

Graduates from disadvantaged families

Early labour market experiences



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Andy Furlong and Fred Cartmel



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Completing the educational journey

Introduction

This is the final report in a trilogy that follows the journey of a group of young people in Scotland from less advantaged families through Higher Education (HE) and into the labour market. The first report, *Socioeconomic disadvantage and access to higher education* (Forsyth and Furlong, 2000), focused on the barriers to access faced by qualified but disadvantaged school-leavers. The second, *Socioeconomic disadvantage and experience in further and higher education* (Forsyth and Furlong, 2003), was concerned with their time in HE, with the difficulties they faced and with the resources they drew on in order to progress. This report is an attempt to bring the story to a close. Drawing on the experiences of the same group of young people, here we are concerned with educational outcomes at age 22 and with the transition from HE to the labour market. Yet it quickly becomes clear that the story is incomplete and ongoing. While for most, educational journeys might be close to completion, for many the journey into the labour market is at a very early stage.

Even though some of the young people graduated two years ago and moved rapidly into the labour market, many are still attempting to find the sort of jobs that they, as graduates, have been led to expect. Others have moved more slowly through the system. As a result of time out, set-backs due to failure and indirect routes from school to HE, they have yet to complete their degrees or diplomas, have dropped out of education or have only just entered the labour market. Some young people have remained in HE and embarked on postgraduate courses: these too have had little, if any, time to establish themselves in the graduate labour market.

The young people who participated in this study were initially selected to provide information on the experiences of disadvantaged school-leavers. They were disproportionately drawn from the lower social classes, from single-parent families and from deprived neighbourhoods. They had attended schools that, in the main, served working-class neighbourhoods and sent relatively few young people to HE. All members of the sample had completed two years of post-compulsory education, although relatively few had achieved the sorts of Highers results that would allow them to gain entry to demanding degree courses at elite universities. Many had low-grade HE qualifications while a significant proportion had failed to gain the level of qualifications that would allow direct access to a degree course. As a result, at age 18, they not only had to contend with barriers that are linked to socioeconomic disadvantages (such as a lack of financial resources that could facilitate a greater choice), but many were somewhat disadvantaged in terms of qualifications.

In terms of the initial choices they made as well as their experiences in HE, in a range of ways the previous reports have shown that social class makes a difference. Limited financial resources and cultural orientations led many disadvantaged young people to apply and enrol for shorter courses in less prestigious institutions. They often chose courses at institutions closest to their parents' homes so as to limit costs; where it could be avoided, young people did not leave home and sometimes chose courses on the basis of the lowest daily bus fares. Being very conscious of the costs of study and the likely debt they would incur, and lacking a close knowledge of graduate opportunities, less advantaged students were attracted to courses that had very clear links to employment: vocational courses were extremely

popular. In colleges and universities, economic and cultural barriers impacted on experiences. Less advantaged students tended to follow more complex and protracted pathways through education, were more likely to drop out or to forgo the opportunity to fulfil their academic potential. The fear of debt affected many decisions while both economically and culturally they found it difficult to integrate within peer groups dominated by the middle classes.

In the previous reports we followed these young people's transitions from school to HE, and witnessed their progress and experiences in colleges and universities, while closely observing the subtle and not so subtle ways in which socioeconomic disadvantages are reinforced. In this report our aim is to study the labour market experiences of graduates¹ from disadvantaged families. With the growth in numbers of young people entering HE set to continue, and with levels of student debt increasing, we need to ask some important questions about the impact of these changes. Most importantly we need to know more about the extent to which less advantaged young people gain from HE. Are they getting value for money?

Few would argue that the graduate labour market represents a level playing field in which careers and associated rewards are distributed on the basis of achievements on degree courses. The types of courses taken and the ways in which they provide access to particular structures of opportunity are important (Naylor et al, 2002; Brennan and Shah, 2003). So too are the types of institution: we can debate the academic comparability of degrees from different institutions, but the graduate with a degree from a 'Russell Group' university (the UK's top 19 research-intensive universities) is likely to have access to a greater range of opportunities than someone graduating from a 'new' university or college of Further Education (FE), even if they both have first-class degrees in the same subject. A few of the young people who participated in this project attended 'elite' institutions; many more attended new universities and FE colleges. The majority accumulated huge debts with the

expectation not just of being able to repay these sums, but in the hope of gaining long-term career advantages in terms of both pay and conditions. While it is too early to reach full judgement on the extent to which participation in HE 'pays off' for young people from less advantaged families, a key aim of this report is to look for evidence of actual or potential gains and to highlight sources of difficulty or discrimination. Widening participation remains high on the policy agenda and the methods of funding expansion still cause controversy. An aim of this report is to provide a strong research base to inform decisions about change in HE.

In this chapter, after describing the methods used in the study, we provide an overview of the educational progress and attainments of respondents. While the main concern of this report is to look at labour market experiences, given that the last time they were contacted as part of the previous project many had yet to complete their courses, it is necessary to provide an update on educational outcomes as a prelude to discussions of routes to employment and career progression.

Methods

The cohort of young people whose experiences are described here were initially recruited for the survey of socioeconomic disadvantage and access to HE that began in 1999. By 2004, those who had completed each questionnaire had responded six² times over the course of five years with many having participated in face-to-face interviews, in some cases on more than one occasion. An initial sample of 516 young people was selected during the final part of the last year of schooling (S6) from a total of 16 schools, which were either located in disadvantaged areas or located in remote areas where young people would have to leave home in order to enter higher (and in some cases further) education. There are four distinct study areas: Glasgow City, North Lanarkshire, Ayrshire and Argyll. We described the sample as 'qualified but disadvantaged'.

¹ The term graduate is used here to refer to young people who have gained degrees or advanced diplomas through participation in HE. Where appropriate, distinctions are made between those with degrees and those with less advanced qualifications.

² A short additional questionnaire was also sent out between project two and project three as a means of keeping in contact and reducing sample attrition.

Table 1.1: Methods summary: three projects

	Average age	Typical HE stage	Number of interviews	Number of questionnaires despatched	Number of questionnaires returned	Response rate (%)
Project 1						
Spring 99	17	S6	–	516	515	100
Autumn 99	17.6	1st year	–	515	395	77
Spring 00	17.6	1st year	44	–	–	–
Project 2						
Autumn 00	18.6	2nd year	–	395	319	81
Spring 01	19.0	2nd year	40	–	–	–
Autumn 01	19.6	3rd year	–	395	308	78
Spring 02	20.0	3rd year	41	–	–	–
Project 3						
Autumn 03	21.6	4th year	–	394	283	72
Spring 04	22.0	4th year	40	–	–	–
Autumn 04	22.6		–	332	252	76

In the final sweep of the sample for the previous project (*Socioeconomic disadvantage and experience in further and higher education*), 308 respondents completed postal questionnaires representing 60% of those who were part of the initial S6 sample. These 308 respondents formed the core sample for the current study although a further 86 former participants, for whom we thought we still had valid addresses, were also included in the first mail out (total of 394) (Table 1.1). The current project involved two postal questionnaires and a set of face-to-face interviews with a subsample of 40 young people carried out in the early months of 2004. For the first of the current sweeps, 394 young people were sent postal questionnaires in autumn 2003, from which we received a total of 283 completed questionnaires (72% response rate). For the second sweep (autumn 2004), 62 individuals were removed from the sample as they had failed to respond to the two previous sweeps with many being returned by the Post Office as untraceable. Of the 332 questionnaires despatched in autumn 2004, 252 were returned (76% response rate). In overall terms, in autumn 2004, 49% of the 516 young people recruited in 1999 remained in the sample five years after the study began: a remarkable achievement, which serves to highlight young people's desire to voice their opinions on educational change.

At each stage the aim was to contact as many of the original sample as possible. Respondents who had not experienced HE were not excluded from

the survey, although obviously some of the analysis is confined to those who had spent some time in HE. The sample was skewed towards females from the outset with 57% of the original sample being women. This reflects patterns of educational participation in these areas rather than sample bias. By 2004 the skew towards females had increased due to differential attrition and stood at 63%.

Although the sample was drawn largely from schools serving deprived areas, we acknowledged that the pupils we selected were somewhat atypical of their areas. In most of these schools young people tended not to remain at school beyond the minimum age so that those who stayed on for two years of post-compulsory schooling were different to the majority of their peers. While teachers in schools where few pupils went on to HE may provide high levels of support and encouragement to those who show an interest or aptitude, it was also clear that many of our respondents received strong support from their parents, a significant proportion of whom could be described as 'sunken middle class'.³ In other words, the families were also not typical of

³ The term 'sunken middle class' was introduced in Jackson and Marsden's classic study *Education and the working class* (1962). They discovered that many of the working-class children who succeeded in selective grammar schools had a parent, usually the mother, who had experienced a middle-class upbringing and experienced downward social mobility, often through marriage.

their communities. Some had hit hard times, long-term unemployment, ill-health or family breakdown while others owned small businesses in the community. While not truly representative of their communities, we suggest that these young people are perhaps representative of the sorts of young people within deprived communities who are most likely to progress to HE. This is not to suggest that the sample is not fit for purpose, but to acknowledge that some of those who qualify as disadvantaged on the basis of criteria, such as residence in a particular postcode area or membership of a low-income family, may sometimes benefit from hidden advantages. Current policies to widen access to HE are perhaps more effective in helping families to reverse a recent experience of downward mobility than they are in offering the potential of upward mobility to families who have experienced disadvantage over several generations.⁴

The overall response rate for the surveys has been excellent, yet sample attrition is likely to have led to a greater skew towards the more advantaged. At each sweep, questionnaires were sent to all members of the sample for whom we had a valid address, yet until the current surveys the questions were clearly aimed towards those with experience of HE. We suspect that those without experience of HE and those whose later educational participation was limited, were most likely to lose interest in the surveys.

While acknowledging these issues, we do not have the information through which we can report the extent of the bias or correct through statistical weighting procedures. However, in 2004 a cohort of the Scottish School Leavers Survey (SSLS) was surveyed at age 23/24 (Dobbie et al, 2005). These young people were just a year older than those involved in the current study and, being a nationally representative study, can help us to locate the experiences of this relatively disadvantaged group among the broader population of same-aged Scottish people.

In both surveys, similar proportions of young people were still in full-time education (11% in the SSLS, 15% in our slightly younger sample)

while the numbers of those who had stayed on until S6 and who had degrees or HNDs at this stage were also very similar (54% in the SSLS, 58% in our study). Given that the current sample purports to be biased towards the less advantaged while the SSLS is weighted to ensure that it is representative, the similarities are surprising. This may support our suspicion about the increasing skew towards the more advantaged, but equally it could be argued that those who overcome initial barriers are somewhat exceptional, and that having endured a range of hardships, these young people are driven to ensuring that they achieve their goals.

Educational progress

Although the sample discussed in this report was selected in 1999 as relatively disadvantaged young people who had remained at school for two post-compulsory years, by 2004, as a result of different attainments and post-school experiences, the sample was rather heterogeneous. Before discussing routes into the labour market, it is worth taking stock of educational progress and attainments.

Not all of the young people participated in full-time education after leaving school and many lacked the qualifications to move directly from school to HE. Yet the vast majority did continue their education, even though some took a break from study at some stage. Routes through HE were often protracted with some young people going to FE in order to qualify for entry to a programme of advanced study, while others progressed from one course to another or spent a period of time in the labour market before beginning HE.

“I left school in the 6th year and went to the College of Building and Printing for two years. I completed an HND in visual information and then got entry to the third year of a degree at Caledonian. I graduated last year with an honours degree.” (Ciara, degree in applied graphics)

Around 86% of those surveyed (82% of males and 88% of females) had some experience of HE in college or university by the age of 22. Thirteen per cent (15% of males and 12% of females) were still in full-time education in 2004 (age 22) with

⁴ There is evidence to suggest that many non-traditional students leave school with few qualifications and enter university as adults, often via widening access programmes. As mature students, these are not included in the sample.

many of these having followed protracted routes to HE via FE, having had to repeat years due to failure or switching courses or institutions due to dissatisfaction.

“Right, I started at Strathclyde Business School. I failed one of my exams in third year, well, I never turned up for the exam and I failed it and then I failed the resit and had to repeat a year. And this year I decided to go back and do my honours and that was me finished, just graduated last week or the week before.”
(Ailsa, degree in business studies)

For around a third of the respondents (34%), experience of HE was entirely within the FE sector (Table 1.2). While students are able to complete degrees in this sector, there is a strong skew towards vocational courses and, among our respondents, medicine-related courses such as nursing and physiotherapy. Just 15% of the respondents experiencing full-time post-school education entered ‘elite’ universities within the ‘Russell Group’ (Glasgow, Edinburgh, and so on), while nearly three in 10 (27%) entered less prestigious but established ‘pre-1992’ universities such as Strathclyde or Dundee. Around one in four joined a ‘new university’ such as Paisley or Caledonian. Females were over-represented in the less prestigious sectors, mainly on account of their concentration within health and social care courses that tend to be located in the newer sectors.

In general, young people with the highest average numbers of Highers points⁵ tended to attend the most prestigious universities while those with the lowest points attended FE colleges (Table 1.3). Yet the average conceals widespread variations that are partly affected by preferences, confidence and spatial locations and partly affected by the inadequacy of using mean Highers points to describe patterns of entry. Within each institution there are variations in general qualification requirements, which tend to be lowest in subjects with a strong vocational edge, such as nursing. The numbers of points required also differ according to whether the

Table 1.2: Type of institution attended, by gender (%)

	Males	Females	All
Russell Group	16	14	15
Pre-1992 university	33	23	27
New university	19	27	24
FE college	32	36	34
<i>n</i>	108	169	277

Table 1.3: Type of institution attended, by Highers points (%)

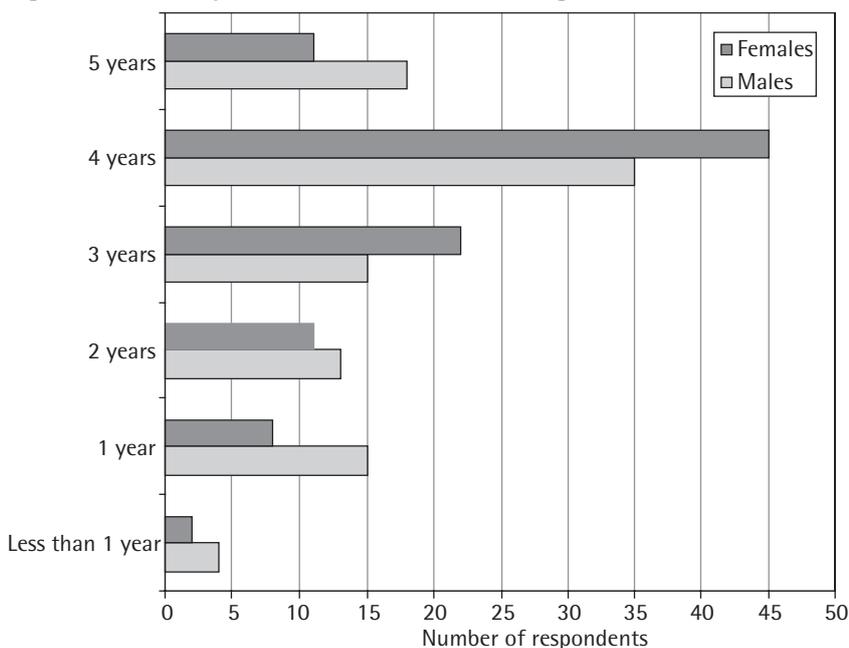
	Mean	Mini- mum	Maxi- mum	<i>n</i>
Russell Group	24.31	13	48	32
Pre-1992 university	21.65	7	38	58
New university	14.13	4	28	52
FE college	5.97	0	30	74

grades have been achieved in one or several sittings and, where interviews are used, can be adjusted to account for personality factors (especially on vocational courses that require close working with the public, such as health professionals). Some institutions will discount lower grades such as Cs and Ds from calculations altogether. With issues of wider access reaching the political agenda during this period, it is also likely that with many of our respondents being drawn from less advantaged families, lower-grade offers will have been made. While on average the Russell Group institutions required a minimum of around 16 points for entry, the other pre-1992 universities required a minimum of around 12 points and the new universities around six points: some respondents attained entry on the basis of substantially lower levels of attainment.

