' total income (see Table 1).

Comparative incomes

Not only do average total incomes and the contributions of income sources vary between full- and part-time students, they also vary considerably between different groups of students. However, higher incomes should not be equated with being 'better off', as students with higher total incomes may have higher living and study costs (expenditure).

A multiple linear regression indicated that the student and study characteristics most strongly associated with variations in total income were factors such as age, family type, socio-economic group, ethnicity, living circumstances and study location. Focusing on full-time students of English domicile, it is interesting to investigate the different income patterns for different groups of students (see Table 2).

- **Age:** Mature students (those 25 or older when they started their course) had higher total incomes than their younger peers, at £10,660. These older students relied more heavily on targeted public HE support (which

Table 1: Contribution towards total student income of different income sources (%)

Source of income	Full-time student	Part-time student
Main public HE student support	40	2
Targeted public HE student support	8	5
Income from paid work	22	77
Income from family and friends	25	<1
Social security benefits	3	13
Other income	3	4
All sources	**100**	**100**
Total income (£)	8,333	11,196

Source: NatCen/IES Survey 2004/05

Table 2: Average total income (£) and contribution towards total income (%) of the main components of support for different student groups

	Main public HE support	Targeted public HE support	Earnings from work	Family and friends	Social security benefits	Other miscell-aneous income	All sources	Total income (£)
19 and under	42	3	20	33	0	2	**100**	7,857
Older (25+)	29	20	26	9	13	3	**100**	10,660
Lone parents	24	25	10	2	32	7	**100**	14,647
Managerial and professional work background	36	5	22	32	2	3	**100**	8,535
Routine and manual work background	44	12	23	14	6	2	**100**	8,376
Lives at home	41	7	35	15	1	2	**100**	6,721
Lives away	40	8	19	27	3	3	**100**	8,725
Black/black British	41	13	31	8	6	1	**100**	8,531
Asian/Asian British	51	6	22	19	0	1	**100**	6,104
Medical/dental student	35	12	16	34	0	2	**100**	8,004
Full-time student	**40**	**8**	**22**	**25**	**3**	**3**	**100**	**8,333**

Source: NatCen/IES Survey 2004/05

made up 20% of their total income) particularly in the form of subject specific bursaries such as the Training Bursary, the Secondary Shortage Subject Scheme (for those studying education), NHS bursaries and NHS student loans (for those studying subjects allied to health). They also relied more heavily on earnings from paid work and social security benefits (contributing 26% and 13% respectively towards total income). They had much lower contributions from family and friends and were considerably less likely to take out a Student Loan than younger students. For younger students, the key sources of support were Student Loans and income from family and friends (the latter contributing 33% of total income).

- **Family type:** Students who were lone parents had the highest total incomes of all students, at £14,647. They relied heavily on the targeted public forms of HE financial support, particularly child-related support (such as the Childcare Grant, Parents' Learning Allowance and Lone Parents' Grant), and also on social security benefits, which again tended to be related to childcare (such as Child Benefit and Child Tax Credit). Together these sources contributed more than half (57%) of the total income of these students. However, earnings from paid work and contributions from family and friends had little influence on the overall income for these students.
- **Socio-economic background:** Students from managerial and professional backgrounds had on average a marginally higher total income, but the make up of their income varied considerably compared with those from other socio-economic backgrounds. Students from managerial and professional backgrounds received almost one-third (32%) of their income from family and friends, indeed for advantaged students parental financial support was particularly important. This contrasted strongly with students from routine and manual work backgrounds where only 13% of their income came from this source. Instead, this latter group relied much more heavily on public HE support which would be expected, given the government policy to encourage individuals from lower socio-economic groups to participate in higher education through (among other things) the provision of targeted financial support.
- **Living circumstances:** Dependent students who lived at home with their parents during term-time had a very different income profile to those who moved away to study. Those living at home had considerably lower incomes than those who lived away from their parental home, at £6,721 compared with £8,725. A key source of income for those living at home was earnings from paid work, which made up over one-third (35%) of their total income. These students were much more likely to engage in paid work whilst studying than other groups of students, but conversely were considerably less likely to take out a Student Loan. Students who moved away to study relied heavily on their parents for financial support, indeed monies from family made up over a quarter of their total income (27%). This could suggest that only those who can be supported by their parents can afford to study outside their locality.
- **Ethnicity:** Overall, the average total income of minority ethnic students was lower than that for white students but this could be explained by: a lower take up of Student Loans (particularly amongst Asian/Asian British students); a greater tendency to stay living with their parents while studying; and lower levels of family contribution to income associated with staying at home. Just over half of Asian/Asian British students and almost one-third of black/black British students lived at their parental home during term-time, compared with 15% of white students. Black/black British students had a higher average total income than Asian/Asian British students, explained by a much greater likelihood to engage in regular paid work (and thus achieve greater levels of earnings from work). It could also be influenced by greater levels of subject-specific financial support reflecting a preference among black/black British students to follow courses allied to health.
- **Choice of HE study:** Medical students had among the lowest incomes at around £8,000, whereas those who studied education and subjects allied to health had much

higher levels of total income (though this was not significant in the regression model). The low levels of income found for medical students were largely due to lower earnings from paid work. This group were much less likely to undertake paid work during their studies, possibly due to the structure and demands of their courses preventing them from doing so. However, they had among the highest contributions from family and friends, making up over one-third (34%) of their total income.

- **In-country/out-country effect:** English-domiciled students studying at English institutions had a similar pattern of total income and income sources to that of Welsh-domiciled students studying at Welsh institutions. Similarly, income patterns of those studying out of their country of domicile were alike. In-country students were found to have higher total incomes on average due to higher earnings from paid work. This effect may be caused by a number of factors such as differences in the profile of students who study in-country compared with those who study away, and/or having better networks within local labour markets enabling access to paid work.

Importance of working whilst studying

As indicated by the income profiles of different groups of students described above, the contribution of earnings from paid work can have a profound effect on student incomes. It is, therefore, useful to explore the nature and importance of working whilst studying a little further.

The study of student incomes and expenditure collected comprehensive data on the earnings students received and expected to receive from paid work during the academic year 2004/05. Paid work could cover full- and part-time jobs, regular or continuous jobs (defined as jobs the student had since the start of the academic year and expected to continue to the end of the academic year), and more casual or occasional jobs in both term-time and holiday periods (excluding the long summer vacation).

Looking across *all* full-time students of English domicile (whether they worked or not), the average net earnings from paid work during the 2004/05 academic year (including term-time and the Easter and Christmas vacations) was £1,821. This represented just under one-quarter, 22%, of overall student income. Income from paid work was found to have more than doubled in the period between 1998/99 and 2004/05, even after allowing for inflation. The figures for Welsh students were slightly lower, with average earnings across all full-time students at £1,457 making up almost one-fifth (17%) of total income.

Focusing on English-domiciled full-time students, over half (56%) undertook some form of paid work during the academic year, and the average earnings amongst this group who worked whilst they studied was £3,257. Some students were more likely to engage in paid work whilst studying than others and the factors most strongly associated with propensity to work were: gender, family type, ethnicity, living circumstances, parental experience of higher education, location of institution, subject and year of study. Indeed, the groups most likely to engage in paid work were:

- students living at home with their parents (74% of this group of students engaged in paid work),
- students without children (65% of 'dinkys' ('double income no kids yet') /students in a couple engaged in paid work),
- those in the early years of their course (58% of first years, and 60% of those mid course),
- black/black British students (61%) and white students (57%),
- women (59%), and
- those following courses in human and social sciences (60%).

Full-time students were more likely to engage in regular or continuous work than hold less permanent jobs: 17% undertook casual work; 31% had continuous/regular jobs; and 7% did both, topping up their regular work with casual work. Looking at the regular or continuous jobs of full-time English students, the majority of working students reported that they worked different hours during holiday periods than during term-time. The average number of hours worked during term-time was 13.5 per week, and this rose to almost 27 hours per week during the Christmas and/or Easter vacations. During term-time, students in continuous work earned on average £6.10 an hour.

Students could also supplement their income by working during the long summer vacation, and students beyond their first year of study were asked if they had undertaken any paid work over the previous summer (July to September 2004). A high proportion, 86%, did so and they earned an average of £1,544 during the period.

Looking at both summer work and working during the academic year (for those asked the relevant questions), virtually all full-time English students (98%) engaged in some form of paid work during the year July 2004 to June 2005.

