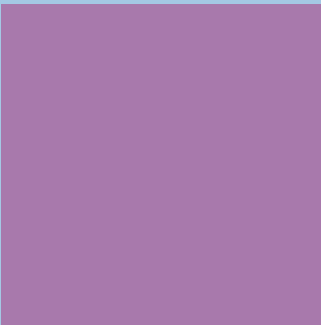




The graduate labour market in Spring 2026

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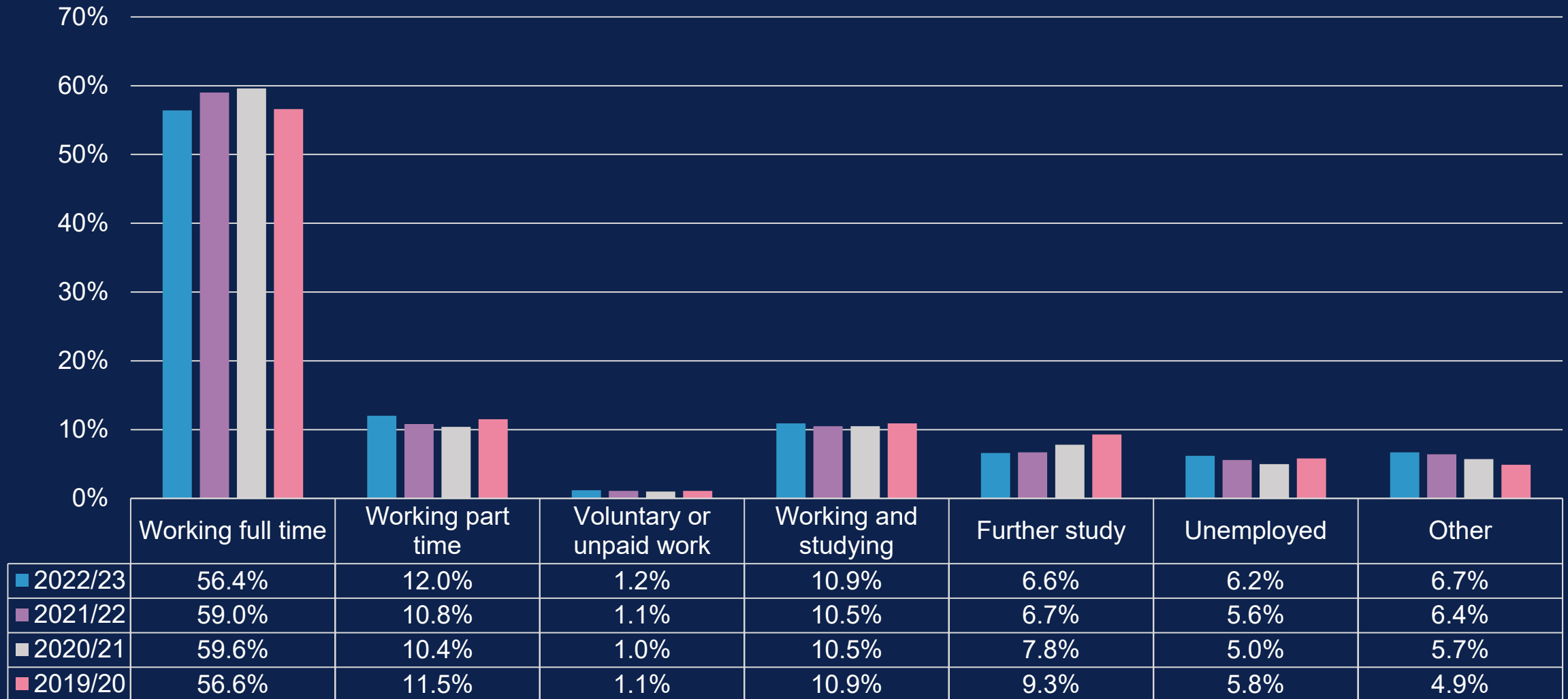
The UK labour market

At the end of 2024, there were just over 16.6 million people in the UK workforce with degree or equivalent qualifications, or 54% of the workforce.

