Higher Education Trends: *Graduate Employment Outcomes and Salaries*

Key Point:

The past five years have seen significant changes in graduate employment outcomes and salary patterns. At present the graduate employment market is buoyant with increasing proportions of Level 8 Honours and Levels 9 and 10 Postgraduate Research[1] graduates reporting to be in employment nine months after graduating. This is in stark contrast to the Great Recession period where employment levels were much lower. Improved labour market conditions are also reflected in increased salaries among graduates. Despite the popular narrative surrounding the importance of Science, Technology, Engineering and Mathematics (STEM) subjects to meet the skill needs of the economy, recent data suggests that employment rates and salaries have been highest among graduates in Non-STEM subjects, particularly in the field of Education.

Trends in Graduate Employment

Figures 1 and 2 show the employment rates for Level 8 Honours Degree and Level 9 and 10 Masters and PhD University graduates respectively in 2012 and 2017. During the Great Recession the employment rate for Level 8 Honours Degree Graduates was 52%, while that for Level 9 and 10 Post-graduate Research Graduates was much higher at 72%. Graduate employment has increased significantly in the recovery. In 2017, 71% of Level 8 and 92% of Level 9 and 10 Masters and PhD Research Graduates were in employment, an increase of 20 percentage points at both levels compared to 2012.

While most graduates are employed in Ireland, many obtain employment overseas. 10% of Level 8 and 11% of Level 9 and 10 graduates in 2012 that year were employed abroad nine months later. While the level of overseas employment declined for Level 8 graduates in post recessionary times, the proportion of Levels 9 and 10 Research Graduates employed abroad increased from 11% in 2012 to 17% in 2017.

The proportion of graduates seeking employment nine-months after graduation was higher during the Recession, 3% for Level 8 and 13% for Levels 9 and 10 graduates. With the recovery, the proportion of graduates seeking employment has fallen considerably. This is particularly

[1] The Levels 9 and 10 Postgraduate Research Graduates referred to in this paper include Masters and PhD research graduates only.

true for Levels 9 and 10 graduates where the proportion seeking employment fell by ten percentage points in 2017.

Figure 1: Employment Rate of Level 8 Honours Degree University Graduates, 2012 and 2017