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2. There is a further report for the Department of Education and Learning in Northern Ireland (DELNI) covering students in Northern Ireland. See ***Northern Ireland Student Income and Expenditure Survey 2004/05*** (September 2006), Department for Employment and Learning.
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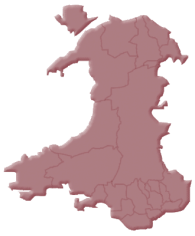


Destination Wales: the Welsh Graduate Labour Market

Summary

Claire Tyers, from the **Institute for Employment Studies (IES)** and **Alyson Thomas** from the **Higher Education Funding Council for Wales (HEFCW)** discuss some of the issues raised in their newly launched report on graduate employment and employability in Wales. The overall picture for Wales is positive, and the country's performance on a range of economic measures matches or exceeds the performance of a number of other UK regions. Employment rates are high, and there is still a clear graduate wage premium. Welsh higher education institutions are also at the forefront of employability initiatives in the UK.

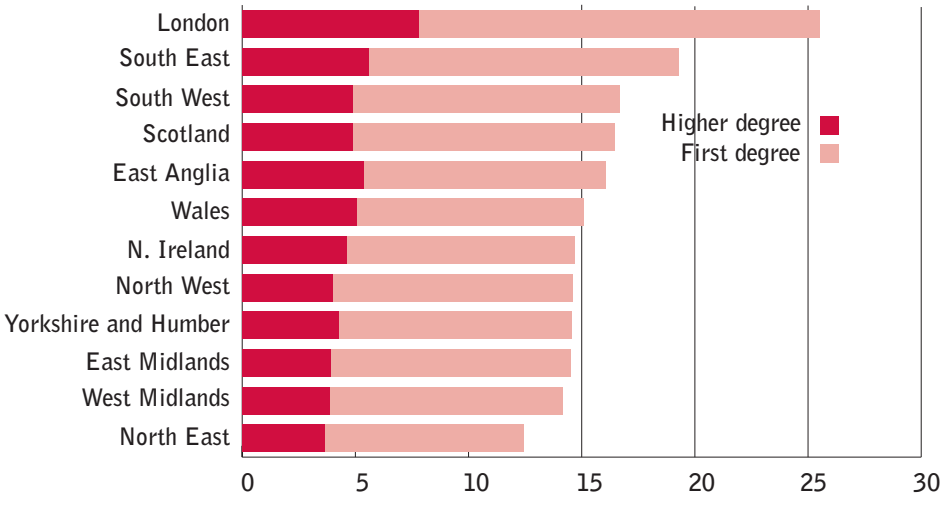
Research details

This article provides a summary of research commissioned by HEFCW, and undertaken by IES to examine graduate employment and employability in Wales. The research analyses existing research evidence and national statistics to present the Welsh picture in a UK context, but also, uniquely, includes data from interviews with a range of key stakeholders in Wales. Representatives of all the higher education institution (HEI) careers services in Wales were interviewed and the views of Welsh employers sought through a telephone survey of 500 employers and face-to-face interviews with a range of employers and employer representatives. The broader findings have been published as a full research report and an accompanying summary of the key messages.[1]

Growing numbers of students, graduates and postgraduates

Like the rest of the UK, Welsh higher education is growing and widening. Wales has seen substantial growth in both the number of students in Welsh HEIs and the number of graduates living in Wales, in line with UK-wide trends. Around 110,000 UK-domiciled students were enrolled in Welsh HEIs in 2003/2004, which is a growth of almost one-quarter since 1999/2000. Over the decade, the number of graduates in Wales has risen by 69%.

Figure 1: Graduate profile of UK regions, 2002/2005. Percentage of working population holding higher and first degrees as highest qualification



Source: Labour Force Survey

Fifteen per cent of the working-age population in Wales now have degree-level qualifications, a relatively high proportion when compared with many other UK regions (see Figure 1). Wales actually has a higher proportion of working age graduates than any UK region outside the South of England, with the exception of Scotland and East Anglia.

The greatest rates of expansion, however, have occurred among those with postgraduate qualifications. Labour Force Survey estimates are that a third of all graduates in Wales have higher-level degrees such as masters degrees or PhDs (using data for the period 2002/5) compared with a UK average of just 29%. This proportion is higher than for any other UK region.

Welsh graduate employment matches rest of UK

Given the increasing number of graduates in Wales, what is a realistic assessment of their employment prospects? The answer remains 'good'. Not only do graduates in Wales have high employment rates (third only to the East Midlands and Northern Ireland, and therefore above the UK average, see Table 1), but their patterns of employment are also similar to those in the rest of the UK.

The majority of graduates in Wales (84%) are employed in 'higher-level' occupations (i.e. managerial, professional and associate-professional occupations), and individuals with higher degrees are even more likely to be working at these levels. The economy has, therefore, absorbed the increased graduate supply well to date, mainly through the diversification and broadening out of the types of roles that graduates take on. That said, Wales actually has proportionately more graduates working in 'traditional' graduate jobs (i.e. established professions such as teachers, doctors, solicitors) than is the case in the rest of the UK (29% in Wales compared with 26% in the rest of the UK).

Graduates can still expect financial returns

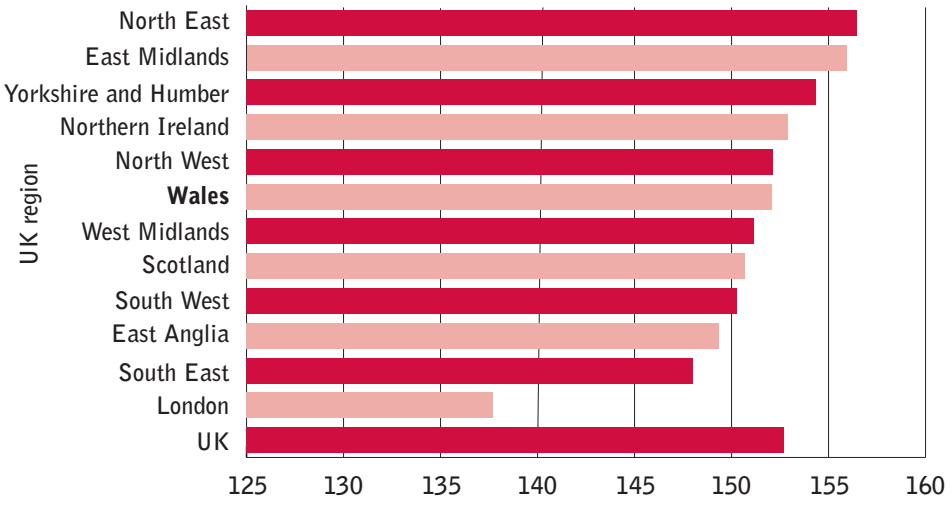
Overall, therefore, graduates are continuing to find work in jobs appropriate for their skills. A further question, however, is whether there are now fewer financial reasons for

Table 1: Employment rates by educational attainment in UK regions, 2002/2005

Regions	Degree	Other HE or A-level	Below A-level	All
Northern Ireland	90.6	81.3	62.4	72.9
East Midlands	90.2	86.2	71.2	78.9
Wales	**89.6**	**82.5**	**66.2**	**74.9**
Scotland	89.5	83.8	65.7	77.2
South East	89.2	86.1	75.3	81.6
North West	89.1	84.1	67.7	76.3
Yorkshire and Humber	89.0	84.1	69.2	76.9
East Anglia	88.9	85.2	75.7	80.7
London	88.8	81.8	63.1	74.3
West Midlands	88.7	85.9	68.9	76.9
North East	88.5	82.1	63.4	72.8
South West	88.0	86.4	75.2	81.3
UK	**89.1**	**84.5**	**69.3**	**77.7**

Source: Labour Force Survey

Figure 2: Average graduate wages as a proportion of overall regional wage



Source: Labour Force Survey (2002 to 2005)

individuals to take up degree-level study, given students' increasing reliance on loans, and the requirement to pay fees (even if the fees in Wales (for Welsh students) are lower than in England from 2007). The answer from this analysis is a measured 'no'. The analysis for Wales ties in with the majority of the evidence so far that despite concerns about the growth in the supply of graduates, the graduate wage premium has been maintained.[2] There is, however, other evidence that the relative financial rewards for graduates may now be starting to decline, although again the picture for Wales equates to the situation across the UK.[3]

Graduates still have a positive return on their degrees, i.e. graduates can still expect to earn more money over their lifetime than non-graduates, even when compared with those who have the necessary qualifications to go to university but have chosen not to do so. There is a slight decline in the level of returns for those with first degrees, but individuals with higher degrees maintain higher returns. As there are now more of these higher qualified individuals amongst the graduate population, the economic returns, therefore, remain stable for 'graduates' if those with higher level qualifications are included.