Over 17.3 million people were employed in professional level jobs, or 53% of all UK jobs.

In 2024, the number of people working in graduate level employment in the UK rose by 8,800, having risen by 754,000 in 2023. Jobs below degree level fell by 19,200.

What did graduates from 2022/23 do?



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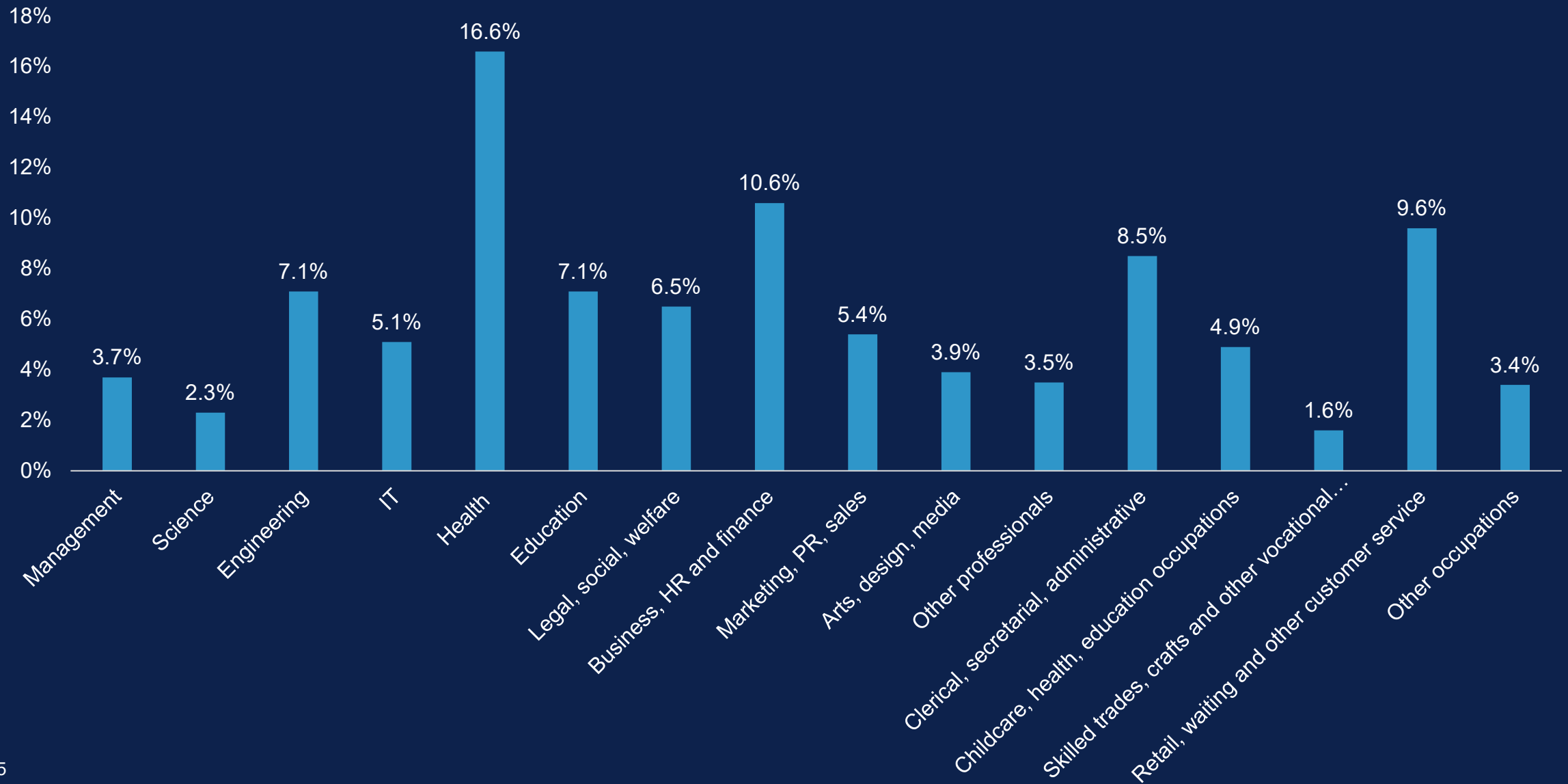
80% employed either full time or part time.
A small number working unpaid or voluntary, about the same as last year