Outside of the Russell Group institutions, some young people were entering courses with grades that were substantially higher than those usually required by the most demanding courses in the elite institutions. Evidence discussed in the previous reports suggested that five factors were particularly important in explaining the tendency for well-qualified students from less advantaged families to opt for newer universities. First, they felt more comfortable in institutions with a higher proportion of students from similar backgrounds. Second, they felt less confident in applying to elite institutions. Third, the elite institutions frequently required students who had gained a Higher National Diploma (HND) at FE level to

⁵ The convention used for the calculation of Highers points is that used in 1999 when these students were seeking entry to university. Here an A attracted 6 points, a B 4 points, a C 2 points and a D 1 point. This system has since been superseded.

Figure 1.1: Time spent in education since leaving school



enter a first year of a degree course whereas newer universities permitted direct entry to the final year. Fourth, when applying to university, travel costs were taken into account and these costs were often weighted more highly than the prestige of an institution. Finally, less advantaged students often sought courses with direct and obvious links to careers and these courses were more likely to be found in the new universities.

“I couldn’t have studied anywhere else but Glasgow. I’m from Glasgow anyway and for a start my parents couldn’t afford to send me anywhere else.” (Robyn, degree in nursing)

In Scotland, an honours degree is completed in a minimum of four years while an ordinary degree can be completed in three years. More than half of the respondents with experience of HE had spent either three or four years in HE between 1999 and 2004 (Figure 1.1). The females tended to have spent longer periods in HE. Nearly a third of males (32%) and just over one in five females (21%) had spent two years or fewer in HE: this includes those still progressing in HE, those who have completed short courses such as HNDs and Higher National Certificates (HNCs) and those who have dropped out of courses.

The small numbers of young people who were still in HE in 2004 were at very different stages. A few expected to leave HE on completing their

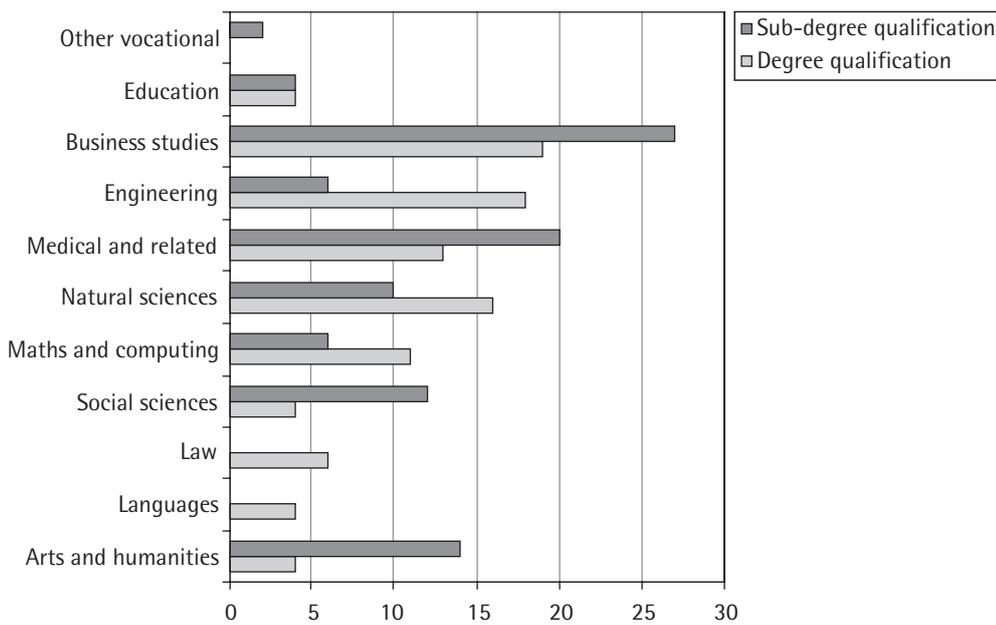
HND, around four in 10 expected to leave on completing undergraduate studies while around half expected to complete a postgraduate degree or diploma (Table 1.4).

In the previous reports we noted that less advantaged students tended to undertake vocational courses or subjects that had clear links to careers. This pattern is confirmed when we look at the subjects studied most recently (Figure 1.2). Among those who had completed degrees as well as those with sub-degree qualifications, business studies and medical and related subjects were extremely popular. A high proportion of those who had completed degrees had taken engineering, natural science subjects and maths and computing – subjects that were also quite popular among those with sub-degree qualifications. Although the numbers are relatively small, a higher proportion of those taking qualifications below the level of a degree studied social sciences and arts and humanities.

Table 1.4: Stage at which current full-time students expect to complete studies (%)

HND	11
Ordinary degree	24
Honours degree	17
Postgraduate diploma	24
Higher degree	27
<i>n</i>	29

Figure 1.2: Most recent subject studied in HE, by qualification level (%)



This reflects the numbers of young people (especially females) taking sub-degree courses in subjects relating to social care.

Educational attainments

Nearly three in four (73%) respondents had gained a qualification since leaving school in 1999 (Table 1.5). Just under half (48%) had gained a degree by 2004 (47% of males and 49% of females), while a further one in five had gained either an HND (11%) or an HNC (10%). With more than one in 10 entrants (13%) still in HE in 2004, these figures will increase.

When the analysis is confined to those with some experience of HE, we find that 56% had gained a degree by the age of 22 while 84% of participants had gained some additional qualifications. By 2004, one in four participants (26%) had gained a postgraduate qualification or a degree with a first or upper-second classification (Figure 1.3). A

Table 1.5: Post-school attainments of respondents (%)

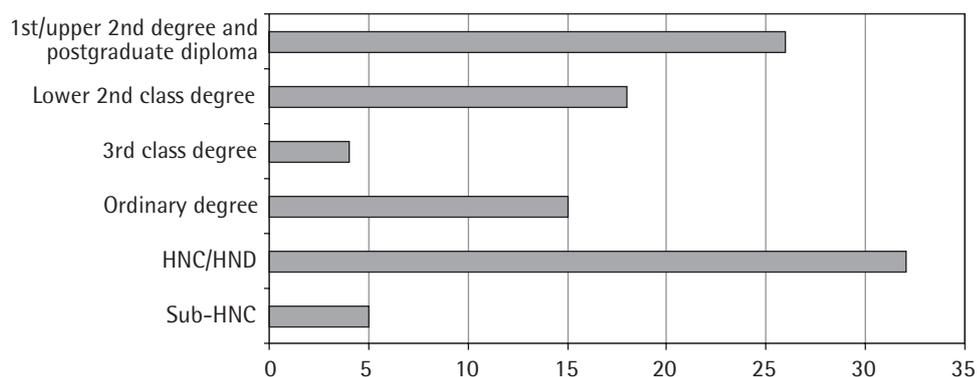
	Males	Females	All
Any qualification	65	77	73
Degree	47	49	48
HND	8	13	11
HNC by 2004	8	12	10
<i>n</i>	108	169	277

further 18% had lower second class honours degrees. Among HE entrants, 15% had gained ordinary degrees: almost the same as the numbers who gained ordinary degrees in the 2004 SLS (14%). Nearly a third of participants had HNDs or HNCs (32%) while 5% had sub-HNC qualifications.

With a strong association between levels of socioeconomic disadvantage and experiences of HE highlighted in the previous reports, we would expect to find a relationship between deprivation and HE outcomes. In terms of participants who gained *any* qualification, associations between qualification gains and deprivation indicators were weak (Appendix, Table A.1). Only two factors appeared to have an impact: those whose mothers had experience of HE were more likely to gain a qualification while those who had to repeat a year were less likely to have achieved a qualification.

In studying access to HE we noted that much of the impact of deprivation was hidden: among qualified school-leavers, deprivation had quite a weak impact on whether a young person progressed to HE, but a much stronger impact on the type of course and institution entered. As we would expect, the impact of socioeconomic status is much clearer in relation to degree attainment. Among young people who had gained degrees by the age of 22, relatively high proportions had a mother or father who had experience of HE,

Figure 1.3: Highest qualification gained by HE participants (%)



had a parent who worked in a professional or managerial occupation or had come from a school in Argyll (Argyll schools being remote schools where education has traditionally been regarded as a passport out of the region). Where young people came from a single-parent family or from a lower working-class family, fewer had gained degrees by the age of 22.

Conclusion

With the continued expansion of HE, social groups that once had little chance of entering tertiary education are increasingly entering universities and colleges. As we noted in the previous two reports, socioeconomic disadvantage continues to have an important bearing on access to HE and experiences within HE. Yet despite being drawn from less advantaged families who resided largely in poor areas, our respondents made impressive headway and, five years after leaving school, most have increased their qualifications with nearly one in two having gained degrees. These achievements were often made in difficult circumstances: the routes through HE followed by the less advantaged were often complex and involved failures, breaks and new starts. Debt was a constant companion, participation was supported by long working hours, and relations with more affluent peers were not always cordial.

By the time respondents' HE careers were drawing to a close, it was clear that despite their efforts they were making their first moves towards the labour market constrained by a fresh set of disadvantages that can also be linked to their class of origin. Those from the lower social classes had, by and large, studied shorter courses at less prestigious institutions and were less likely to hold good honours degrees. In the following chapters we look at the transition to work and at early labour market experiences with a view to assessing the extent to which graduates from less advantaged families benefit from their educational investments.

First steps towards graduate careers

... the graduate labour market is picking up after two lean years, but there is no room for complacency. Competition for the best jobs will remain high and graduates need to be sure about what it is they have to offer employers and market themselves effectively. (Association of Graduate Recruiters, 2004)

Introduction

In this chapter we look at young people's early attempts to secure positions in the labour market that are commensurate with their qualifications. The transition from HE to the graduate labour market is both complex and protracted and there is not always a clean break that separates full-time study from graduate employment (Connor et al, 1997; Pearson et al, 2000; Pollard et al, 2004). Many students in the study had part-time jobs while at college or university and they frequently continued with these jobs while searching for longer-term positions. Even where these jobs are abandoned, ex-students can move into an insecure buffer zone in which temporary and/or part-time jobs are used as a means of subsistence or as part of the process of securing work within more advantaged sectors of the graduate labour market. With many of our respondents having recently completed full-time study, location in this insecure zone does not necessarily signify a lack of pay-offs from HE. Indeed, Elias and Purcell (2004) have shown that two-and-a-half years after graduation young people are still in the process of becoming established on the graduate labour market while seven years after graduation 10% of males and 15% of females remain in non-graduate jobs. It is in this context

that we explore young people's first steps towards graduate careers.

Destinations

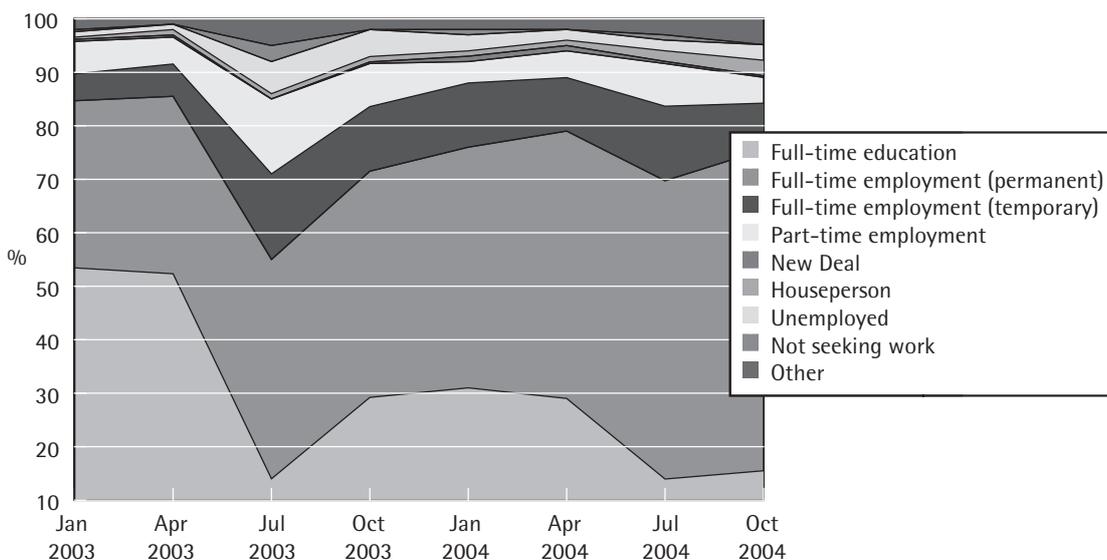
In autumn 2004, around two thirds (65%) of the respondents who had participated in HE were working full-time while nearly one in five (17%) remained in full-time education (Table 2.1). Males were more likely to have secured full-time work or to have remained in education while almost one in 10 (9%) females were working part time and 4% were caring for children or family. Five per cent were unemployed.

The protraction of HE participation is clearly illustrated by information on main status gleaned from a 'diary' question (Figure 2.1). Here we see that as late as April 2003, the majority of those who had participated in HE were still in education with around three in ten remaining in education in April 2004. As such, it was not until April 2004 that more than half of the HE participants had entered full-time permanent employment. Across the period a significant

Table 2.1: Status of young people who have some experience of HE in autumn 2004 (%)

All HE participants	Male	Female	All
Full-time education	20	16	17
Full-time employment	69	62	65
Part-time employment	4	9	7
New Deal	1	0	1
Carer	0	4	2
Unemployed	5	5	5
Other	0	4	3
<i>n</i>	78	135	213

Figure 2.1: Status of those with experience of HE: quarterly intervals January 2003 to October 2004



number were in temporary or part-time jobs; reaching a high of 30% in July 2003.

Status one month on

While unemployment rates were low and while the majority of young people who had left education secured jobs relatively quickly, movement into graduate jobs (and even movement into full-time permanent jobs) was much slower. One month after leaving college or university, around a third of males (32%) and less than one in five females (17%) had secured full-time permanent jobs (Table 2.2). A third of males (33%) and more than one in two females (56%) had part-time or temporary jobs. Around one in five regarded themselves as unemployed (20%) while nearly one in 10 (8%) saw themselves as taking an extended holiday. One of the main reasons why outcomes for females appear to be more negative relates to the careers they are trying to develop. Some of the women were

trying to build up experience in areas such as teaching and social care prior to taking a postgraduate course and this sometimes meant that they had to accept part-time or temporary employment in a relevant field so as to be accepted onto a course.

Although new graduates are entering the labour market at a time when unemployment rates are lower than they have been for many years, levels of unemployment one month after leaving college or university were extremely high. Around half of those who had completed HE (47%) had been unemployed on at least one occasion with males being significantly more likely to have encountered a period of unemployment. In a study in the North West of England carried out six months after graduation, Doherty and Morris (2001) discovered that a very similar proportion (44%) had experienced a period of unemployment.

At the same time, unemployment durations among the Scottish sample tended to be short and repeated unemployment rare. Just 12% of those who had entered the labour market had been unemployed on more than one occasion. The average total unemployment was five months while the longest continuous spell of unemployment averaged 4.2 months. As Elias and Purcell note, in the contemporary UK labour market, graduate unemployment tends to be a 'short-run transitional problem' (2003, p 4).

