

Press release

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Title: The future is bright for Welsh graduates

A major new study has revealed that graduates in Wales earn over 46% more than those qualified to A level - and that most of them work in graduate jobs.

The report, by the Institute for Employment Studies (IES), revealed that the demand for graduates was high, with employment rates for graduates being marginally higher in Wales than for the rest of the UK (89.6 % compared to 89.1% for the UK as a whole).

Welsh Graduates and their Jobs: Employment and Employability in Wales looked at the labour market experience and performance of graduates in Wales. It showed that, despite fears in some quarters that the expansion of higher education (HE) would result in oversupply, graduates still had a positive return on their degrees - particularly those with postgraduate level qualifications.

Claire Tyers, report author and Research Fellow with the Institute for Employment Studies, said:

“We now have robust evidence about the graduate labour market and its buoyancy. The value of a degree remains high and the rising number of graduates have been absorbed by an increase in the demand for graduates.”

Between 2003 and 2005, the average graduate wage was £27,900, compared with £19,200 for those with qualifications to A level or equivalent, or £13,400 for those with lower qualifications.

Most of Wales's graduates still enter 'graduate' jobs, with more than four out of five graduates working in graduate level jobs such as managers or senior officials or in professional occupations.

At the postgraduate level, the report showed Wales as a highly skilled region with a higher proportion of graduates qualified to postgraduate level than in the rest of the UK. The level of graduate migration to London and the South East mirrored the pattern in most other UK regions.

Welcoming the publication of the report, the Welsh Assembly Government Minister for Education, Lifelong Learning and Skills said:

"This report underlines the importance of the Assembly Government's investment in HE in Wales, and is also a strong message to people considering entering higher education that it remains very worthwhile and rewarding."

Wales is also at the forefront of employability initiatives in the UK, with schemes such as GO Wales which have strengthened employer links with universities by supporting work placements.

Professor Phil Gummett, Chief Executive of HEFCW, said:

"It is likely that the proportion of graduates in the workforce will have to continue to rise as the share of jobs requiring higher level skills and qualifications grows.

"Of course, challenges still lie ahead if we are to achieve our vision of Wales becoming a 'knowledge economy'. The report shows that we all need to do more to ensure that Welsh employers can take advantage of the stream of talented people coming out of our higher education institutions."

The research was based on interviews with 500 Welsh-based employers, 23 graduate recruiters, and HEI careers services. It also drew on data from the Labour Force Survey and the Destinations of Leavers from Higher Education survey.

Welsh Graduates and their Jobs: Employment and Employability in Wales is published by HEFCW and written by Claire Tyers, Helen Connor, Peter Bates and Emma Pollard at IES.

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- In 2003/4 the average salary for a young Welsh graduate was £16,700, compared with £17,000 for all UK graduates aged 25 or younger. While wages for graduates in Wales were typically lower than some UK regions, this is largely because of a lower cost of living and lower relative wages as a whole.
- The majority of Wales's graduates still enter graduate jobs. Over four out of five graduates in Wales work in graduate level jobs, for example as managers or senior officials, in professional occupations or in associate professional roles. Most graduates are in professional occupations, and those with higher degrees are even more likely to be working in these roles.
- Employability initiatives and comprehensive careers services within Welsh HEIs are making effective inroads with employers. Work experience and placements are key in the employability of graduates in Wales. In addition to working with individual university departments to offer tailored advice to students, careers services also offer support and services to employers including employer's fairs, vacancy handling and support and some institutions involve employers in course design.
- Graduates in Wales are more likely to work in the public sector than their counterparts in the rest of the UK, and there are fewer large private sector graduate employers. There are many untapped opportunities for graduates to take up skilled employment in small and medium sized enterprises (SMEs), but breakthroughs with smaller, private sector employers are still to be made.

- Wales appeals to graduates for a number of work-life balance factors, and perhaps because of this particularly appeals to females who are more likely to stay in Wales or come into Wales in the initial period after graduation than male graduates.
- Females in Wales with a degree earn over twice as much as those with no qualifications, while male first-degree graduates earn 97% more than those with no qualifications.
- The research also shows that there is a lack of awareness amongst undergraduates about the diversity of opportunities available to them within the Welsh economy. This carries a risk: if graduates are not aware of opportunities then potential employees may not seek work in Wales.
- **IES** works in the areas of public employment policy and HR practice. It undertakes research and consultancy for a wide range of UK and international organisations and policy bodies.
- **The Higher Education Funding Council for Wales (HEFCW)** is an Assembly Sponsored Public Body, established in May 1992, which assumed responsibility for funding higher education in Wales on 1 April 1993.
- Under the Further and Higher Education Act 1992, the Council is responsible for the administration of funds made available by the Assembly in support of the provision of education, the undertaking of research by higher education institutions, and the provision of prescribed courses of higher education at further education institutions.
- Under the Education Act 1994, the Council is responsible for accrediting providers of initial teaching training for school teachers and commissioning research to improve the standards of teachers and teacher training.
- In addition to its funding responsibilities, the Council provides advice to the Welsh Assembly Government on the funding needs, aspirations and concerns of the higher education sector in Wales.