

***Researching Graduate Careers Seven Years On***  
***A research project jointly funded by the Economic and Social Research Council***  
***and the Higher Education Careers Services Unit***

**Research paper No. 2**

**Older and wiser? Age and experience in the graduate labour market**  
**Kate Purcell, Nick Wilton and Peter Elias**

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EMPLOYMENT RESEARCH

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# ***Researching Graduate Careers Seven Years On***

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### **Older and wiser? Age and experience in the graduate labour market**

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#### **1. Introduction – the issues**

The graduate labour market has changed dramatically over the last two decades as a result of government policy to widen access to higher education (HE). This move from an *elite* to a mass system has had a fundamental impact on the labour supply and the occupational structure, challenging employers' and graduates' perceptions of the relationship between higher education and employment. The expansion of the higher education system and widening access to undergraduate study has led to growth of, and growing diversity within, the supply of highly qualified labour – particularly in the last decade. Those who missed out on higher education first time round have been encouraged to enter as mature students (DfES 2003). However, there is growing evidence that those who join the labour market as new graduates over the age of 30 have considerably more difficulty in accessing the career opportunities for which their education may have equipped them.

The graduate labour supply has always been diverse and segmented according to specialist skills and knowledge, but one of the main characteristics of the UK graduate labour market has been the extent to which possession of a degree has been used by employers as a proxy for potential, particularly for those entering managerial, administrative and creative careers. This raises a number of interesting questions about the educational experience and career paths of mature graduates. Are those who study as mature graduates able to access these career opportunities to the same extent as graduates who take the more direct route from their secondary education? Do mature graduates obtain employment that values and makes use of their undergraduate education? Does their prior experience enhance or detract from their higher educational achievements?

The *rationale* of increasing access to higher education is that a more highly educated workforce produces higher returns to individuals and to the economy as a whole (de la Fuente and Ciccone 2003). For cohorts who studied in the *elite* UK higher education system of the 1980s and earlier, research concludes unequivocally that the private returns to higher education study were considerable: possession of a degree provided access to careers, rather than jobs, for the majority of graduates, and substantially higher lifetime earnings. Assessment of the social returns has always been more controversial (Keep and Mayhew 1999). However, as the size and profile of the

graduating population has changed significantly and progressively since the late 1980s, the questions become more pertinent. As the proportions of both young and older people in HE have increased, and as students and their families have been required to bear an increasing proportion of the costs of higher education study, this raises questions about whether or not the investment of three or more years studying for a degree is a good use of time and resources for individuals, particularly those who enter higher education at a later stage in their lives, whose opportunity costs are higher (Jankins *et al.* 2002).

Government policies are predicated upon the conviction that increasing higher education participation rates are good for the economy and the community, but the success of this relies substantially upon the achievement of a good fit between the skills and knowledge developed within the HE system and the competencies sought by employers. Despite considerable debate and consultations about threshold standards and 'graduateness' undertaken in the 1990s<sup>1</sup>, employers remain confused by the diversity of higher education courses. The allegation of overproduction of graduates and underemployment of those with degrees has been widely made (Wolf 2002; Dolton and Vignoles 2000; Battu *et al.* 2000) and there is some evidence that a small but significant proportion of graduates experience difficulty in accessing employment which makes full use of their potential. At the same time, some employers have complained that they are unable to fill their target graduate vacancies with candidates of the appropriate *calibre* and the returns to different types of degree course and tertiary education and skills development have been questioned (Walker and Zhu 2003, Mason 2001).

Successive research findings indicate that mature graduates have greater difficulty than their younger peers in accessing appropriate employment after completing their courses and experience lower returns, in terms of occupational and salary outcomes (Egerton 2001a; Egerton and Bynner 2003; Hogarth *et al.* 1997; Brennan *et al.* 2003). Our own earlier research (Elias *et al.* 1999, Purcell *et al.* 1999) found that older graduates were less likely than younger ones to be in a job for which a degree was required, were more likely to be unemployed or underemployed and expressed lower satisfaction with their current employment, both eighteen months and three and a half years after completing their degree courses. However, there is some evidence that this initial disadvantage may be eroded over a longer period. Egerton's (*ibid*) comparison of younger and mature graduates' careers over fifteen years, using General Household Survey 1982-93 data, suggested that their longer-term attainment had converged. However, the expansion of higher education since then means that those graduating more recently have entered a significantly more competitive graduate labour market.

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<sup>1</sup> The Graduate Standards Programme was a national project conducted by the Quality Assurance Agency in the late 1990s. Its objective was to define 'graduateness' in relation to occupational standards by setting quality assurance threshold standards across the full disciplinary spectrum of undergraduate provision.

## 2. The research undertaken

Drawing on a major ESRC and CSU-funded survey of 1995 graduates from 38 UK higher education institutions conducted in 2002/03<sup>2</sup>, this paper will explore the similarities and differences in the early career trajectories of 'standard' and 'mature' graduates, examining the impact of different educational and employment profiles on graduates career outcomes and focusing particularly on their current work contexts and aspirations. The analysis draws on both the survey findings and on the qualitative material collected in an interview programme with a stratified sub-sample of respondents.

'Mature graduates' is a complex and contested term, used differently by the various stakeholders in and commentators to the higher education policy debate. Those who commence their studies over the age of 21 have sometimes been considered 'mature students' whereas others confine the category to those embarking on HE over the age of 25. The picture has become more complex of late due to the increasing tendency for secondary school leavers to take a 'gap period' of a year or more before entering higher education. For the purposes of this analysis, we divide the 1995 cohort sample into three categories:

- 'Young' graduates, who graduated before the age of 24;
- 'Young mature' graduates, who graduated between the ages of 24-30
- 'Older mature' graduates, who were over 30 when they completed their first degree.

We made this decision on the basis of the considerations mentioned above and previous research on employers' recruitment practices (Purcell *et al.* 2002). Ageism in recruitment, and workforce age profiles, are becoming issues for employers, in line with growing awareness of demographic change and European social and economic policy objectives to increase employment rates. However, research on this issue among employers (Purcell *et al.* 2002 *ibid*) suggested that age was clearly seen as less of an issue in relation to graduate recruitment than in recruitment to more routine occupations and the concern was rather with development and retention of existing older professionals than recruitment of older novices. The number of new graduates over the age of 30 identified as recent recruits to traditional 'high flyer' jobs was very small. The big graduate recruiters in all sectors studied had selected 'fast track' graduate recruits in their late 20s and occasionally in their early 30s, but these were clearly exceptional, and seen as such. It was widely argued by the leading practice employers that mature graduates 'de-select' themselves from 'fast track' programmes, on the grounds that they are more likely to have dependants, less likely to be geographically mobile and less willing to undertake the kinds of activities expected as part of such programmes: frequent travel, long and unpredictable working hours or moves within the UK or abroad. They were often able to give examples of employees in their organisations who clearly did

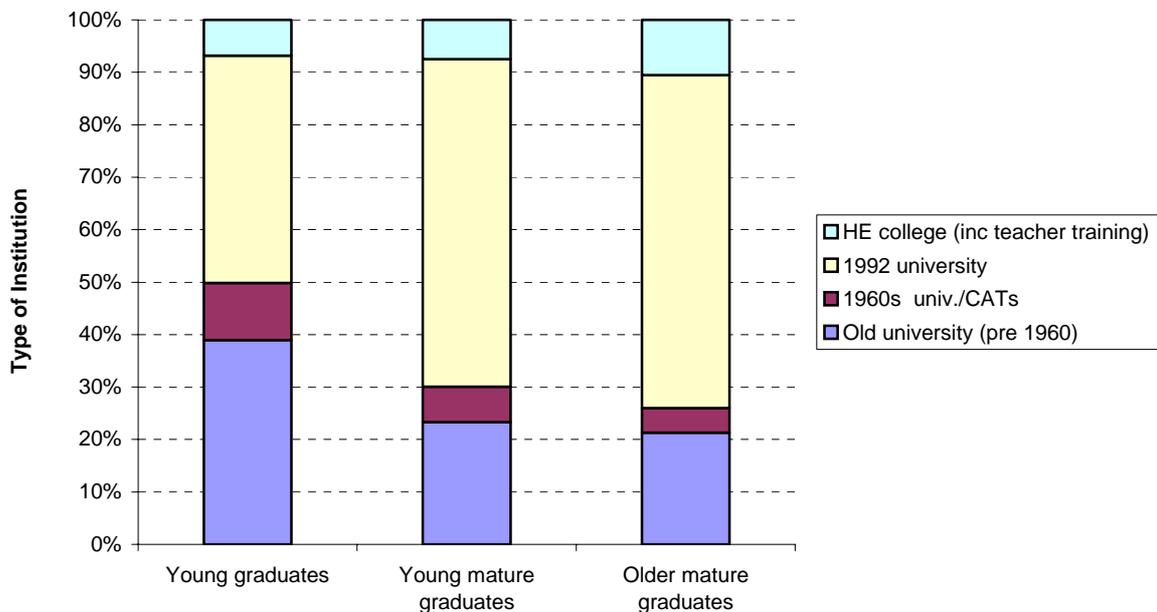
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<sup>2</sup> *Graduate Careers Seven Years On*. This research is supported by the Economic and Social Research Council (Award ref: R000239589) and the Higher Education Careers Services Unit.

not conform to these stereotypical trends but these, it was stressed, were ‘the exceptions that proved the rule’.