Table 2.2: Status one month after leaving HE (%)

	Males	Females	All
Full-time employment	32	17	22
Part-time employment	21	39	33
Temporary employment	12	17	15
Unemployed	26	16	20
Extended holiday	9	8	8
Other	0	2	1
<i>n</i>	57	104	161

“It has probably worked out better than I expected. When I left university I expected to be unemployed for a longer period due to the level of competition for jobs. I had just left university and had no work experience, but I was lucky enough to find a job with a local company.”
(Ben, degree in electronic engineering)

The ability of young people to secure full-time permanent jobs within a month of leaving HE was only weakly affected by educational pathways and attainment, although gender was particularly significant with males being almost twice as likely as females to have secured full-time permanent employment (Appendix, Table A.2).⁶ Those who had left college with ordinary or third class honours degrees were most likely to have secured full-time permanent jobs within a month of leaving HE: an association that is affected by the number of young people taking ordinary degrees in vocational subjects.

“I thought nursing would be good because you are guaranteed a job at the end. You are training for a certain job and you know what that is going to be like when you come out. If you do a generalised degree in, I suppose, an arts subject or whatever, you are not trained for a specific job so it’s more difficult. That is one of the reasons that I thought nursing would be good.” (Robyn, degree in nursing)

Rapid entry into full-time permanent jobs was slightly more common among those who had taken medical and related, and engineering, business studies, education and law courses (also Pearson et al, 2000), again due to the vocational links within these subject areas. In contrast, rates of entry into graduate jobs were lower in arts, humanities, languages, social sciences and maths, computing and natural sciences. Those who attended new universities and FE colleges were only slightly less likely than those who had studied at Russell Group or pre-1992 universities to have moved quickly into permanent jobs. The numbers of university and college leavers who

were unemployed or outside the labour market one month after leaving was particularly high among those with HNCs and HNDs and those graduating in arts, humanities, languages and social sciences.

While socioeconomic disadvantage had an impact on school-leaving qualifications and the types of courses followed by young people, there were few associations between specific disadvantages and being in full-time permanent employment one month after leaving HE (Table 2.3). In other words, whereas strong inequalities can be identified in relation to access to HE, among graduates simple employment outcomes are only weakly associated with personal deprivation. The only factor significantly associated with the likelihood of entering a full-time permanent job one month after leaving HE was having come from a single-parent family – and those from single parents were *more likely* to be in full-time permanent jobs. However, one month after leaving college, levels of unemployment were particularly high among those who grew up in Social Inclusion Partnership (SIP) areas and among the lower working classes.

Graduate jobs

In many respects, the term ‘graduate labour market’ may be something of an anachronism. The ‘graduate labour market’ has become segmented into secure and less secure zones as well as into segments that have a looser correspondence to graduate skills. In this context we can either define the graduate labour market in a traditional, narrow, way and argue that most graduates will never manage to work in this sector, or, recognising the ways in which the labour market has changed, we can adopt a broader definition of graduate work. Elias and Purcell (2004) take the latter approach and make a distinction between four types of graduate employment: traditional, modern, new and niche (Appendix, Table A.3). Whereas traditional graduate jobs have long been the more or less exclusive preserve of those with university degrees (such as lawyers, doctors and scientists), the other three sectors of the graduate labour market refer to those areas that have gradually become (or are still becoming) dominated by workers with degrees; a process that can be linked to the growth of HE over the last two decades or so and which may be interpreted as

⁶ This gender difference does not necessarily mean that women were experiencing far greater disadvantages at this stage as women were over-represented in careers such as teaching where a first year on a temporary contract is central to the career structure.

Table 2.3: Socioeconomic disadvantage and employment status one month after leaving HE (%)

	Full-time permanent job	Part-time or temporary job	Unemployed or outside labour market
Deprat ^a 5-7	21	47	32
SIP ^b	23	40	38
Argyll	18	55	26
Single parent	30	40	30
Father HE	18	47	35
Mother HE	17	58	25
Lower working class	21	41	38
Upper working class	23	50	27
Professional & managerial	24	56	20

Notes: ^a Deprat = postcode-based deprivation indicator.

^b SIP = Social Inclusion Partnership area used in Scotland as an area-based indicator of deprivation.

an indicator of qualification inflation. Modern graduate jobs relate to newer professions and to those areas of employment where graduate status started to become required in the 1980s (such as journalism and accountancy). New graduate jobs refer to those sectors of employment that have more recently begun to focus on graduate recruitment (such as marketing and physiotherapy) while niche occupations are those where a minority of incumbents are graduates but in which there are growing specialist niches where graduates are employed (for example, hotel managers and buyers). With our respondents still in the process of establishing careers (and due to the relatively small sample), here we group the former two and latter two categories (traditional and modern and the new and niche).

Progress at age 22

In autumn 2004, when respondents were aged 22, just over two in five (44%) HE participants held ‘graduate’ jobs (broadly defined) although less than one in five (17%) were in the traditional or modern graduate sectors (Table 2.4). Females were more likely to be working in the non-graduate sector with six in 10 female employees (60%) holding non-graduate jobs in autumn 2004. While one in five males (21%) had entered traditional and modern forms of graduate employment, just 15% of females were employed in these sectors.

With the majority of employed HE participants holding non-graduate forms of employment, on the surface the returns from HE for less advantaged young people would appear to be poor. Yet there are signs that university and college leavers are gradually moving from non-graduate to graduate employment and therefore it is perhaps too early to judge final outcomes. In autumn 2004 around half (49%) were still employed in the first job that they secured after leaving college or university (many of whom had only recently left HE), and first jobs were much more likely to be in the non-graduate sector than were subsequent jobs.⁷

“It is happening a little slower than I expected, but I’m doing two jobs at the moment and hoping to get access to the graduate trainee scheme in social work in the next year or two.” (Mary, degree in behavioural sciences)

Table 2.4: Employment of HE participants in autumn 2004 (%)

	Male	Female	All
Traditional and modern	21	15	17
New and niche	30	24	27
Non-graduate	48	60	56
<i>n</i>	56	98	154

⁷ While 56% of jobs currently (autumn 2004) held by HE participants could be classed as non-graduate, more than seven in 10 (71%) first jobs were in the non-graduate sector.

“It seems to be getting better as I get older and gain experience, although I wish it would happen faster.” (Craig, degree in business administration)

Movement from non-graduate to graduate forms of employment is affected by time spent in the labour market as well as by types of qualification (Table 2.5). Around a half of those who had left with a degree in 2002 or earlier (largely with Ordinary degrees) or who left with degrees in 2004 (who have had little time to establish themselves on the labour market) were in graduate employment, while of those who left with degrees in 2003, six in 10 had made in-roads into the graduate labour market.

Job security

For new entrants to the labour market, current employment provides a partial picture of progress. Both graduate and non-graduate jobs may be secure or precarious and some young people have yet to find their first jobs. Most distant from the labour market are those still in full-time education who have yet to try and enter graduate jobs and those who are currently unemployed, on a government training programme, caring for family or doing something else such as travelling (referred to as occupying the marginal zone). Many hold jobs in the non-graduate labour market that may be regarded as temporary and that are sometimes continuations of college jobs. Among those holding graduate jobs are those whose positions are relatively secure as well as those whose positions are more precarious such as those who work for an agency, those working part time or on temporary contracts or those who regard their current positions as very or quite insecure, despite

holding ‘permanent’ contracts. In this context it has been argued that, to young graduates, the boundaries between graduate and non-graduate jobs can be ‘fuzzy’ (Keep, 2004).

Here we distinguish between those who remain in education, those occupying positions that are marginal (outside the labour market or unemployed) and those in non-graduate jobs. Among those in graduate forms of employment we make the distinction between those whose positions are legally insecure (temporary workers, for example) or subjectively insecure (who regard their jobs as being insecure). Using this definition of security that combines legal and subjective criteria, around three in 10 males (31%) and less than one in five females (18%) occupied secure graduate jobs in autumn 2004 while around one in 10 young people (10%) were in insecure forms of graduate employment (Table 2.6). Four in 10 (39%) were in non-graduate forms of employment while 6% of males and 13% of females occupied marginal positions, being unemployed or outside of the labour market.

In the following chapter we look at the characteristics of those occupying these different positions and study the experiences associated with security and insecurity. From the outset, though, it is important to recognise that insecure jobs are not necessarily of an inferior quality. In some cases early careers involve a lack of security while in others, for example the media, insecurity and short-term contracts are an integral part of career structures.

Table 2.5: Employment of HE participants in autumn 2004, by qualification and year obtained (%)

	Traditional and modern	New and niche	graduate	<i>n</i>
Sub-degree	0	28	72	36
Degree 2002 or earlier	17	33	50	12
Degree 2003	23	36	40	52
Degree 2004	28	19	53	32

Table 2.6: Current status of HE participants, by gender (%)

	Male	Female	All
Secure graduate jobs	31	18	22
Insecure graduate jobs	8	11	10
Non-graduate jobs	35	42	39
Marginal zone	6	13	11
Education	20	16	17
<i>n</i>	78	135	213

Conclusion

Young people's progress from college and university into the labour market, and, in particular, the graduate sectors of the labour market tended to be slow and attempts to assess the benefits of HE through the use of outcome data collected in the months following the end of HE are likely to yield pessimistic results. A month after leaving HE, only around a third of graduates had full-time permanent jobs and many of these were not in forms of employment usually reserved for graduates. By autumn 2004, just over four in 10 HE participants had entered a (broadly defined) graduate occupation with just one in five employed in a relatively secure graduate position. Levels of unemployment immediately after leaving college or university were extremely high, although it tended to be a fleeting experience and extended or repeated unemployment was rare.

These returns do not look good, yet the picture is not as depressing as it seems on first impression. Progress towards graduate jobs was slow, but progress was being made. Many of those working in graduate jobs occupied insecure positions, but, as we will show in the next chapter, early insecurity can be seen as part of the 'normal' career trajectories in some occupations. In terms of entry into jobs, there were no glaring inequalities relating to social background or institutions attended. However, the one major inequality that comes across quite clearly from a preliminary analysis of job entry patterns is that compared to men, women were taking longer to enter stable graduate employment.

Finding employment

“I would have never imagined that I would be doing this job. I thought that by studying for a degree I would have plenty of opportunities. To be honest I could have started this job straight from school. My degree has absolutely no relevance to this.” (Lauren, degree in biomedical science, working in retail)

Introduction

In this chapter we focus on the ways in which college and university leavers attempt to gain their first footholds in the graduate labour market. As we saw previously, for most young people the transition from student to graduate employee is a slow process, which often involves unemployment and protracted periods in non-graduate employment. Many did not obtain graduate employment in the period covered by this study, although some of these appear to be inching their way towards such positions. As a result, those who we interviewed were not always able to say much about transitions to graduate employment and relatively few were able to elaborate on the sorts of career management skills that they had developed or were developing. Here we attempt to examine the links between job-seeking strategies and patterns of entry to graduate careers and look at the extent to which socioeconomic disadvantages impact on early labour market experiences.

On leaving higher education, young people find themselves in various degrees of proximity to the labour market. In this study, a few had well-developed plans and explicit career strategies. They had learnt about potential careers and of the ways in which recruitment is organised; they may even have begun to approach potential

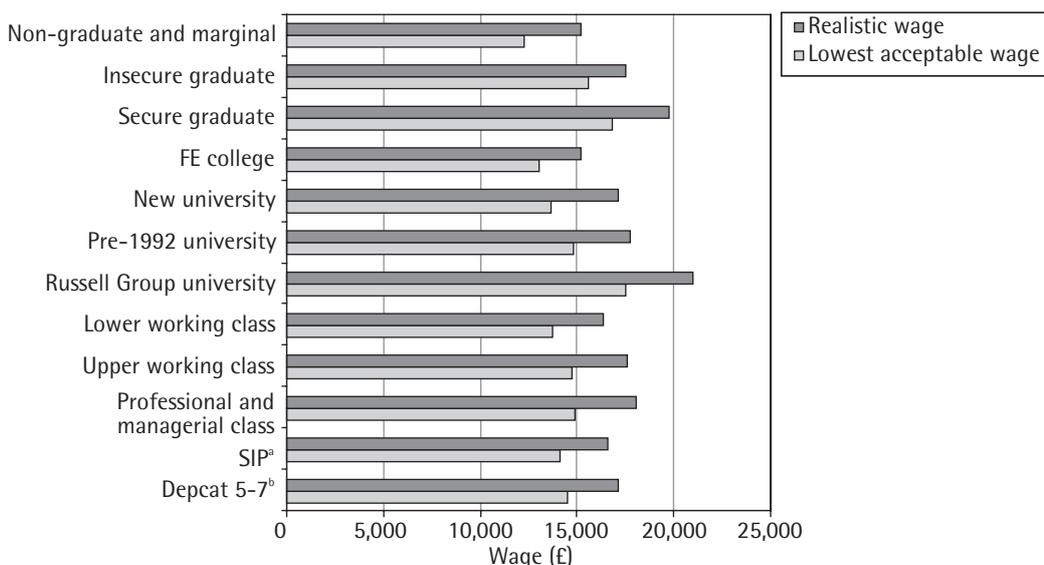
employers before leaving university. Others had followed vocational courses and some of them knew something about opportunities and methods of securing careers within their area of learning; again some had a clear idea about their next moves. Those who had followed general degree courses tended to be less well prepared; their career plans were often undeveloped or non-existent. Here we look at young people's initial job search experiences and at their own perceptions of factors that helped or hindered them as they moved from education to work.

Wage expectations

An immediate concern of many young people who have just completed HE is money. This is especially true where parents are unable or unwilling to offer significant support. Former students are aware of having significant debts, some of which (especially credit cards) may need constant maintenance. They also have immediate needs in regard to general living costs, especially if they are living apart from their parents. Concern about money can focus attention on the need for employment and when there is little sign of an early entry into a graduate job, may lead young people to seek temporary positions or may encourage them to retain the jobs held while studying.

The immediacy of the concern about money tends to prevent college and university leavers from holding out until their wage expectations can be met. Where young people have wage expectations that exceed those wages typically paid by local employers, this can represent a barrier to labour market integration, yet the average wage expectation was certainly not excessively high. A survey conducted by the

Figure 3.1: Wage expectations by selected deprivation indicators



Notes: ^a SIP = Social Inclusion Partnership
^b Deprat = Postcode-based deprivation indicators

University Careers Service at Strathclyde University in 2003 (unpublished) showed that the average starting salary of their graduates who were employed in Scotland was £17,622 for males and £15,724 for females.

Among our sample of relatively disadvantaged Scottish young people, the average salary that they felt to be realistic for someone with their qualifications was slightly higher than the Strathclyde average: £19,086 for males and £16,317 for females. The lowest salary that respondents felt to be acceptable was some way below this: an average of £15,202 for males and £13,885 for females.

“I don’t think I’m going to get anything out of it for at least another ten years because I know I’m going to have to go into a junior’s job. The junior jobs for HR pay about £10,000.” (Flora, degree in business studies)

Less advantaged young people tended to have lower wage expectations than their more advantaged peers. In terms of lowest acceptable wages, for example, those from lower working-class families were willing to accept over £1,000 less than those from other social classes (Figure 3.1). Wages that young people thought were realistic for someone with their qualifications also varied with a differential of £1,600 between those from the professional and managerial classes and the lower working classes. Those who lived in an

SIP area had ‘realistic’ wage expectations that were over £1,000 less than those in non-SIP areas. These findings are very similar to those reported by Brennan and Shah (2003) in their UK-wide study: their figures showed that four years after graduation men from the lower socioeconomic groups earned around £1,500 less than those from the higher groups while for women the differential was about £1,000 a year.