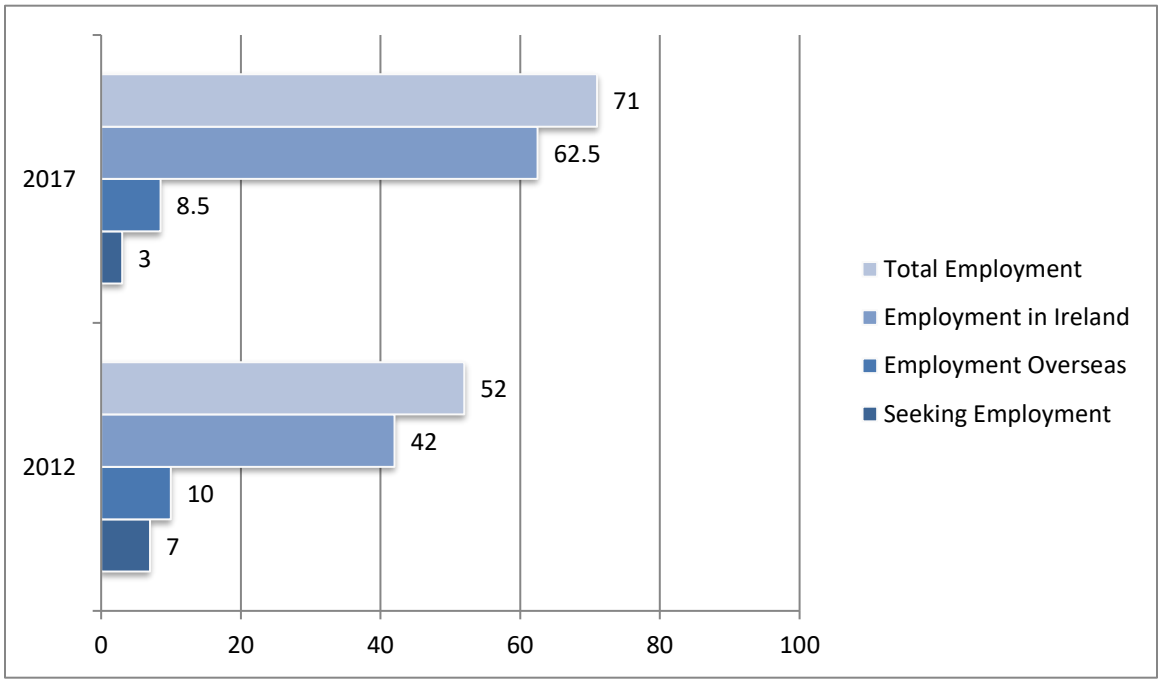
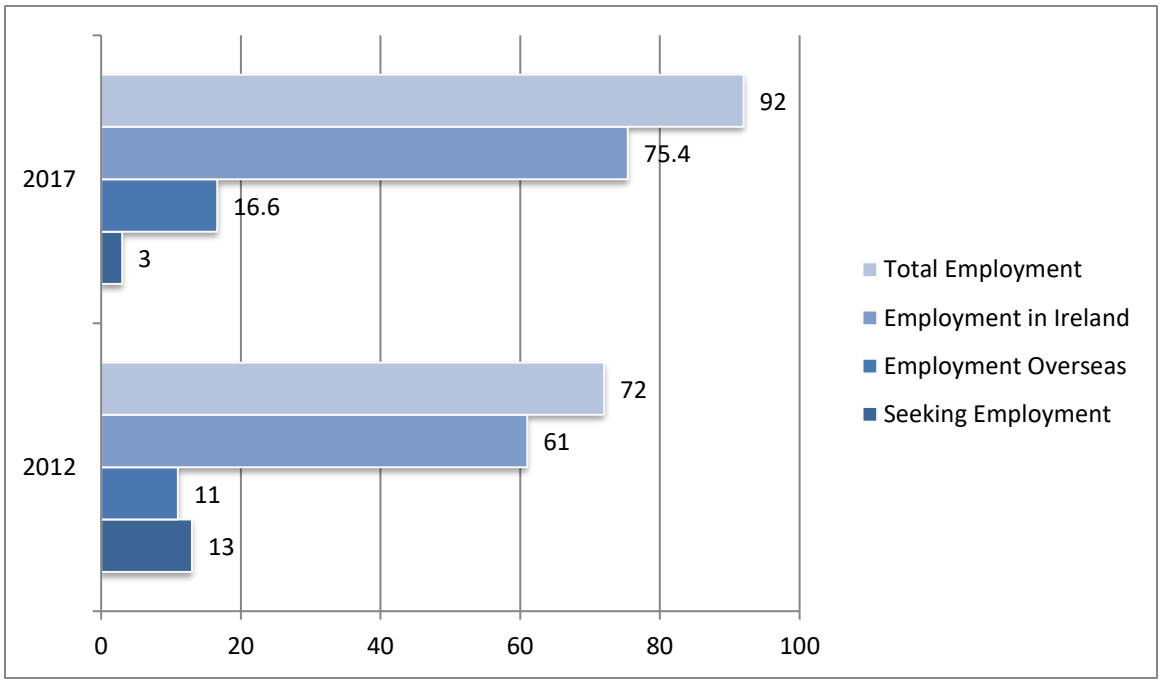


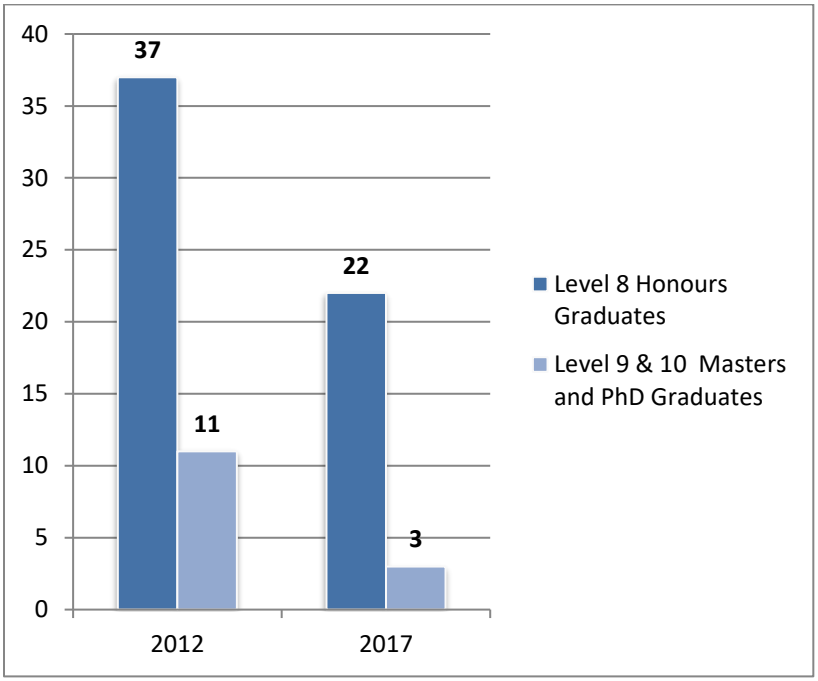
Figure 2: Employment Rate of Level 9, Masters, and 10, PhD, Degree University Graduates, 2012 and 2017