Over the period of 2002/2005 (and grossed up to 2005 prices), graduates in Wales were earning around 46% more than individuals with higher education qualifications below degree-level/A-levels, with an average gross annual graduate wage of £27,900. The relative returns to Welsh graduates are higher than those in most other UK regions (Figure 2 presents the average graduate wage as a proportion of the average regional wage). Wales does have overall lower wage levels (including for graduates) but this again needs to be placed firmly in context, given the maintained returns to graduates and lower cost of living in the region (estimated at 6.3% lower than the national average, and with housing costs only around 80% of those of the UK as a whole.[4])

There are some gender differences in earnings, linked to the types of jobs that women take up (particularly part-time work), but levels of gender segregation in employment in Wales are on a par with those in the rest of the UK. In fact, the earnings gap between men and women is actually smaller in Wales (male graduates in Wales earn approximately 38% more than their female counterparts compared with 43% more in the UK as a whole). Whilst men have higher gross wages, it is noticeable in all of the research that women generally benefit more, in relative terms, from higher education. Correspondingly, in Wales, women with a degree earn 57% more than females qualified to other higher education or A-level standard, compared with a figure of 43% greater earnings when this comparison is made for men.

Graduate migration mirrors most other UK regions

For any region, a key question is its ability to retain the right graduate level skills. How well does Wales exploit the cross border flows with England that characterise its higher education provision? The answer here is less clear. We have only fairly limited information on graduate destinations. The Higher Education Statistics Agencies (HESA) survey of graduates provides information on graduates for only the first six months following their graduation. What this does show is that only three regions – London, Eastern England and Northern Ireland - are net importers of graduates at this early stage in graduate careers.[5] However, we suggest that the latter two regions are not good comparators for Wales as Northern Ireland has a unique pattern of study in that many students leave to attend higher education in England and then return home on graduation, whilst the East is a very small region in terms of higher education output but includes counties bordering on London (Essex, Bedfordshire and Hertfordshire) where there is high demand for graduates. All other regions, including Wales, lose more graduates following graduation from HEIs in the region than they attract in to take up work opportunities. The net outward migration of graduates is, therefore, comparable in Wales to migration patterns in many other UK regions.

Also, like other regions, Wales both attracts high achievers into the region and loses high achievers to other parts of the UK. Across Europe, around one-half of graduates will have experienced some mobility from the region where they studied within four years of graduation[6], so this amount of mobility is not limited to the UK. Any concerns about the loss of talent for Wales, therefore, need to be considered in this context, and not overstated. Tracking of graduate destinations over the longer term (such as that planned by the HESA longitudinal study) will help to provide more definitive answers for all regions about the effect of graduate migration.

Welsh HEIs offer good links between graduates and employers

What role have Welsh HEIs in this overall picture? Wales is actually at the forefront of employability initiatives in the UK and this is worthy of greater recognition. The Graduate Opportunities Wales (GO Wales) Programme (an EU/Welsh Assembly Government funded HEFCW programme) is expanding the resources of careers services in Wales, and is well received by all stakeholders.[7] A recent review of higher education careers services (the Maguire review) highlighted GO Wales as a particularly effective mechanism for promoting excellent partnerships between employers and HEIs, and recommended that HEIs should be encouraged to assess the appropriateness of replicating this type of programme.[8] HEI careers services are an important link between students/graduates and employers, and many services have been changing their focus to become more integrated with their HEI and help provide employability skills as part of curriculum development.

The GO Wales programme is enabling closer links to be built and maintained between HEIs and the local community and employers. Thirty per cent of employers surveyed for this research had had some contact with their local HEI. The most common form of contact was running work placements or advertising vacancies through the careers service.

The views of graduate employers about the potential benefits that graduates brought to their organisations were much more positive than those of non-graduate employers. Reasons given for specifically recruiting graduates included their: greater communication and technical skills, enhanced capacity for learning, leadership potential, more developed analytical skills, 'added maturity', and, often greater variety of work experience. Initiatives such as GO Wales which, through work placements and career management support, are helping to bring a greater variety of employers into contact with students/graduates and are, therefore, potentially stimulating demand for and appreciation of graduate skills. As one graduate employer stated: *"We choose to recruit graduates to give us an edge on the competition and improve the quality of customer service."* Welsh employer

Given the range of evidence about the relatively strong economic performance of Welsh graduates, the main issue for the country is to continue to promote the message that Wales is an attractive destination for graduates. There are challenges ahead, but these are no greater than those facing the majority of UK regions.

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Bridging the Gap between the Education System and the Public Sector in Bulgaria

Summary

Liz Rhodes, MBE, Director of the **National Council for Work Experience (NCWE),** was invited to work with the Business Foundation for Education in Bulgaria this summer, to help with the development of a work placement model for the public sector. In this article, she gives us a summary of the background to the project and the work she carried out.

Mention you are going to Bulgaria and you might get the odd look and comments along the lines of where is that exactly and don't they go in for assassinating people with poison-tipped umbrellas? But times have changed and Bulgaria is now poised to become a member of the European Union in 2007, thereby, it could be said, setting about reclaiming its European heritage. For it is a European country, situated in the Balkans, with a history that goes back to Alexander the Great, followed by being part of the Roman Empire and Byzantium and then part of the Ottoman Empire, before coming under the yoke of communism. In between these various dominant masters it has had periods of freedom, but not until 1991 has it really been able to take responsibility for governing itself.

My reason for going was an invitation to work with the newly established Business Foundation for Education and help them develop a work placement model for the public sector, particularly the State Administration, their civil service, at both national and regional levels.

Before it can be accepted as a member of the EU, Bulgaria has to demonstrate improvements in the way the government is run. A recent EU Comprehensive Monitoring Report said, among a number of other things, that it needs to focus 'on strengthening its overall administrative capacity'. One of the reasons for its current weak administrative capacity is the quality of the civil servants themselves, particularly those that are taken on from university who do not have the necessary skills that public sector employers need. For the most part these skills can be acquired in the workplace but require time and public resources, things that are not readily available. The State Administration is also finding it difficult to recruit appropriate individuals.

In order to start addressing this situation a project was put forward by the Business Foundation for Education in Sofia for funding from the British Government through the British Embassy, to develop and introduce a work placement model for national and local administrations by the summer of 2007. This would focus on placing undergraduates/graduates in various Ministries at both national and regional level so that they would be able to get a taste of working in the public sector with a view to taking up careers there. Through the work placement model, moreover, it is hoped that potential recruits will have a better understanding of the skills required for working in the State Administration and thus cut down on time and resources required to settle them in.

It was also hoped that the work placement model would build on the work done by Terry Jones, Careers Adviser from the Careers Group, University of London, in the autumn of 2005. He had also been out to Bulgaria and developed a methodology for work placements in the private sector and this was my starting point to ensure that there was a consistency and common standards in the way work placements/internships were organised across the country. It was thanks to Terry that I received the invitation to go to Bulgaria in the first place.

In addition, the project would look at how the State Administration, through a work placement programme, would be able to work more closely with universities. At present there are 50 universities in the country, many of which focus on one or two specialised areas, e.g. agriculture. About half of these are currently setting up career centres.

Ultimately, it was hoped that any model developed would lead to work placements/internships being embedded into the curriculum, something that would require legislative changes.

My visit lasted five days and I had a series of meetings with different government departments to learn about current work experience activity. My task was then to make some recommendations for a Work Placement Programme that would enable the State Administration to introduce undergraduates to the way in which the government is organised and run. Once the programme is up and running it is hoped that many will be subsequently recruited to work for the government.

My report and recommendations have now been submitted and I am waiting to hear how matters will be progressed. It has been a fascinating experience, and indeed a privilege, to be able to work with people who want to demonstrate that their country is fit to join the EU; in return I have learnt a bit more about a country that has been very much part of the western tradition.

The Graduate Recruitment Market

Summary

According to the latest graduate recruitment review from the Association of Graduate Recruiters (AGR), the 2006 graduate recruitment season has seen a 16.7% year-on-year rise in graduate vacancies and 2.9% increase in starting salaries. The median starting salary for 2006 new recruits is reported to be just over £23,000. Looking ahead, AGR employers are confident of a similar growth in the recruitment market in 2007.

Over half (57%) of employers surveyed reported that applications received in 2006 were of a similar standard to last year, and an encouraging 28% felt they were generally of a higher standard. A notable minority, 15%, however, felt that standards have gone down.