Clearly educational experiences had an influence on wage expectations and Brennan and Shah (2003) also show that graduates from the new universities earned about £1,000 less than those from the older universities. In this study, those who attended new universities had the lowest acceptable and realistic wage expectations, which were just under £4,000 less than those who attended Russell Group universities.⁸ For most of those who had completed HE and had worked, wage expectations were strongly affected by their experiences and both lowest acceptable wages and realistic wage expectations reflected their current positions in the labour market. Those in secure graduate jobs, for example, thought that it was realistic to expect a wage of £19,769 compared to £15,244 among those currently in the non-graduate work and in marginal positions.

⁸ A lot of this difference relates to the concentration of disadvantaged students in the less prestigious institutions. Low cell sizes and high levels of co-linearity prevent further investigation.

Job applications

By autumn 2004, among those who had left HE, males had applied for an average of 17.2 jobs while on average females had applied for 9.6 jobs. These averages conceal a range of experiences: the maximum number of jobs applied for by a female was 100 while one male had applied for 250 jobs. Despite differences in the number of jobs applied for, males and females had been interviewed for a similar number of jobs, 3.27 and 3.20 respectively. This can either be interpreted as evidence that females move into jobs more easily or that they are less fussy about the sorts of jobs they are willing to accept.

Less advantaged young people tended to have made more job applications than their more advantaged peers, perhaps due to a more urgent need to bring home a wage. Those from lower working-class families had applied for an average of 19.4 jobs compared to 7.7 among other social classes. With a concentration of disadvantaged students in the less prestigious HE institutions, we find that it is those who have attended the new universities who have, on average, made the greatest number of applications for jobs. Whereas students from Russell Group and pre-1992 universities had made an average of 7.1 and 7.6 applications respectively, those who had attended new universities had applied for an average of 20.2 jobs, perhaps suggesting that the former are enjoying a higher degree of success in the labour market.

Those groups that made the greatest number of applications also tended to secure the highest number of job interviews, although they received fewer job offers. Whereas young people from the professional and managerial classes averaged 2.9 interviews, those from the lower working classes averaged 3.9 interviews. Students who attended FE colleges and new universities tended, on average, to have more interviews (4.1 and 3.6 respectively) than those who were educated in Russell Group and pre-1992 universities (1.9 and 2.5 respectively).

Among HE participants who had entered the labour market, there was little variation in the average number of jobs held since leaving college. Males had held an average of 1.7 jobs, females 1.4. There were no significant associations between indicators of disadvantage

and number of jobs held, but on average those who had attended Russell Group institutions had fewer jobs than those attending other types of institution (0.7, compared to 1.7 for all other types of institution).

Young people who were working in insecure graduate jobs had the highest average ratio of job applications to interviews, suggesting that those who were working in less secure graduate positions were encountering some difficulty in the job market.

Barriers

Financial need can obviously represent a significant barrier to the integration of graduates into jobs commensurate with their qualifications. Less advantaged young people may be forced to apply for all possible jobs while those who have other sources of support may be able to hold out for more desirable forms of employment. Indeed, a few respondents suggested that engagement with part-time employment stood in the way of job-search activities focused on the graduate labour market.

“If I hadn’t of been working in the shop, I’d have probably managed to get something a bit quicker.” (Mary, degree in psychology)

Respondents themselves had quite a keen awareness of the way in which factors relating to social background and attainments were disadvantaging them on the labour market. Qualifications were seen as a barrier,⁹ especially by the males of whom more than four in 10 (42%) thought their qualifications were a disadvantage in the search for work (Table 3.1). Nearly one in five (18%) regarded the college or university they had attended as a disadvantage, with the females being particularly likely to identify this as a barrier. Just over one in 10 (11%) thought that they were disadvantaged by the school they attended. Social class, gender and religion were all identified as barriers by less than one in 10 respondents, although two other indicators of disadvantage, accent and particularly

⁹ Disadvantages relating to qualifications can arise from poor qualifications as well as being related to over-qualification for particular jobs.

Table 3.1: Factors seen as resulting in disadvantage in the search for work (%)

	Males	Females	All
Qualifications	42	29	34
Class or family background	6	10	8
College or university attended	10	24	18
Religion	6	2	4
Ethnic background	0	0	0
Gender	6	10	8
School attended	13	10	11
Accent	19	25	23
Area of residence	42	39	40

area of residence were regarded as particularly significant.

A picture emerges here of some of the ways in which young people from disadvantaged backgrounds who have managed to negotiate the hurdles associated with HE still regard their class of origin as a barrier to graduate careers. While reluctant to identify social class as a barrier, they focus on the more subtle indicators of class that are visible to employers such as accent and area of residence. In the interviews, some expressed a feeling that the stigma associated with particular areas reduced the chances of being invited for interview or of being selected for employment.

“My accent doesn’t help and employers don’t go out of their way to hire people from ‘Coaltoun’.” (Alan, HND in sports studies, unemployed)

In some respects, by introducing young people to new areas and new circles of friends, moving to a new town to study can help promote a willingness to move in search of work. In this context the tendency of disadvantaged students to remain in their locality can subsequently become a barrier that discourages young people from operating within a national graduate labour market. Indeed, research has shown that graduates attending local universities while living at home are less likely to get a well-paid job than those who leave (Audas and Dolton, 1999). Yet partly through preference but also due to lack of funds, our less advantaged respondents were heavily concentrated in institutions in the west of Scotland and, as noted in the previous report, tended to retain neighbourhood-based peer networks in preference to making strong friendships at college or university.

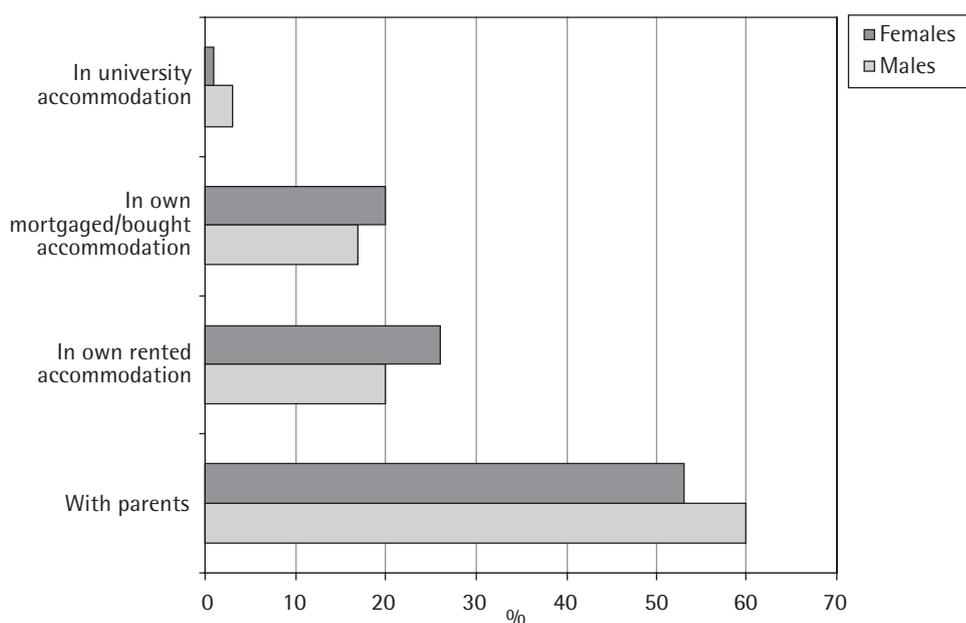
“Yeah. To begin with I kind of wanted to stay ’cos all your friends are in Glasgow, they don’t tend to move away here. But, after being away in the summer they [friends] were all talking, they were going to Manchester and all different places throughout the UK and you tended to find that the English people were more willing to travel and I thought, Och, well, and Edinburgh’s not too far.” (Louise, degree in business studies)

“I would recommend it [moving away for university] because overall you meet loads of new people and friends. If I think back, if I had made a different decision and not moved out of home, not went to university, I wouldn’t have half the kind of friends as I have got now, ehm, and maybe I wouldn’t ... I probably wouldn’t be confident.” (Erin, degree in commerce and accountancy)

In autumn 2004 six in 10 males (60%) and more than half the females (53%) were living with their parents (Figure 3.2). Most of these had lived at home while studying, although some had moved back after having completed a course. Around one in five males (20%) and one in four females (26%) lived in accommodation that they were renting while a further one in five (17% of males and 20% of females) lived somewhere that they had bought or were buying.

With a majority of young people living with their parents, many were still residing in relatively deprived areas that are likely to have restricted job opportunities. Of those responding in 2003/04, two in three (66%) were living in an area categorised as Deprat 5-7: areas that can be considered to be extremely disadvantaged. Very few of those who had been living in a severely deprived area in 1999 had moved to a more advantaged area. More than nine in 10 (95%) young people who lived in a Deprat 5-7 area in 1999 lived in an area with the same broad characteristics in 2003/04, 3% had moved into a slightly less deprived area (Deprat 3-4) while 2% had moved to England. At this stage, college and university experience had not led them away from the poor areas and there were indications that some needed financial support to move while others, having remained at home while studying, lacked the confidence to move to a different area.

Figure 3.2: Current living arrangements (%)



“I graduated on the Thursday and started work on the Monday. It’s quite handy for home as well, it’s just twenty minutes up the road.” (Glen, degree in pharmacy)

The respondents were reluctant to move and most expressed an overwhelming preference for work in their home town or in the west of Scotland (Table 3.2). Of HE participants who were searching for work in autumn 2004, a majority would accept employment in Scotland, but a minority were prepared to move away from Scotland: less than three in 10 were prepared to work in the north of England while just over one in five would work in London or the south of England. The relatively large numbers prepared to work outside of Europe is likely to reflect the legacy of the Scottish Diaspora; many will have relatives in Canada and Australia. These preferences were reflected in applications: a small minority had applied for work outside Scotland and applications were heavily concentrated in the West of Scotland. This pattern of applications is common among West of Scotland graduates more generally: among 2003 University of Strathclyde graduates, for example, 71% of those in work were employed in the West of Scotland (University of Strathclyde, 2004).

Initial work experiences

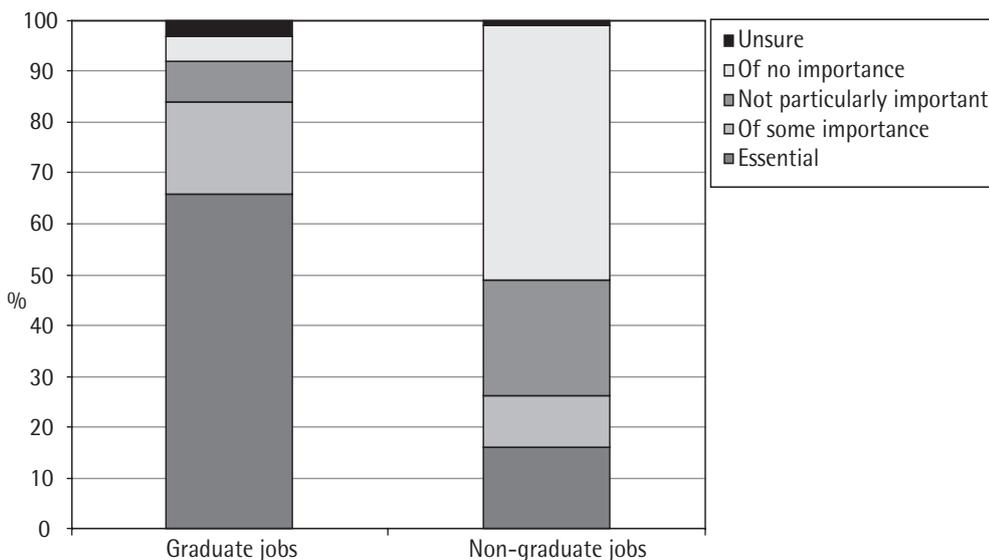
Most HE participants (80%) held part-time jobs while studying and two thirds of these (62%)

remained in this job after graduation. As such, the end of HE did not necessarily lead to an abrupt transition from one main activity (education) to another (a new job or unemployment). While graduation tended to be accompanied by an intensification of job-search activity, many began the search for graduate jobs while continuing to work in the jobs that they had held during their time at university or college and even increased the hours worked in their temporary job to fill the time that was once filled by study. For many, these jobs helped them meet their financial commitments, maintain leisure and consumption lifestyles and pay the rent while they looked for jobs that they considered to be more appropriate to their newly gained qualifications, although as we noted earlier, engagement with part-time jobs could slow down the process of entry into

Table 3.2: Areas where respondents would be prepared to accept a job and areas where they applied for jobs (%)

<i>All jobseekers</i>	Would accept	Have
	a job	applied for a job
In your home town	80	59
In the West of Scotland	82	69
In other parts of Scotland	62	49
In the North of England	28	15
In other parts of the UK	35	15
In London/South of England	22	15
In another European country	28	5
Outside of Europe	37	10

Figure 3.3: Perceived importance of qualifications in gaining a first post-college job (%)



graduate jobs. As expected, the vast majority of ‘college jobs’ were located in the non-graduate sector of the labour market and these jobs tended to be insecure. Overall, after leaving HE, more than seven in 10 (71%) young people first worked in non-graduate jobs.

“I’m doing full-time hours in the sports shop. I increased my hours when I graduated, but I’m still applying for other jobs.” (Cameron, degree in electronic engineering)

With the first jobs held after graduation being comprised of a mix of ‘college jobs’, new forms of temporary employment and first ‘career’ jobs, in general first post-university and college employment experiences are characterised by instability. Nearly one in two university/college leavers (47%) whose first job was in the non-graduate sector was on a fixed-term contract, as were a third (34%) of those whose first jobs were within the graduate sector. These figures are substantially higher than those reported by the Scottish Executive (2003) in their report on the first destinations of graduates and diplomats (17% of all graduates).

For the minority whose first jobs were in the graduate sector, two thirds (66%) regarded their qualifications as essential in helping them secure their jobs while a further 18% saw them as being of some importance (Figure 3.3). In contrast, of the majority who first worked in the non-graduate sector, one in two regarded their qualifications as being of no importance in

helping them secure their first job while a further 23% thought that their qualifications were not particularly important.

Finding graduate employment

As we saw in Chapter 2, by autumn 2004, HE participants had begun to make significant inroads into the graduate sector. Here we look at the ways in which their latest jobs were secured and at the perceived value of different sources of help and advice. With more than four in 10 employed in graduate careers, we are able to make a distinction between different types of graduate employment and to assess the extent to which different methods and sources of advice are used to enter traditional and modern graduate careers as opposed to new and niche careers.

Methods of finding work

Those who had found employment in traditional and modern graduate jobs were slightly more likely than those in the new and niche graduate sectors and the non-graduate sector to have used institutional resources to find their current jobs. However, the types of institutional resource used differed, with the Jobcentre used more by those entering new and niche graduate employment (Table 3.3). Nearly four in 10 respondents had used proactive methods of securing employment, such as making contact with employers and searching newspapers, the Internet and local adverts with little difference here between those

entering different sectors. Many drew on local contacts to help secure work, with those entering traditional and modern graduate jobs being slightly more likely to use these methods. Respondents also illustrated some of the ways in which work experience, while at college or university, had helped them access jobs.

“I did my work placement in Scottish Life and they offered me a part-time job when I went back to university. I stayed part time until February when a position came up in the HR department. I applied as an internal candidate and was successful.” (Louise, degree in business studies)

While family, friends and workmates were named as useful sources of careers advice by young people employed within each of the sectors, other types of useful advice were linked to the types of jobs entered. For those working in graduate jobs, university or college careers advisors and tutors were particularly important, whereas the careers office and employment service were more commonly named by those working in non-graduate jobs (Table 3.4).

