



Department  
for Education

# **Graduate labour market statistics 2016**

**April 2017**

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## Executive Summary

- In 2016, 88.0% and 87.3% of postgraduates and graduates were employed, respectively. In comparison, only 70.4% of non-graduates were employed.
- Graduates and postgraduates had lower unemployment rates and lower inactivity rates in the labour market than non-graduates. The unemployment rate for non-graduates was 5.9%, double that of graduates at 2.9%.
- In 2016, working age (aged 16-64) graduates earned on average £9,500 more than non-graduates, while postgraduates earned on average £6,000 more than graduates. These gaps were narrower for the young (aged 21-30) population, with graduates earning £6,000 more than non-graduates, and postgraduates earning £4,000 more than graduates, on average.
- Between 2015 and 2016 young postgraduates saw a 1.8 percentage point increase in the proportion of high skilled employment, to 75.3%. Working age graduates and young non-graduates saw a fall of 0.7 and 0.6 percentage points to 65.5% and 16.6%, respectively.
- Male and female graduates had similar unemployment rates within the working age population, but male graduates had a higher employment rate and a lower inactivity rate than their female counterparts.
- Black graduates had lower high-skilled employment rates, higher unemployment rates, lower inactivity rates and lower median salaries than White graduates and Asian graduates.
- Degree class appears to have more of an impact for the younger population than the working age population. Working aged graduates with an upper and lower second degree earned £500 more, on average, than graduates with a first. Young graduates that achieved a first in their degree earned £2,000 and £3,000 more, on average, than those who achieved an upper and lower second, respectively.
- Graduates that studied Science, Technology, Engineering and Mathematics (STEM) subjects, on average, had higher employment rates, greater high-skilled employment rates, lower unemployment rates and higher median salaries than the graduate population as a whole.
- Within the working age population, Law, Economics and Management (LEM) graduates earned, on average, £1,000 more than STEM graduates. We see a similar pattern for the young population, with young LEM graduates earning £2,000 more than young STEM graduates.

## Introduction

Graduate Labour Market Statistics (GLMS) covers labour market conditions for English domiciled<sup>1</sup> graduates and postgraduates, and compares these to English domiciled non-graduates. GLMS was first published by the Department for Business, Innovation and Skills (BIS) in December 2014, on a quarterly and annual basis, using data from the Labour Force Survey (LFS)<sup>2</sup>. Responsibility for English Higher Education policy, and hence this publication, transferred to the Department for Education (DfE) in Summer 2016.

In this publication, graduates refer to people whose highest qualification is an undergraduate degree at Bachelor's level; postgraduates are those holding a higher degree (such as a Master's or PhD) as their highest qualification; and non-graduates are those whose highest qualification is below undergraduate level (i.e. National Qualification Framework Level 5 or below)<sup>3</sup>. Employment and earnings outcomes are provided for the working age population (16-64 year olds) and the young population of graduates (21-30 year olds). This publication also provides time series data covering the past decade to help understand trends for the headline statistics.

As the results presented in the publication are based on survey data, they represent estimates. Therefore, any findings should be interpreted with caution as they may not necessarily be statistically significant. Further information on the methodology used and validity of the estimates can be found in the methodology note and supporting data. These have been published alongside the syntax used to generate all statistics within the GLMS on the gov.uk website.

This edition of the GLMS summarises the annual data for 2016 and provides a detailed focus on the employment and earnings outcomes of graduates by their specific characteristics. The breakdowns included are; age group, gender, ethnicity, disability status, degree class, subject group, occupation and sector of employment.

GLMS only provides simple outcome measures based on survey data and does not control for the differences in characteristics between graduates, postgraduates and non-graduates. This means that the outcomes reported may not be wholly attributable to the

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<sup>1</sup> "English domiciled" means that their permanent home is in England.

<sup>2</sup> More information on the Labour Force Survey, including its user guide, can be found on the Office for National Statistics (ONS) website:

<https://www.ons.gov.uk/surveys/informationforhouseholdsandindividuals/householdandindividualsurveys/labourforcesurvey/lfs>

<sup>3</sup> For a more detailed explanation of the qualifications included in each definition, please see the Methodology Note published on the gov.uk website

fact that an individual holds a particular qualification, but instead could reflect other factors, such as their wider skills, experience, or natural ability.

Results for 2015 and 2016 in this release have been calculated using the latest 2016 LFS weights. The results for the years prior to this have been calculated using the 2014 LFS weights. In last year's release, all years had been calculated using 2014 LFS weights. The effect of reweighting the 2015 results is typically negligible (less than 0.1 percentage points difference).

Links to all previous GLMS publications, supporting data and methodology notes can be found on the gov.uk website at the following link:

<https://www.gov.uk/government/collections/graduate-labour-market-quarterly-statistics>.

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## Headline Statistics

This section provides the following headline statistics for 2016 employment rates, unemployment rates, inactivity rates, high-skilled employment rates and median salaries. The headline statistics are given for graduates, postgraduates and non-graduates in relation to both the working age population (16-64 year olds) and the young population (21-30 year olds).

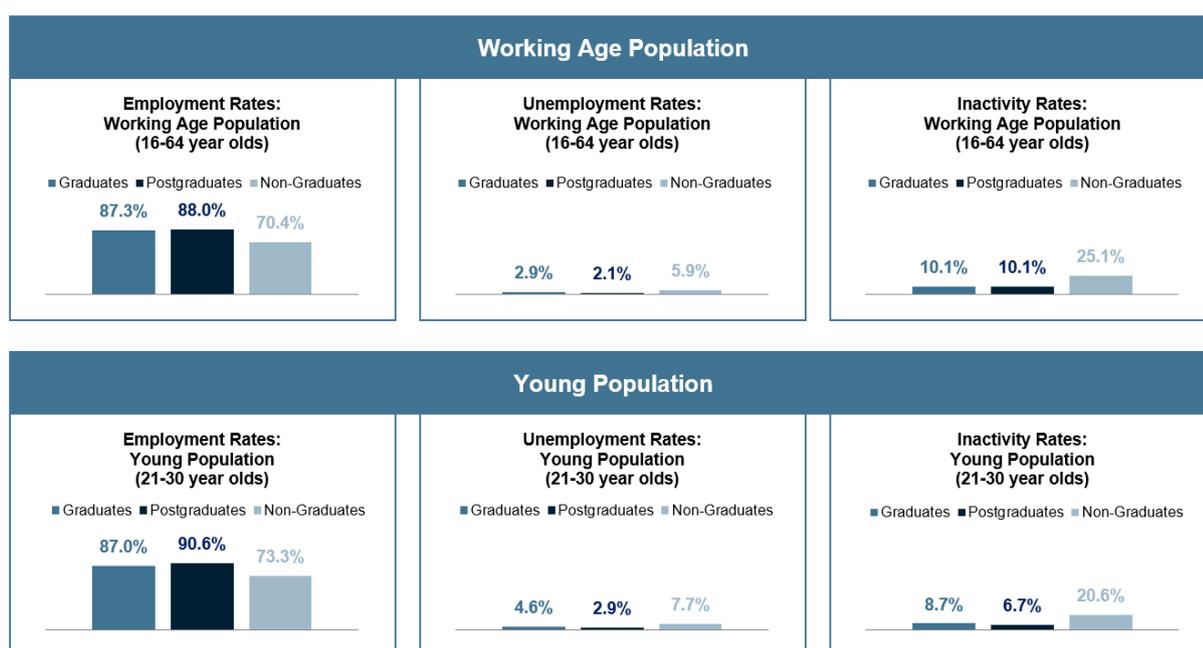
Employment rates, high-skilled employment rates and inactivity rates use the total population (e.g. all graduates aged 16-64) as their base for calculating percentages. The total population includes those who are employed, unemployed and the economically inactive. This differs from the unemployment rate that uses only the economically active (employed or unemployed) as the base to calculate percentages, so it excludes the economically inactive. The economically inactive are defined as individuals that were not employed and either did not seek work over the reference period or were seeking work over the reference period, but unavailable to start work. This is consistent with the definition set out by the Office for National Statistics. Further detail on the methodology used in this publication can be found in the supporting methodology note.

## Employment Rates, Unemployment Rates and Inactivity Rates

Figure 1 shows that, in 2016, graduates and postgraduates had higher employment rates than non-graduates. Graduates and postgraduates also had lower unemployment<sup>4</sup> rates and lower inactivity rates than non-graduates<sup>5</sup>. The unemployment rate for working age non-graduates was 5.9%, double that of graduates at 2.9%. Postgraduates enjoyed slightly better outcomes than graduates, although within the working age population they had the same inactivity rate of 10.1%.

Employment rates were similar between the working age population and the young population, however the young population has higher unemployment rates and lower inactivity rates than the working age population across all qualification categories.