Previous research has established that those who embarked on undergraduate courses over the age of 25, or graduated over the age of 28, were more likely to come from lower socio-economic backgrounds and to have studied at polytechnics (Jenkins *et al.* 2002; Egerton 2001b) and these more recent findings bear this out. Mature graduates have a greater propensity to study at an HEI within commuting distance of their home, because of local commitments, and to be more likely to have studied at a new university or HE college, rather than at an older university. Older graduates are more likely to come from less socially-advantaged backgrounds (Egerton 2001b), to have lower qualifications on entry to higher education and to have access to less 'cultural capital' (Bourdieu 1986) and our findings bear this out. Although the 'young mature' graduates were very close in social class profile to the 'young' graduates, only 40 per cent of graduates over the age of thirty came from a professional or managerial family of origin, compared with over 60 per cent of the younger categories, and both the younger and older mature graduates were more likely to have studied at a post-1992 university than those who had embarked on courses soon after completing secondary education, as Figure 1 shows.

**Figure 1** Type of HE institution attended by age group



Source: Seven Years On: survey of the career paths of 1995 graduates

### 3. Reasons for studying as a mature graduate

Until recently, for the majority of UK undergraduates who came from middle class backgrounds, the decision to embark on a degree course tends to have been an unquestioned *rite de passage* into the next phase of life, from schools and sixth form colleges into higher education (Purcell and Pitcher 1996). Conversely, for 'non-traditional' students, especially those entering higher education after a period of employment, orientations to study were more often instrumental, with a clear view of the opportunities to which it was assumed to lead. Previous surveys have revealed that a minority of mature students embarked on degree courses for intrinsic reasons, to have opportunities to study or to for personal development - and that such orientations were particularly prevalent among the most mature graduates, particularly those over 50 when they began their courses. However, those in their late twenties, thirties and forties were most likely to have taken their courses with a clear intention of enhancing their employment opportunities.

Our detailed interview data provides insight into the reasons why mature graduates returned to study. The majority claimed to do so for career-related reasons, specifically either to enable them to obtain a different kind of job or to 'accelerate' within their current employment. For example, a 37-year-old engineer studied part-time at a 'new' (post 1992) university for his degree, as this was his fastest route to achieve chartered status, necessary for further progression. In another case, a secretary - realising that she had the ability to progress within the organisation to more interesting, responsible and well-rewarded work, took advantage of career development opportunities offered by her public sector employer to study part-time for a HNC and then an undergraduate degree. Seven years after graduation, she is now a highly paid 38-year-old manager, running a team of 17 subordinates in government agency post.

Those wishing to do something completely different varied in their reasons for entering higher education. For example, a 35 year-old accounts clerk who had entered local government employment after 'A' levels embarked on his degree course to widen his career opportunities, although with no specific direction in mind, after perceiving his internal job prospects had 'stalled':

*'I think you just get to stage where you think there's got to be more to life than this and it was something that I think I would have wanted to do, go to college or university, but felt more mature to handle it in my mid-20s than at 18'*  
(Accountant, aged 35, 2:2 in Business Studies from a new university)

In other cases, the move into university to study for a first degree may be brought about by some unforeseen event. For example, a 36 year-old university lecturer had undertaken a law degree at a new university to provide alternative opportunities after his previous career in the police force was cut short by injury.

Within the broad group of mature graduates who had entered higher education for career-related reasons, specific rationales for doing so varied, but most of those interviewed thus far have done so for positive reasons. However, we have encountered examples of mature graduates who drifted into higher education as a way out of frustration or dissatisfaction with their previous circumstances and without having a clear idea of the alternative career opportunities they sought. One of these was the accountant cited above, who had been prompted to 'go along with' a friend who had decided to re-enter education, and still appeared somewhat responsive rather than proactive in his career development. In another case, a 44 year-old female graduate in Fine Art, working seven years after graduation as a clerical assistant in a Civil Service post for which the job requirements were three A-C grade GCSEs, had gone to university with the idea that she had always been interested in Art and felt under-educated in comparison to her maturing children, but appeared to have lost momentum, as far as her career aspirations were concerned. In both these cases, it was clear that the graduates had lacked cultural capital, mentors and well-informed advisers at both the points of course choice and transition to the labour market - thus reinforcing social disadvantage.

Several of the mature interview respondents, like their younger peers, reported that the motivation to undertake a degree was largely intrinsic. For example, the decision of a 43 year-old data communications administrator in the music industry, previously working in IT, to study for a music degree was born purely from personal interest.

*'I thought I'd do something I really wanted to do rather than doing something which was sensible'*  
(Data Communications Administrator, aged 43, 2:1 degree in music from new university)

Alternatively, amongst mature graduates a combination of changing family and personal commitments and a desire to 'see if I could do it' was often implicit in their decision to study.

These interview accounts highlight the fact that the decision to return to education was seldom one-dimensional. In particular, mature graduates often indicated that several factors influenced their decision to go to university, often a combination of personal and career reasons. The following quote from a 39 year-old senior manager who completed a maths and computing degree in 1995 suggests that her decision to study was influenced by her changed personal circumstances, the desire to 'kick-start' her career and her initial failure to complete a degree at the 'usual' age.

*'I went to university doing maths originally when I was 18 and did one year and passed but didn't like it at all. I then got married and had a child and then got divorced and suddenly thought I needed to grow up... and I need to support my son and the only way I figured I could do that was to make sure I got a degree'.  
(Senior manager, aged 39, first-class degree in Maths and IT from a HE college).*

Clearly, the factors underlying decisions to enter higher education as a mature graduate are complex and varied. In the following sections we attempt to explore this complexity, examining the quality of the jobs graduates hold, their earnings, the sectors in which they work and their experiences since graduating. At times we show information for the three age groups described above. However, the greatest contrasts often lie between those who took a 'straight through' route (from secondary education to higher education and on into the labour market) and the 'older mature' graduates who are most likely to have a significant amount of work experience before entering higher education.

#### **4. The quality of graduate employment**

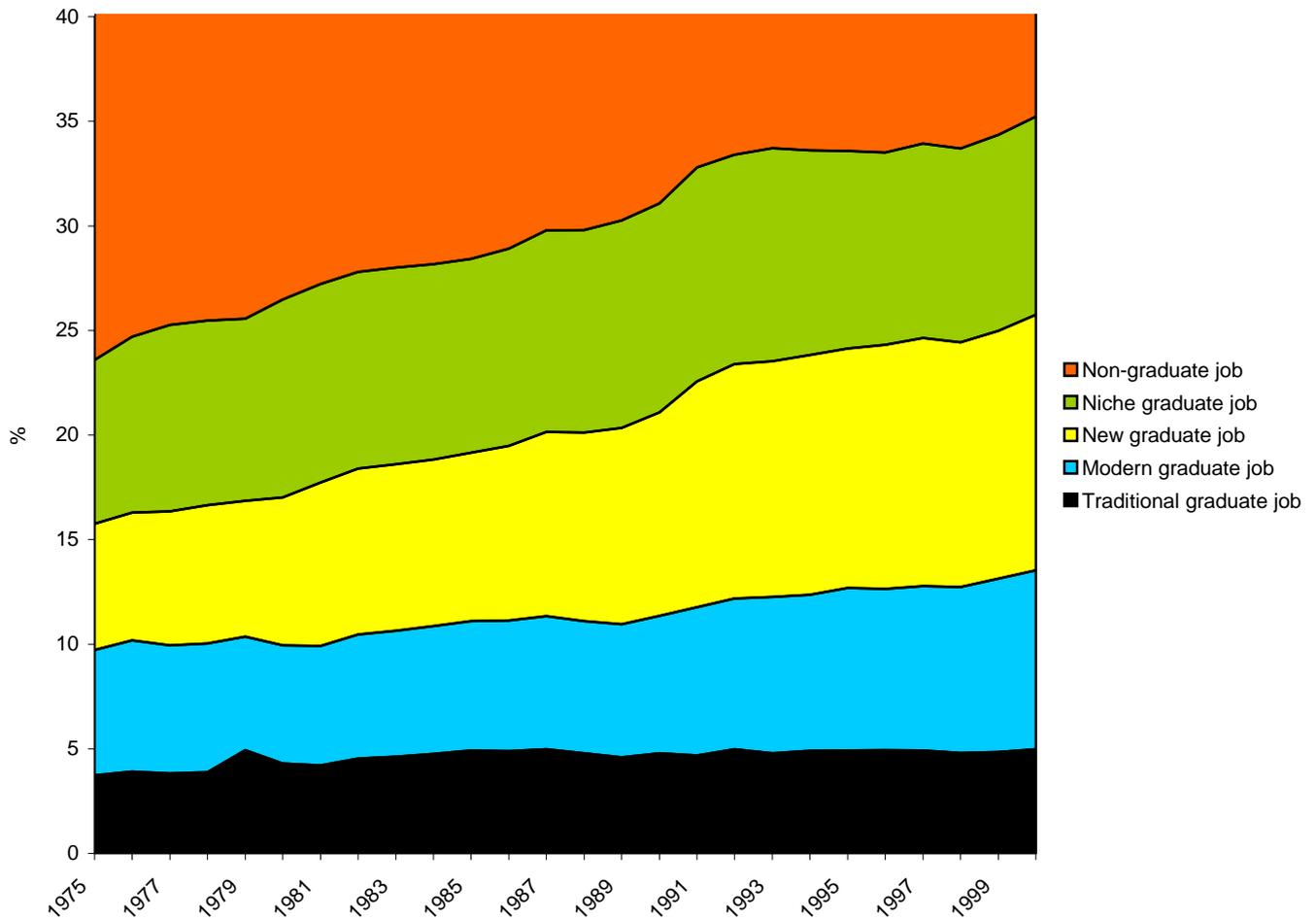
An understanding of the career paths of graduates requires a classification of the kind of work that graduates do – a classification that reflects both the demand for their graduate skills and qualifications and the extent to which these are used within their jobs. In the first phase of this research we conducted a detailed analysis of occupations and the changing distribution of graduates in the UK labour market, drawing upon information from all Labour Force Surveys conducted between 1993 and 2000. Through a careful analysis of the 371 categories of the national occupational classification, a five-fold classification of occupations was developed. Table 1 describes these categories and gives some typical examples of the kinds of jobs that fit into each. For further details of how the classification was constructed, see Elias and Purcell (2002).