“I got a reference from my lecturer at uni, and I think that helped a lot.” (Jamie, degree in journalism graduate)

Table 3.3: Methods used to find current job, by employment type (%)

	Traditional and modern	New and niche	Non-graduate
<i>Institutional</i>			
Jobcentre	0	8	12
Employment agency	8	8	6
University job fair	0	5	4
Probationary teacher placement	20	0	0
<i>Proactive</i>			
Contacting employers	19	13	17
Newspaper, Internet, local adverts	16	26	21
<i>Contacts</i>			
Friends and relatives	12	23	25
Past job or placement	16	15	9
<i>n</i>	25	39	80

Evidence from the interviews, however, suggested that those who had participated in HE had a rather poor awareness of career planning, had weak career management skills and underestimated the importance of soft skills to graduate employers. Few were able to articulate advanced careers strategies or tell us about ways in which they had developed advanced strategies to sell their skills to employers. Indeed, it can be argued that those who are under pressure financially do not have the time to engage in early career planning.

When asked to assess the importance of a range of factors in helping them secure their current jobs, qualifications, experience and personal contacts were seen as of most importance by HE participants working in traditional and modern graduate jobs, followed by those in new and niche graduate jobs (Table 3.5).

Table 3.4: Useful sources of careers advice, by current job (%)

	Traditional and modern	New and niche	Non-graduate
Employment service	11	11	23
Careers office	4	8	25
University/college careers advisor	41	39	24
Friends	56	58	61
College tutor	44	33	27
Previous employer	26	19	15
Family	67	53	63
Workmates	56	44	47
<i>n</i>	27	37	77

Table 3.5: Perceived importance of various factors in securing current job (% stating very important or essential)

	Traditional and modern	New and niche	Non-graduate
Qualifications	81	61	26
Past experience	62	42	38
Parents or family	19	8	12
Jobcentre	0	8	5
University/college careers service	11	8	4
Employment agency	0	14	9
Personal contacts other than family	23	14	9
<i>n</i>	26	39	80

Table 3.6: Perceived importance of university/college qualifications in helping secure current job (%)

	Traditional and modern	New and niche	Non-graduate
Essential	62	41	15
Of some importance	8	15	15
Not particularly important	17	12	23
Of no importance	12	32	47
<i>n</i>	24	34	74

University qualifications were regarded as essential in securing their current job by more than six in 10 (62%) of those working in traditional and modern graduate jobs, but by just over four in 10 (41%) of those employed in new and niche graduate jobs and by just 15% of those in non-graduate jobs (Table 3.6). Seven in 10 respondents working in non-graduate jobs said that their university or college qualifications were of no importance or no particular importance. However, graduates may not always be aware of the ways in which employers value their skills or qualifications (which can be used as a filter or as a signal relating to attitudes or commitment) and tended not to identify the enhancement of soft skills within HE as a benefit.

In the interviews with young people, a number of examples were provided of the ways in which college and university careers services had helped them to secure work or to focus their job search. Formal careers interviews were often seen as helpful and the information resources that were made available through the careers service were often valued.

“Very helpful, you could book a one-on-one interview which was quite helpful. But if you were totally unsure there were other things. I was along at the careers service and they have got like an A-Z of all employers and I happened to just be flicking through and I found this firm and I had never heard of them in my life but it turned out they were quite a good firm, and all the rest of it. I would never have heard of them if I hadn’t went in and had all this information and they had the application form and everything.” (Erin, degree in commerce and accountancy)

Adjusting aspirations

Careers discussions also led people to lower their sights and helped them to recognise that the professional job that they were aiming towards would only be achievable after they had gained experience in a more junior capacity. This process could often cause resentment and tended to be regarded as a feature of a poor market for graduate jobs rather than part of a standard career trajectory.

“Yeah, for me, I don’t have any hands-on experience in HR, it’s really difficult to get into. I didn’t think when I left university that it was gonna be as difficult as it was. People are looking for experience and if you haven’t got it you either try and get into a graduate training programme or you know, you’re stuck, really. If you went in as an HR administrator or something like that then you could work your way up but I think the problem there is you haven’t got that wee bit of experience, life experience if you like, not just being at uni for four years or whatever.” (Louise, degree in business studies)

“When I started off last year I was applying for, like, high-up HR jobs, HR officers, HR managers. Then it was getting down a wee bit further and now I’m applying for any HR jobs, and I’m even applying for temp jobs. I would leave the job I have now to go and do a HR temp job for a few months, just to get that experience.” (Flora, degree in business studies)

A suggestion put forward by one of the respondents was that the careers service should play a major role in helping students obtain temporary jobs while studying, with a view to helping them obtain the types of experience that would be of use in establishing graduate careers. A partnership with a commercial recruitment agency was suggested and it was argued that some of the junior office positions that graduates moved into on a temporary basis would represent useful pre-graduation experience.

With the increase in the number of graduates, concerns have been expressed about levels of demand for graduate labour and there is

evidence of high levels of graduate under-employment (Aston, 2003). However, as Keep argues, “all recent major studies show individual rates of return [to degrees] to be positive, and to be holding up well despite the expanding supply of graduates” (2004, p 117). Indeed, the belief that the expansion of HE will generate economic returns underpins the government’s commitment to increasing participation and widening access. Estimates of the graduate wage premium vary, but tend to be placed in the 15-25% range. While graduates themselves may not fully appreciate the benefits they derive from their degrees, this may be due to an assumption that qualifications are only of importance when they are able to use ‘hard’, discipline-related skills rather than the ‘soft’ skills that they may not recognise as being a bi-product of their HE. In the new graduate labour market, ‘people skills’ have increased in significance (Thompson et al, 2001) and, in Scotland, employers have reported difficulties in recruiting employees with developed service skills (Futureskills Scotland, 2005).

Aside from educational careers and attainments, employers typically value past experience and, for some careers, direct experience is required in order to secure an offer of employment or to undergo initial training. Young people were aware of the importance of experience and had used a range of strategies to gain useful experience. Voluntary work was significant in this respect with nearly four in 10 females (37%) and one in four males (23%) having worked voluntarily at some stage. Just over one in four (42%) voluntary workers had engaged in such work for altruistic reasons, although the majority had used it as a means of attempting to secure general career advancement (“to put on my CV”, “to gain experience”) or to gain specific career-related advantages (“to gain experience working with children”, “to help me get on to a veterinary course”). However, having experience of voluntary work did not appear to increase the chances of establishment within the graduate labour market and those without experience of voluntary work were actually more likely to be working in graduate jobs in autumn 2004 (32% as compared to 22%).

“I worked as a domestic volunteer in an old folks’ home and that was a benefit. It helped me learn to interact with the public, and especially with the old folks. These days I see a lot of clients with

dementia and that sort of thing and the experience has helped me deal with that.” (Jade, degree in speech therapy)

Conclusion

The entry of university and college leavers into graduate jobs is a drawn-out process. For many, the period immediately after leaving university or college involves working in a routine, temporary job: often a continuation of their last ‘college’ job. There was evidence to suggest that some young people could not afford to be selective in the search for work and many did not feel that their qualifications were particularly important in helping them secure their jobs, even when these jobs were in the graduate sector.

The evidence suggests that, despite their achievements, those who were most disadvantaged faced greatest difficulties on the labour market (see also Pollard et al, 2004). Despite having completed a course of HE, expectations were relatively low. Overall, these relatively disadvantaged young people had wage expectations that were some way below national average starting salaries, with females and those from the most disadvantaged backgrounds having particularly low expectations.

In part, these expectations are likely to be shaped by a knowledge of rates of pay typically paid within their local communities. Most were living in severely deprived areas where unemployment rates are high and where few are paid much above minimum wage rates. Although relatively few directly attributed their disadvantages to class or gender, a substantial minority thought that they were restricted by the area in which they lived or by their accents. Moreover, those from poorer families may lack the contacts that can provide information about graduate job opportunities.

4

Becoming established

Introduction

In Chapter 2 we presented information on respondents' first steps into the labour market and made a preliminary assessment of the extent to which this cohort of young people from relatively disadvantaged families had made inroads into graduate careers. Here we showed that fewer than one in three former students were securely employed in the (broadly defined) graduate sector of the labour market. In this chapter we look in some detail at those factors that affect labour market positions at age 22. Our primary focus is the distinction between those who had entered secure and insecure graduate employment and those currently occupying the non-graduate or marginal positions.¹⁰

With respondents having left HE at different stages, it is premature to suggest that the distinction between these positions provides a good measure of returns from HE. However, at this stage we are able to make a preliminary assessment of the extent to which respondents' apparent inability to penetrate secure graduate positions is a function of their recent completion of HE or, conversely, can be linked to lacklustre educational careers or to socioeconomic disadvantages. We are also able to make some predictions about the potential benefits of HE participation.

Routes to the secure graduate zone

What is it that determines whether those with experience of HE enter secure graduate employment, insecure graduate employment or non-graduate or marginal positions? Among our respondents there is obviously a time factor: some have been in the labour market for a lot longer than others and have managed to manoeuvre themselves into relatively secure graduate employment. But it is more complex than that. Those who have been in the labour market longest tend to have the poorest HE qualifications: HNCs, HNDs and Ordinary degrees. Those who have only just entered the labour market have frequently followed protracted routes into or through HE, perhaps taking extra time to gain entry qualifications or, more frequently, taking time out during their course or being forced to repeat a year due to poor performance. In any case, new entrants need time to establish positions. It is those who have been in the labour market for about 16 months (leaving university in 2003) who are most likely to have moved steadily through university and to have left with an honours degree, although of course some 2003 leavers have followed indirect routes and have lesser qualifications.

We must also recognise that in some occupations, insecurity of young graduates is a central and largely accepted part of the structure of early careers. In teaching, following the now guaranteed year-long probationary placement, it is not uncommon for newly qualified teachers to build up experience through taking on 'supply' work. The same is true in a number of other occupations where graduates need to get some experience to increase their chances of secure graduate careers. There is also an extent to which

¹⁰ While it would have been interesting to explore the distinction between those in non-graduate jobs and those in marginal positions, the low number in the marginal zone ($n=23$) prevents such a strategy.

new graduates are drawn towards non-graduate occupations as a way of building up experience in a particular field before taking postgraduate courses. Aspiring social workers, for example, often find the need to work in unskilled roles in caring environments prior to being accepted on a course in social work. Similarly, pre-course classroom experience (usually acquired by working as a classroom assistant) is often required for entry to postgraduate teaching diplomas.

The chances of HE participants having entered secure graduate positions by age 22 were strongly affected by their educational experiences and attainments. Very few of those who obtained a qualification below the level of a degree had entered secure graduate jobs (11%) with nearly eight in 10 (78%) with such qualifications working in non-graduate or marginal sectors (Appendix, Table A.4). Just over four in 10 of those who completed a degree in 2002 or earlier (being mainly comprised of holders of Ordinary degrees) or in 2003 (a group dominated by those who had completed an honours degree without taking time out or repeating a year) had found secure graduate work, although a higher proportion of the former group were in non-graduate and marginal employment. Less than one in four (23%) recent (2004) graduates were working in secure graduate employment although one in five (20%) were in insecure graduate employment, which, for some, will represent a stage on the journey to stable graduate employment. Three quarters of those who had repeated a year were located in the non-graduate or marginal zones.

Levels of higher educational attainment also had an impact on patterns of employment at age 22. Those with the strongest degree attainments were most likely to have entered secure graduate positions while those with HNCs/HNDs and Ordinary and third class honours degrees were over-represented in the non-graduate and marginal zones. Subjects studied also made a difference with relatively few graduates in the arts, humanities and social sciences being employed in secure graduate jobs (11%). In contrast, nearly four in 10 (39%) young people who had studied medical and related subjects were employed in secure graduate positions.

While the institution that young people attended is likely to have an impact on employment

outcomes, the relationship is complicated by the fact that vocational subjects are more likely to be taken in newer universities and FE colleges (many of whom do not take subjects to degree level). Nevertheless, those who studied in pre-1992 universities were most likely to be employed in secure graduate positions while a relatively high proportion of the graduates of Russell Group universities were in insecure graduate employment.

Although the superimposition of levels of security on types of employment tends to provide a rather dismal portrayal of the employment experiences of students from less advantaged families, it is important to recognise the temporary nature of some graduate employment. If graduate insecurity is as a temporary phase linked to the development of experience and the establishment of careers, then around 40% of those who have experienced HE and entered the labour market may well gain value from their degrees in the short- to medium-term future. Indeed, of those emerging from the most prestigious institutions or gaining strong honours degrees, 50-60% are employed in what can broadly be defined as graduate jobs and it would not be unreasonable to conclude that most of these will remain in graduate employment. At the other end of the scale, among those who attended new universities or who obtained third class or Ordinary degrees, the number who have made an entry to the graduate labour market stands at closer to the 40% mark.

Although it is difficult to find directly comparable statistics, these findings do suggest that graduates from less advantaged families are not receiving the sorts of benefits we would hope for from HE. While, overall, 39% of the members of this sample who participated in HE had entered broadly defined graduate employment by autumn 2004 (having been in the labour market between six and 40 months), statistics compiled by Higher Education Statistics Authority in December 2004 (HESA, 2005) showed that 38% of students who had entered the labour market were in non-graduate employment six months after completing their degrees. In other words, these less-advantaged graduates are making rather slow inroads into the graduate labour market.

“I researched it all before I started. When you look on the Internet, it shows you that the grade I’m on, grade two, is the

lowest grade. It shows you quite plainly in a wee diagram, which says that you can do this and that and then go into management or become a tax inspector. It shows you the pay scales and everything, all the different training you do. I thought that it sounded brilliant. It wasn't until I started that the guy that I worked with told me that I had to stay in this job for a year before I can go and do any of them.” (Flora, degree in business studies)

Not only do socioeconomic disadvantages have an impact on patterns of entry to HE and experiences within HE, there is also an association between some indicators of disadvantage and labour market positions at age 22 (Table 4.1). Those from single-parent households, for example, were significantly under-represented in secure graduate employment, as were those from the lower working classes and the professional and managerial classes. (With a high proportion of the latter group employed in insecure forms of graduate employment, they are in fact slightly *under-represented* in non-graduate and marginal zones of employment.) There was no apparent effect of area disadvantage on patterns of employment at age 22.

If we turn to look at the specific occupations entered by HE participants (Figure 4.1), two things become clear. First, there are some graduate occupations in which a substantial proportion of employees are in insecure positions

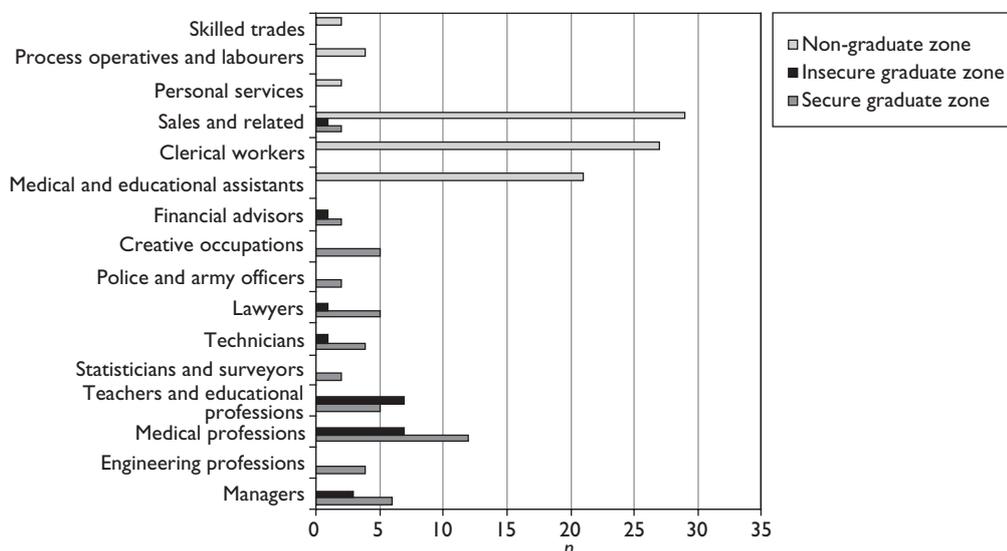
Table 4.1: Socioeconomic disadvantage and forms of employment (%)

	Secure graduate jobs	Insecure graduate jobs	Non-graduate and marginal zones
Deprat ^a 5-7	28	11	61
SIP ^b	25	5	70
Argyll	19	17	63
Single parent	11	16	73
Father HE	37	26	37
Mother HE	22	26	52
Lower working class	24	10	67
Upper working class	37	8	55
Professional and managerial	23	19	58
<i>n</i>	48	27	107

Notes: ^a Deprat = postcode-based deprivation indicator. ^b SIP = Social Inclusion Partnership area used in Scotland as an area-based indicator of deprivation.