Sources: HEA (2013) *What do Graduates do? Class of 2012*; HEA (2019) *Graduate Outcomes Study: Class of 2017* [Online] Available at: http://hea.ie/resources/publications/ . Note: Data from 2012 also includes Level 9 Taught Masters.

Figure 3 shows the rate of University graduates participating in Further Education and Training during the period 2012 to 2017. The deterioration in the graduate labour market during the Great Recession appears to have led to an increase in the uptake of further education and training: 37% of Level 8 and 22% of Level 9 and 10 from 2012 were engaged in Further Education and Training. However, in the post recessionary period there was a significant decrease in this trend. In 2017, 22% of Level 8 graduates pursued further education and training, a decrease by 15 percentage points on 2012. This is also reflective of the steady increase in graduate employment levels.

Figure 3: University Graduates Participating in Further Education and Training



Sources: HEA (2013); HEA (2019). Note: Data from 2012 also includes Level 9 Taught Masters.

Employment by Field of Study

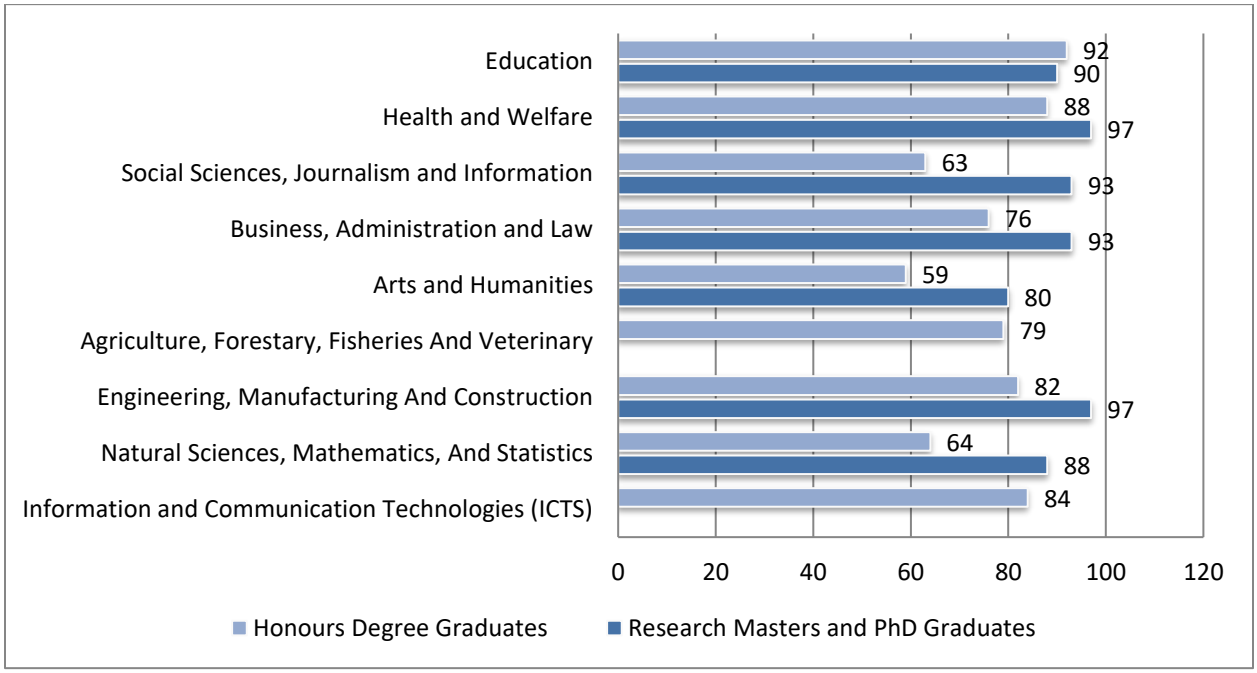
Figure 4 shows the employment rates by field of study in 2017[2]. Despite the popular discourse pertaining to the importance of STEM subjects in meeting labour market demands, the recent data suggests that traditional fields of study, such as Education and Health and Welfare, have maintained the highest levels of employment for both Level 8 and Levels 9 and 10 graduates.