**Figure 1: Headline Statistics - Employment Rates, Unemployment Rates and Inactivity Rates (2016)**



<sup>4</sup> Unemployment is defined under the International Labour Organization (ILO) measure, which assesses the number of jobless people who want to work, are available to work and are actively seeking work.

<sup>5</sup> The employment rate and inactivity rate are based on the total specified population. This includes economically inactive individuals, including students who are not in employment. As individuals studying for undergraduate degrees are less likely to be in employment and more likely to be classified as inactive, this will have some influence on the headline results for the young non-graduate population as this will include a higher proportion of individuals studying than the general population.

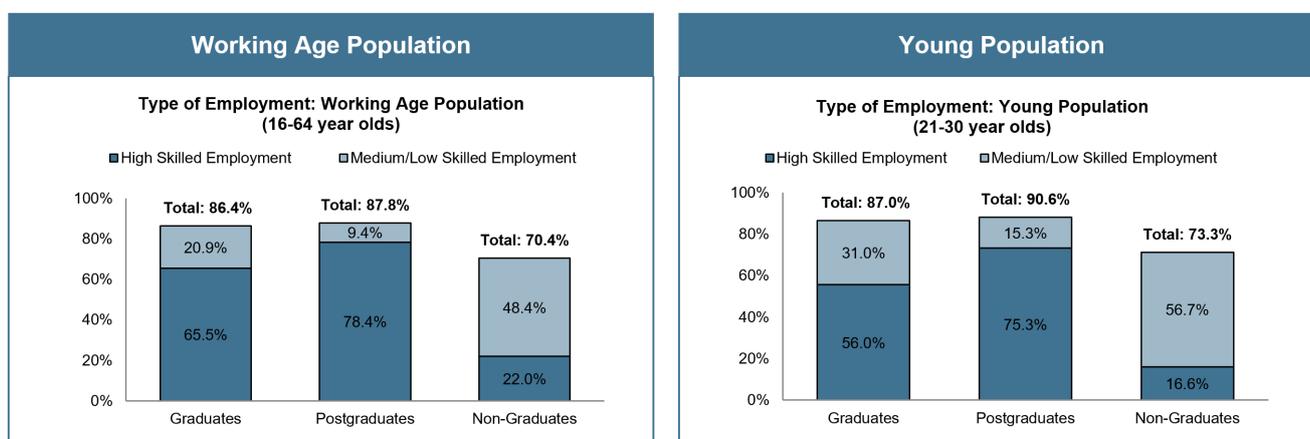
## High-skilled Employment Rates

Within the employment statistics, it is possible to look at what type of employment graduates, postgraduates and non-graduates were engaged in. This includes whether or not they were in high-skilled employment<sup>6</sup>. Figure 2 breaks down the employment rates shown in Figure 1 by the percentage of those in high-skilled employment<sup>7</sup> or medium/low skilled employment<sup>8</sup>.

Figure 2 shows that although graduates and postgraduates had similar overall employment rates in 2016 (around 87.3% and 88.0%, respectively), postgraduates had much greater high-skilled employment rates, with 78.4% of all working age postgraduates in high-skilled employment compared to 65.5% of all working age graduates. The young population had lower high-skilled employment rates than the overall working age population across all qualification categories, perhaps suggesting it might take time for young people to become established in the labour market or to reach the higher levels in organisations that are captured by the high-skilled employment rate measure.

A greater percentage of non-graduates were working in medium or low skilled employment than graduates or postgraduates within both the working age and young populations.

**Figure 2: Headline Statistics - High-skilled Employment Rates (2016)<sup>9</sup>**



<sup>6</sup> High-skilled employment rates are given as a proportion of the total population (including those that are unemployed or inactive) rather than only a proportion of those employed.

<sup>7</sup> High-skilled jobs are defined as Standard Occupation Classification (SOC) codes 1-3. SOC 1-3 include: managers, directors and senior officials; professional occupations and associate professional and technical occupations.

<sup>8</sup> Medium or low skilled jobs are defined in this publication as Standard Occupation Classification (SOC) codes 4-9. SOC 4-9 include: administrative and secretarial occupations; skilled trades' occupations; caring, leisure and other service occupations; sales and customer service occupations; process, plant and machine operatives and elementary occupations.

<sup>9</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding.

## Median Salaries<sup>10</sup>

Figure 3 shows that in 2016 the average, working age graduate earned £9,500 more than the average non-graduate, while on average postgraduates earned £6,000 more than graduates. These gaps were narrower for the young population, with graduates earning £6,000 more than non-graduates, and postgraduates earning £4,000 more than graduates, on average.

**Figure 3: Headline Statistics - Median Salaries (2016)<sup>11</sup>**



<sup>10</sup> Median salaries are given in nominal terms, so do not account for inflation. They are only given for those in full-time work, so exclude part-time workers. Also, they are rounded to the nearest £500, in line with statistics from the Destinations of Leavers from Higher Education surveys.

<sup>11</sup> Median salaries are rounded to the nearest £500.

## Year-on-Year Changes

This section focuses on how the headline statistics changed between 2015 and 2016.

Employment rates have increased for all groups in 2016. Young postgraduates and non-graduates have seen the largest of these increases with employment rates increasing by 3.2 and 1.7 percentage points, respectively. This corresponded with young postgraduates and non-graduates seeing a similar improvement in their unemployment rates with falls of 0.7 and 0.9 percentage points, respectively.

Postgraduates within both age groups saw an increase in the proportions working in high-skilled jobs. The only two groups to have seen a reduction in the proportion of high-skilled employment are working age graduates and young non-graduates who have seen a fall of 0.7 and 0.6 percentage points, respectively.

Regardless of the magnitude of growth within high-skilled employment, however, all groups within the young population saw their median salaries increase by approximately £1,000 between 2015 and 2016. The only group to see a reduction in their median salaries was working age postgraduates who experienced a dip of approximately £1,500 to £38,000 in 2016.

**Table 1: Headline Statistics and year-on-year changes (2016)**

<i>Working Age Population (16-64)</i>	<i>Employment Rate</i>	<i>Y/Y</i>	<i>High Skilled Employment Rate</i>	<i>Y/Y</i>	<i>Unemployment Rate</i>	<i>Y/Y</i>	<i>Inactivity Rate</i>	<i>Y/Y</i>	<i>Median Salary</i>	<i>Y/Y</i>
<i>Graduates</i>	87.3%	+ 0.2 ppts	65.5%	- 0.7 ppts	2.9%	- 0.2 ppts	10.1%	<i>No change</i>	£32,000	<i>No change</i>
<i>Postgraduates</i>	88.0%	+ 0.5 ppts	78.4%	+ 0.3 ppts	2.1%	- 0.2 ppts	10.1%	- 0.4 ppts	£38,000	- £1500
<i>Non-graduates (L5-)</i>	70.4%	+ 0.6 ppts	22.0%	+ 0.6 ppts	5.9%	- 0.5 ppts	25.1%	- 0.3 ppts	£22,500	+ £500

<i>Young Population (21-30)</i>	<i>Employment Rate</i>	<i>Y/Y</i>	<i>High Skilled Employment Rate</i>	<i>Y/Y</i>	<i>Unemployment Rate</i>	<i>Y/Y</i>	<i>Inactivity Rate</i>	<i>Y/Y</i>	<i>Median Salary</i>	<i>Y/Y</i>
<i>Graduates</i>	87.0%	+ 0.4 ppts	56.0%	+ 0.2 ppts	4.6%	- 0.3 ppts	8.7%	- 0.2 ppts	£25,000	+ £1000
<i>Postgraduates</i>	90.6%	+ 3.2 ppts	75.3%	+ 1.8 ppts	2.9%	- 0.7 ppts	6.7%	- 2.7 ppts	£29,000	+ £1000
<i>Non-graduates (L5-)</i>	73.3%	+ 1.7 ppts	16.6%	- 0.6 ppts	7.7%	- 0.9 ppts	20.6%	- 1.1 ppts	£19,000	+ £1000

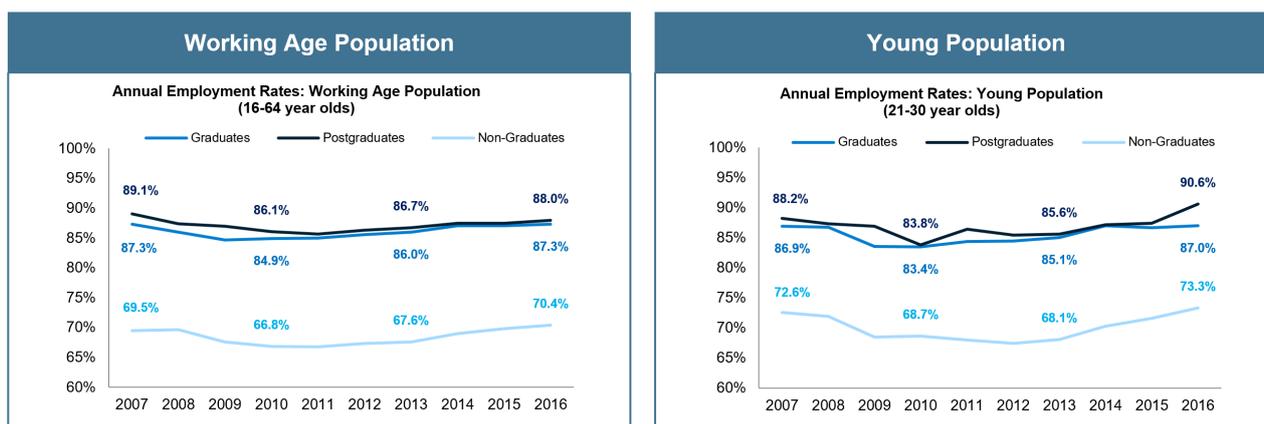
## Time Series Data 2007-2016

This section focuses on how employment rates, high-skilled employment rates, unemployment rates and nominal median salaries have changed over the last decade. The graphs below include data for years 2007, 2010, 2013 and 2016 as reference points to help demonstrate the trends over the decade analysed; however, the full time series data can be found in the supporting data published on the gov.uk website alongside this publication.