(a majority among teaching and educational professions). Second, among those in non-graduate forms of employment, more than three in 10 work in clerical occupations, some of which may occupy the lower rungs of a career ladder. A quarter of employees in the non-graduate sector work as assistants in medical and educational settings, some of whom will be gaining experience before attempting to enter graduate sectors. This suggests that the number of respondents who benefit from their HE by moving into graduate employment will continue

Figure 4.1: Occupational distribution of 22-year-olds with experience of HE (n)



to increase in the short to medium term, although it is likely that some will need to undertake further study before receiving such benefits.

Within each of the sectors of employment, a strong majority of young people were receiving training, although many of those in insecure graduate employment and non-graduate employment were only receiving informal on-the-job training (Table 4.2). The majority of young people in secure graduate jobs were receiving formal training with nearly one in four (23%) attending a college or external training centre. Despite the fact that many young people who were working in non-graduate jobs were trying to gain entry to the graduate sectors, only one in 10 were receiving off-the-premises training. However, overall the levels of training being received do provide an indicator of quality showing, for example, that irrespective of the type of job in question, relatively few received no training.

Subjective pay-offs

Returns to individuals from participation are not limited to those that can be identified by studying patterns of job entry. Work can provide a range of benefits that bring no obvious economic reward. In this section we look at individuals' perception of the benefits derived from their employment and examine the extent to which these perceived benefits are linked to different types of employment.

Table 4.2: Type of training received in current job (%)

	Secure graduate jobs	Insecure graduate jobs	Marginal and non-graduate zones
No training	8	12	6
Informal on-the-job training	22	41	55
A formal programme of training on employer's premises	47	29	30
Training at an external training centre	17	18	10
Training at college	6	0	0
<i>n</i>	36	17	71

The vast majority of young people who were working in graduate jobs in autumn 2004 accepted their current job as they thought that the work would be interesting and challenging and that it would lead to an enhancement of their future career prospects: feelings that were shared by far fewer of those working in non-graduate jobs (Table 4.3). Opportunities for training and development were also valued by a strong majority of those in graduate employment, as were promotion prospects. While the financial package was valued by nearly six in 10 secure graduate employees, only around three in 10 employees in insecure graduate employment and in non-graduate jobs regarded pay as very important or essential. Predictably, long-term security was highlighted as important by more of those working in secure graduate jobs than in insecure graduate or non-graduate jobs.

Those who were working in graduate jobs tended to regard their jobs in a very positive light. The vast majority said that it was exactly what they wanted, that it provided opportunities for career progression and would help them broaden their experiences. Many also said that it was the best job on offer and that it allowed them to see whether this was the type of work they would like to do (Table 4.4). Many of those working in non-graduate jobs were also able to highlight positive aspects of their jobs: a majority thought that the job would help them broaden their experiences and would allow them to see

Table 4.3: Perceived importance of various factors in decision to accept current job (% stating very important or essential)

	Secure graduate jobs	Insecure graduate jobs	Non-graduate jobs
Interesting and challenging work	81	86	41
Training and development	70	81	57
Enhanced future career prospects	86	86	56
Promotion opportunities	61	67	44
International travel	16	10	4
Financial package	59	33	28
Location	70	52	43
Related to degree course	59	65	12
Long-term security	77	57	39
Work colleagues	59	52	41
Organisational reputation	61	67	35
<i>n</i>	44	21	81

Table 4.4: Attitudes toward current job (% strongly agree and agree)

	Secure graduate jobs	Insecure graduate jobs	Non-graduate jobs
This job is exactly what I wanted	77	90	36
This was the best job on offer	82	62	72
This was the only job on offer	14	19	32
It provides me with opportunities for career progression	95	90	69
It will help me gain experience for the job I really want	68	71	41
It is allowing me to see whether I would like to do this type of work	75	71	69
It was the first thing that turned up	14	14	47
It is helping me broaden my experiences	95	86	78
It is helping me pay off my student debts	64	52	48
It is better than being unemployed	89	81	88
<i>n</i>	44	21	81

whether it was the sort of work they would like to do in the future. However, relatively few said that the job was exactly the sort of thing they wanted to do, and a majority said that it was the best on offer.

The vast majority of those working in graduate jobs were learning new things at work, exercising considerable autonomy at work, being provided with the opportunity to use and develop skills and experiencing reasonable task variety (Table 4.5). While those in non-graduate jobs were less likely to have such autonomy, variety and had fewer opportunities for skill development, their jobs were not devoid of such opportunities and it was clear that they were able to derive a range of benefits from their jobs.

Conclusion

While a cursory look at transitions from HE to employment leads to the conclusion that a minority of less than three in 10 manage to enter the sorts of jobs that most graduates would hope to secure, more detailed analysis leads us to increase these estimates. It is clear that job insecurity is an established phase in the early career structure of many graduate jobs, including some of the most prestigious in fields such as law and medicine. In this context we have to conclude that many of those occupying insecure graduate jobs will eventually obtain permanent tenure. Such an assumption would mean that nearly four in 10 respondents will eventually hold relatively secure graduate jobs. It is impossible to estimate how many of the respondents currently in non-graduate jobs will also manage to secure graduate careers. It is likely that a significant proportion of those working as medical and

Table 4.5: Thinking about your current job, how strongly do you agree or disagree with the following statements? (% strongly agree and agree)

	Secure graduate jobs	Insecure graduate jobs	Non-graduate jobs
My job requires that I learn new things	98	100	81
My job requires me to be creative	73	90	66
My job allows me to make a lot of decisions on my own	93	100	67
My job requires a high level of skill	91	100	47
I get a variety of different things to do in my job	94	95	81
I have a lot to say about what happens in my job	73	81	45
I have an opportunity to develop my own special abilities	86	90	60
<i>n</i>	44	21	81

educational assistants will eventually make inroads into graduate careers; the same is also true of those in clerical occupations. Many of those working in jobs such as sales and personal services may regard their positions as temporary, and some will undoubtedly find a type of job that they will find preferable.

While we must take a longer-term perspective on pay-offs, from the information we have there is no point in even speculating further about the numbers who will eventually establish graduate careers. Yet even using the term 'graduate career' in the broadest sense possible we are not properly assessing the potential benefits of HE. Some who remain in 'non-graduate' jobs will eventually secure promotion to managerial positions perhaps helped, in part, by skills developed in HE. Research shows that even in non-graduate jobs, those who have degrees tend to be paid more (*The Guardian*, 14 October, 2003).

In common with other research, the evidence presented here leads to the clear conclusion that labour market positions of graduates in their early twenties are strongly affected by educational factors such as class of degree, subject of degree and institution attended (Conlon and Chevalier, 2002; Naylor et al, 2002). This not to suggest that patterns of entry into graduate careers are meritocratic; those who are particularly disadvantaged are less likely to have obtained graduate jobs.

While inequalities associated with class and gender make a difference, there are clearly benefits to be derived from wider access policies. Brennan and Shah (2003) suggest that, notwithstanding inequalities pertaining to admission and destination, the 'vast majority' derive considerable benefits from HE. Indeed, the evidence suggests that up to 70% of working-class graduates work in jobs that they would not have secured without having experienced HE. Similarly, Elias and Purcell (2004) conclude that HE is a profitable path for the vast majority of potential participants.

5

Reflecting on the process

Introduction

In the previous chapter we suggested that there is evidence to sustain a view that a majority of our respondents will eventually derive career benefits from their investment in HE, even though early careers are clearly affected by socioeconomic positions. In this context, it is important to examine the extent to which the young people regard the experience as being worthwhile and feel satisfied with their lives and career progress. With post-HE careers being at very different stages, it is likely that current outcomes will colour evaluations and that any negativity may diminish as young people make inroads into graduate careers. Yet decisions about further study may be affected by early evaluations and it is perhaps also important for participants to recognise some of the ways they have benefited from HE if they are to be able to 'sell' themselves effectively to graduate employers.

In this chapter we focus on perceived returns from HE through the subjective evaluations of participants. Here we are particularly interested in whether the more disadvantaged young people are as likely as the more privileged to regard the process as being worthwhile.

Taking stock

At age 22, the vast majority of males (74%) and females (80%) expressed satisfaction with the way in which their career or education was progressing, with around three in 10 (29% of males and 33% of females) saying that they were extremely satisfied (Figure 5.1). At the other end of the scale, just 5% of males and 1% were extremely dissatisfied. Young people from the lower working classes tended to be less satisfied than their peers from more advantaged socioeconomic backgrounds. Although nearly

Figure 5.1: Satisfaction with progress of career (%)

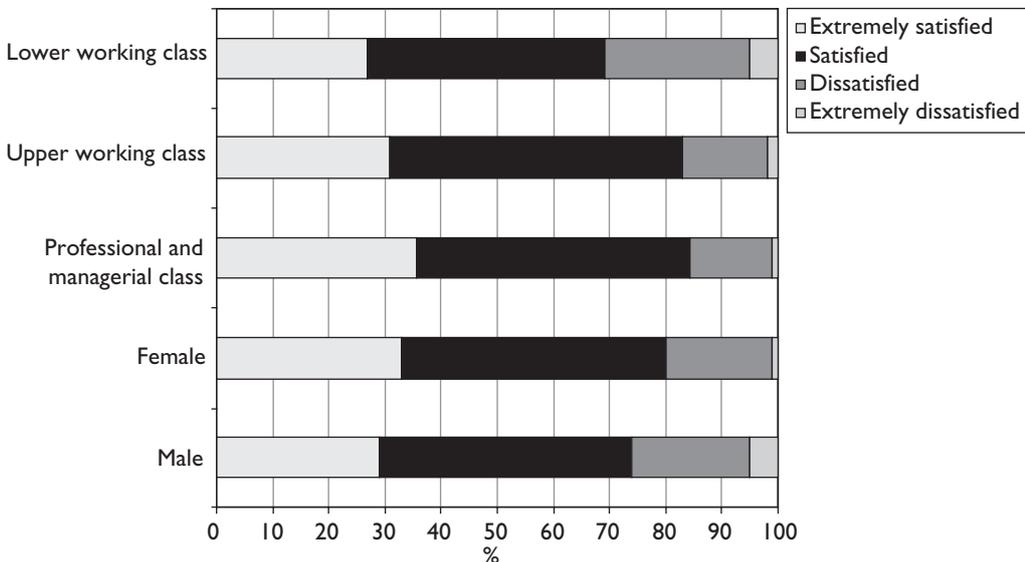


Figure 5.2: Satisfaction with progress of career, by current status (%)

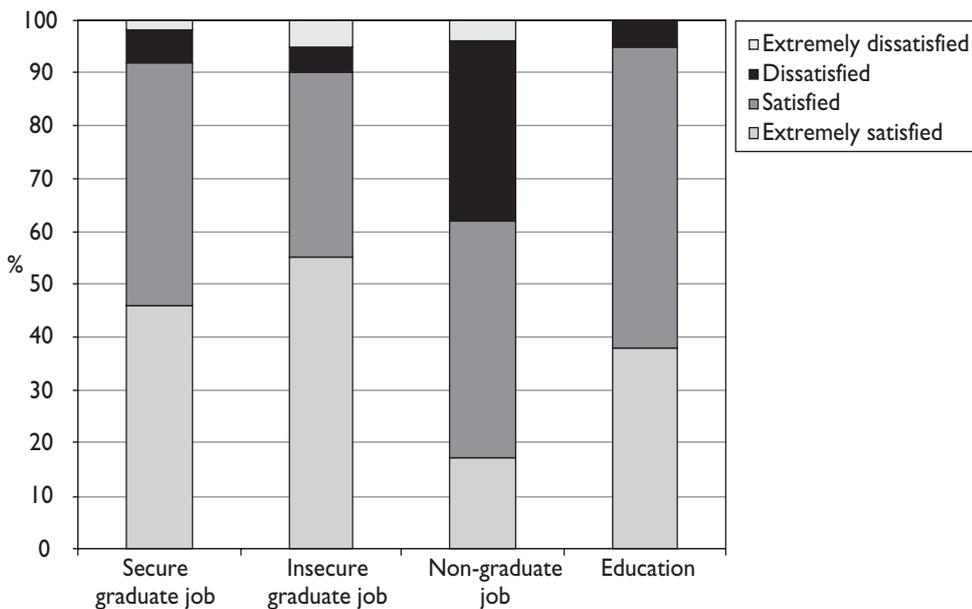
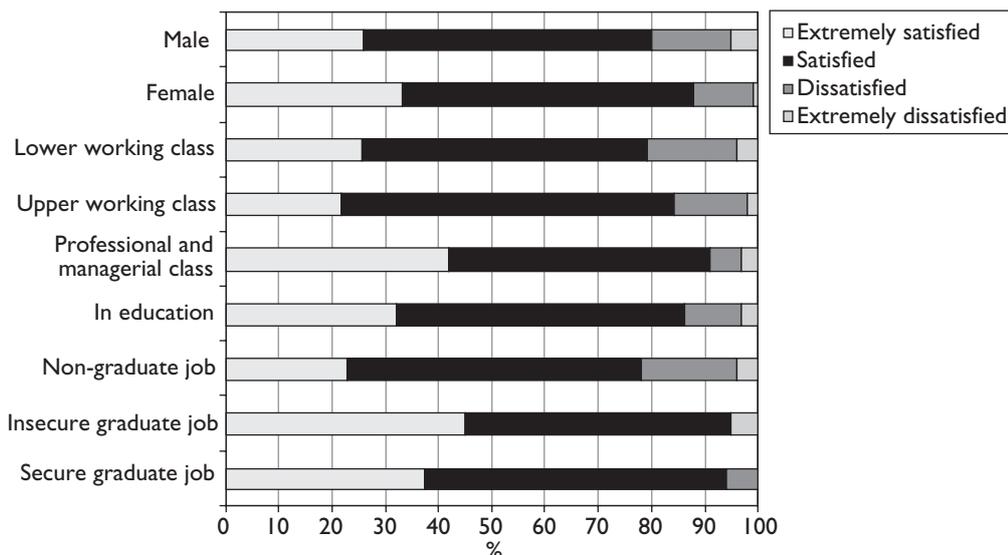


Figure 5.3: Satisfaction with life in general (%)



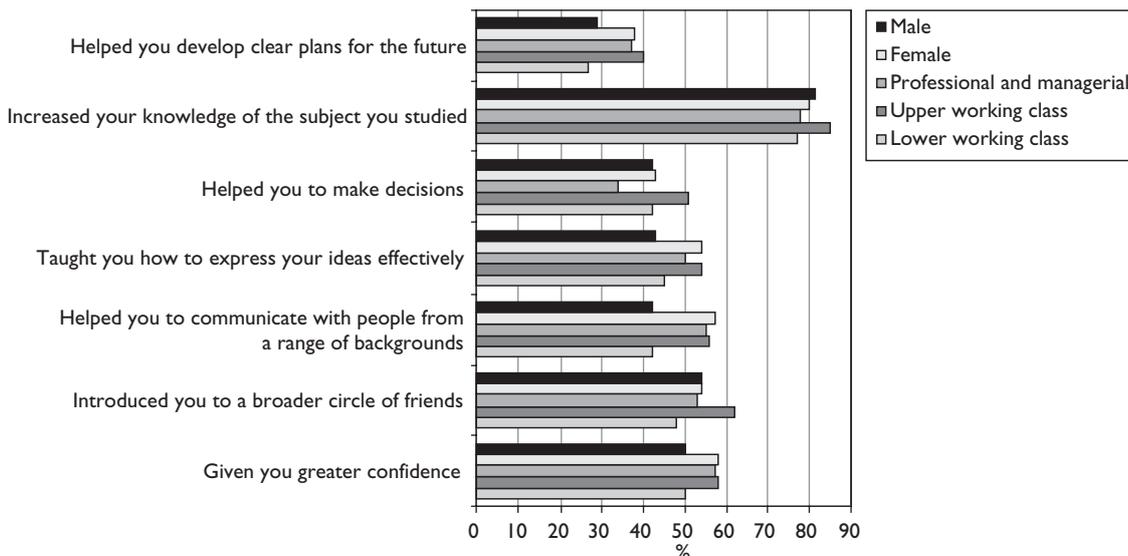
seven in 10 young people from lower working-class families were satisfied with the progress of their careers, 31% were dissatisfied. This compares to less than one in five in the more advantaged classes (16% in the professional and managerial classes and 17% in the upper working classes).