**Table 1 A Classification of Graduate Occupations (based upon the 1990 Standard Classification of Occupations)**

Type of occupation	Description	Examples
<b><i>Traditional graduate occupations</i></b>	The established professions, for which, historically, the normal route has been via an undergraduate degree programme.	<ul style="list-style-type: none"> <li>• Solicitors</li> <li>• Medical practitioners</li> <li>• HE, FE and secondary education teachers</li> <li>• Biological scientists/biochemists</li> </ul>
<b><i>Modern graduate occupations</i></b>	The newer professions, particularly in management, IT and creative vocational areas, which graduates have been entering increasingly since educational expansion in the 1960s.	<ul style="list-style-type: none"> <li>• Chartered and certified accountants</li> <li>• Software engineers, computer programmers</li> <li>• Primary school and nursery teachers</li> <li>• Authors/writers/journalists</li> </ul>
<b><i>New graduate occupations</i></b>	Areas of employment to which graduates have increasingly been recruited in large numbers; mainly new administrative, technical and 'caring' occupations	<ul style="list-style-type: none"> <li>• Marketing &amp; sales, advertising managers</li> <li>• Physiotherapists, occupational hygienists</li> <li>• Social workers, probation, welfare officers</li> <li>• Clothing designers</li> </ul>
<b><i>Niche graduate occupations</i></b>	Occupations where the majority of incumbents are not graduates, but within which there are stable or growing specialist niches which require higher education skills and knowledge.	<ul style="list-style-type: none"> <li>• Entertainment and sports managers</li> <li>• Hotel, accommodation managers</li> <li>• Nurses, midwives</li> <li>• Buyers (non-retail)</li> </ul>
<b><i>Non-graduate occupations</i></b>	Graduates are also found in jobs that are likely to constitute under-utilisation of their higher education skills and knowledge.	<ul style="list-style-type: none"> <li>• Sales assistants</li> <li>• Filing and record clerks</li> <li>• Routine laboratory testers</li> <li>• Debt, rent and cash collectors</li> </ul>

Figure 2 shows, the changing composition of employment<sup>3</sup> over the period 1975-2000, according to this five-fold classification. Although the figure shows the proportion of jobs in each category, it is worth bearing in mind that the overall level of employment has expanded in this period. Taken together, this information indicates that the most significant area of UK employment growth in recent decades have been among *New Graduate* occupations, jobs which have in recent years been increasingly 'colonised' by graduates.

**Figure 2** Changing occupational structure of the labour force, 1975 - 2000

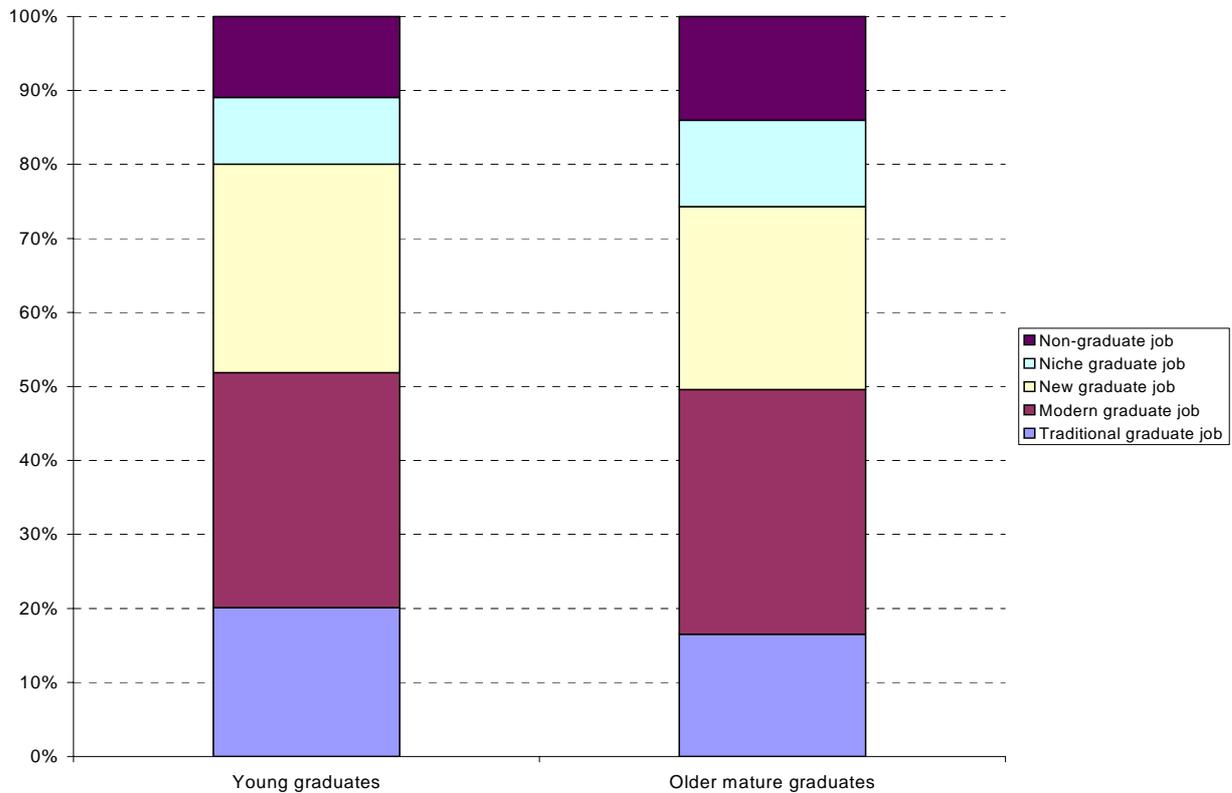


Source: New Earnings Survey Panel Dataset, 1975 - 2000

This analysis shows how the occupational structure has changed in a way that has accommodated the increasing number of graduates. We turn now to our sample of graduates seven years after graduation to examine the type of jobs they have entered. Analysis of these data by age group indicates that there was little difference in the distributions of older and younger graduates seven years on. Both older and younger mature graduates were slightly more likely to be in non-graduate jobs than the young graduates, and the oldest group are somewhat more likely than either of the others to be in *niche* graduate jobs, and slightly less likely to be in traditional or new graduate occupations. As Figure 3 shows, if we confine the comparison to young and older mature graduates, older mature graduates are somewhat less likely to be in graduate jobs seven years on.

<sup>3</sup> 'Employment' consists here of employees in employment. It excludes the self-employed and a small number of jobs that fall outside the scope of the PAYE tax system.