### Employment Rates

Employment rates fell across all groups as the recession hit in 2008, although for graduates and non-graduates these have since recovered to around pre-recession levels. In the case of young postgraduates their employment rate was 2.4 percentage points higher in 2016 than in 2007. However, the employment rates for working age postgraduates in 2016 were still 1.1 percentage points below 2007 levels.

**Figure 4: Time Series Data - Annual Employment Rates (2007-2016)**



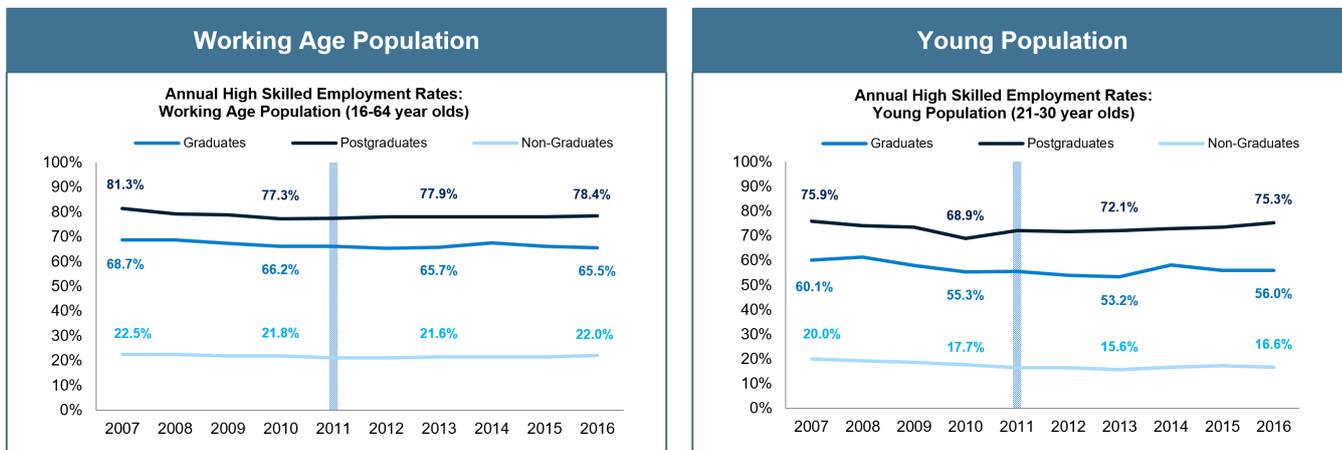
### High-skilled Employment Rates

High-skilled employment rates were lower in 2016 than they were before the recession in 2007, although there was a small structural break in the definition between 2010 and 2011 (as the Office for National Statistics revised the Standard Occupation Classification codes) which means this is difficult to quantify and comparisons should be treated with some degree of caution<sup>12</sup>.

<sup>12</sup> More detail on this issue can be found on the ONS website: <https://www.ons.gov.uk/methodology/classificationsandstandards/standardoccupationalclassificationsoc/soc2010>

High-skilled employment rates fell for all groups when the recession first hit in 2008. However, there has been an increase in high skilled employment rates across nearly all groups in recent years; for example, young postgraduates and young graduates both saw a 2.8 and 3.2 percentage points increase, respectively, between 2013 and 2016.

**Figure 5: Time Series Data - Annual High-skilled Employment Rates (2007-2016)**<sup>13</sup>



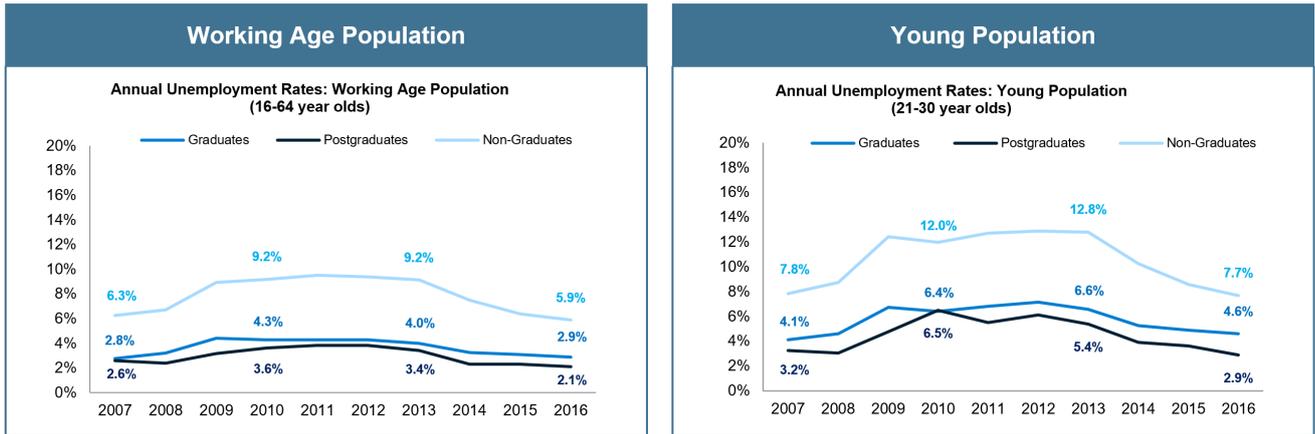
## Unemployment Rates

Unemployment rates follow a similar trend to employment rates, increasing as the recession hit in 2008 and then gradually decreasing over the following years. In 2016 unemployment rates have recovered to reach pre-recession levels for all groups except young graduates.

Graduates and postgraduates were more protected from unemployment during the recession than non-graduates. For example, from 2007 to 2013 young non-graduates saw their unemployment rate rise by 5 percentage points to almost 13% compared to a rise of 2.5 percentage points to 6.6% for graduates.

<sup>13</sup> The shaded vertical lines in the two graphs in this figure represent the structural break in the data as the SOC codes were revised by the ONS.

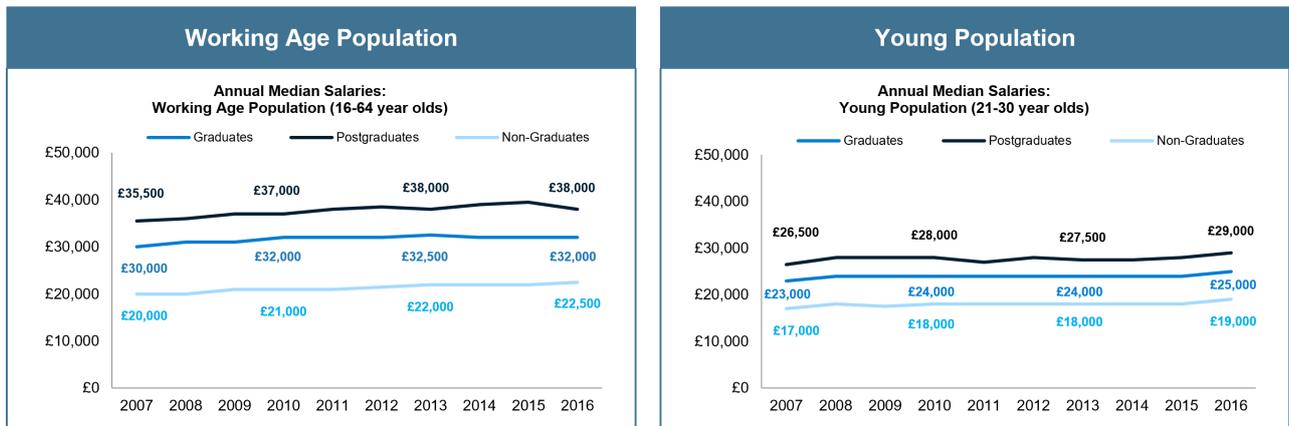
**Figure 6: Time Series Data - Annual Unemployment Rates (2007-2016)**



## Median Salaries<sup>14</sup>

Salaries have remained relatively flat since 2010. This demonstrates how salaries across the economy faltered during this period, with higher education not necessarily protecting graduates and postgraduates from salary stagnation during these years.