The extent to which young people felt satisfied with their career progress also related to their current position. Where HE participation had led to graduate employment, or where respondents were still pursuing an educational career, the overwhelming majority felt satisfied with the progress of their careers to date (Figure 5.2). The same was true of those occupying insecure graduate jobs. However, those who occupied

non-graduate jobs or marginal labour market positions were far less likely to express satisfaction: indeed, nearly four in 10 (38%) were dissatisfied.

A similar picture emerges in terms of the level of satisfaction respondents expressed with their lives in general, although the proportions expressing dissatisfaction were somewhat lower, especially among those in non-graduate positions (Figure 5.3). This perhaps points towards the existence of a small group who are not currently career focused and are deriving satisfaction through the pursuit of other interests. Levels of satisfaction tended to be higher among females than males and highest among those from the most advantaged social classes.

Figure 5.4: To what extent have your experiences at college or university ... (%)



Reflecting on the ways in which they had gained from their experiences at college or university, some significant variations emerged. Females were more likely than males to think that they had gained in confidence, had become more able to communicate with people from a range of backgrounds and to have developed clear plans for the future (Figure 5.4). There were no areas in which males were significantly more likely to claim gains. Those from the lower working classes tended to have gained less from their experiences than those from more advantaged socioeconomic classes and were particularly sceptical about having learnt to develop clear plans for the future. Indeed, through the interviews it became clear that disadvantaged students tended to have poor career management skills, not because of a lack of effort or determination, but simply because they were not sure how to go about establishing and developing careers. The only area in which those from the lower working classes claimed to have gained more than the other classes was in terms of an increased ability to make decisions. Relative to those from the professional and managerial classes, those from the upper working classes also increased their ability to make decisions and, more than any other group, thought that the experience had brought them into contact with a broader circle of friends.

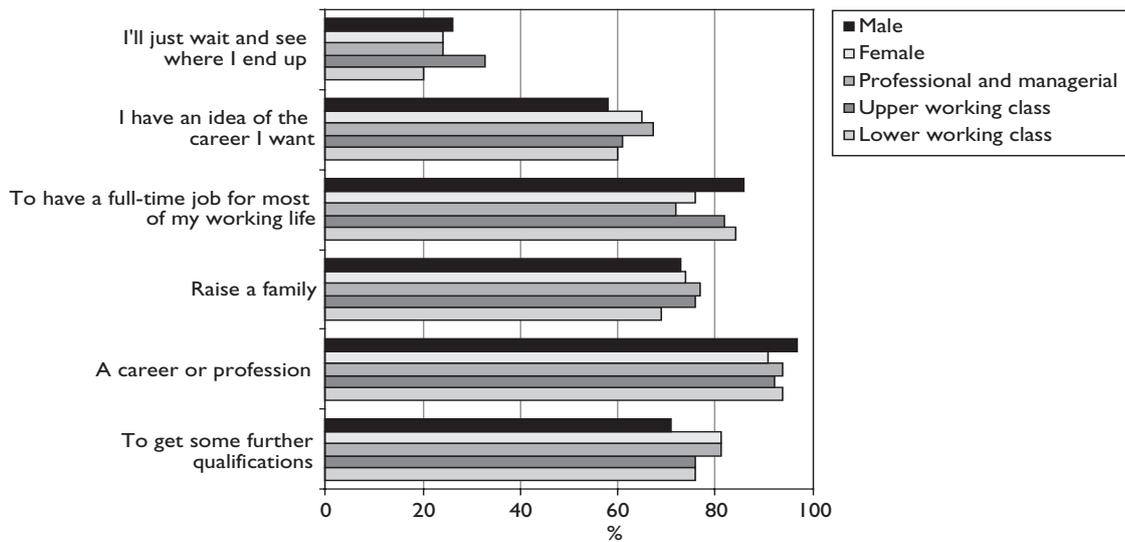
A strong majority of respondents agreed that they would like to study for further qualifications and that having a career or profession was important to them: females were more predisposed to

further study while males were slightly more orientated towards a career (although career commitment was shared by over nine in 10 males and females) (Figure 5.5). Raising a family was equally important to males and females although females were slightly less inclined to say that they would like a full-time job for most of their adult lives. Around six in 10 felt that they had a clear idea of the career they wanted, although around one in four said that they would just wait and see where they ended up. There was some variation in attitudes towards the future by those from different social classes. Those from the working classes were slightly less inclined to want to obtain further qualifications while those from the professional and managerial classes were less likely to want a full-time job for most of their working lives. Working-class respondents were less likely to have a clear idea of the career that they would like.

Conclusion

In this chapter we have focused on young people's evaluations of their career progress. While the examination of early careers had led to the conclusion that young people, especially those who were most disadvantaged, were making very slow inroads into graduate careers, the respondents themselves were much more positive about career progress and the vast majority were satisfied with their lives in general. Levels of satisfaction, however, were affected by actual progress and those from more

Figure 5.5: What would you like to do in the future? (%)



disadvantaged socioeconomic groups and those yet to enter graduate careers were less likely to be satisfied with career progress and with their lives in general.

Asked to consider some of the ways in which they had benefited from their experience of HE, in general those from the less advantaged socioeconomic groups seemed to have made fewer gains. They were less likely to have developed clear plans, to have gained in confidence or to have broadened their social circles. Indeed, the less advantaged students tended to have quite poorly developed career management skills and often had little idea how to establish themselves in the labour market after leaving HE.

6

Calculating the costs

Introduction

The debate about widening access to HE has revolved closely around issues of debt and affordability. All new proposals for financing study have included measures aimed at ensuring that able young people from less advantaged families are not deterred from advanced study on the basis of affordability. In Scotland, the abolition of up-front fees came about as a result of fears that poorer students were turning away from HE as a result of fears about debt (even though the most disadvantaged were usually exempt). In England and Wales, the move towards 'top-up' fees has only been permitted on the condition that universities provide packages of financial aid to less well-off students and this is to be enforced by an 'access regulator'.

The young people who participated in this study did so at a time when financial provision was undergoing review and change. The 'Cubie Report' on student finance (Independent Committee of Inquiry into Student Finance, 1999) was being undertaken at a parallel stage to the early part of the first report in this series. The changes that were implemented as a result of Cubie were introduced one year too late to affect members of the sample who progressed directly from school to HE. Those who were not exempt on the grounds of family income had to pay up-front fees, and the grant that was subsequently introduced did not apply to students who were already at college or university. As such, this particular cohort of students was subject to a funding regime that was very similar to that implemented in England and Wales.

At the time of writing, student finance is still controversial and the future is uncertain. In England and Wales, 'top-up' fees will be

introduced, at first with a £3,000 a year ceiling and with universities providing bursaries for less well-off students. The generosity of individual universities will be mixed and while some will provide large bursaries to a small number of students, others will provide a large number of students with relatively small financial packages. In Scotland there has been resistance to the idea of 'top-up' fees, but, as yet, no proposals to introduce new ways of dismantling the financial barriers that prevent young people from disadvantaged families from fulfilling their educational potential.

The issue of finance and debt has been covered extensively in the two earlier reports and this is not the place to return to a discussion of the ways in which financial barriers affect the access of less advantaged students to HE or their experiences within it. It is, however, appropriate to examine patterns of debt accumulation and to look at the attitudes of participants to the debt they have built up. These issues are explored in this chapter.

Debt

The fear of debt had an impact on the young people's choices of course and college and on their experience of HE. We noted in the first report that perceived affordability was an issue that was at the heart of decisions about which courses and institutions students would attend. It meant that some took time out to save money before starting university, others took bus fares into account when making decisions about which university to attend. The majority worked long hours to sustain their studies and virtually all left, as they anticipated, with significant debts. Student debt is an emotive subject, but the justification

put forward by the government for charging students is linked to the belief that students attract a working-life wage premium that more than compensates for these initial financial outlays. Moreover, low-interest loans and the deferment of repayments until a reasonable wage threshold is reached were introduced to ensure that HE was ultimately affordable to all. Essentially, funding is seen as an equity issue; why should the state cover the cost of something that provides financial benefits to one group (HE participants) while everyone else (non-participants) is effectively required to subsidise their benefits through taxation. The argument is misleading: if HE leads to higher lifetime earnings (which, in general, it does) then the beneficiaries should end up paying personal and indirect taxes in direct proportion to the derived benefits. The process is unjust because it is underpinned by an assumption that all participants are able to exploit their degrees for similar financial benefits. The introduction of ‘top-up’ fees is a partial recognition that places on certain courses at particular institutions are in high demand precisely because students and their parents recognise the huge variation in likely pay-offs.

“I feel quite strongly about being charged to go to university, I don’t think it’s right. If I ever did win any sort of money I would never pay off the loan as a lump sum, I would just pay as I do now because I think it’s a shambles really. But it’s just something you need to put up with, that’s the way you need to do it if you want an education.” (Ben, degree in journalism)

Debates about student funding have been heated. Universities are under-funded, yet the government has not been prepared to cover the shortfalls (which are partly a consequence of the commitment to expanding student numbers) out of general taxation or even through a system where additional costs are shared in proportion to benefits gained (as would be the case with a

‘graduate tax’). Evidence from this study, however, suggests that those who are most disadvantaged are made to share a greater portion of the costs. In other words, current policies are an inversion of the principles of social justice.

“That’s nearly £14,500 that I owe and I haven’t even started to think about paying it off yet. And I know people who have graduated with £19,000 worth of debt. I mean I was lucky because I had a scholarship bursary from the Robertson Trust so that helped out a lot over the course of the four years. It kept the cost down.” (Jason, degree in computer science)

Although there are no plans to introduce ‘top-up’ fees in Scotland, it already costs students more to attend the most prestigious universities. Respondents who had attended Russell Group universities had a total average debt in 2004 of £14,540: £2,608 more than those who had attended a pre-1992 university and £2,900 more than those who attended a new university (Table 6.1). Cost variation can be attributed to a range of sources: elite institutions may not be as inclined to develop ‘work-friendly’ timetabling to facilitate access to part-time jobs; accommodation costs may be greater and socialising with more affluent peers is likely to increase overall costs. Degree students at the less prestigious universities are also more likely to leave with an Ordinary rather than an honours degree which typically reduces study time by a year.

Students from professional and managerial families, on average, complete their courses with smaller overall debts than those from working-class families. Whereas those from professional and managerial classes had a mean debt of £8,701 in 2004, those from the lower working classes owed £11,406 (Table 6.2). Moreover, working-class students owed a smaller proportion of the debt to family and friends (which may be

Table 6.1: Average debt, by type of college or university attended

	Student loans	Family	Bank and credit cards	Total
Russell Group university	£9,833	£1,711	£2,996	£14,540
Pre-1992 university	£9,804	£376	£1,750	£11,932
New university	£9,175	£287	£2,178	£11,640
FE	£5,918	£303	£1,790	£8,011

written off) and a much higher proportion to banks in the form of personal loans, overdrafts or credit card debt (which will incur commercial interest rates and which tend not to offer either deferred payment or low interest rates). The maximum amount owed by a young person from a lower working-class family to the bank was £15,000 compared to a maximum of £9,000 for a young person from the professional and managerial classes. These maximums were reversed when it came to debt to the family: £30,000 for a young person from the professional and managerial classes (of which a sum was lent to cover a mortgage deposit) and £11,500 to someone from the lower working classes. A similar picture emerges in relation to specific disadvantaged groups. Total debt was greatest among those who lived in SIP areas, for example, and for those from single-parent families.

Similar conclusions about the distribution of debt emerged from the most recent Student Income and Expenditure Survey (Callender and Wilkinson, 2004). Here it was shown that students from the lowest social classes were most likely to take out maximum student loans while those from the highest social classes and attending the elite universities were most likely to benefit from parental generosity.

In previous chapters we have shown that in terms of post-HE experiences those who were most disadvantaged and those who followed courses at the least prestigious institutions had, by autumn 2004, secured the least positive outcomes. Yet it is precisely these groups who have emerged from HE with the greatest debts. In other words, those who gain least from HE are being asked to contribute most towards their education in both relative and absolute terms.

“I don’t think it’s correct that somebody from my sort of background are given the same as people whose parents support them in full. There’s people earning half a million and their children are getting the same loan but they don’t even pay for them, it’s just I don’t agree with the figures.” (Rory, degree in physics)

With the less advantaged having greatest debts and securing the least desirable outcomes, they also tend to expect to take the longest to pay off their debts. Those in secure graduate jobs and insecure graduate jobs were expecting to take 7.9 and 7.1 years, respectively, to clear their debts (in both cases, the maximum expected time was 20 years). Those in non-graduate jobs expected to pay off their debts in nine years on average (maximum of 30 years).

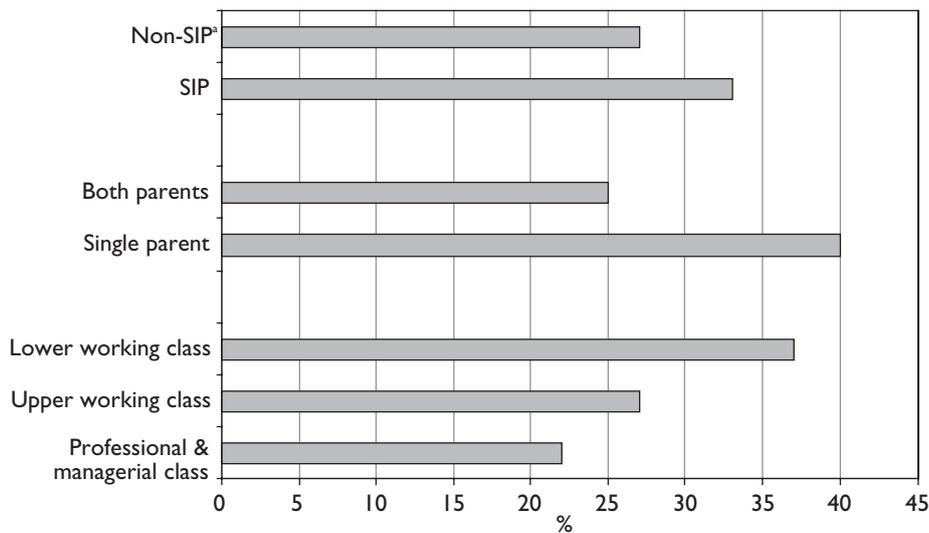
Those who were most disadvantaged were most likely to say that concern about debt had been a major factor in decisions about the stage at which they completed their education. Those from the lower working classes, for example, were more likely to regard debt as a major factor affecting educational decisions than those from the working classes, and those from single-parent families or living in SIP areas also showed an increased tendency to regard worries about debt as having had a significant impact on decisions (Figure 6.1).