[2] This data includes both University and Institute of Technology Graduates.

In 2017, 92% of Level 8 Honours Graduates in Education were employed or due to start a job and this was true of 88% of graduates in Health and Welfare. Other fields of study showing high employment rates included ICT (84%), and Engineering, Manufacturing and Construction (82%). The lowest rates of employment were to be found among graduates in: Social Sciences, Journalism and Information (30%), Natural Sciences, Mathematics and Statistics (29%) and Arts and Humanities Graduates (28%).

The employment rates of Levels 9 and 10 research graduates are high across all disciplines. In 2017, graduates of that year in Engineering, Manufacturing and Construction, and in Health and Welfare, had employment rates of 93%, followed by those in Social Sciences and in Business Administration and Law, both at 93%.

Figure 4: Employment Rate by Field of Study



Source: HEA (2019)

Graduate Salaries

Figures 5, 6 and 7 show salary ranges of University graduates in employment by qualification type. During the Great Recession a significant share of the burden of adjustment was carried by the labour market. In 2012, 56% of Level 8 Honours Graduates earned less than €25,000 per annum, with 42% earning €25,000 - €45,000 and 2% earning in the over €45,000 salary band. By 2016, the rise in employment levels and strengthening of the labour market had led to an increase (by 15 percentage points) of graduates earning in €25,000 - €45,000.

A majority (59%) of Level 9, Masters Graduates, reported annual earnings of €25,000-€45,000, with 22% earning under €25,000 and 19% earning over €45,000. Post-recession, improvements in the labour market have seen an expansion of graduates earning €25,000-€45,000, with 67% of Masters Graduate earning in this salary band in 2016.

Similarly, 59% of Level 10 PhD Research graduates, earned between €25,000 and €45,000 per annum in 2012, with 30% earning over €45,000. The percentage of PhDs earning over €45,000 increased to 35% in 2016. Overall, these changing patterns in graduate salaries demonstrate a positive growth in employment and improving labour market conditions.