**Figure 7: Time Series Data - Annual Median Salaries (2007-2016)<sup>15</sup>**



<sup>14</sup> Median salaries are given in nominal terms, so do not account for inflation

<sup>15</sup> Median salaries are rounded to the nearest £500.

## Breakdown of Graduate Outcomes

This section provides a more detailed focus on the employment and earnings outcomes of graduates by their specific characteristics<sup>16</sup>. The breakdowns included in this publication are:

- Age group
- Gender
- Ethnicity
- Disability status
- Degree class
- Subject group
- Occupation
- Sector

### Age Group

This section looks at how employment and earnings outcomes of graduates vary by age, focusing on four categories: 21-30 year olds (also known in this publication as the young population), 31-40 year olds, 41-50 year olds and 51-60 year olds.

### Employment Rates, Unemployment Rates and Inactivity Rates

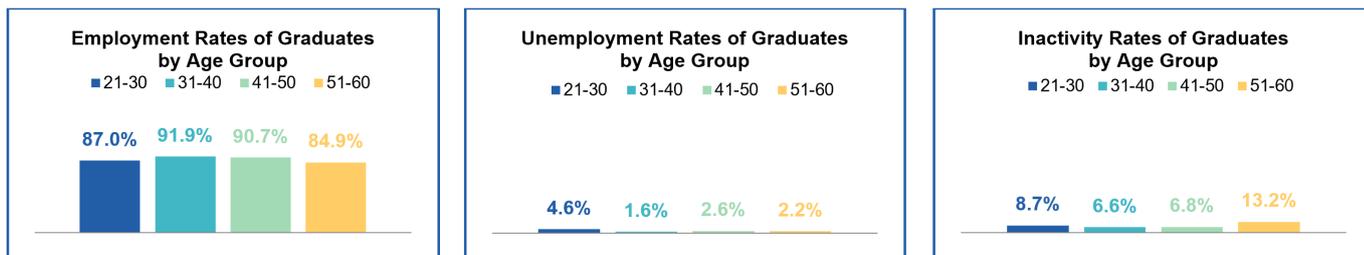
In 2016 graduates between the ages of 31 and 50 had the highest employment rates and lowest inactivity rates. Also, outcomes clearly improve between graduates aged 21 to 30 and those aged 31 to 40 as graduates gain experience in the labour market.

Graduates aged between 51 and 60 had lower employment rates and higher inactivity rates than other graduate age categories; this could have been driven by those who have taken early retirement.

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<sup>16</sup> Postgraduates are out of scope for this part of the publication due to smaller sample sizes not making robust analysis possible. Also non-graduates are out of scope for this part of the publication given the focus of the GLMS on those who have gained higher education qualifications.

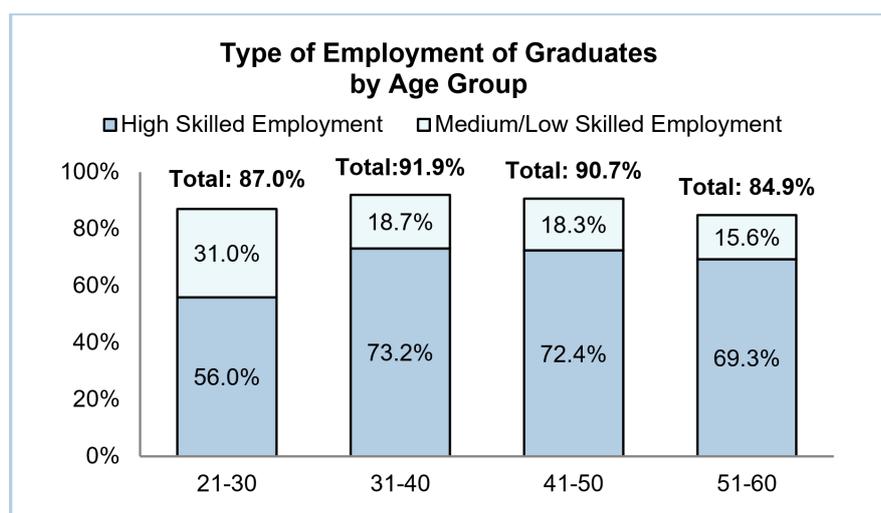
**Figure 8: Employment Rates, Unemployment Rates and Inactivity Rates by Age Group (2016)<sup>17</sup>**



## High-skilled Employment Rates

Graduates aged 21-30 had lower high-skilled employment rates than any of the other graduate age categories, which may suggest it takes time for graduates to become established in the labour market or to reach the higher levels in organisations that are captured by the high-skilled employment rate measure. The proportion of those employed that were working in high-skilled jobs was relatively stable across the other three age categories, with the dip in high-skilled employment rate for graduates aged 51 to 60 being largely matched by the dip in their employment rate.

**Figure 9: High-skilled Employment Rates by Age Group (2016)<sup>18</sup>**



## Median Salaries

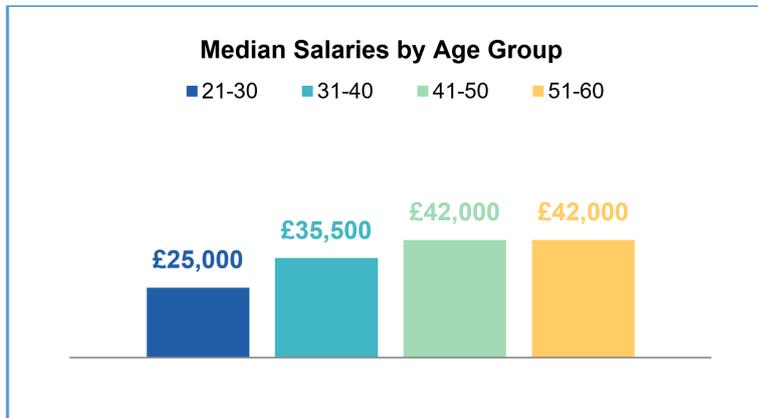
Nominal median salaries appear to increase across the lifecycle, before levelling off for graduates aged 41 to 60. The biggest increase in median salaries can be seen between young graduates aged 21 to 30 and those aged 31 to 40, with a difference of £10,500, on

<sup>17</sup> The employment, unemployment and inactivity rate data does not total 100% as the calculations have different denomination populations. Further information is in the introduction and the methodology paper.

<sup>18</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding

average. This will have been caused to some extent by the increase in experience and the greater propensity to work in high-skilled employment. Graduates aged 41 to 60 had better earnings outcomes than those aged 31 to 40.

**Figure 10: Median Salaries by Age Group (2016)<sup>19</sup>**



## Gender

This section looks at the employment and earnings outcomes of graduates by gender.

### Employment Rates, Unemployment Rates and Inactivity Rates

Male and female graduates had similar unemployment rates across the working age population, but male graduates had a higher employment rate and a lower inactivity rate than their female counterparts. This greater inactivity rate for female graduates could be linked to a higher likelihood of taking time out of the labour market due to childcare responsibilities.

Young male graduates also had a higher employment rate and lower inactivity rate. However, the unemployment rate for young male graduates was 0.7 percentage points higher than for their female counterparts.

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<sup>19</sup> Median salaries are rounded to the nearest £500.

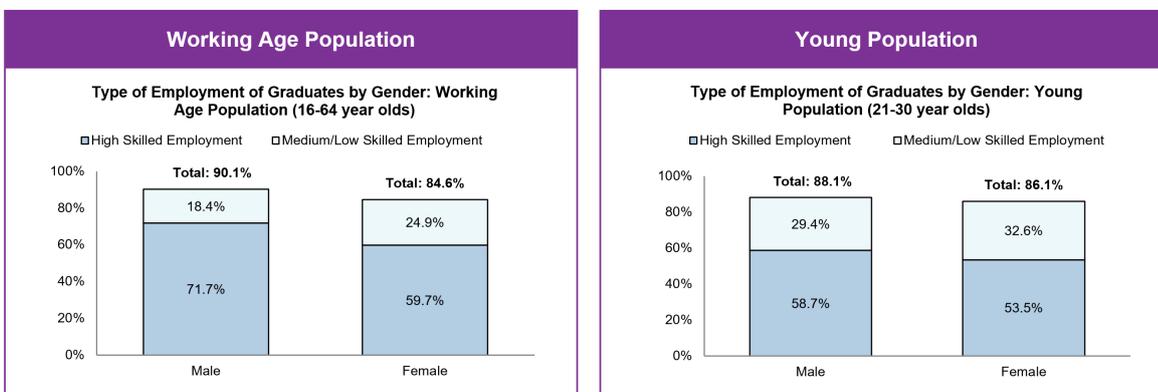
**Figure 11: Employment Rates, Unemployment Rates and Inactivity Rates by Gender (2016)**



## High-skilled Employment Rates

Male graduates had greater high-skilled employment rates than female graduates within both the working age and young populations. The gap was wider within the working age population than the young population, implying that it diverges as graduates get older.