The Association of Graduate Recruiters (AGR) publish a review of the graduate recruitment market twice a year. The latest report, out earlier this summer, gives insights into the graduate vacancy levels for the 2005-2006 recruitment season (referred to as the '2006' season hereafter), and the year-on-year changes. In addition, the report looks at salary levels for new graduates starting work in 2006, application levels, employers' selection methods, and the recruitment outlook for 2007.[1]

As in previous studies, the results are based on questionnaire responses of AGR employer members. A total of 235 employers responded to the latest survey, representing a response rate of 68%.

Graduate vacancies in 2006

According to the latest AGR survey, the total number of graduate-level jobs on offer in 2006 by the 235 AGR employers who took part in the survey was 21,157. This represents a 16.7% increase compared with the 18,127 graduates recruited by the same organisations in 2005. It also makes 2006 the third consecutive year with a year-on-year rise in graduate vacancies, confirming the buoyant outlook of most AGR employers.

Accountancy and professional services firms accounted for 22.5% of the total number of vacancies offered – the highest percentage of all industries. This was followed by investment banks and fund managers (18.6%) and engineering and industrial companies (8.4%). Together, these three types of employers accounted for half (49.5%) of all vacancies offered by the 235 AGR employers surveyed.

Similarly, breakdown of vacancies by type of work (as opposed to employer's industry) shows that just under a quarter (23.6%) of the jobs were in accountancy, reflecting the distribution of vacancies by industry. Positions in general management were the next most buoyant, accounting for 17.8% of the total vacancies on offer; followed by investment banking (9.1%), IT (7.3%), legal work (6.8%) and consulting (6.4%).

Most industry sectors have experienced graduate recruitment growth compared with the 2005 recruitment season. The industries showing the largest percentage increase in vacancies were insurance companies (43%) and telecommunication companies (29%), while breakdown by type of work reveals that civil engineering, electrical/electronic engineering and manufacturing engineering have all seen vacancies rise by over (or close to) 50%. The report, however, warned that the percentage change cannot be used as an indicator of changes in the *absolute vacancy numbers*. For example, the 43% increase in vacancies seen by insurance companies corresponded to a rise of only 59 vacancies. The same can also be said in the case of civil engineering, where the year-on-year vacancies rise was calculated from a relatively small base.

Just under half of the vacancies offered by AGR employers (45.9%) were in London. This was four times more than in the South East (11.6% of total) – the region with the second highest number of vacancies. The Midlands, South West and North West came next, accounting for 9.9%, 5.7% and 5.3% of vacancies respectively.

It is worth noting that many of the AGR employers are large, blue-chip organisations with operations in London, which contributed to the high percentage of vacancies reported in the capital. The vast majority of the employers surveyed are also from the private sector, and thus may not adequately reflect the role of the public sector as one of the major recruiters of graduates, especially in regions outside London.[2] A look at the latest Destinations of Leavers from Higher Education (DLHE) survey for 2005 graduates reveals that, six months after graduation, fewer than one in five (18.3%) UK-domiciled first degree graduates who were in full-time paid employment were working in London.[3] Although London is the most popular place for graduates to look for employment, it by no means attracts as many new graduates as the AGR survey suggests.

Graduate salaries in 2006

The median salary paid by AGR employers for new 2006 graduate recruits was £23,136, an increase of 2.9% from £22,494 in 2005. The highest regional median starting salary, at £26,880, was offered to graduates working in London, followed by the South East (£23,000) and South West (£21,500). At the other end, graduates finding work in the North East, Wales and Northern Ireland were paid the lowest median starting salaries, at £19,625, £19,500 and £17,000 respectively.

Analysis by type of work shows that graduates employed in investment banks were paid the highest median salary, at £36,000. This is a massive £7,000 more than the next highest median, at £29,000, for graduates in legal work. Other high paying types of work include consulting (with a median salary of £28,500), actuarial work (£25,750), IT (£25,000) and financial management (£25,000). The lowest salaries, on the other hand, were offered to graduates starting work in logistics (£19,500), sales (£17,000) and general management (£16,500).

The vast majority of AGR employers are large organisations and they contributed to only a fraction of the vacancies on offer to graduates. Many graduates instead find work with smaller firms. As a result, the salaries offered by AGR employers are likely to be higher than the figures reported in student

surveys. For example, the latest DLHE survey has revealed that the average salary for 2005 full-time, first degree graduates entering full-time employment was £17,697, with a median figure of £17,000 (rounded to the nearest thousand), which are lower than the figures reported by the AGR.[3],[4]

The differences in salary distribution reported in the AGR and the DLHE surveys are illustrated in Figures 1 and 2. They show that while four in five (81%) AGR employers offered starting salaries of £20,000 or above, just under 30% of 2005 graduates in full-time employment surveyed reported salaries at this level.

Outlook for 2007

More than half (55%) of the AGR employers surveyed reported that they expect their recruitment levels in 2007 to be similar to 2006's. Another 28% expect to recruit slightly more graduates, while a small minority, 7%, expect to recruit many more.

Half of the employers (50%) also anticipate a cost of living rise in starting salaries in 2007, while one in seven (14%) expect them to rise above this level. One in six employers (16%), however, do not expect salary levels to change and one in five (20%) are unsure how salaries will develop in the next year.

All in all, the report concluded that the recruitment market is confident of a similar growth in the next year to that recorded during 2006.

Applications and selection

On average, AGR employers received 28.4 applications per graduate vacancy in 2006, compared with 32.9 a year ago, making 2006 the fourth consecutive year that the number of applications for each vacancy has decreased. Analysis by industry has revealed that fast moving consumer goods (FMCG) companies received the highest number of applications for each graduate position (92.8), followed by oil companies (65.9). At the other end, construction companies and accountancy/professional firms received the least numbers, at 14.2 and 12.5 applications per vacancy respectively.

The AGR survey also found that candidates applying to positions in telecommunications companies had the best chance of making it through to a first interview, with 38.2% of applicants being offered an interview, while the most difficult industry in which to get a first interview was investment banking (11.1%).

Quality of applications and candidate skills

Employers were asked how they felt about the overall quality of applicants in 2006 compared with 2005. Over half (57%) of employers reported that applications were of a similar standard to last year, and an encouraging 28% felt they were generally of a higher standard. A notable minority, 15%, however, felt that standards have gone down.

Commitment and drive and motivation and enthusiasm are the qualities AGR employers consider as the most important in a candidate, while project management, risk taking/enterprise, leadership and commercial awareness were the most difficult skill criteria to fulfil. The latest GradFacts survey of 2006 final year students indicated that students are aware of their lack of commercial awareness.[5] When asked what are the skills they are least likely to be able to offer to employers, presentation skills, numeracy and business awareness came top. On the positive side, the top skills listed were: reliability, the ability to work unsupervised and to use their own initiative, which match some of AGR employers' top priorities.

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Figure 1. Graduate starting salaries at AGR employers (2005-2006 recruitment season)

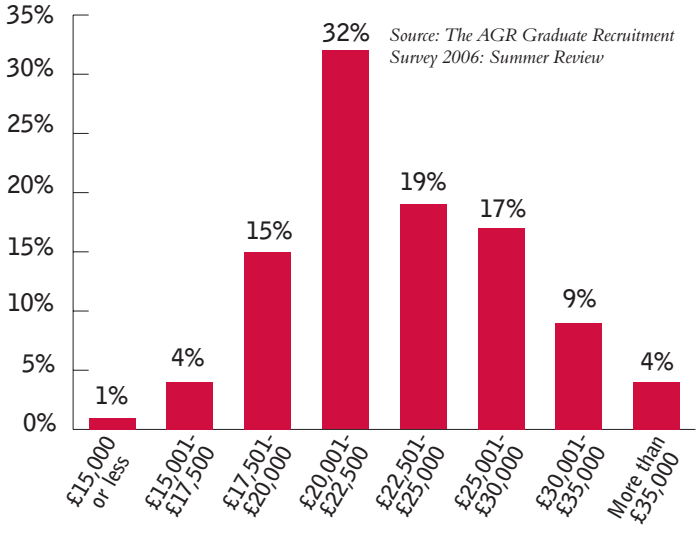
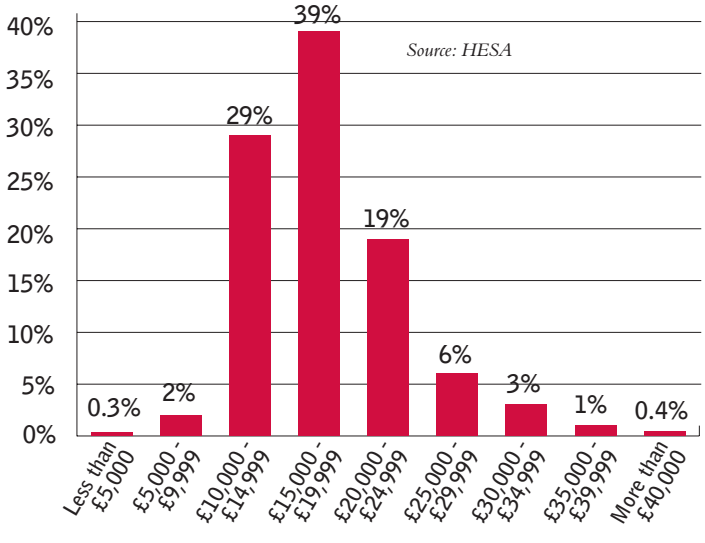