Table 6.2: Average debt, by selected deprivation indicators

	Student loans	Family	Bank and credit cards	Total
Professional and managerial classes	£7,740	£955	£1,716	£8,701
Upper working class	£8,072	£179	£1,904	£10,155
Lower working class	£8,401	£470	£2,535	£11,406
SIP ^a	£9,061	£694	£2,172	£11,927
Non-SIP	£7,597	£427	£2,051	£10,077
Single parent	£8,670	£227	£2,626	£11,523
Both parents	£7,870	£640	£1,844	£10,354

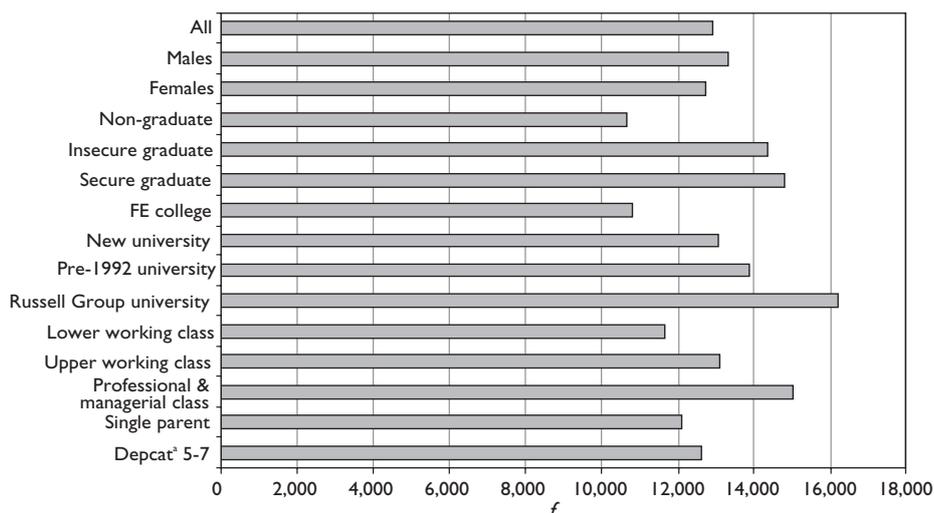
Note: ^aSIP = Social Inclusion Partnership area used in Scotland as an area-based indicator of deprivation.

Figure 6.1: Respondents whose concerns about debt had a major impact on educational decisions (%)



Note: ^aSIP = Social Inclusion Partnership area used in Scotland as an area-based indicator of deprivation.

Figure 6.2: Current average wage of full-time workers



Notes: ^a Deprat = postcode-based deprivation indicator

Financial returns

While debt has dogged the educational experiences of students from less-advantaged families, wages received following HE may compensate and alleviate earlier concerns about the impact of debt on the lives of young graduates. Yet in autumn 2004, the earnings of those with HE experience who were working 35 hours or more per week were some way below national average starting salaries: males earned an average of £13,222 while females earned £12,698 (Figure 6.2). Those in traditional and modern and new and niche graduate occupations earned similar amounts (£14,661 and £14,629

respectively), while those in non-graduate jobs earned an average of £10,637. In Chapter 3 we noted that in 2003 the average salaries of graduates from Strathclyde University, six months after graduating and who were working in Scotland, were £17,622 for males and £15,724 for females (University of Strathclyde, 2004).

Average wages were affected by patterns of socioeconomic disadvantage: those from the lower working classes earned £3,400 less than those from the professional and managerial classes and those from single-parent families or living in areas of severe deprivation earned significantly less than the average. These wage

variations were strongly affected by educational experiences: those who had attended Russell Group universities earned an average of £16,241 compared to £10,781 among those educated at FE colleges.

Conclusion

A commitment to widening access to HE is part of a social justice agenda that currently enjoys widespread political support. Yet without well-thought-out funding arrangements, these commitments are mere rhetoric. In this chapter we have shown that the inequalities in HE outcomes observed in previous chapters are underpinned by another powerful injustice: those who can least afford to pay and those who gain the least from HE end up paying more, in absolute and relative terms, for their education. The debts of the disadvantaged are also more heavily skewed towards higher interest forms of borrowing and to the types of loan that need to be serviced in the short term. In the absence of significant financial support from the family, this results in a pressing need to take the first job that comes along and reduces the opportunity to focus exclusively on the search for graduate careers or to develop the sorts of career management skills that will help them to move into the sorts of jobs where they are able to repay educational debts.

Was it all worthwhile?

This report has focused on a third study of a cohort of relatively disadvantaged young people who were positioned to enter higher education in 1999. In the first report (Forsyth and Furlong, 2000) we highlighted barriers to equitable access to HE and argued that, partly on the basis of relatively poor qualifications but also as a direct result of a lack of resources, those who were most disadvantaged tended to be over-represented on vocationally orientated courses in the less prestigious institutions. In the second report (Forsyth and Furlong, 2003) we focused on the experiences of these same young people in further and higher education, highlighting their difficulties in managing their lives on limited incomes, juggling study and long working hours and fitting in with other students from more advantaged families. Here we noted that progression tended to be slower for those who were most disadvantaged.

In the current report we have attempted to bring the story to a close by focusing on the transition from college and university to employment. The vast majority of these respondents had experience of HE, although not all entered into it straight from school in 1999. Movement through HE, especially for the most disadvantaged, tended to be somewhat fragmented with students taking time out, changing courses or being forced to repeat years due to failing exams. As such, while some of our respondents had left HE some time ago and begun to establish themselves in graduate careers, others had left college or university more recently and were still trying to enter secure graduate employment. In this context it is clear that we have a very partial picture of outcomes. That said, the main question that needs asking relates to whether the experience of HE was worthwhile for young people from less advantaged families. Were there premiums to be gained from the time, expense

and effort of prolonged study and, ultimately, is the strategy of widening access one that will benefit the least advantaged members of the community?

To begin to answer this question we must first remind ourselves that access to HE is not organised on an equitable basis; those who are most disadvantaged face a range of barriers to access and tend to be over-represented in the least prestigious institutions and on those courses that have strong vocational links. Experience of HE is also differentiated on the basis of social background: in short, working-class students often struggle to fit in with their more advantaged peers, have to spend longer hours working and, partly as a consequence, are more likely to follow non-linear routes through HE. Leaving the less desirable institutions with poorer qualifications, it is almost inevitable that the least advantaged will encounter greatest difficulties on the labour market. But the admission that the persistent inequalities of class will impact on labour market outcomes does not mean that participation is a waste of time or that wider access policies are doomed to failure.

Although non-traditional students are known to be less likely to complete their degrees and diplomas, and while routes may not be direct, all in all participation paid off for the majority insofar as more than eight in 10 participants gained qualifications and more than half had degrees by the age of 22. It is true that those who were particularly disadvantaged were marginally less likely to come away with degrees, but almost half of those from the lower working classes did so. Having survived the experience, however, those who came away with degrees were still not competing on a level playing field with their more affluent peers: they were less likely to hold

a 'good' honours degree and could be restricted by having attended a less prestigious institution.

Some of these difficulties can be linked to their educational attainments prior to entering HE. In the main, the disadvantaged entered the less prestigious institutions because they left school with relatively poor qualifications. This is a hurdle that is difficult to overcome. When secondary schools are streamed, for example, provision is usually made to facilitate mobility where this is deemed appropriate on the basis of performance (even if levels of fluidity tend to be low). The stratification of HE is organised so that movement from a less prestigious to an elite institution is extremely difficult. Institutional barriers are reinforced by financial barriers: as we have noted, the student who completes a two-year HND at a college or new university is likely to be able to progress to a degree in the same type of institution if they are prepared to put in an extra year of study. If they wish to move to an elite institution, they are likely to be required to study for an extra two or even three years to get that same ordinary degree. There are parallels between forms of institutional stratification that we have observed in HE and those that existed between the old grammar and secondary modern schools: movement between institutions is extremely difficult. While some of these issues can be addressed through (overdue) institutional reform, employers, especially 'Blue Chip' employers, are known to place a premium on school qualifications in recruitment decisions: a practice that can block mobility for those from disadvantaged students who excel in HE.

One of the arguments frequently used to defend selective secondary schooling is that 'bright' working-class children are able to benefit from being introduced to a new social milieu and being immersed in the sorts of class-based cultures that are not normally encountered in their immediate neighbourhoods. While the incompatibility of selective secondary education with social justice has increasingly been accepted, the idea of a selective system of tertiary education is rarely challenged: even though we are well aware that the justification of stratification on the basis of early performance tends to result in a social apartheid. Social apartheid is reinforced by barriers between institutions, but also through the ways in which financial pressures trap young people within poor areas. Here we have shown that disadvantaged

young people tend to experience HE in the company of others from relatively similar backgrounds and enjoy limited contact with their more advantaged peers. When it comes to the search for work, not having moved away from home to study can mean that spatial horizons are restricted.

In this report we have shown that for all young people, but especially for those who are less advantaged, it takes time to find a place in the labour market that draws on the skills (hard or soft) gained at college or university. It was extremely common for college and university leavers to encounter a period of unemployment and, again, unemployment was more common among the least advantaged: but even for these, unemployment tended to be short lived. We also showed that, for most young people, early labour market experiences involved employment in temporary jobs (which were frequently extensions of jobs held while at college or university but could also represent early stages of a graduate career). Insecure employment in 'graduate' jobs and temporary employment in non-graduate jobs were experiences that were more common among the less privileged, although movement towards secure graduate employment was taking place. We are unable to provide a reliable estimate of the numbers of people who will move into graduate jobs, but it is likely to exceed 50% of HE participants; fewer among the most disadvantaged.

Females tended to be making slower progress than males and while we were concerned that young women were not making the sort of gains that we would have predicted on the basis of performance, we noted that a partial explanation could be found in the types of careers that they had entered or were working towards. Teachers, for example, often start their careers on temporary contracts and those who wish to enter caring occupations frequently need to build up work experience through working as 'unqualified' assistants.

Movement into employment on completion of HE courses is affected by money. Those with large debts and/or commitments and those who are not able to rely on financial aid from parents tend not to have the luxury of being able to bide their time until a 'suitable' opening emerges. Once in employment, there may be less time to engage in job-search activities and, as a consequence, the

rapid movement into graduate jobs may be hampered.

Financial need can also result in college and university leavers accepting unreasonably low wages. The young people here, especially those who were most disadvantaged, did not start with high wage expectations, but even as late as autumn 2004 wages earned by full-time workers were substantially lower than average national graduate starting salaries. Women were paid less than men, those from the more elite universities were paid more than graduates of new universities or FE colleges and those from the lower working classes or living in areas of severe deprivation earned substantially less than their more advantaged peers.

The income inequalities evident from the surveys were largely predicted in advance by the young people themselves, yet most were probably unaware that those who gained least from HE participation were being required to pay more for the privilege of their education. Their overall debt was substantially higher and accumulated in forms attracting higher interest, such as credit cards and bank loans rather than loaned by family. And, as a result of their low wages and lack of family subsidies, these young people are likely to be saddled with their debts for a lot longer than their more advantaged peers.

In conclusion we may argue that although participation in HE is largely beneficial, disadvantaged young people are getting a raw deal out of the system, especially in terms of the inequitable funding regime. The final word, however, should go to the young people themselves who, in general, are fairly positive about the benefits of their education, their career progress and with their lives in general. Despite this, a sizable minority had no clear idea of the career they wanted and many maintained an awareness of the nature of the barriers they, and people like them, faced in the labour market.

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Appendix

Table A.1: Educational attainments of those who have participated in HE, by selected deprivation indicators

	% who gained a qualification	% who gained a degree
Male	79	57
Female	88	56
All	84	56
Depcat ^a 5-7	84	52
SIP ^b	85	54
Argyll	85	64
Single-parent family	82	47
Father HE experience	86	76
Mother HE experience	94	71
Lower working class	81	48
Upper working class	88	55
Professional and managerial class	85	68
Repeated a year	70	52
<i>n</i>	238	238

Notes: ^a Depcat = postcode-based deprivation indicator.

^b SIP = Social Inclusion Partnership area used in Scotland as an area-based indicator of deprivation.

Table A.2: Educational experience and attainment, by status one month after leaving HE (%)

	Full-time permanent job	Part-time or temporary job	Unemployed or outside labour market
All	22	48	29
Male	32	33	35
Female	17	57	26
HNC/HND	18	38	44
Ordinary or 3rd class degree	28	53	19
Lower 2nd class degree	14	68	18
Upper 2nd or 1st class degree or postgraduate diploma	23	44	33
Arts, humanities, languages and social sciences	17	42	42
Maths, computing, natural sciences	16	55	29
Medical and related	25	50	25
Engineering, business studies, education, law	25	47	28
Russell Group	24	48	29
Pre-1992 universities	26	49	26
New universities	22	51	27
Further Education	20	48	32
Repeated year	47	47	7

Table A.3: Elias and Purcell's classification of graduate occupations

Type of occupation	Description	Examples
Traditional graduate occupations	The established professions for which, historically, the normal route has been via an undergraduate degree programme.	Solicitors Medical practitioners HE, FE and secondary education teachers Biological scientists/biochemists
Modern graduate occupations	The newer professions, particularly in management, IT and creative vocational areas, which graduates have been entering increasingly since the 1980s.	Chartered and certified accountants Software engineers/computer programmers Authors/writers/journalists
New graduate occupations	Areas of employment to which graduates have increasingly been recruited in large numbers; mainly new administrative, technical and 'caring' occupations.	Marketing/sales/advertising managers Physiotherapists/occupational hygienists Social workers/probation/welfare officers Clothing designers
Niche graduate occupations	Occupations where the majority of incumbents are not graduates, but within which there are stable or growing specialist <i>niches</i> that require HE skills and knowledge.	Entertainment/sports managers Hotel/accommodation managers Midwives Buyers (non-retail)
Non-graduate occupations	Graduates are also found in jobs that are likely to constitute under-utilisation of their HE skills and knowledge.	Sales assistants Filing and record clerks Routine laboratory testers Debt/rent/cash collectors

Source: Elias and Purcell (2004, p 7)

Table A.4: Educational experience and attainment and forms of employment (%)

	Secure graduate jobs	Insecure graduate jobs	Non-graduate and marginal zones
All	27	12	61
Sub-degree	11	11	78
Degree 2002 or earlier	43	0	57
Degree 2003	46	11	43
Degree 2004	23	20	57
HNC/HND	9	11	80
Ordinary or 3rd class degree	27	16	58
Lower 2nd class degree	35	13	52
Upper 2nd or 1st degree or postgraduate diploma	53	8	39
Arts, humanities, languages and social sciences	11	11	77
Maths, computing, natural sciences	34	9	56
Medical and related	39	30	30
Engineering, business studies, education, law	30	6	64
Russell Group university	27	23	50
Pre-1992 university	44	5	51
New university	24	15	61
Further Education	15	7	77
Repeated year	19	6	75
<i>n</i>	48	27	107