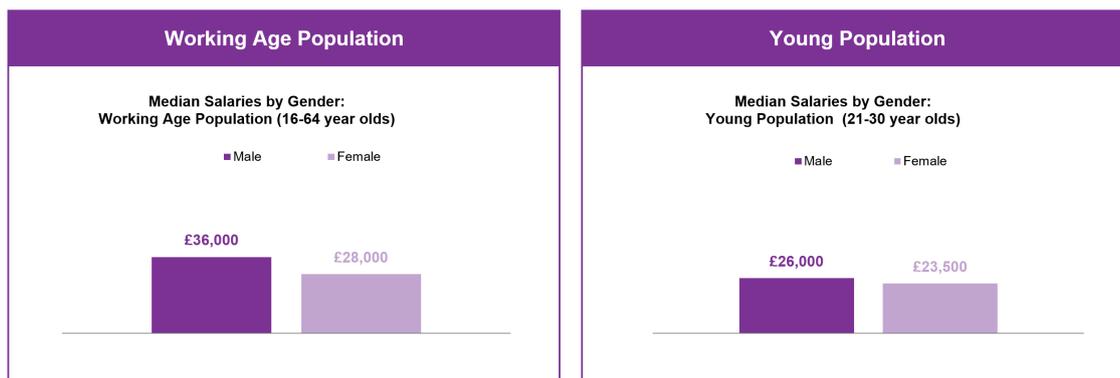
**Figure 12: High-skilled Employment Rates by Gender (2016)**



## Median Salaries

In 2016, male graduates earned £8,000 more than female graduates, on average within the working age population. This difference still existed for the young population, but the gap in median salaries between young male and female graduates was narrower at £2,500. It is possible that this gap was partially explained by the fact that male graduates had lower inactivity rates and greater high-skilled employment rates, typically associated with higher average salaries, than female graduates.

Figure 13: Median Salaries by Gender (2016)<sup>20</sup>



## Ethnicity

This section provides a more detailed focus on the employment and earnings outcomes of graduates by ethnicity. Ethnicity is disaggregated into four categories:

- White
- Asian
- Black
- Other<sup>21</sup>.

The 'Other' ethnicity category includes graduates from a wide range of ethnic backgrounds. This category has been included for completeness within the data; however, there is likely to be a high level of variation between graduates in this group and caution should be exercised when making comparisons with this group.

## Employment Rates, Unemployment Rates and Inactivity Rates

White graduates had the highest employment rates and lowest unemployment rates in 2016 within the working age population. The unemployment rates of Black graduates were over two times higher than for White graduates and one and a half times that of

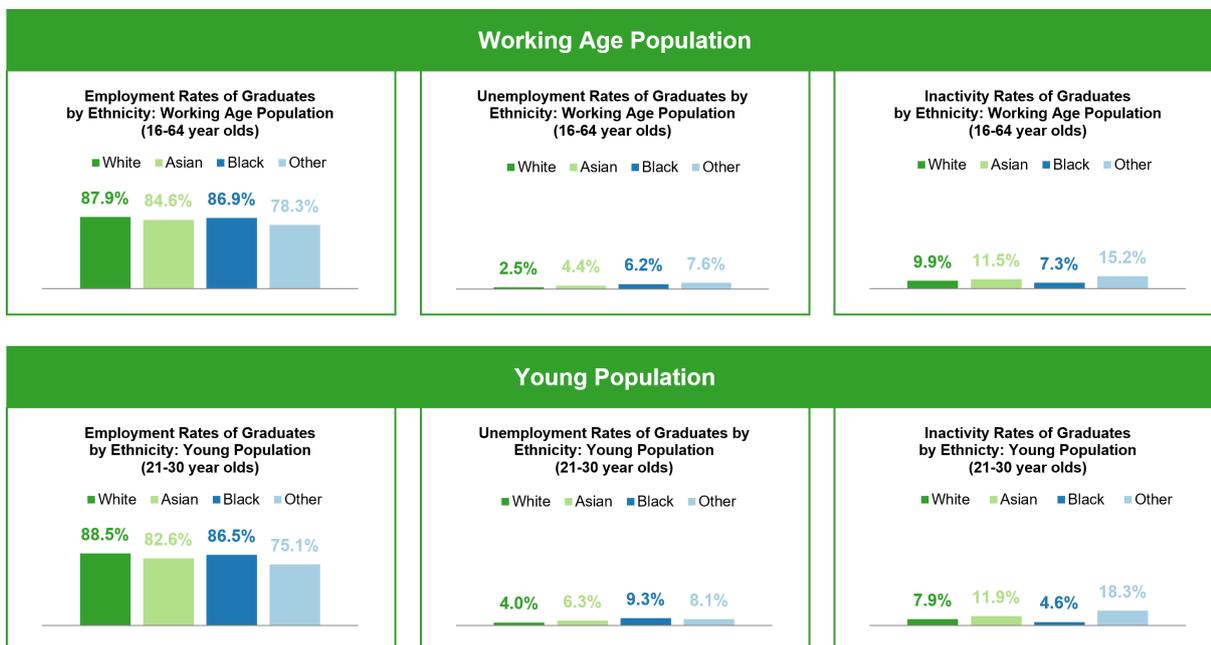
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<sup>20</sup> Median salaries are rounded to the nearest £500.

<sup>21</sup> Asian is defined in the Labour Force Survey (LFS) as Asian or Asian British. Black is defined in the LFS as Black, African, Caribbean or Black British. Other combines four groups within the LFS; Mixed or Multiple ethnic groups, Chinese, Arab or Other ethnic group. 'Other' has been combined together as at the disaggregated level the sample sizes were insufficient for robust analysis. All of these subcategories are given as they are defined in the Labour Force Survey user guide.

Asian graduates. In contrast White and Asian graduates had higher rates of inactivity, within both working age and young populations, compared to Black graduates.

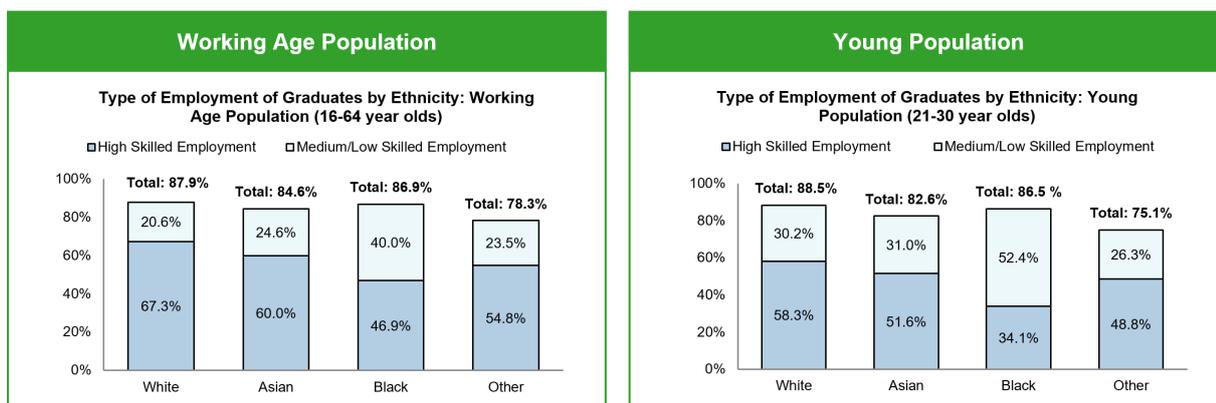
**Figure 14: Employment Rates, Unemployment Rates and Inactivity Rates by Ethnicity (2016)**



## High-skilled Employment Rates

The high-skilled employment rates were highest for White graduates and lowest for Black graduates within both the working age and young populations; however, this difference was wider within the young population. Only 34.1% of young Black graduates were working in high-skilled employment; this was much lower than all of the other ethnic groups analysed in this section.