Figure 2. Distribution of salary for 2005 full-time first degree graduates entering full-time employment in the UK



Career Decision-making amongst Young People

Summary

This article provides an overview of key issues surrounding career decision-making amongst young people. Research has indicated that:

- Careers education and guidance was deemed to be most effective when it was comprehensive and impartial, delivered by trained staff who were supported by external professionals, and when it formed a dedicated part of the curriculum.
- Young people's career decisions were influenced by a range of factors, including family, teachers, careers specialists, contacts with employers, perception of a subject, finance and their own values and interests.
- Young people brought varying perspectives to the decision-making process, suggesting a single approach to guidance would not be suitable for all.
- While examples of good partnership practice existed, schools were not always aware of their existence.

Introduction

The *Education and Skills White Paper,* published in 2005, outlined the need for young people to make their own career choices and set out the subsequent need for the provision of quality, impartial advice to ensure young people make well-informed choices.[1] The *14-19 Implementation Plan* followed and this emphasised the necessity of schools, colleges and training providers working together to provide appropriate support to young people.[2]

June 2006 saw the publication of the report *How Do Young People Make Choices at 14 and 16?* (hereafter referred to as Blenkinsop *et al*) commissioned by the Department for Education and Skills (DfES) and undertaken by the National Foundation for Educational Research (NFER), which examined the ways in which young people at ages 14 and 16 made decisions regarding their career options.[3] The study was based on interviews with 165 young people at 14 schools in England between February 2005 and February 2006, in addition to interviews with 67 key school staff, and telephone interviews with 47 parents. This article summarises the report's key findings and draws on other research where appropriate.

Information requirements and careers education/guidance

According to Blenkinsop *et al*'s research, students required various types of information. At Key Stage 4, they needed more detailed information on subject options, particularly information concerning subject content, coursework requirements and possible pathways (for example, career routes). The study, however, found that the level of information given to students varied and was not always impartial, with evidence of teachers 'selling' their subjects.

The Blenkinsop *et al* research suggested that careers education and guidance were at their most effective when comprehensive and impartial, delivered by trained staff who were supported by external professionals (eg Connexions), and when it formed a dedicated part of the curriculum. It was evident that, in schools with the most comprehensive and individualised careers guidance and support, students were more likely to make effective career choices, were less likely to change their minds, and were ultimately happier with their decisions.

In a briefing paper published in March 2004, the National Institute for Careers Education and Counselling (NICEC) identified various functions that schools need to undertake in order to provide high-quality careers education and support.[4] The paper identified a need for careers specialists to work with senior management to set policy and resource priorities for careers education and guidance, to support those involved in its delivery, to constantly review the provision of careers education, and to develop and evaluate careers work.

Decision-making skills

The *Education and Skills White Paper* said that young people need the *skills* to make sound career decisions.[1] This issue was also identified in Blenkinsop *et al*'s report, which noted some incidences of students struggling to cope when faced with unanticipated changes.

Given the sheer range of post-16 opportunities available, the report argued that young people need not only the information but also the *skills* to ensure they make the best use of that information. Given the emphasis on ensuring students have appropriate information and are able to make the best use of it, the report recommended that emphasis among practitioners should shift away from the *outcome* of decision-making and more toward assessing the *process* of it.

Evidence cited in Blenkinsop *et al*'s report also suggested that young people did not always see the correlation between activities undertaken as part of careers education and guidance sessions and the choices they were making. The study subsequently called for practitioners to make more explicit the links between decision-making skills and the career decisions young people subsequently made.

Influences upon decision-making

In a 1996 NICEC briefing paper, it was reported that young people's career decisions are influenced by a range of factors and issues, including parents and other relatives, friends and peer-groups, careers specialists, subject teachers, contacts with employers and direct experiences of employment, and individual interests and values.[5] Blenkinsop et al, in addition, identified perceptions of a subject and financial issues as influencing factors. These are discussed below.

Influence of parents and other relatives

Family are found to be particularly influential in providing first-hand knowledge of jobs and work, and can be influential in young people's decision to remain in education.[5] Early experiences

within family, it has been argued, influence the development of interest in certain occupations and whether or not youngsters continue to post-16 education.

Blenkinsop *et al*'s research noted that both staff and students identified the influence of family upon decision-making. Elder siblings were deemed especially influential, as they were regarded as uniquely placed to access information and the cache of experience. Evidence from teachers surveyed suggested that sibling influences were even more marked in smaller schools, especially with regard to choosing options at Key Stage 4. Moreover, staff were inclined to believe that young people sought their parents' opinion, reassurance and affirmation, as well as advice. Students also said that their parents acted as useful sounding boards.

Careers specialists

This category included careers advisers and careers teachers. The former were defined as those who regarded their role primarily as assisting youngsters explore their aims and aspirations, widen their ideas and develop realistic plans for the future. They were a source of information about opportunities, especially to young people from disadvantaged backgrounds. On the other hand, careers teachers were more likely to be involved in teaching careers education rather than conducting individual interviews.

Subject teachers

Research has suggested that teachers are fundamental to young people's career decisions.[5] Their role has been identified in relation to youngsters' decision to enter post-compulsory education and on their choice of courses, and that they can offer useful feedback on an individual's strengths and weaknesses.

Blenkinsop *et al*'s report found that for Year 9 students, a teacher's personality was an influencing factor, although by Year 11 students were approaching teachers for information regarding subject content, their potential ability and overall guidance on their best options. Young people appeared to be influenced by discusssions with teachers, especially in schools with overall effective support mechanisms. In some instances, however, youngsters felt pressured from teachers to remain in education or choose particular courses in order to increase student numbers.

Blenkinsop *et al*'s research raised questions over whether or not teachers had the requisite knowledge to provide sufficient information and guidance that young people needed, and identified professional development as a key issue affecting practitioners. The paper argued that teachers tend not to train initially for careers work. It recommended the feasibility of establishing a career education route in initial teacher training be explored, so as to potentially develop leaders for careers work who would have this as their primary focus rather than as an add-on to their main role.

Friends and peer-groups

Friends and peers can offer new ideas and provide job information, but they can also exert pressure to conform when making choices.[5] Blenkinsop *et al*'s research contended that young people were ambivalent about the influence of friends on their career decisions. Although youngsters spoke with friends about options, they didn't necessarily take subjects just because their friends were doing so.

Contact with employers and experiences of employment

The NICEC's 1996 briefing paper identified the influence of contact with employers, as it provided useful inside information regarding different jobs and work environments.[5] The paper warned, however, of the danger of bias and over-positive descriptions of what an organisation can offer. Work placements were cited as impacting on career decisions, either by reinforcing choices, suggesting new possibilities, or leading to rejection of an earlier career choice.

Individual interests and values

Career decision-making can be the corollary of an individual's own interests, values (e.g. beliefs about what is important to an individual) and abilities. Self-efficacy (e.g. lack of confidence in certain subjects) can also affect decision-making.

Perceptions of a subject

According to Blenkinsop *et al*, students were influenced by their perceptions of a subject, both in terms of enjoyment and usefulness to future jobs or careers. The study noted that significant numbers of both Year 9 and Year 11 students chose their subjects primarily because of their interest in those subjects. Comments from teachers suggested that factors such as usefulness of a subject in relation to potential career paths tended to dominate among Year 11 students' mindsets. Subject ability also had a significant influence on Year 11 students, with approximately one in five citing their perceived ability as a primary influence.

Finance

Blenkinsop *et al*'s research also suggested that finance was an influencing factor on students' career decisions, both in terms of potential income and avoidance of debt.