Figure 5: Salary Range of Level 8 University Graduates in Employment

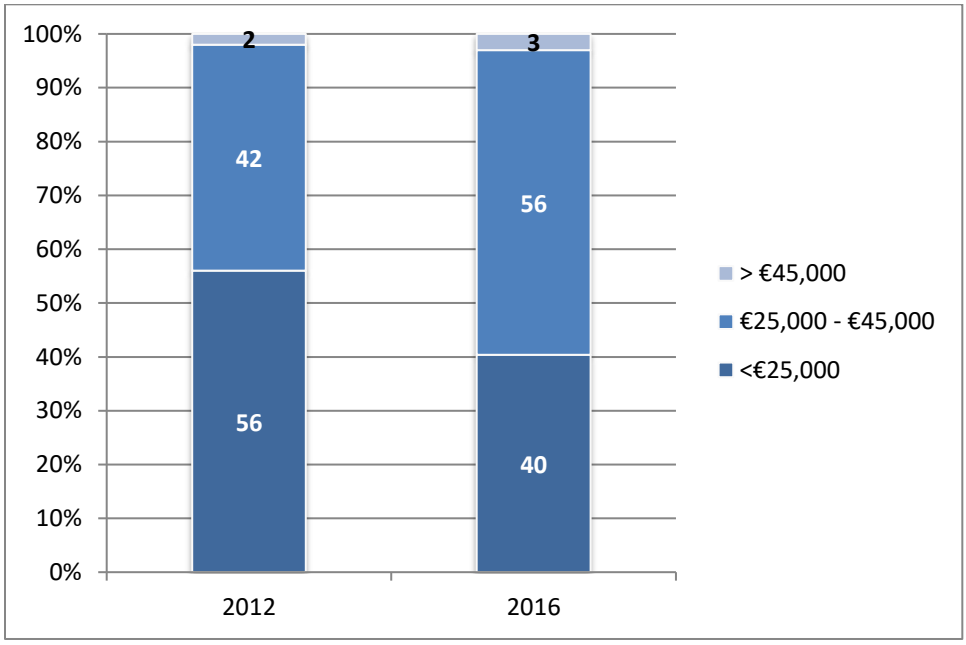


Figure 6: Level 9 Masters University Graduates

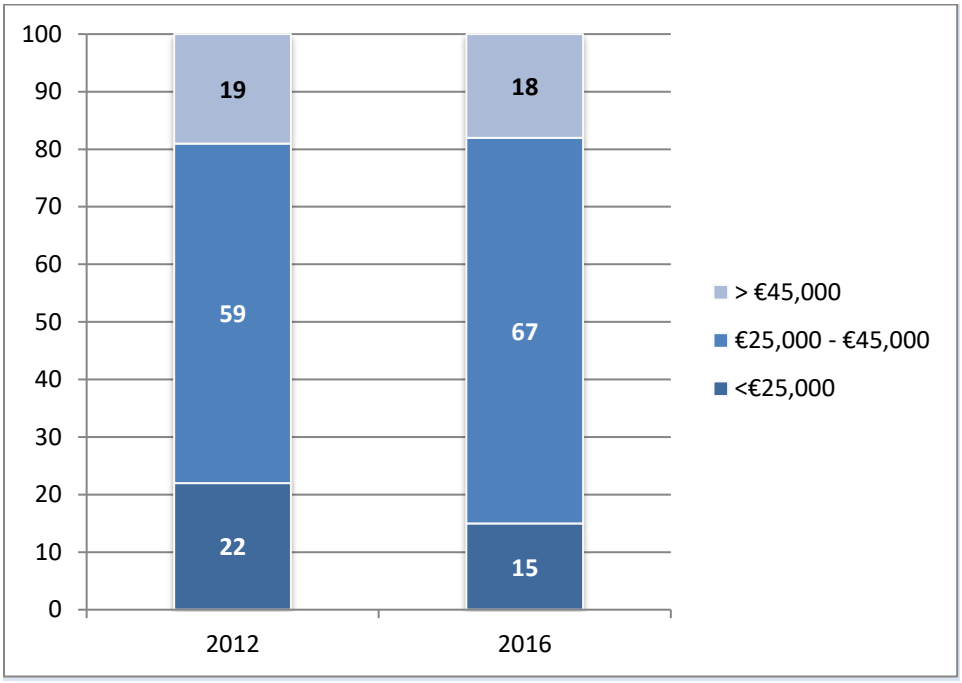
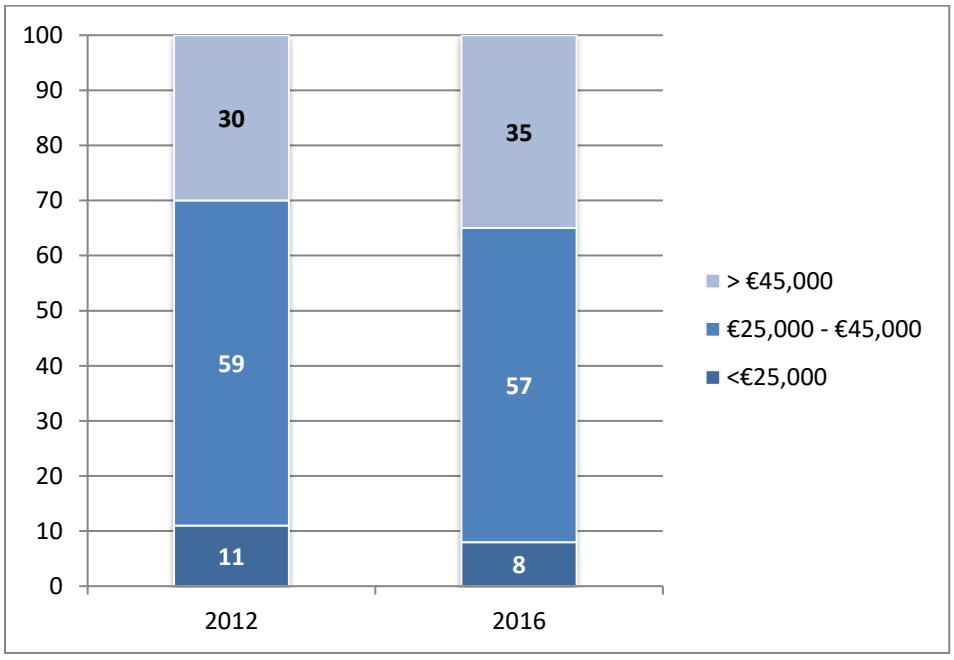