**Figure 15: High-skilled Employment Rates by Ethnicity (2016)**<sup>22</sup>



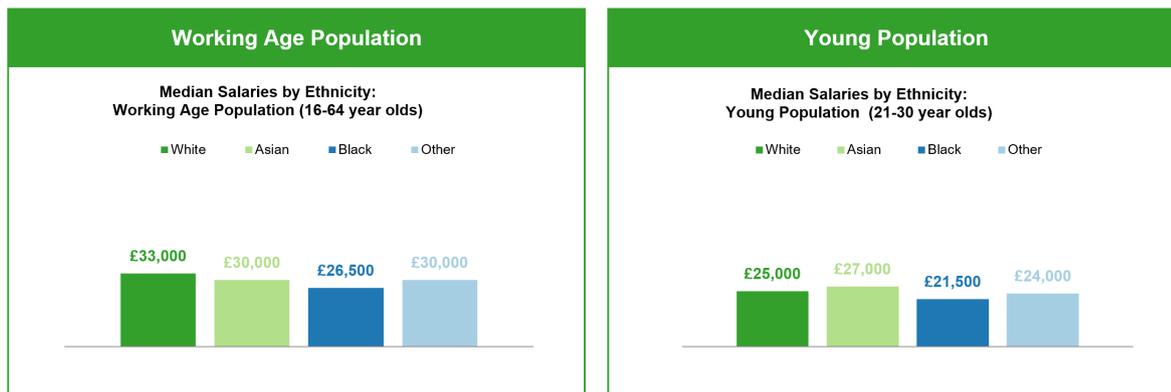
<sup>22</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding.

## Median Salaries

White graduates had the highest nominal median salaries, earning £3,000 more than Asian graduates and £6,500 more than Black graduates, within the working age population.

Within the young population, Asian graduates earned, on average, £2,000 more than White graduates and £5,500 more than black graduates.

**Figure 16: Median Salaries by Ethnicity (2016)**<sup>23</sup>



## Disability Status

This section provides a more detailed focus on the employment and earnings outcomes of graduates by disability status. This breakdown is based on the legal definition found in the Equality Act 2010<sup>24</sup>.

### Employment Rates, Unemployment Rates and Inactivity Rates

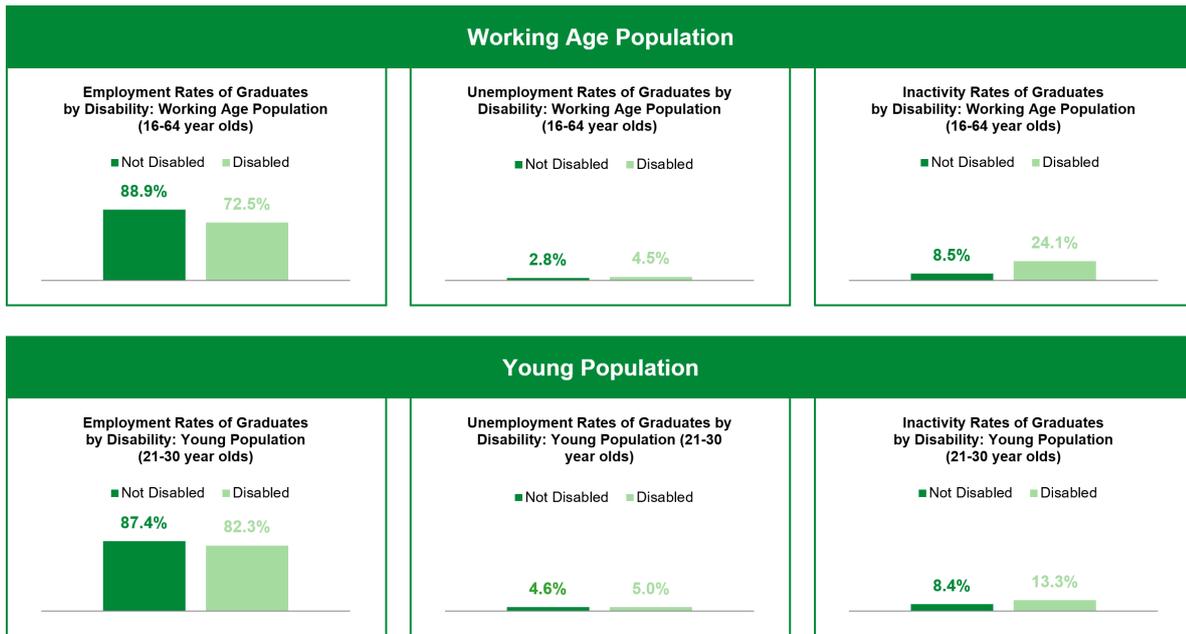
In 2016, disabled graduates had lower employment rates, higher unemployment rates and higher inactivity rates, within both working age and young populations. The gap in all three rates was narrower within the young population.

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<sup>23</sup> Median salaries are rounded to the nearest £500.

<sup>24</sup> The Equality Act (2010) defines a disability as “a physical or mental impairment which has a substantial and long-term adverse effect on your ability to carry out normal day-to-day activities”.

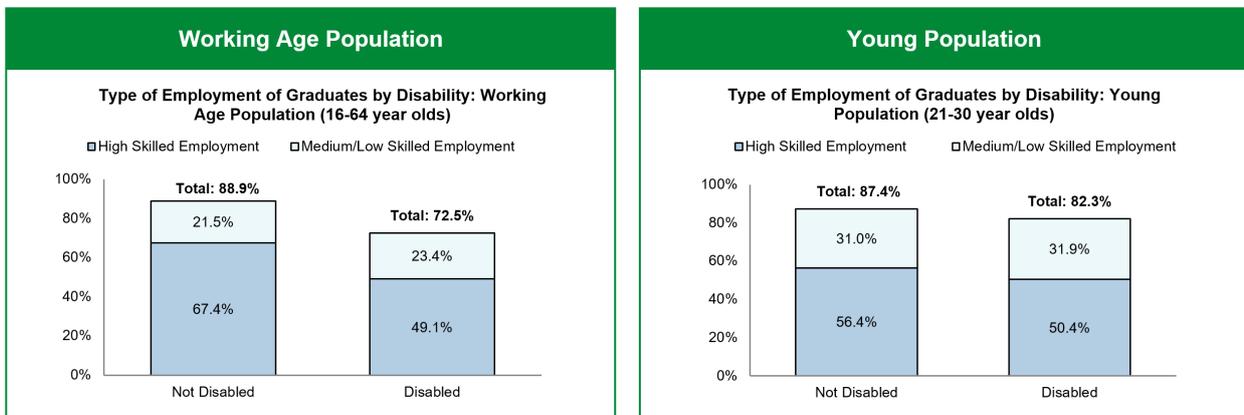
**Figure 17: Employment Rates, Unemployment Rates and Inactivity Rates by Disability Status (2016)**



## High-skilled Employment Rates

Disabled graduates had lower high-skilled employment rates than graduates that are not disabled, within both working age and young populations.

**Figure 18: High-skilled Employment Rates by Disability Status (2016) <sup>25</sup>**



## Median Salaries

Disabled graduates within the working age population on average earn £1,000 less than graduates that are not disabled, in terms of nominal median salary. This difference was the same within the young population.

<sup>25</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding

**Figure 19: Median Salaries by Disability Status (2016)<sup>26</sup>**



## Degree Class

This section provides a more detailed focus on the employment and earnings outcomes of graduates by degree class achieved in their degree. Degree class is disaggregated into four categories:

- First
- Upper second (2:1)
- Lower second (2:2)
- Third

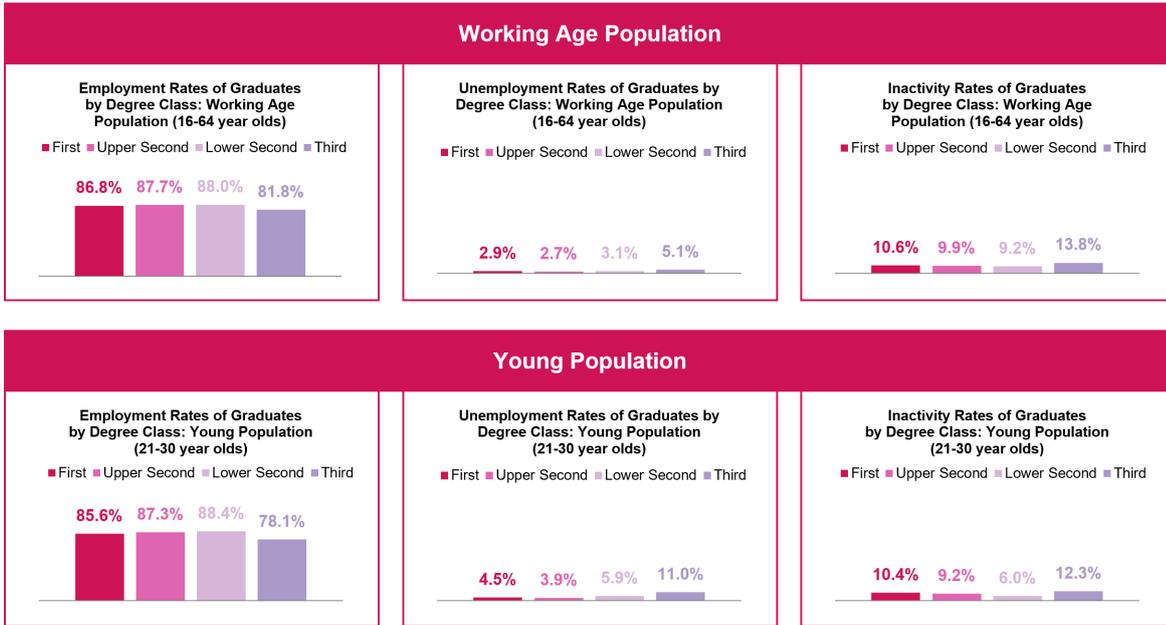
## Employment Rates, Unemployment Rates and Inactivity Rates

Overall, employment rates, unemployment rates and inactivity rates varied by degree class achieved to a lesser extent than the other characteristics analysed in this publication. Graduates that achieved an upper and lower second in their degree had the highest employment rates and lowest unemployment rates; these findings held within both the working age and young populations.