Educational mindsets

Having thus far considered the influences upon young people's decision-making, we should now consider the approaches that young people use in the decision-making process. Blenkinsop *et al*'s report found that young people brought different mindsets to the decision-making process, which can be summarised as:

- Determined realists – those with a clear idea of what they want to do and who have a realistic view on how to achieve it.
- Comfort seekers – those with no clear picture of their future plans.
- Long-term preparers – those who have a clearly defined progression plan, though not necessarily aware of the field in which they wish to work.
- Defeated copers – settle for what's in front of them.
- Confident aspirationals – optimistic, self-assured and spurred on by ambition.
- Indecisive worriers – overly anxious about the future and struggle to envisage career options.
- Unrealistic dreamers – believe they will succeed, but feel their success will be the result of luck rather than hard work.

In addition, the study noted that young people's decisions frequently fluctuated over time, even among those who were very decided about their options in the first instance. The study argued that a single approach to supporting career decision-making in young people wasn't feasible given the varying levels and types of support young people need at various stages in their school careers. It is perhaps unsurprising, given that young people made decisions in different ways and that mindsets changed over time, that the report recommended that young people would benefit from personalised and individualised support.

Collaboration and the value of sharing knowledge

Blenkinsop *et al* noted that examples of good partnership practice existed, with institutions operating common curriculum frameworks and timetables, but questions were raised regarding the extent to which schools were *aware* of the existence of these models of good practice. Further, curriculum provision collaboration between pre-16 and post-16 institutions did not appear to be extensive.

The potential of collaboration as a means of informing future policy, research and practice in careers education and guidance was identified in January 2002 at a conference examining careers education policy and practice across England, Scotland, Wales, Northern Ireland and the Republic of Ireland.[6] The wider recommendations from the conference were defined as:

- Raising the profile of career(s) education – raising profile at national level through strategically targeted press releases, articles or other promotional activities.
- Staying in contact – national working groups agreeing to update and inform each other of new developments and initiatives in careers education, e.g. open sessions, posting information on websites.
- Future collaborative activities – idea of an annual home international event, with each country taking it in turn to host an event with a specific policy-related, practitioner or research and development focus around an issue of common interest and concern.
- European links – enhancing European networks to share good practice.

The need, and indeed value, of practitioners sharing knowledge and collaborating is demonstrated in the creation of the National Guidance Research Forum website, formed to encourage knowledge sharing among career guidance practitioners.[7] A key feature of the website has been the development of a shared knowledge base, following the formation of groups looking at key issues related to their expertise, and providing commentaries on key documents and research findings online.

Curriculum provision and student choice

Blenkinsop *et al*'s research identified a number of issues concerning curriculum provision and student choice. Curriculum structures varied between schools that were surveyed, with options either being made through open choice, option blocks, identified pathways or compulsory elements. Regardless of structure, however, students felt their choice was restricted.

The study also noted that perceptions of vocational courses were an issue of concern, with such courses not being recognised in the same way as traditional academic courses for admission onto A-level courses. In addition, the research suggested that some schools guided the less academic students down the vocational route or saw vocational courses as ways of re-engaging disaffected students, and so there was evidence that vocational courses were not made available to all. This has important implications for students studying vocational courses, especially in schools where such courses are compulsory.

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The Employment of Social Science PhDs in Academic and Non-academic Jobs

Summary

Research conducted by Professor Peter Elias of the University of Warwick, and Professor Kate Purcell (then of the University of the West of England) found that a majority of social science PhD graduates took jobs that they enjoyed, and that they felt were appropriate to someone with their qualifications.

A majority of these graduates went into higher education occupations, but non-academic employment was significant, and not a second-best option - PhD graduates outside academia tended to be more satisfied with their jobs, with extra job stability mirrored by academic concerns about the prevalence of contract work and the consequent job insecurity that it entails.

Graduates felt that their doctoral training had equipped them with many of the relevant skills they needed to succeed in the job market - however some of these were not through formal training and there is evidence that work still needs to be done to meet the targets of the Roberts agenda. Quantitative skills, and, to a lesser extent, some interpersonal skills, were recognised by graduates and employers to be an area that requires work.

Few specialist employers of social science PhDs outside academia seem to exist, and those that do require specific disciplines, usually in economics and psychology. But opportunities are available and employers spoke positively about those social science PhDs they employed.

Introduction

This article looks at research conducted by Professor Peter Elias of the University of Warwick, and Professor Kate Purcell (then of the University of the West of England) and a team of researchers – Sue Durbin and Stella Warren of the University of the West of England, and Rhys Davies of the University of Warwick. The research was commissioned by the Training and Development Board (TDB) of the Economic and Social Research Council (ESRC), 'to review the needs of non-academic employers for highly-qualified social scientists'. As the research progressed, the investigation grew to cover other issues around the delivery and coverage of postgraduate research programmes.[1]

Context

With increased participation in higher education, the pool of postgraduate qualifiers, particularly at Masters level, has expanded. The number of people gaining high-level social science qualifications has seen a marked increase. The introduction of initiatives aimed at postgraduate skills training, largely coming about as a result of the 2002 Roberts Report, has also had an impact on postgraduates.[2] These developments have raised questions as to how far higher degrees in many disciplines, including the social sciences, are valued by employers outside the traditional recruiters within academia – and indeed if they are valued at all.

Entry into postgraduate study and subsequent employment

The Elias and Purcell research examined the movement of recent graduates into postgraduate study, through data obtained from the authors' cohort study of graduates from 1999.[3] This is augmented by information from a follow-up survey of social science PhDs, which examined differences in the experiences of those who entered academic employment from those who did not.

Examining the movement of social science graduates from 1999 into postgraduate study showed that numbers peaked at two to three years after graduation, when approximately two-three per cent were taking PhDs. Social science graduates proved relatively less likely to enter postgraduate research directly after the completion of their undergraduate degree than the science graduates who make up the bulk of students at PhD level, and this has implications when considering social scientists as a subset of highly-qualified degree students.

The *Class of '99* survey included a number of questions on reasons for undertaking courses once the first degree was completed. Ninety per cent of social science PhD students stated that the development of specialist skills and knowledge was a key motivator, and 59% believed that their PhD would improve their employment prospects. Fifty-five per cent also felt that their knowledge would broaden with a PhD - many PhD students did feel that both their specialist and general skills have been improved with doctoral study. At the same time, the survey found that PhD graduates in general placed much less importance on financial reward and more on job satisfaction than did graduates without PhDs, indicating different priorities and asking questions about the self-image and expectations of those who go on to doctoral study.

First destinations of social science PhD graduates

The *Class of '99* survey found that 73.1% of 134 Research Council funded social science PhD graduates from 2003/4 were in full-time work six months after graduating, with another 11.9% in part-time work, and 5.1% in self-employment, freelance or voluntary work (this is not dissimilar to results from the 2003/4 Destinations of Leavers from Higher Education Survey[4]). In addition, 68% were working in higher education, and the rest were in other sectors, but due to the small sample size it is difficult to

single out any other occupation as being particularly significant. Eighty per cent of these employed social science PhDs did describe their current job as 'exactly the type of work that they wanted to do', a very high score which indicates the success of the PhD in helping graduates reach a desired outcome.

Many of the postgraduates who reported working outside academia took their jobs to broaden experience and because of the opportunity to progress. There was little evidence that significant numbers of social science postgraduates were taking non-academic jobs because they were unable to find the academic position that they really coveted.

Compared with their non-academic counterparts, those in academia were, however, more likely to claim the job was 'exactly the type of work' that they wanted, that they were using the skills they had gained during their PhD, and that it enabled them to work in a particular geographical area.

Also in this report, a survey of ESRC-funded PhDs between 1998 and 2000 found that those in non-academic jobs reported higher salaries, better job security, and more opportunity to develop new skills than did their academic counterparts.[1] They also noted satisfaction ratings for many aspects of their jobs (save flexible working and the opportunity to use initiative), that outstripped those for academic employees - particularly in considering job security and progression opportunities.

Most graduates were satisfied with their jobs and felt that they were appropriate for someone with their qualifications. Non-academic employees were slightly more likely to be satisfied, although they were also slightly more likely to consider their jobs inappropriate for a social science PhD holder - this last group was, however, small.

The conclusion is plain - non-academic employment is not a 'second-best' option for those PhDs who could not make it in academia. It is a viable career choice in its own right. The job security issue is particularly significant - whilst over 70% of non-academic employees were on permanent or open-ended contracts, less than half of the academic counterparts were in the same position - more of them were on fixed-term employment.

