

Poor Job Market Boosts Postgrad Applications



New research by specialist student research agency Opinionpanel has revealed that half of full-time undergraduate students graduating this summer are seriously considering postgraduate study.

Twenty four percent have applied for postgraduate study to date, but a further 26% say they are 'very' or 'quite likely' to apply in the future. Postgraduate study is particularly popular amongst those studying at Russell Group and other old universities where almost a third of final year students have already applied for postgraduate study.

Based on the net intention (those who are overall more likely to go into postgraduate study minus the number who are overall less likely), finalists are seven percent more likely to choose postgraduate study as a result of the recession. For students not yet in their penultimate or final year, however, the current economic climate seems to be putting students off, with a net of five percent being less likely to complete a postgraduate course, perhaps because of the daunting prospect of more debt or additional study.

Students surveyed said that they were more likely to go on to do postgraduate study because the lack of graduate jobs means that there is more need to stand out from the crowd.

Students who are now less likely to go on to do postgraduate study mainly cited finances as their major point of concern for starting

postgraduate study in the economic downturn.

The reality of the recession is clearly forcing final-year students to reappraise their plans in a big way. While just over half the students who are not yet in their final or penultimate year of study expect to take a graduate-level job after they complete university, only 34% of the current crop of final-year students expect the same. Conversely, 15% of students in their final year now expect to take a non-graduate-level role (part-time or full-time), compared to just over one percent of students who are not yet in their final or penultimate year of study. Clearly, students are having to seriously downgrade their expectations.

At the time of the fieldwork, one in five finalists (19%) had actually secured and accepted a graduate-level job.

Phil Crofts, Research Director at Opinionpanel, said "Our research shows that many final-year students are feeling pressured to go into postgraduate study, either by a perceived need to gain further qualifications to compete in the job market, or as a means of avoiding that competition. The danger is that after spending time and money gaining a postgraduate degree some students will find themselves overqualified. However, on the macro level, there could be a positive outcome with a better educated workforce and a country more able to compete in the global knowledge economy."

FSB Calls For Investment In Internships

The Federation of Small Businesses (FSB) is urging the Government to create 5,000 new internship placements in small businesses to tackle rising graduate unemployment under a new Graduate Employment Scheme.

Graduates entering the job market this summer are facing the toughest employment conditions in years. With placements being reduced in the larger companies by 28 per cent, graduates need to be made aware of the opportunities available in small firms.

FSB research shows that more than 20 per cent of small firms would take on a graduate, yet nearly half (45 per cent) are unaware that they can run internship schemes.

Small businesses are already keen to take on full time students straight out of education, after GCSEs and A Levels, and more than 69 per cent of all apprenticeships already take place in a small firm. However, similar programmes for graduates are not so widespread, despite research showing that internships act as a bridge to formal employment and around 25 per cent of graduate internships lead to a full time job for that graduate.

The FSB is urging the Government to allocate 10 per cent - £3 million - of a £32 million pot of money allocated to universities to market and develop internships and jobs within businesses to open up internships to graduates in small firms and create 5,000 extra placements this year. In the longer term, this step would save the Government around £600 for each graduate on the scheme and not claiming unemployment benefits.

John Wright, Federation of Small Businesses National Chairman, said, "Graduate unemployment is set to soar to unprecedented levels this year as businesses struggle to make ends meet and cut back on recruiting university leavers. However, in a graduate internship scheme, graduates can offer key skills to help businesses move forward while at the same time ensuring they are learning new skills and not unemployed at a crucial time in their careers.

"The FSB is calling on the Government to invest just £3 million of existing funds to market and develop internships in small businesses - creating an extra 5,000 placement positions for graduates in small firms. Small businesses are the sector to create and retain jobs and act as a bridge to formal employment. Around 20 per cent say they want to take on skilled graduates. The Government must invest in linking up small businesses and graduates now to prevent graduate unemployment spiralling any further."

See 'Sizing up the Opportunities' article on page 9.