**Figure 3** Classification of jobs held by graduates seven years after graduation, by age at graduation

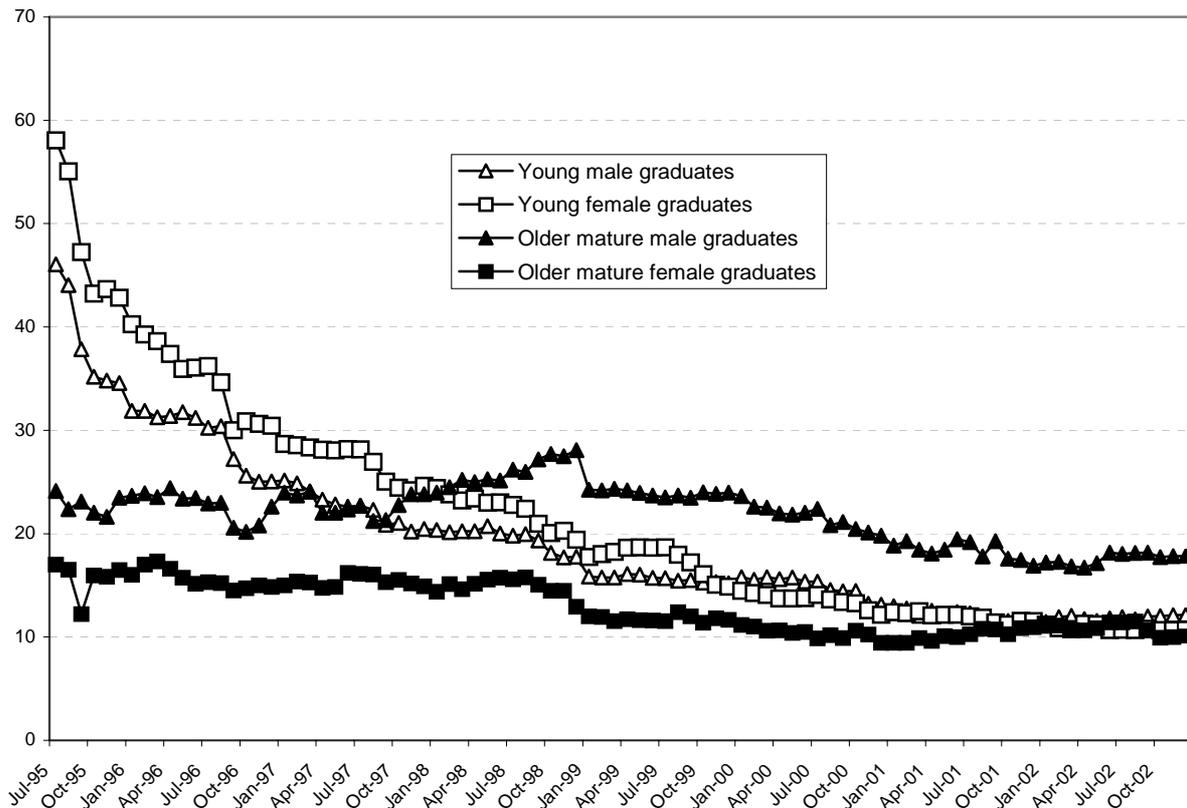


Source: Seven Years On: survey of the career paths of 1995 graduates

Given that the survey data are longitudinal<sup>4</sup>, we are able to show the evolution of these graduate career paths. How have graduates moved into and within the labour market over this seven-year period? Figure 4 shows the movement of these two groups of graduates out of what we term non-graduate jobs – jobs for which it appears unlikely that a degree is an appropriate level of qualification. In the first two years after graduation, mature graduates are more likely than young graduates to be found in a graduate job. Looking at gender differences within these groups, the picture is intriguing. It appears that a higher proportion of male mature graduates experience difficulty in exiting from non-graduate jobs than is the case for the other three groups.

<sup>4</sup> Respondents were contacted first in 1998/99 and later in 2002/03. At each contact they provided details of all jobs held since graduating or the previous survey.

**Figure 4 Movement out of non-graduate jobs by age at graduation and gender**



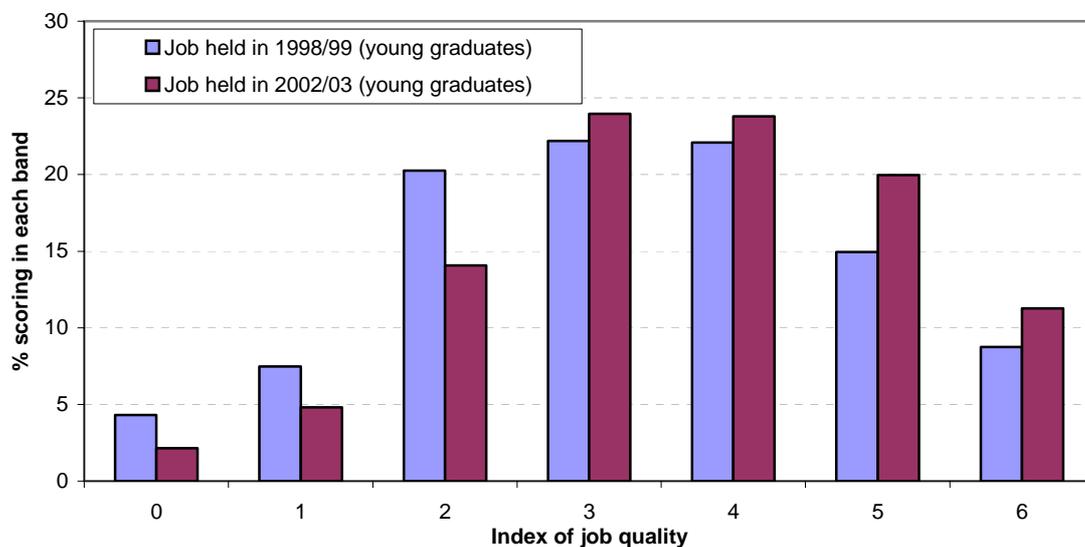
Source: Seven Years On: survey of the career paths of 1995 graduates

We turn now to an examination of other aspects of the jobs held by these graduates. We had included, in both the original 1998/9 survey and the 2002/3 follow up, a question which asked the respondent to state whether or not the job they held at the time of each survey offered any of the following features:

- **Competitive salary?**
- **Continual skills development?**
- **Interesting and challenging work?**
- Socially useful work?
- **Long term security?**
- Opportunities for an international career?
- Opportunities to reach managerial levels?
- **Progressive and dynamic organisation?**
- **Working with people you enjoy socialising with?**

From this set of questions, the six items highlighted were found to be useful indicators of the 'quality' of the job, a measure of the non-pecuniary benefits of the job itself. A scale was constructed by simply awarding one point when the respondent indicated that their job offered any one of the six items. This yielded a 'quality index' for the job with a minimum value of zero and a maximum value of six. The average value of the index for all employed respondents in 1998/99 was 3.1, whereas by 2002/03 the average value had risen to 3.6, reflecting the continuing movement of graduates out of non-graduate jobs and the general improvement in the quality of jobs held by all graduates in the four years since the earlier survey.

**Figure 5 Indicator of the quality of jobs held in 1998/99 and 2002/03, by age at graduation**



Source: Seven Years On: survey of the career paths of 1995 graduates

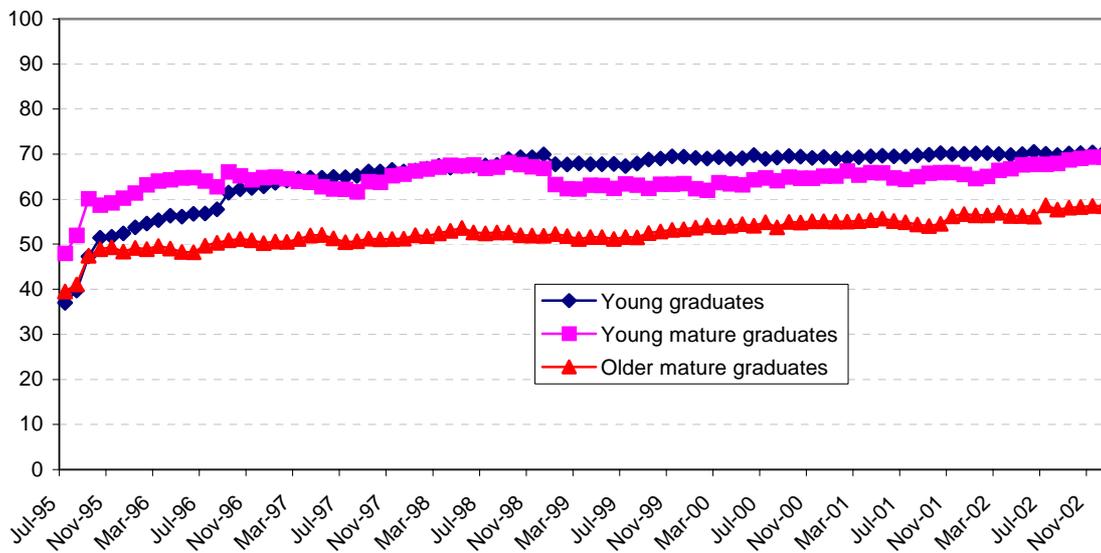
Figure 5 shows the distribution of this indicator of job quality for young graduates and for older mature graduates, contrasting the position in 1998/99 with that observed in 2002/03. Both age groups show the general improvement in job quality over the four-year interval between the surveys. However, in line with earlier findings, this indicator of job quality shows that those who graduated when they were aged 31 and over were in jobs with fewer of these positive characteristics both at three and a half years after graduation and seven and a half years after graduation. There is no evidence of 'convergence' here. For the older mature graduates, the distribution of jobs on the quality index remains well below that for the young graduates.

In the survey, we asked respondents to complete a comprehensive account of every job, period of full-time study or gap in their labour market participation for other reasons. For every job, they were asked to indicate whether their degree was required, whether they were using the knowledge acquired on their course and whether they were using the skills developed as undergraduates.

Analysis of the patterns revealed by these responses for the three age groups reveals interesting differences.

In terms of those stating that a degree had been required to get the job, Figure 6 shows that half of the young mature graduates who were in a job in each month after graduation had entered such a job almost immediately after completing their courses and the proportion had rapidly risen to 60 per cent, growing to 70 per cent by the time of the 2002/03 survey. The youngest graduates took longer to enter these jobs, probably because they were more likely to take a gap year or to study full-time for a further year before embarking on their careers. The profile for the older graduates, however, is different - parallel but lower, growing slowly from around 50 per cent six months on to just under 60 per cent in 2002/03.