Skills and training (pre-Roberts)

The Elias and Purcell research had a key aim to determine which skills were acquired by social science PhDs as part of their qualification, and to what extent their subsequent employment used these skills. To investigate the issue, the survey of ESRC-funded PhDs between 1998 and 2000, mentioned in the previous section, was examined.

Looking at specific research skills, the most commonly required by academic and non-academic employees alike was the ability to think critically. Although a minority reported that this skill was formally trained during their study, almost all believed it had been developed as a consequence of their research. In general, doctoral study provided training and development in the research skills required for employment. Significantly fewer graduates, however, reported that they had been trained or developed in qualitative and, particularly, quantitative methods than required them for their work, with non-academic employment seeing a particular disparity between those who needed to interpret or present quantitative data (84.1% of non-academic respondents) and those who had been trained (61.4%) or had their quantitative skills developed (56.8%) in the course of their degree. This is especially relevant in light of the ESRC's review in February 2006, which concludes that the supply of quantitative social science researchers requires attention.[5]

Similar information was obtained on general research skills - graduates reported that verbal and written communication skills, and computing skills were the most often required in both academic and non-academic employment. Project management skills appeared to be the area that is least developed in terms of need for graduates - 89.6% of non-academic employees and 91.5% of academic employees stated these skills to be a job requirement, but only 47.9% of non-academic employees and 66.2% of academic employees felt that the skills had been developed in the course of their study - it is also interesting to note the large difference between academic and non-academic views of their own skills development.

In research management and team working skills, there were a number of areas where graduates felt that the skills required were neither specifically trained or developed during their studies. In particular, all non-academic employees felt they required time management (with 70% reporting that this was *developed* during the course of their studies), quality management (61.9%), interpersonal (52%) and teamworking skills (30.6%), with fewer than 10% receiving formal *training* in any individual skill. This indicates a significant area of development for skills training programmes, albeit one that may have been partially filled by initiatives arising in the wake of Sir Gareth Roberts' 2002 report, and the funding that arose as a result.

Overall, the large majority of employees felt that their research training was useful or very useful for their employment, with rather more academic than non-academic employees likely to state that their training was 'very useful' (71.1% against 49% respectively).

This gives a picture of skills development pre-Roberts - many social science PhDs were developing skills that were required as part of their subsequent employment as part of their PhD (although often not as part of formal training). However, some areas of quantitative research skills, verbal communication and general research and team working skills were not necessarily developed in graduates who were subsequently called upon to demonstrate them as part of employment.

Employees' perception of the fit between postgraduate skills and employer needs

Thirty-one telephone interviews were conducted with ESRC-funded social science PhD graduates, as part of the Elias and Purcell study between October 2004 and May 2005. The aim was to examine respondents' experiences as PhD students and their career development post graduation. The interviews also sought to gain an insight into skills training, and in particular whether that training met the recommendations laid out by Roberts.

Most respondents indicated that they had received formal research methods training, with qualitative methods the most common. Training in other areas took place, but was not so common, indicating that current provision fell short of the Roberts recommendations in some areas - although it appears that some departments are meeting or exceeding Roberts requirements.

Written communication skills were the most commonly developed during PhD training, with research design, interviewing and questioning skills also prominent.

There was, however, concern from some of the PhD graduates about shortfalls in opportunities to develop both qualitative and quantitative approaches, particularly the latter, with some interviewees mentioning collusion by supervisors in evading research methods training.

All but three of the graduates were employed - one had just had a child, and two were still writing up - all but one felt that their PhD had helped them to get employment that they had wanted, and most were satisfied with their current work.

Employers' perspective on postgraduate skills training

Many employers were approached to give their views, but the majority did not respond. Some stated that they did not recruit employees with social science PhDs, or that they were unaware of recruiting such candidates. Amongst non-academic employers who did reply, the finance industry was disproportionately represented, and only four organisations actively sought to recruit PhD holders - the others had taken PhD holders, but not explicitly because of their PhD.

PhDs were often employed as part of general graduate recruitment. They were sometimes seen as an important credential, implying good methodological training and analysis skills, and thus imparting an advantage to their owner. Research skills were also seen as having been developed by PhD holders, and that this could be beneficial when the time came for selection.

Those organisations who had not specifically looked for PhDs, but recruited PhD holders, had positive things to say about the calibre of their new employees, with their ability to learn and adapt quickly being cited, as well as research skills. There was evidence of PhD employees in graduate-level jobs growing their roles, once in post, to becoming something that required PhD skills.

Employers generally preferred good interactive and project-management skills, and felt that those PhD graduates who were able to demonstrate these abilities would enjoy an advantage in jobseeking. There were, however, some expressed misgivings from some employers about the level of interpersonal and communications skills in some PhD candidates, but more concern was stated about skills level in statistics and quantitative analysis, with some employers reporting genuine difficulties in recruiting candidates with good quantitative skills.

In all, demand for specific PhDs was limited to few employers outside academia, and only for a narrow range of specialist occupations, primarily in economics and psychology. These employers had very specific requirements, and were often very well-informed about developments in PhD skills training. Those employers who had not set out to recruit PhDs looked for evidence in a wide range of skills (although research was strongly represented) and were happy with the PhD holders that they had recruited. This group were often not aware of changes in PhD skills training and were sometimes suspicious of suspected overqualification or overspecialisation in PhD graduates, indicating confusion amongst some employers about what PhD study and research involves.

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Reconnecting Young People and Organisations

Summary

This article summarises the key points discussed in a recent report *Working Progress: How to reconnect young people and organisations.* The study, from think-tank Demos, found there is a mismatch between graduates' employment expectations and employers' requirements. Yet, nine in ten graduates surveyed felt they were either very or quite well prepared for the world of work.

The study looks at ways to support the wider development of young people and gives recommendations as to how graduates and organisations can be reconnected.

What the Demos report is about

The think-tank Demos recently published the report *Working Progress: How to reconnect young people and organisations.*[1] According to this study:

'there is a damaging disconnect between young people and organisations – a disconnect between the training of today and the workplaces of tomorrow, and between the changing values of young people and the organisational cultures that they encounter.

At the heart of this disconnect is a lack of understanding on both sides of the other's needs.'

The study aims to develop a better understanding of this problem by drawing on young people's own perspective and that of employers, and asks what can be done to help graduates survive and succeed in the workplaces of the future.

The study involved over 30 interviews with employers, human resources (HR) professionals, graduates and training providers, as well as three regional focus groups with young people who graduated from university in the past one to three years. In addition, GfK NOP undertook two polls on behalf of Demos. The first of these questioned 539 graduates about their experiences of entering the workplace. The second interviewed 50 HR directors or the most senior professional in charge of graduate recruitment in FTSE 200 companies or equivalent.

It's the knowledge economy, stupid

The world of work is changing because of supply and demand. Supply is affected by economic restructuring and the ever greater requirements of employers. Demand is affected by the pressure on employers by young people to 'loosen up' and to facilitate flexible working and portfolio careers.

The Demos report points out that it is people, not machines, who have the ability to adapt to new situations, to generate new ideas and identify new opportunities. The 2005 Cox Review of Creativity in Business concluded that the UK has a 'window of opportunity of between five and ten years to develop the kind of creative skills that will be necessary to compete in a global economy'.[2] The thinking behind this assertion is that both the physical stock of investment and the mental stock of knowledge are capable of being replicated elsewhere in places where wages and other production costs are much lower. Would-be employees in the UK, India or America are often in competition for the same jobs. There are no British jobs, only British workers.[3] The only possible sustainable competitive advantages are those which make better use of the stock of capital and ideas. This requires creativity and innovation.

The GfK NOP survey of HR directors of FTSE 200 companies clearly supported this trend. When asked what the most important skills and qualities will be for graduates in ten years' time, creativity and innovation was ranked above literacy, numeracy, IT ability, communication skills, problem solving and multitasking.

Moreover, in an earlier Demos report on life skills, it is argued that how an employee might respond in a given situation has become more important than what s/he already knows.[4] Increasingly, it seems, employees need initiative as well as intelligence, creativity as well as qualifications. In response to this, 'leadership' is increasingly understood as an activity, rather than a position within an organisation'.[5]

What skills are needed?

According to Leitch, educational attainment as measured by numbers qualifying and grades achieved at GCSE, A-level and first degree are continually rising.[6] The GfK NOP survey carried out for Demos reveals that 48% of employers regard today's graduates as more skilled than those of ten years ago, against 30% who regard them as less skilled. Fifty-four per cent of employers, however, believe that it is harder to find an adequately skilled graduate than it was ten years ago, against 16% who regard it as easier. Is this apparent contradiction because skills are still not high enough or because different skills are needed?