Figure 7: Level 10 PhD Research University Graduates

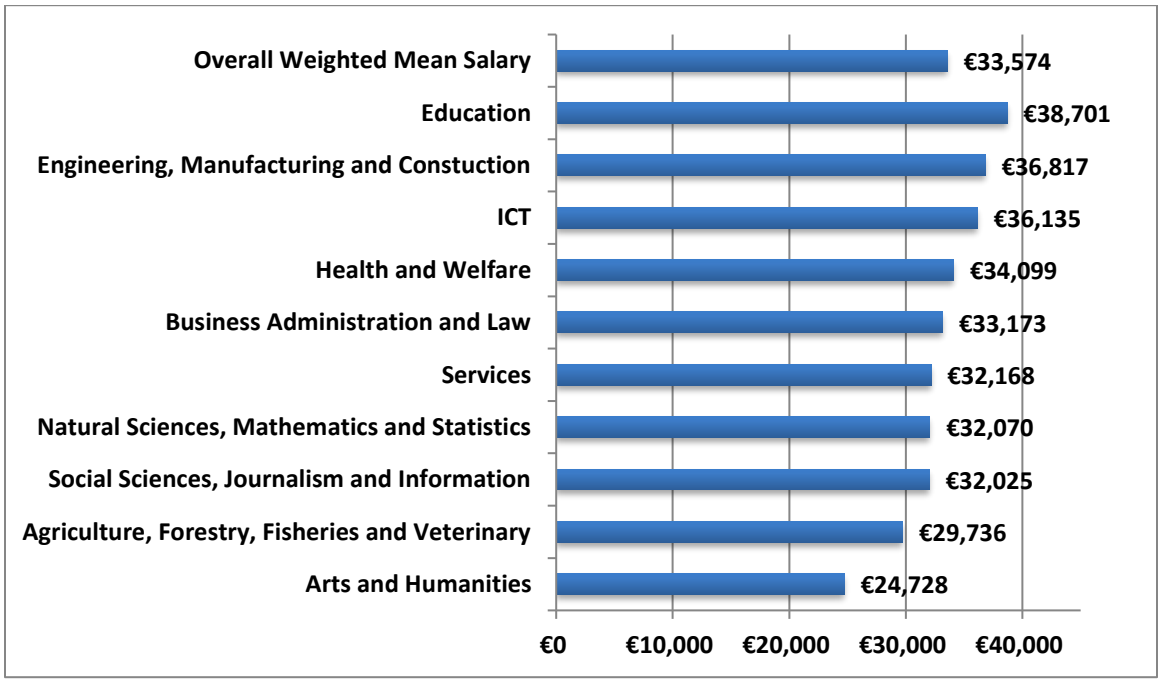


Sources: HEA (2013); HEA (2018) *What do Graduates do? The Class of* 2016; Note: Data also includes Level 9 Taught Masters.

Salaries by Field of Study

Figure 8 shows the weighted mean salary by International Standard Classification of Education (ISCED) broad field of study for 2017 graduates[3]. Graduates in the Education field had the highest reported modal salaries of €38,701. Other fields of study reporting high average salaries included: Engineering, Manufacturing and Construction (€36,817), ICT (€36,135) and Health and Welfare (€34,099). The lowest reported modal salaries were in Arts and Humanities field (€24,728), Agriculture, Forestry, Fishery and Veterinary (€29,736), Social Sciences, Journalism and Information (€32,025) and Natural Sciences, Mathematics and Statistics (€32,070).

Figure 8: Weighted Mean Salary by ISCED Broad Field of Study for 2017 Graduates



Source: HEA (2019).

[3] This data includes both University and Institute of Technology Graduates.