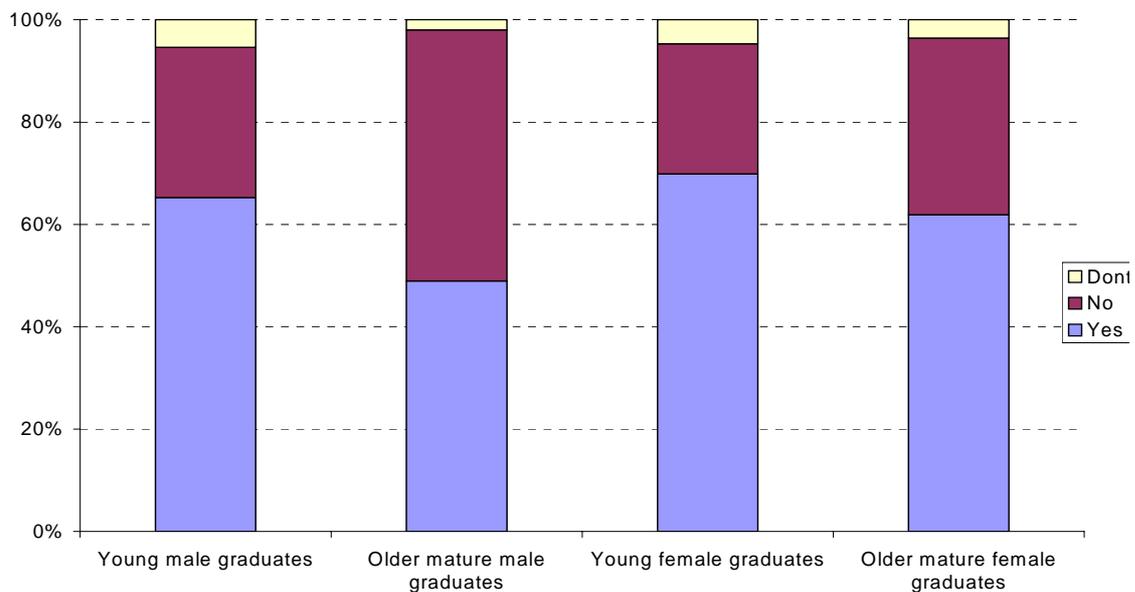
**Figure 6 Percentage of employed graduates stating that a degree had been required for their job, by age at graduation**



Source: Seven Years On: survey of the career paths of 1995 graduates

Figure 7 focuses in again on the comparison between the older and younger groups, comparing men and women - and, reinforcing the picture of greater likelihood that older males might be in unequivocally non-graduate employment, shows that they are the most likely group to have said that a degree had not been required for their current job at the 2002/03 point of survey. Both young and older women, it seems, were more likely to have been required to have degrees, which supports the finding (Halford *et al.* 1997) that credentials are more important for women in enabling them to access career opportunities.

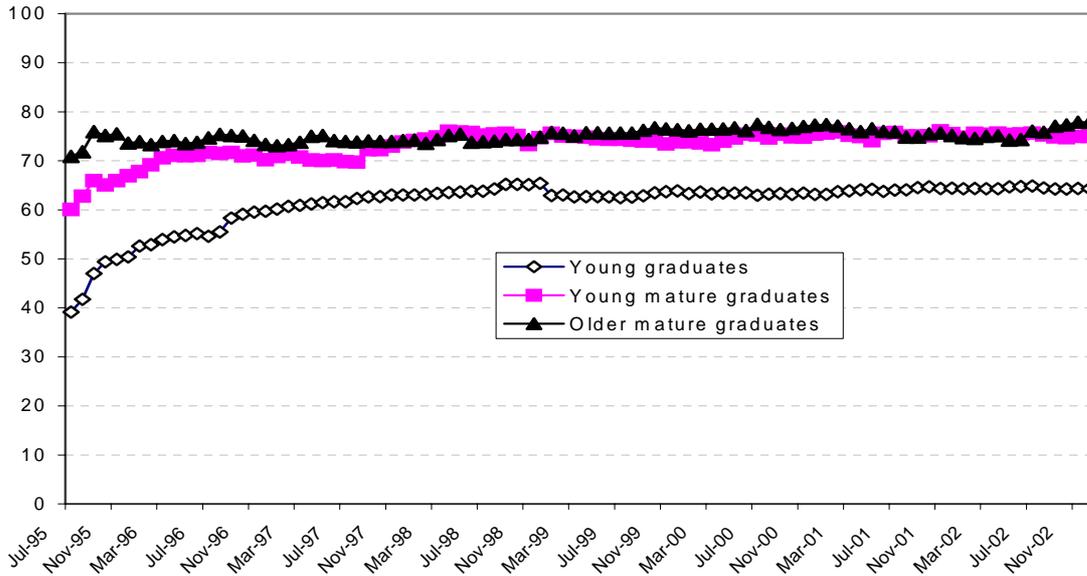
**Figure 7 Percentage of employed graduates who stated that a degree was required for their current job (2002/3), by age group and gender**



Source: Seven Years On: survey of the career paths of 1995 graduates

Figure 8 shows that older mature graduates were significantly more likely to have entered a job where they were required to use the knowledge acquired on their 1995 degree programme soon after graduating: after 2-3 months, around three quarters of them were in such a job. The young mature graduates took around a year to reach the same level and thereafter, the trends for the two mature groups are indistinguishable. By comparison, the young graduates were very much less likely to enter such a job soon after graduation or to be in it seven years later - although over two-thirds had done so by the survey point. This suggests that the majority of all the graduates have been required to draw on their subject knowledge for most of their careers since graduating, but the fit between knowledge gained and required has been closer for 'non traditional' than 'traditional' graduates, as far as age at time of study was concerned. The interesting question is the indication that a higher proportion of older mature graduates, in particular, claim to be using their subject knowledge than had been required to have a degree - which could imply lack of recognition of their expertise on the part of employers rather than lack of use of it.

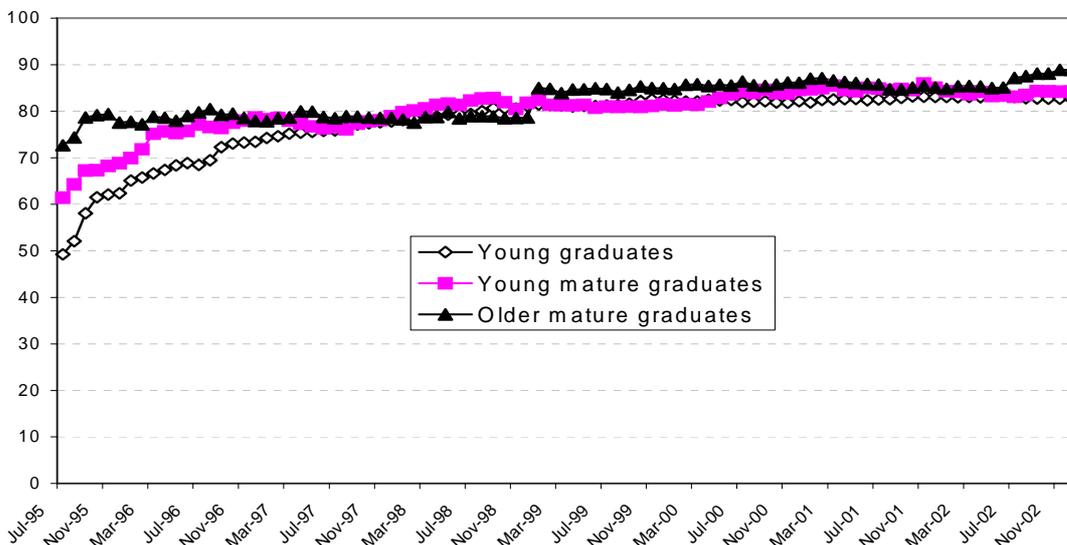
**Figure 8** Percentage of employed graduates stating that they were using the knowledge acquired on their 1995 degree course, by age at graduation



Source: Seven Years On: survey of the career paths of 1995 graduates

It is not surprising that graduates reported using the skills developed on undergraduate programmes more than their specific subject/discipline knowledge (Figure 9). Here, we see very little difference in the sub-groups, apart from the different entry trajectories established by analysis of earlier variables. Approximately two and a half years after graduation, the experiences reported by the three groups converge. If anything, in relation to both this and the previous item, it appears that the oldest group's evolution into increasingly appropriate jobs was continuing on an upward trajectory, whereas those of both other groups had levelled off: which would support Egerton's finding cited earlier that the returns to older graduates continue to improve over a longer time-span.

**Figure 9** Proportion of employed graduates stating that they were using the skills developed on their 1995 degree course



Earlier work (Egerton 2000) has established that mature graduates acquire a lower 'graduate premium' (the pay difference associated with graduation from higher education). This lower premium she attributes to a number of factors, including the different social background of mature graduates, the types of higher institution they are more likely to attend, and the tendency for older mature graduates to work in the public sector. We have shown in our earlier work (Elias and Purcell 2002) that the graduate premium develops over a 10 to 15 year period after graduation. Do mature graduates experience a lower rate of growth of earnings after graduation than young graduates and, if so, is this attributable to their differing social backgrounds, lower levels of school-based qualification and the type of occupations in which they work? In this section we explore these issues in some detail, making use of the survey information from which we have computed the annual rate of growth of real earnings in the period from their first main job after graduation to the time of the survey (2002/03).

Figure 10 shows that the contrast in growth rates between young graduates and older mature graduates is greater for men than it is for women. While the earlier work experience of older mature male graduates gives them a commanding salary lead over younger graduates in their first main job after graduation, this situation is reversed seven and a half years later. For women graduates, the generally lower rates of growth of their earnings relative to men's, particularly over the last three years, yield a similar pattern for average earnings among all age groups.