Table 1 shows the responses from HR directors when asked what are the top three skills that they look for in a graduate employee, whilst Table 2 shows responses from recent graduates when they were asked which situations made them feel most awkward. The results indicate that communication skills, which is ranked top on the employer's list, is clearly a concern for many graduates. Modern personal communications between young people favour text messaging and email, and is thought to discourage the development of oral skills.

Sixty-four per cent of HR directors surveyed reported that graduates lack customer handling skills. This is followed by the ability to improvise, reported by 44% of employers. Neil Mullarkey, comedian and business trainer, is quoted in a case study in the Demos report emphasising the importance of the latter skills, 'When you lose the fear of looking bad, you can look good'.

Employers in the Demos study also noted that the notion of 'appraisal' is one that many young people find difficult after their experience of 'right or wrong' answers in an exams-based education system.

The authors also speculate that the education system rewards listening to authority and doing as told, when told. There is a right answer: so independent thought is neither necessary nor desirable. This has consequences outside the classroom, where it is feared that young people are not equipped to judge

Table 1. HR directors: What are the top three skills, qualities or aptitudes that you look for in a graduate employee?

Communication/communicating ideas	68%
Problem-solving	40%
Team-working	36%
Creativity and innovation	28%
Ability to work under pressure	26%
Flexibility and multitasking	22%
Customer handling	22%
Numeracy	14%
Literacy	8%

Source: GfK NOP polling for Demos

Table 2. Situations which made graduates feel most awkward

Challenging senior colleagues	43%
Making presentations	35%
Speaking in meetings	28%
Negotiating	25%
Answering the phone	12.5%

independently and adapt to the risks around them.

Despite the concerns expressed by employers mentioned above, 91% of graduates polled by GfK NOP believe themselves as either very well or quite well prepared for the world of work. It seems, therefore, that not only are graduates under-prepared for what will be required of them, they are also under-prepared for how much there is to learn.

Supporting the wider development of young people

The report argues that the focus of concern should be on *which* skills and aptitudes young people should be nurtured in, rather than simply offering more of the same. It is, however, recognised that soft skills cannot be developed in any meaningful way without their application to real world situations which simultaneously require the knowledge, understanding and application of hard skills. Tom Bentley is quoted,

'It is impossible to develop or demonstrate emotional intelligence in the absence of some other question or issue. One cannot work in a team for its own sake.'[7]

Perceptions of inadequate imagination, creativity, independence, self-perception etc have led to the insertion of new modules into the National Curriculum. Citizenship, enterprise education and work experience are now compulsory. Packing these things into their own boxes, however, deprives them of any practical or conceptual link with other subjects. It also perpetuates the false distinction between knowledge and skills.

The report suggests three important characteristics at the heart of an approach to break down the line between knowledge and skills:

1) *The right connections between schools and the wider community at every level to open up more varied learning opportunities and build understanding.*
   This will provide young people with opportunities to tackle a 'genuine' problem - as opposed to one set inside the structure of the national curriculum, which is undertaken in a controlled environment and is likely to have predetermined answers.
2) *An accreditation system that sends the right signals to both professionals and young people and informs about the relative importance of these wider skills and aptitudes.* The report argues that the current examination system fails to convey the importance of a wider set of skills and aptitudes. Providing a greater range of learning opportunities can be seen as a risk – a diversion from 'what really counts' – but creative approaches legitimising and accrediting these activities can help.
3) *Opportunities that give young people the chance to express themselves and explore their interests.*
   In the GfK/NOP survey, recent graduates collectively ranked 'creativity' only eighth out of 12 when asked to identify where their main skills lie. Many young people, however, demonstrate creativity in their lives beyond school - building websites or making music. The challenge is, therefore, to find ways of accrediting and valuing these informal examples and of finding ways of better harnessing young people's interests at school.

Expectations and experiences of young people

The Demos report pointed out that the challenge of understanding is a two-way street, and that there is a significant gap between employers' offers and graduates' expectations.

Employees nowadays want more autonomy and flexibility but also meaningful work. The Demos report cited a study from Common Purpose, the leadership development and training organisation, which has identified what it describes as a 'quarter life crisis', during which young, successful employees are likely to leave their pressurised jobs to embark on a search for meaning and personal expression through their work'.[8] Research carried out by Business in the Community has also found that 88% of British employees believe it is important that the organisation they work for is committed to living its values, but only 45% believe their employer does.[9]

Graduates are becoming increasingly interested in 'the whole package' offered by employers – a package that allows them to be personally fulfilled inside and outside work. In the focus groups carried out for the study, graduates stressed that one of the key attractions of graduate schemes was not just the career opportunities, but the knowledge that others 'like me' would be starting work at the same time – and that there would be people a year further on with tips and hints to share. Young people, thus, tend to benefit from a 'one up, one across' support structure.

Professional development, however, is not all that young people craved. Four in ten graduates in the GfK NOP survey reported that they found it difficult to maintain a work-life balance. The report suggests that work-life balance training could be incorporated into the initial induction for new employees.

Reconnecting young people and organisations

To help address the disconnect between young people and organisations, the Demos report gives several recommendations:

1) The Government should introduce a Skills Portfolio, to help capture some of the learning, skills and aptitudes

that are often not reflected in traditional qualifications.

2) Schools should hold termly equivalents of 'parents' evenings' for local businesses and community organisations.
3) The government should support the introduction of an Investors in Community accreditation for businesses, which would encourage a greater number of partnerships between the education system and wider community.
4) Universities should draw on the work being done at universities like Glasgow Caledonian University and MIT-Cambridge to embed transferable, work-based skills into the curriculum. This would see undergraduates applying their skills in at least two or three real-life settings before receiving their degree, as an integral part of the curriculum.
5) Companies should hold entrance interviews and skills audits for young people entering their organisations. This would not only help employers to find out what young people's development needs are, it is also an opportunity for managers to find out what motivates their new recruits, as well as sending the message that it matters.
6) Companies should recognise work–life balance as a set of skills as well as a set of legal obligations or company policy.
7) Companies should learn from leading practice and provide 'deep support' for young people entering organisations, help solving people's 'life' issues at work.
8) Employers should work with each other, and with young people, to develop an online, open-access training resource that young people can consult when they need to, to supplement their own development.
9) Organisations should find ways to support the peer-to-peer networks, both inside and outside their walls.
10) Companies should consider organising themselves into networks, offering short-term 'skills development' contracts for new graduates, involving placements in a number of different companies or institutions.

In short, a constant dialogue and ongoing efforts at mutual understanding and support will be key to reconnecting young people and organisations. The report argues that reconnection does not just enable young people to be better prepared for the demands of today's workplace. It potentially supports young people to shape the workplaces of tomorrow to meet their changing aspirations, and helps employers to ensure that education and training respond to the inevitable and as yet unseen challenges of the future.

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Editor's notes

With the new fees regime coming in this year, there has been increasing interest in student finance issues. According to a new study from the Higher Education Academy (HEA), the impact of 'top-up fees' could change the whole campus experience for English students. Part of the study was based on interviews with Australian and New Zealand students, where fees can be as much as Aus$8,000. The research reveals that 'the economics of student life have turned students there away from heavy partying and driven them to take study more seriously, supported by part-time jobs. Student life is also likely to be less campus-oriented and more drawn out, as students struggle to pay off their debts before they have even started a career.' The HEA study also found that although potential students in England had a broad knowledge of the new fees system, most had little knowledge of the detailed issues related to funding their study, such as the institutional support available.

In this issue of *GMT,* Emma Pollard from the Institute for Employment Studies (IES) gives a summary of the research the IES, in conjunction with the National Centre for Social Research, carried out on student income and expenditure. This important study was 'designed to provide a robust baseline against which future changes, following the introduction of variable tuition fees and changes to student financial support, could be monitored'. Although this is still early days, it would be interesting to see how figures will change in any follow-up studies.

Also featured in this edition is another guest article from the IES and the Higher Education Funding Council for Wales, on the Welsh graduate labour market. One of the areas covered is the often controversial topic: the financial returns to a higher education. You can read more about this on p6.

On 12 July this year, HECSU and the HEA held a joint conference 'Changing student choices'. The aim of the conference was to inform participants of the latest findings from a range of research and development projects in careers related issues. Copies of the presentation slides and reports are available at *www.hecsu.ac.uk.*

Pearl Mok (Editor)

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