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<sup>26</sup> Median salaries are rounded to the nearest £500.

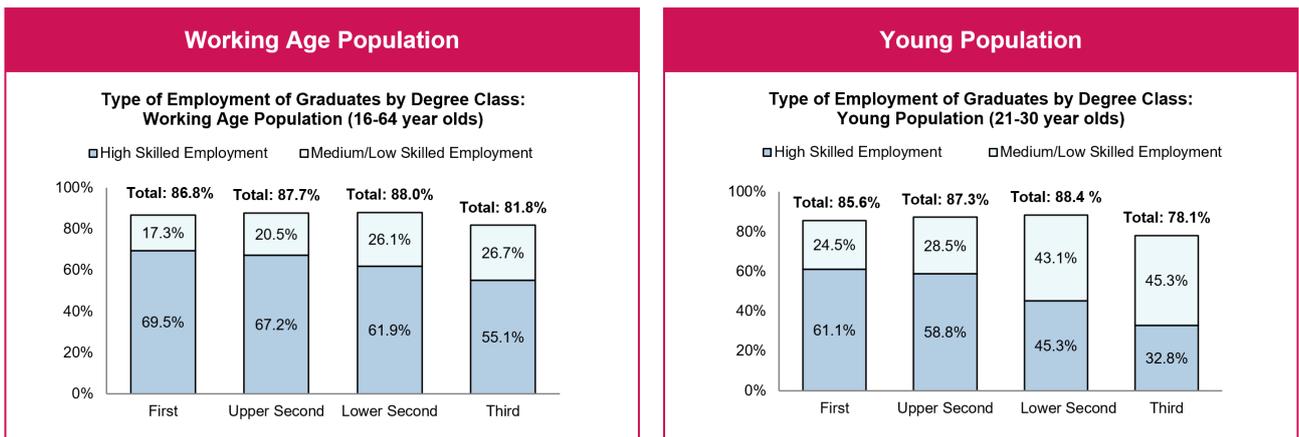
**Figure 20: Employment Rates, Unemployment Rates and Inactivity Rates by Degree Class (2016)**



## High-skilled Employment Rates

High-skilled employment rates followed a clear trend across the different degree classes achieved, they were highest for those graduates that achieved a first in their degree through to lowest for those graduates that achieved a third in their degree. Given that you would expect degree class achieved to be correlated with inherent ability, and employers may require candidates to achieve a certain degree class to be eligible to apply for some roles, this finding is not particularly surprising.

**Figure 21: High-skilled Employment Rates by Degree Class (2016) <sup>27</sup>**



<sup>27</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding.

## Median Salaries

Within the young population, those graduates that achieved a first in their degree earned £2,000 more on average than those who achieved an upper second. In turn, those graduates that achieved an upper second in their degree earned £1,000 more on average than those who achieved a lower second.

Within the working population, median salaries were more similar across degree class. Those graduates with an upper and lower second degree earned £32,000 on average which is £500 more than graduates with a first.

**Figure 22: Median Salaries by Degree Class (2016)**<sup>28</sup>



## Subject Group

This section provides a more detailed focus on the employment and earnings outcomes of graduates by the subject group they studied in their degree. Subject group is disaggregated into three categories:

- Science, Technology, Engineering and Mathematics (STEM)<sup>29</sup>
- Law, Economics and Management (LEM)<sup>30</sup>
- Other Social Sciences, Arts and Humanities (OSSAH)<sup>31</sup>

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<sup>28</sup> Median salaries are rounded to the nearest £500.

<sup>29</sup> STEM includes (as defined in the Labour Force Survey user guide): medicine and dentistry; medical related subjects; biological sciences; agricultural sciences; physical and environmental sciences; mathematical sciences and computing' engineering' technology; architecture.

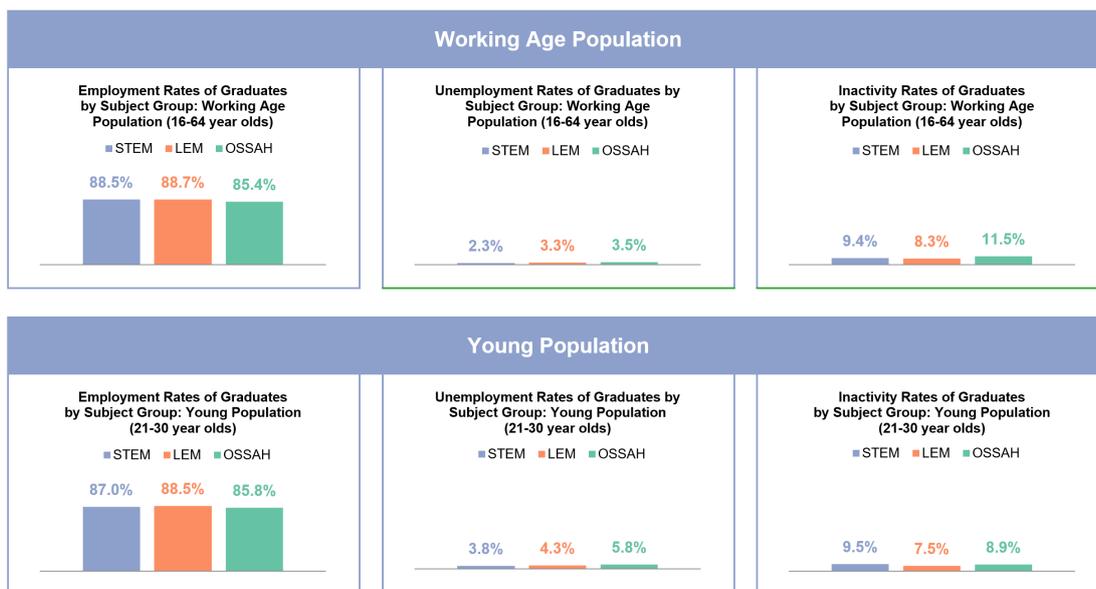
<sup>30</sup> LEM includes (as defined in the Labour Force Survey user guide): law; economics; business and financial studies.

A more granular breakdown was not possible given the sample sizes available for this analysis in the Labour Force Survey.

## Employment Rates, Unemployment Rates and Inactivity Rates

STEM and LEM graduates had higher employment rates and lower inactivity rates than OSSAH graduates within both working age and young populations. STEM graduates had the lowest unemployment rates and OSSAH graduates had the highest unemployment rates within both populations.

**Figure 23: Employment Rates, Unemployment Rates and Inactivity Rates by Subject Group (2016)**

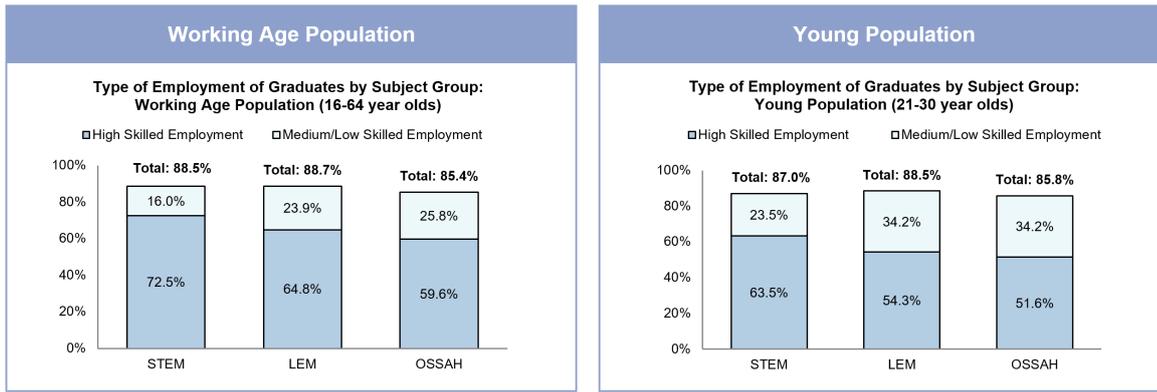


## High-skilled Employment Rates

STEM graduates had greater high-skilled employment rates than both LEM and OSSAH graduates, within both working age and young populations. This figure is particularly high in the working age population, where 72.5% of STEM graduates worked in high-skilled jobs; the equivalent figures were 64.8% and 59.5% for LEM and OSSAH graduates respectively.