Further study rates up a little, what you'd expect in a slightly more difficult jobs market

Unemployment rate up by 1% in rounded data but it's from just under 5.5% to 6.1%, a bit on the large side for an annual rise, but not dramatically so.

In line with wider labour market expectations, a little worse than last year, but not dramatically so.
NOTE: on current trends you'd expect next year's results to be slightly worse in much the same way.

What jobs did graduates do?



More on employment

Top 6 roles for graduates were

1. Nurses
2. Coders and software professionals
3. Doctors
4. Primary teachers
5. Advertising and marketing
6. Secondary teachers

Top 5 industries for graduates

1. Health
2. Education
3. Retail
4. Local/central government
5. Business services (inc. law and accountancy)

71.9 per cent of graduates in professional level employment, down from 75.1 per cent last year. The non-graduate labour market in office/admin roles saw a significant dip

A note on international students

International graduates are slightly less likely than UK graduates to be in work, but only by a couple of percentage points. International graduates are less likely to be in further study and more likely to be unemployed and seeking work.

Around 86% of international graduates completed PGT programmes. Of these, 74% are employed, compared to 77% of UK PGT graduates. Only 6% are in further study or combining study and work, compared to 13% of UK PGT graduates. 13% are unemployed and looking for work, compared to just 3% of UK PGT graduates

70% of employed international graduates are on permanent contracts, with 18% on fixed-term contracts. PGR graduates are more likely to be on fixed-term contracts, while PGT graduates tend to be on permanent ones.

China is underrepresented among respondents, India, Pakistan, the US, and Hong Kong broadly match the graduate population, while Nigeria is slightly overrepresented

Where are we right now?

Early estimates in December 2025 to February 2026 suggest around 721,000 vacancies. The market has been largely flat since September, after over a year of steady falls.

Bank of England reported on March 19th, just over half of firms plan to maintain their current staffing levels over the next 12 months. Larger firms remain more cautious about hiring than SMEs. Many organisations report that automation and AI-enabled productivity gains are allowing them to meet demand without additional hiring.

For some large professional services firms this is contributing to reduced demand for early-career recruitment, including graduates, driven both by cost pressures and a lower volume of routine entry-level work.

Institute of Student Employers found overall, 2025 graduate hiring had fallen by 8% year-on-year, apprentice hiring increased by 8%. Graduates still outnumber apprentices and therefore the overall entry-level job market is down 5%

Where are we right now?

REC reported at the end of February that agency recruitment, which has fallen steadily for 3 years, seems to be close to stabilising with more firms looking to recruit. However there are a lot more candidates on the market as well.

Chambers of Commerce reported that 75 per cent of businesses (54 per cent tried to hire) trying to hire found it difficult in Q3. Most businesses kept their workforce numbers static.

ONS reporting around 50k vacancies in manufacturing; 37k in IT; 35k in financial services; 77k in business services; 51k in education; 120k in health and social care; 19k in the arts. With the exception of health, all at or above the levels this time last year.

15.5 per cent of businesses with more than 10 employees said they had a shortage of workers in January, this number seems to be falling slowly in SMEs but rising in larger businesses.

The medium term outlook

- Business confidence seems to be stabilising and absent external shocks it looks that the jobs market might be a slight improvement on 2025's
- But 2 big current/potential shocks
 - Iran/energy supplies
 - AI/bubble or widespread job substitution


Thank you

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