

Early labour-market experiences of graduates from disadvantaged families

Growth in post-compulsory educational participation has meant increased numbers of young people from disadvantaged families experiencing higher education (HE). To what extent do they benefit? Having traced a group of less advantaged young people through HE, Andy Furlong and Fred Cartmel focused on their progress in trying to move into the graduate labour market. The study looked at the difficulties encountered and jobs entered, and whether the young people derived value from the time and money invested in HE. The study found that:

- While the labour market was relatively healthy for HE leavers, movement into graduate jobs was a slow process, particularly for less advantaged young people.
- Less advantaged students tended to study in less prestigious institutions, often made slower progress and were less likely to attain 'good' honours degrees. These were factors in their relatively slow progress in securing graduate jobs. Many thought that accent and area of residence were barriers to graduate employment.
- Employment insecurity and temporary, relatively unskilled jobs were extremely common at first, though the young people were making progress towards graduate jobs. Women made slower progress into graduate jobs, partly because of the types of occupations entered.
- A period of unemployment after leaving HE was common, but few of the young people experienced lengthy inactive periods.
- With young people still establishing themselves in the labour market, it was difficult to assess accurately how many of those from less advantaged families would eventually benefit by entering secure graduate employment. It was estimated that more than half would eventually secure such an outcome.
- The most disadvantaged young people tended to pay more for their education. With parents unable to subsidise them, they owed a higher proportion of their debt to banks and credit card companies, without facility to defer payments. The need to service these debts hindered their career planning and forced them to accept any job available.
- Despite the difficulties, young people were fairly positive about the benefits of their education, their career progress and their lives in general.



First steps towards graduate careers

Despite coming from less advantaged families residing largely in deprived areas, the study's respondents have made impressive headway. Five years after leaving school, most have increased their qualifications and nearly one in two have gained degrees. These achievements were often made in difficult circumstances. The routes through higher education (HE) followed by these less advantaged young people were often complex and involved failures, breaks and new starts. Debt was a constant companion, participation in HE was supported by long working hours, and relations with more affluent peers were not always cordial.

However, as their HE careers ended, it was clear that respondents' first moves towards the graduate labour market were constrained by a fresh set of disadvantages that could 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.

Respondents' progress from college and university into the labour market and, in particular, into graduate sectors of employment tended to be slow. Attempts to assess the benefits of HE using outcome data collected in the months following the end of HE were likely to yield pessimistic results. A month after leaving HE, only around a third of the graduates had full-time permanent jobs, and many of these were not in forms of employment usually reserved for graduates. By autumn 2004, at age 22, just over four in ten HE participants had entered a (broadly defined) graduate occupation. Only one in five was employed in a relatively secure graduate position. Levels of unemployment immediately after leaving college or university were extremely high, although unemployment tended to be a fleeting experience. Extended or repeated unemployment was rare.

While these returns may not appear to be encouraging, the picture was not as depressing as it might seem on first impression. Progress towards graduate jobs was slow, but progress was being made. And although many of those working in graduate jobs occupied insecure positions, early insecurity could be seen as part of the 'normal' career trajectory in some occupations. In terms of entry into jobs, the one major inequality was that women were taking longer than men to enter stable graduate employment.

Finding employment

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

"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)

The evidence suggested that, despite their achievements, those who were most disadvantaged faced the greatest difficulties in the labour market. Also, in spite of having completed a course of higher education, their expectations were relatively low. Overall, these relatively disadvantaged young people had wage expectations that were some way below national average starting salaries. Women and those from the most disadvantaged backgrounds had particularly low expectations.

In part, these young people's expectations were likely to be shaped by knowledge of typical rates of pay within their local communities. Most were living in severely deprived areas where unemployment rates were high and where few people were paid much above the minimum wage. Although relatively few directly attributed their disadvantages to class or gender, substantial minorities thought that they were being held back by their accent or by the area in which they lived. Those from less-well-off families also lacked the contacts that could provide information about graduate job opportunities.

Becoming established

Job insecurity is a normal phase in the early career structure of many graduate jobs, including in some of the most prestigious fields such as law and medicine. Many of those respondents who were in insecure graduate jobs will eventually obtain permanent tenure.

It is impossible to estimate how many of the respondents working in non-graduate jobs at the time of the last survey will manage to secure graduate careers. It is likely that a significant proportion of those working as medical and educational assistants will eventually make inroads into graduate careers. The same is also true of those in some clerical occupations.

“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)

The 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. This is not to suggest, however, that patterns of entry to graduate careers are meritocratic. Those respondents who were particularly disadvantaged were less likely to have obtained graduate jobs by age 22.

While inequalities associated with class and gender make a difference, this does not mean that there are few benefits to be derived from policies of wider access to HE. Indeed, many of the less advantaged young people in the study were working in jobs that they would not have secured without having experienced HE.

Reflecting on progress and gains

Although the respondents were making very slow inroads into graduate careers – especially those who were the most disadvantaged – they were quite positive about their career progress. Most of them were also satisfied with their lives in general. However, levels of satisfaction were affected by actual progress. Those from more disadvantaged socio-economic groups and those who were yet to enter graduate careers were less likely to be satisfied with their career progress and with their lives in general.

In considering some of the ways in which they had benefited from their experience of HE, those from the less advantaged socio-economic groups generally seemed to have made fewer gains. They were less likely to have developed clear plans, gained in confidence or 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. To an extent, these more negative outcomes could be attributed to the tendency of less-well-off students to attend university or college in their local area and live with their parents while studying.

“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, and maybe I wouldn’t ... I probably wouldn’t be confident.” (Erin, degree in commerce and accountancy)

Counting the costs

Commitment to wider access to HE is part of a social justice agenda currently enjoying widespread political support. Yet without well-thought-out funding arrangements, these commitments are merely rhetorical.

This study has shown that the inequalities in outcomes from HE were underpinned by another injustice. Those who could least afford to pay and those who have gained the least from HE will have ended up paying more, in absolute and relative terms, for their education. They incurred heavier debts which were more heavily skewed towards higher interest forms of borrowing and to the types of loan that need to be serviced in the short term, with no facility to defer payment. The absence of significant financial support from the family resulted in a pressing need to take the first job that came along. In turn, this reduced opportunities to focus exclusively on the search for a graduate career or develop the sorts of career management skills that would help these young people to move into the kinds of jobs where they would be able to repay their educational debts.

“I feel quite strongly about being charged to go to university, I don't think it's right. 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)

About the project

This was the third in a series of projects focusing on the educational experiences of a group of young people initially selected from schools serving less advantaged areas. Building on the previous study, postal questionnaires were sent out in autumn 2003 and autumn 2004 to those who were still considered to be contactable. On the first occasion, 283 questionnaires were returned and on the second, 252. All of the surveys in the series achieved a response rate of over 70 per cent. The figure for this final survey represented 49 per cent of the young people initially sampled in 1999.

Forty of the young people also participated in face-to-face interviews. They were able to talk in more detail about their labour-market experiences, the barriers they faced and the ways in which they were attempting to establish themselves in graduate jobs.

For further information

The full report, **Graduates from disadvantaged families: Early labour market experiences** by Andy Furlong and Fred Cartmel, is published for the Foundation by The Policy Press (ISBN 1 86134 780 4, price £12.95).

Published by the Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. This project is part of the JRF's research and development programme. These findings, however, are those of the authors and not necessarily those of the Foundation. ISSN 0958-3084

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