<sup>31</sup> OSSAH includes (as defined in the Labour Force Survey user guide): mass communication and documentation; linguistics (English, Celtic and ancient); European languages; Eastern, Asiatic, African, American and Australasian languages and literature; humanities; arts; education.

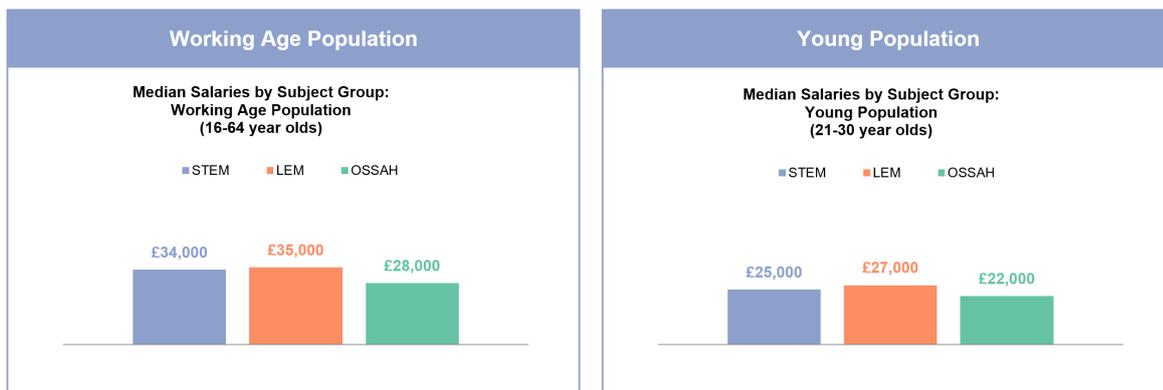
**Figure 24: High-skilled Employment Rates by Subject Group (2016)** <sup>32</sup>



## Median Salaries

Within the working age population, LEM graduates earned, on average, £1,000 more than STEM graduates and £7,000 more than OSSAH graduates. We see a similar pattern for the young population, with young LEM graduates earning £2,000 more than young STEM graduates and £5,000 more than young OSSAH graduates.

**Figure 25: Median Salaries by Subject Group (2016)** <sup>33</sup>



<sup>32</sup> The high-skilled employment rate and the medium/low skilled employment rate may not add up to the employment rate exactly due to rounding.

<sup>33</sup> Median salaries are rounded to the nearest £500.

## Occupation

This section provides a more detailed focus on the earnings outcomes of graduates by the occupation they worked in, as defined using the Standard Occupational Classification (SOC) codes. Occupation is disaggregated into five categories:

- Managers, directors and senior officials (SOC 1)
- Professional occupations (SOC 2)
- Associate professional and technical occupations (SOC 3)
- Medium skilled employment (SOC 4-6)
- Low skilled employment (SOC 7-9).

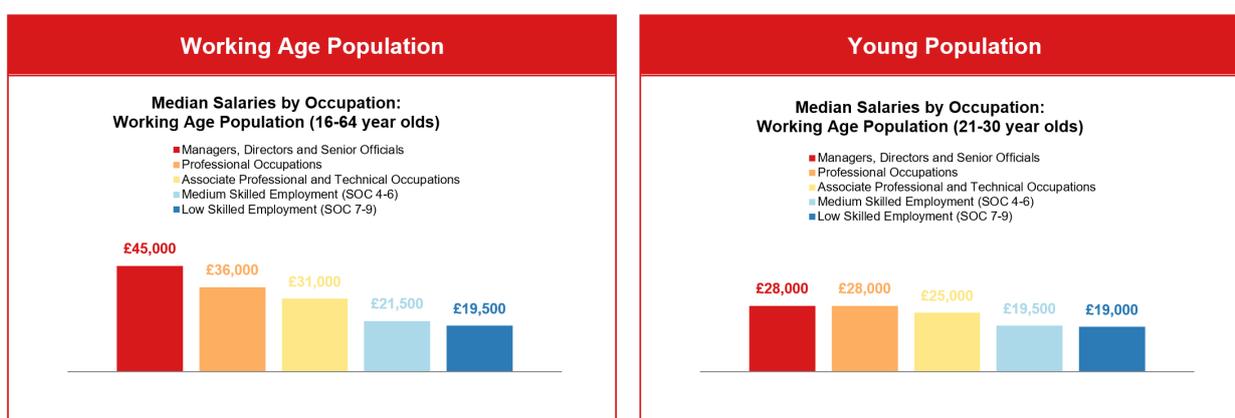
This section only contains information on median salaries as respondents only provide information on their occupation if they are employed.

### Median Salaries

Nominal median salaries followed a clear trend across the different occupation categories for the working age population; they were highest for managers, directors and senior officials (SOC 1) through to lowest for those graduates working in low skilled employment (SOC 7-9). There was a clear disparity in salaries even within those working in high-skilled employment (SOC 1-3) within the working age population. Those working in high-skilled employment earned at least £9,500 more (and up to almost £25,500 more for managers, directors and senior officials, SOC 1), on average, than those working in medium or low skilled employment (SOC 4-9), across the working age population.

Within the young population, we see a similar pattern (i.e. salaries fall as you move down the occupation categories). However, the disparity between salaries are smaller.

**Figure 26: Median Salaries by Occupation (2016)**<sup>34</sup>



<sup>34</sup> Median salaries are rounded to the nearest £500.

## Sector

This section provides a more detailed focus on the earnings outcomes of graduates by the sector they work in, as defined using the Standard Industrial Classification (SIC) codes. Sector is disaggregated into six broad categories that had sufficient sample sizes for analysis<sup>35</sup>:

- Manufacturing
- Construction
- Distribution, hotels and restaurants
- Transport and communication
- Banking and finance
- Public administration, education and health

This section only contains information on median salaries as respondents only provide information on their sector of employment if they are employed.

## Median Salaries

The four sectors where graduates earned the most were manufacturing; construction; transport and communication; and banking and finance. Working age graduates within these sectors earned, on average, between £35,000 and £39,000. Graduates employed in the public administration, education and health sectors earned £6,000 more (£30,000) than those graduates working in the distribution, hotels and restaurants sectors (£24,000), on average. Those graduates working in the distribution, hotels and restaurants sectors earned much less on average than those in the other sectors analysed, within both working age and young populations.

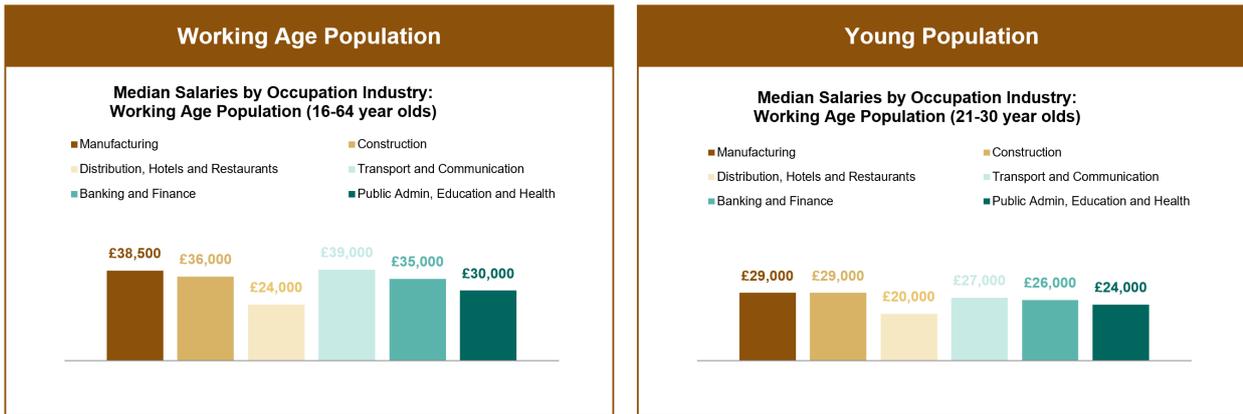
Within the young population we see the same pattern between sectors as with the working age population.

The variation in nominal median salary was less stark by sector than by occupation, implying that the role within the sector influenced salaries more than the sector itself.

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<sup>35</sup> Agriculture, forestry and fishing, energy and water and other services were excluded from the analysis due to small sample sizes that meant robust findings were not possible.

**Figure 27: Median Salaries by Sector (2016)<sup>36</sup>**



<sup>36</sup> Median salaries are rounded to the nearest £500.



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