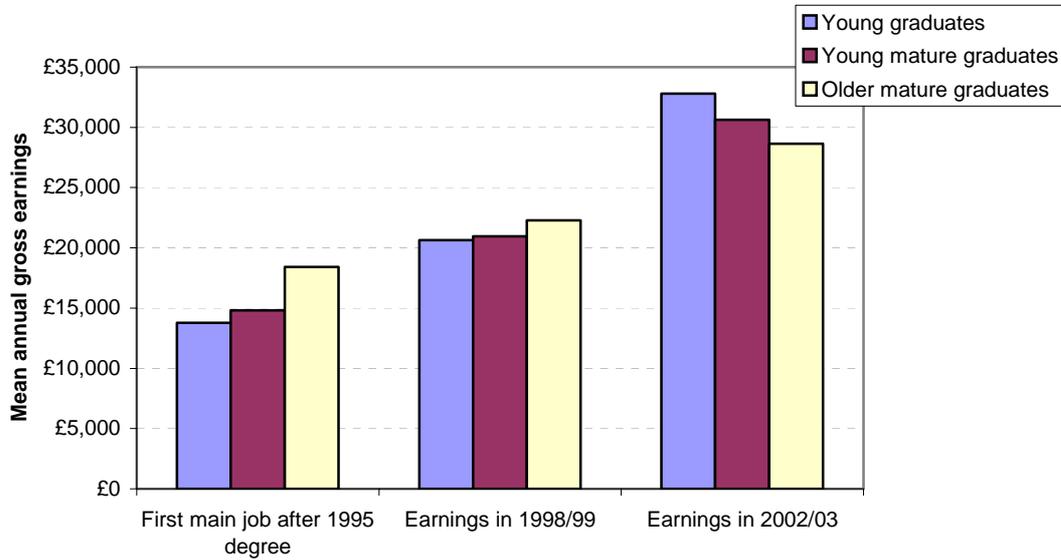
To investigate these trends in more detail, we regressed the annual rate of growth of earnings on a variety of factors: subject area of study, entry qualifications, class of degree, type of higher education institution attended, social class background, occupation, age and sex. Full results are displayed in the appendix to this paper. In table 2 we attempt to summarise the main influences that are detected.

**Table 2 Main influences on the annual rate of growth of real earnings of graduates, 1995 – 2002/03**

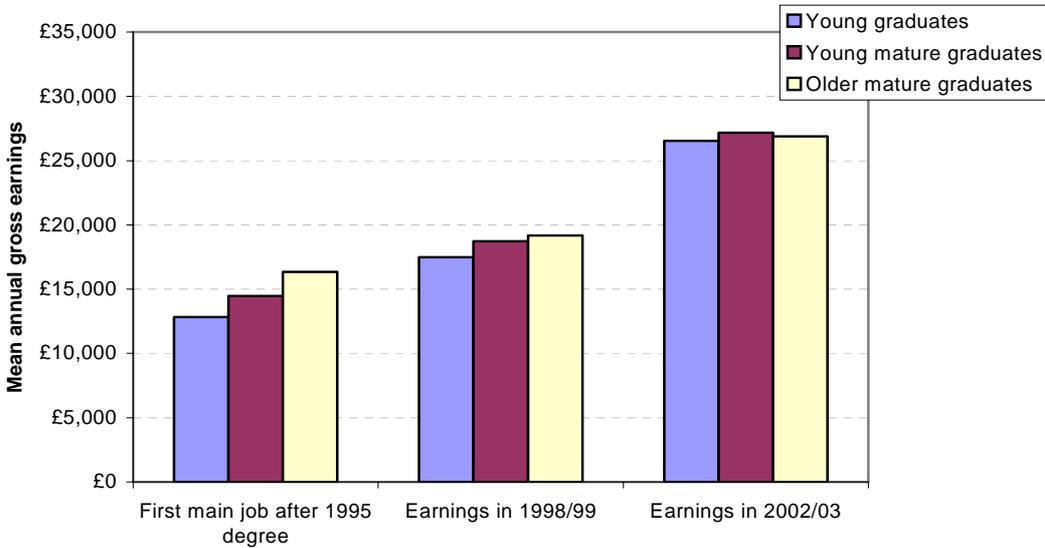
<b>Factors associated with a reduction in the average rate of growth of earnings</b>	<b>Factors associated with an increase in the average rate of growth of earnings</b>
Arts degree, education degree other vocational degree and social science degree	Maths and computing degrees, business studies and law
Studying at an HE College	Studying at a 1992 university
Low 'A' levels, access qualifications only or HNC/HND	High 'A' levels
Working in a non-graduate job	Working in a modern graduate job
Being a woman	Being a man
Being an older mature graduate	Being a young graduate

**Figure 10: Growth of earnings between graduation and 2002/3, by age at graduation**

**Male graduates in full-time employment in 2002/03**



**Female graduates in full-time employment in 2002/03**



Source: Seven Years On: survey of the career paths of 1995 graduates

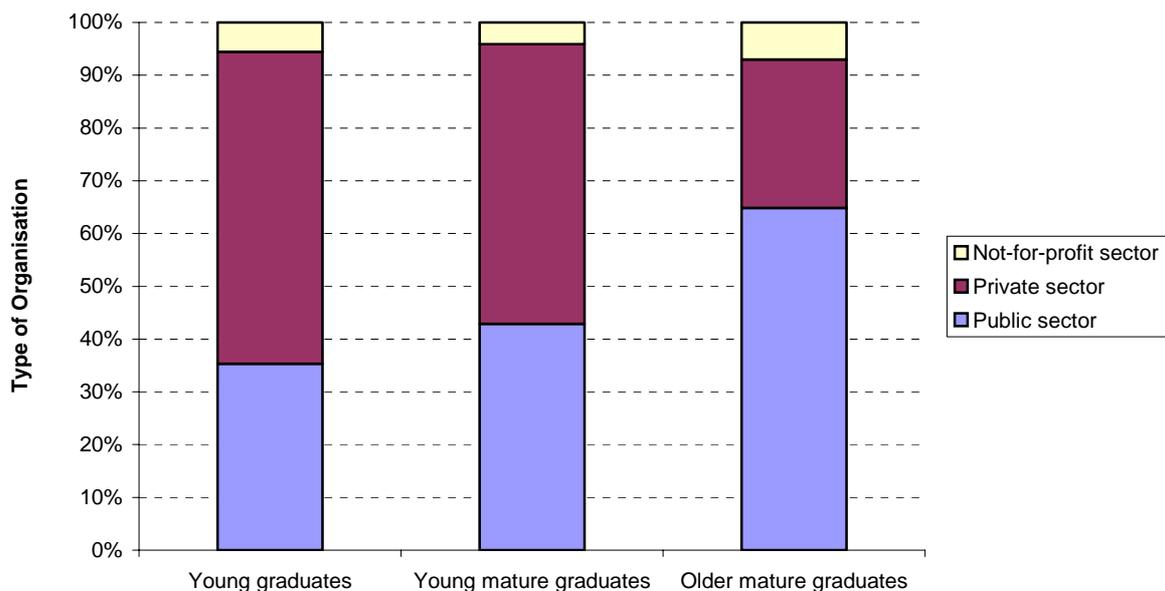
None of these results is particularly surprising, but what is remarkable is the sheer scale of the graduate earnings growth premium associated with youth. *Ceteris paribus*, those who graduate at age 22 can expect their real earnings to grow about 5 percentage points per year faster than for a graduate who gains a degree at age 32 years. This result is obtained after taking account of the

different social backgrounds of mature graduates, their entry qualifications and the subjects they study.

## 6. Where do graduates work and what do they do?

Comparison of the employment locations of younger and older graduates is interesting. Where are they located in the workforce, and what are their jobs? Figure 11 reinforces the well-established finding that mature graduates are significantly more likely than younger ones to work in the public sector and more likely to be self-employed (Egerton 2000, Elias *et al.* 1999) and the middle group are more like their younger peers than their elders – but how far does this reflect choices or lack of alternatives? Perhaps mature graduates compete for employment in more restricted labour markets? Are there ‘young industries’ where well-qualified but older applicants have particular difficulty in accessing opportunities?

**Figure 11** Type of organisation by age at graduation

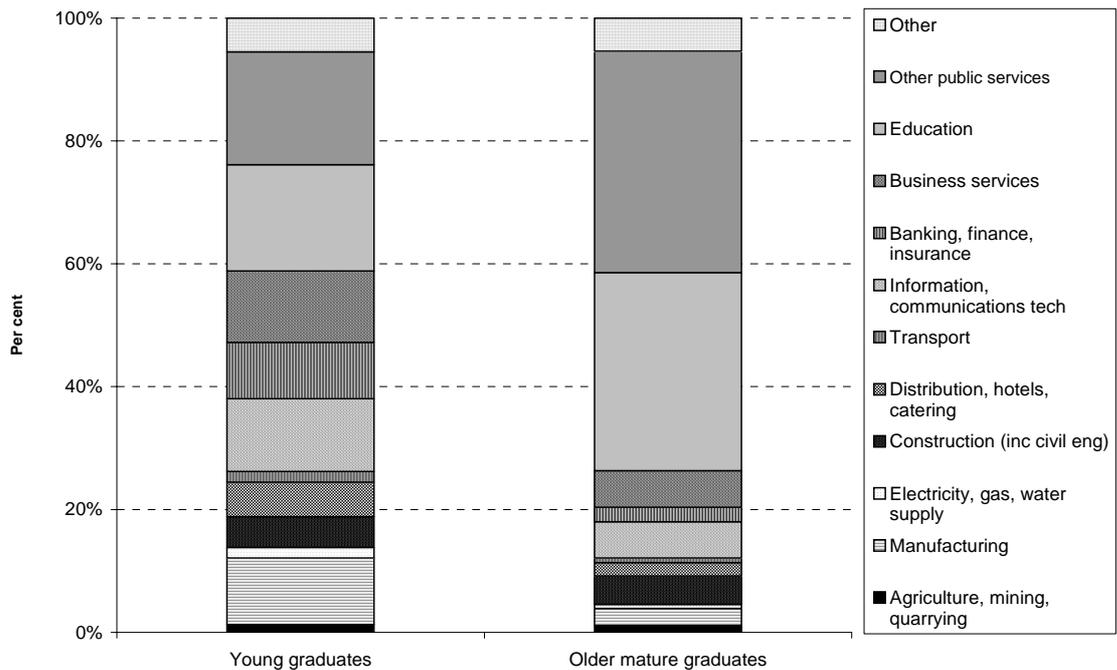


Source: Seven Years On: survey of the career paths of 1995 graduates

In a recent study of employers (Purcell *et al.* 2002 *op cit.*) most of the large private sector organisations studied – and even public sector organisations whose priority was to attract ‘Fast Track’ graduates – operated graduate recruitment programmes that were designed for graduates with little or no work experience. For example, both global retailers and members of the ‘big five’ accountancy firms said their organisations would ‘divert’ experienced mature graduates or MBA applicants away from their graduate trainee schemes and into direct entry posts. In contrast, several public sector graduate-targeting organisations had flexible graduate trainee programmes that accommodated prior experience and allowed relevantly qualified graduates to join at different stages and/or fast-track through, which made them more accessible to older graduates.

All the evidence suggests that the big distinction is between those who graduated under the age of 24, at the 'normal' age, and those who graduated when they were over 30. Figure 12 compares the sectoral distribution of these older and younger graduates seven years after graduation.

**Figure 12 Industry sector by age group**



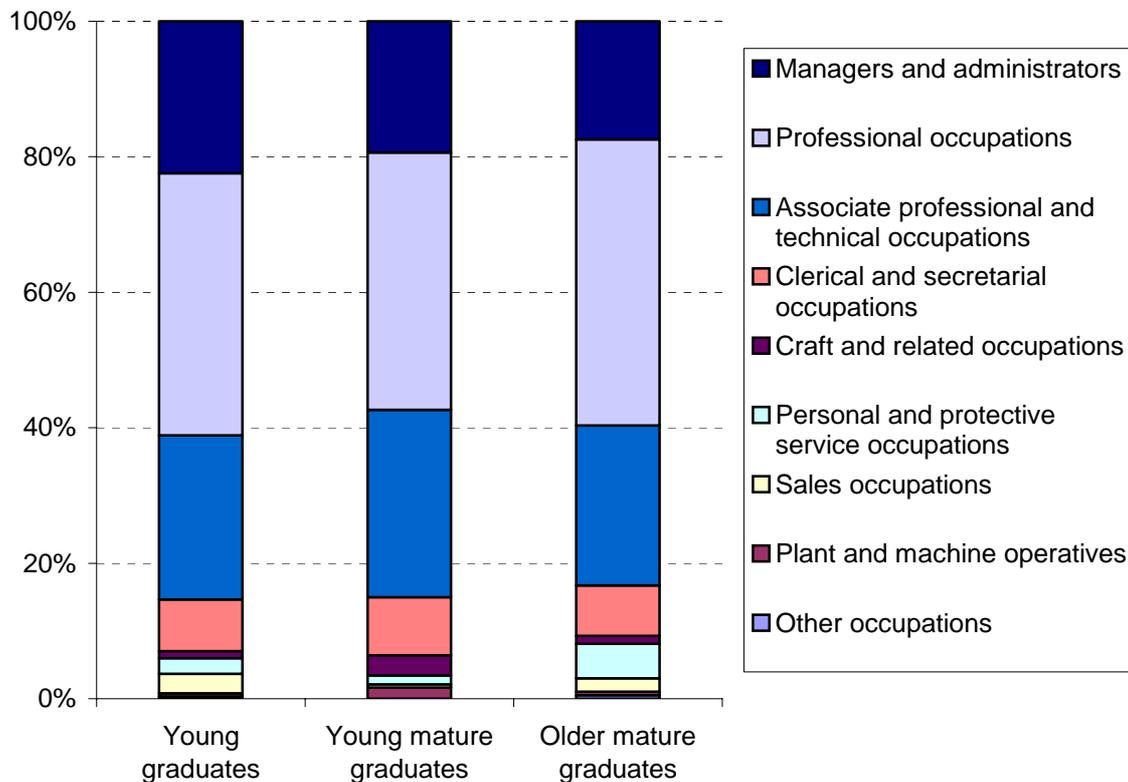
Source: Seven Years On: survey of the career paths of 1995 graduates

The public/private distinction is also evident in this distribution. In line with the preceding analysis, the older group were substantially more likely to be employed in education or other public services. They were less likely to work in all the other sectors except construction and transport - both sectors with public as well as private employment opportunities. Many of the younger graduates we have interviewed commented that one of the things they liked about their work was that it was in 'a young industry' - in relation to ICT and Business Services; which is borne out by our findings.

Figure 13 shows that, in occupational terms, the differences among the three groups are less dramatic, and reflect the sectoral distribution and the gender differences in the composition of the age sub-samples. Older graduates are somewhat more likely to be professional and less likely to be managers and administrators, reflecting their concentration in the public sector, and in the education sector in particular. Younger mature graduates, more often males and females, are more likely to be

in associate professional and – in the minority of cases in apparently non-graduate jobs - in craft and related or plant and machine operative jobs rather than sales occupations.

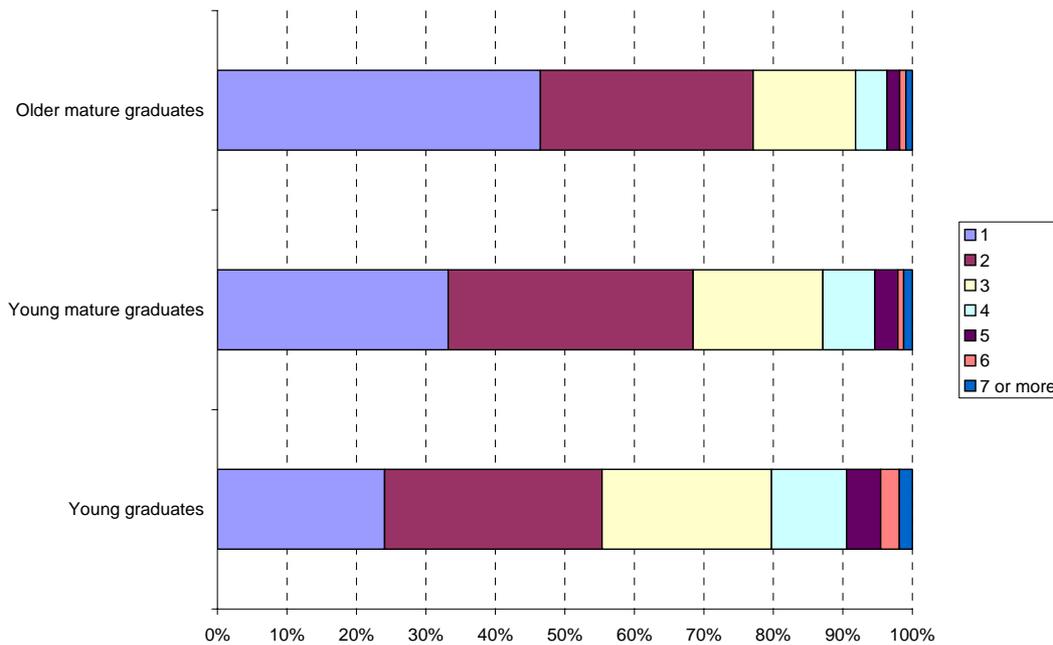
**Figure 13 The occupational distribution of 1995 graduates in 2002/03, by age at graduation**



Source: Seven Years On: survey of the career paths of 1995 graduates

One of the most interesting differences between the three groups is the different number of events recorded by them on the work history schedules. Respondents were required to list all events, whether job, course, self-employment, unemployment or non-employment - and we have not fully analysed this data yet – but a preliminary investigation shows that age is clearly correlated with propensity to have had activity changes – although it is more complicated, with different patterns of job tenure. New graduates tend to be highly mobile, with relatively high job turnover (Elias and Rigg 1990). Seven years on, it is clear that this propensity to move jobs frequently is related to age and, possibly, lack of personal commitments to others. Figure 14 shows that, while 25 per cent of the youngest group had remained in the same activity since January 1999, over a third of the young mature graduates had done so and almost half the older graduates had only had one event - normally, one employer. Conversely, twenty per cent of the oldest group - twice as high a proportion as of those who were under 24 at graduation - had had four or more changes - and in this case, the middle group resembled the older group more closely. Further investigation is required, but it seems that maturity leads to greater stability -- or inertia?

**Figure 14** Number of work history events since January 1999 by age group



Source: Seven Years On: survey of the career paths of 1995 graduates

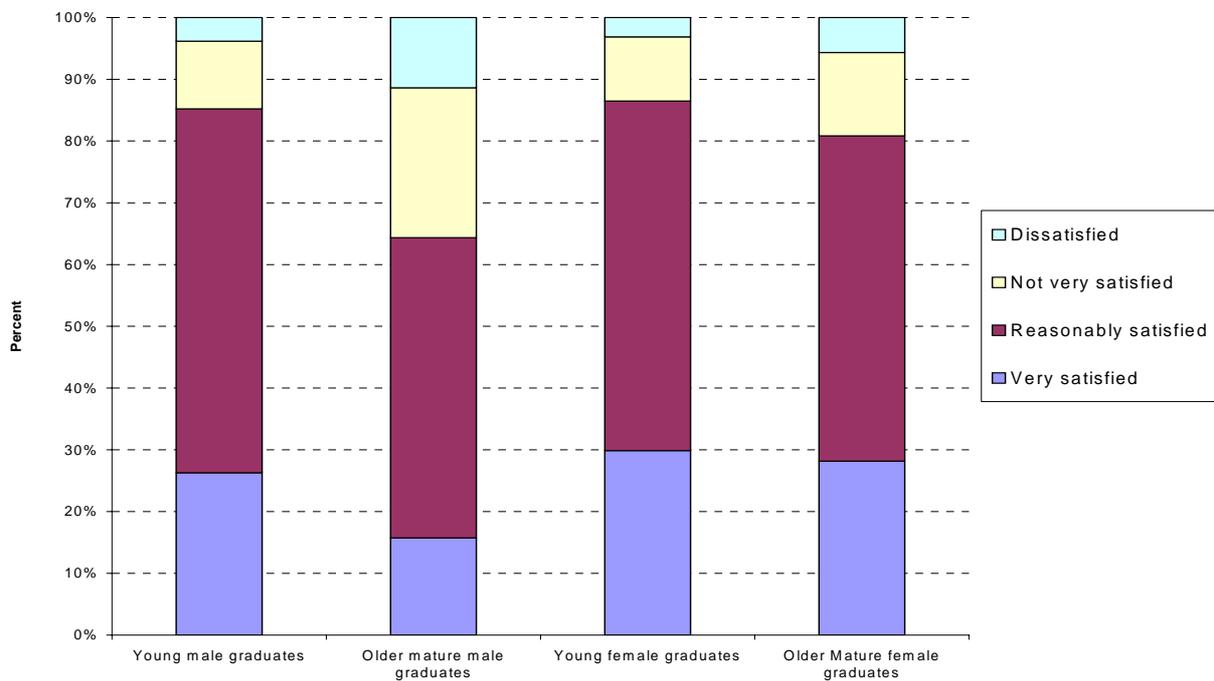
It appeared from some of the responses to attitudinal questions in the survey that relative maturity was associated with different values and priorities, in relation to their careers and wider social integration. Respondents were asked to indicate the importance to them of a number of long-term values ranging from high financial reward to concern with involvement in local community issues. With regard to age differences, the most pertinent findings suggest that older mature graduates are significantly more likely to highlight the importance to them of doing socially useful work (perhaps not surprising given their great propensity to work in the public sector). In addition, older mature graduates were less likely to consider career development as very important and to give high financial reward less priority.

These age differences in orientation to work were also revealed by answers to the question about the factors that had been important in their decision to take their current job. Comparison between older mature graduates and their 'traditional' counterparts indicates that young graduates were significantly more likely to highlight the importance of an attractive salary (46%) compared to older mature graduates (32%). Similarly, opportunities for career development were also found to have been more important amongst the younger group, 58% reporting this played a part in their decision compared to 39% of mature graduates. In addition, perhaps reflecting the lack of job choices facing some mature graduates, they were more likely to have reported that a key reason for them taking their current job was that it was better than being unemployed.

As with the other sub-groups, the majority of mature graduates were satisfied or reasonably satisfied with their careers to date, when surveyed in 2002/03 (see Figure 15). However, comparison of the

oldest and youngest groups, disaggregating the sub-samples by gender, reveals the same tendency for older mature male graduates to give negative responses, in comparison with the other categories. It seemed that over a third of them were not very satisfied or very dissatisfied, with around 12 per cent unequivocally dissatisfied. At the other end of the spectrum, they are substantially less likely to have been very satisfied. The younger male graduates were second least likely to have classified themselves as very satisfied - although they were a little less likely than the older females to have been dissatisfied.

**Figure 15** Level of satisfaction with career, by age group and gender



Source: Seven Years On: survey of the career paths of 1995 graduates

In previous surveys of 1995 and 1996 cohorts, we found that, after six months (Hogarth *et al.* 1997), eighteen months (Purcell *et al.* 1999) and between three and four years after graduation (Elias *et al.* 1999), graduates who completed their course when they were 30 or more were more likely than their younger peers to be relatively disappointed by their career progress so far. Seven years on, there remains a difference in reported satisfaction, but as the work history graphs discussed above revealed, there has been a convergence of experience - and this is also reflected in a convergence in respondents' evaluation of outcomes. However, the figure below highlights the complexity of the picture. Whilst older mature female *graduates* report similar patterns of satisfaction with their careers, seven years after graduation, older mature males were significantly more likely to be either dissatisfied or not very satisfied. It appears, as has often been found by researchers, that women express more satisfaction with objectively less satisfactory outcomes than men. Gender differences

in expectations and outcomes are one of the main themes of this project (c.f. Elias and Purcell *op cit.*) and will be explored further in subsequent papers.

## 7. The experiences of mature graduates

In relation to the levels of satisfaction in career outcomes, is important to bear in mind the different reasons for which mature graduates enter higher education 'late' and the differing expectations they have upon leaving. Levels of satisfaction in careers, opportunities and prospects are dependent upon expectations and, consequently, perceived labour market success amongst any group of graduates will be influenced by the differing aspirations and hopes they had at the end of their courses, and the extent to which these have been realised.

The interview data suggest differing sets of assumptions made by mature graduates about the likelihood of labour market 'success' and the speed at which this can be achieved. However, the majority of the mature graduates interviewed had left higher education expecting that they would be able to find employment which was commensurate with their qualifications and skills, and that their greater maturity and commitment would be regarded positively by employers.

However, it appears that many subsequently had to reassess this in the light of experience. The following extract highlights a recurrent theme in the interviews:

*'I thought that employers would look at me and think, "as old as he is... he's been made redundant, he's got a degree, it shows drive and enthusiasm to get on and do things". But it didn't work out that way: it took about four years before I got a job that I thought I should have been able to achieve two or three years beforehand. So, I was almost getting disheartened... It was rather a naïve idea that I would leave university [thinking that] there would be jobs and opportunities out there. I didn't expect it to be quite as difficult as it was to get this kind of job...'*

(Transport Planner, age 48, graduated with a 2:1 in Rural Resources Development from a new university)

Amongst the respondents, differences were certainly evident in the manner in which mature graduates pursued labour market success. One of the most successful, in career terms, was Mary, a 39 year old senior manager with a large global consultancy firm who was able to achieve initial and subsequently rapid corporate success due making a proactive move by offering to work unpaid for one of the 'Big Five' accountancy firms in exchange for work experience, which had led to an offer of employment. She was able to do this despite being a single mother, because her own mother was able to care for the child while she worked, and she had family financial support. In this case, it is pertinent that initial recruitment into the organisation was achieved by adopting an approach often used by her younger peers to get a foot in the door and an opportunity to prove themselves, a strategy that is unlikely to be an option for most mature graduates. Once into the organisation, Mary's progress has been rapid and it is noteworthy that part of her subsequent, and potential future, advancement has been a willingness to be mobile and to work away from home for relatively long periods of time, supported throughout by her family. In effect, although she is a mature graduate and

a parent, she has been able to take advantage of career opportunities and satisfy the demands of the job by being able and willing to act like the traditional young (male?) graduate recruit, ostensibly unimpeded by commitments to others.

Success appears more likely to be achieved incrementally through the pursuit of existing opportunities, rather than by creating new ones. For example, a 46 year-old local authority transport planner took five years to find a job in his locality that made use of his degree knowledge, filling a range of distinctly non-graduate roles, some in related areas, before finally achieving his objective. We interviewed pragmatists who had realistic expectations of the extent to which they would need to compromise their expectations because of their age and attendant family commitments.

*'I feel now that age is a barrier and I don't know how much you have to compromise what's important to you. The money is an issue, my husband's business is struggling and we need to get some money in. So, I should think that's probably the biggest driver for pushing me into something that I don't want to do'*

(Education Development Officer, Age 46, 2:1 degree in Human Sciences from an old university)

In terms of labour market outcomes and, specifically, obtaining entry into jobs and organisations, the interview accounts suggested that mature graduates often believed that they had encountered obstacles related to the fact that they were older than the stereotypical new graduate. Our data indicates that older graduates often offer employers exactly what they claim to seek: work experience, maturity, a strong work ethic and evidence of transferable skills such as time-management, flexibility, adaptability and commitment. Indeed, as Figure 14 suggested, in the period since January 1999, mature graduates appeared to be likely to have longer job tenure than their younger colleagues, perhaps emphasising the reliability and loyalty of this group.

However, although these are sometimes recognised and valued, age clearly continues to be an obstacle for most mature graduate labour market entrants. As a group, they felt they had had to be more persistent, and more proactive, in persuading employers to consider them. Barbara's account is typical:

*'I applied for about 40 jobs when I left, after getting my occupational psychology Masters... Out of 40 applications I got three offers of interviews... I think once I stopped putting my age on my CV I got more interviews. I'd also make it less obvious on the CV that you are that age by not giving so much information about your early career. So, perhaps it was just literally that the CV was better written or perhaps the CV didn't have so much off-putting information, less information and if they wanted to know more...I spoke to a number of recruitment people while I was doing my temping and they do recommend that you don't put your age, you don't put your marital status... you try and block out, try and prevent or anticipate as many HR biases as you can'*

(Senior Project Co-ordinator aged 39, 2:1 in Psychology from an old university)

Several other interviewees similarly felt that age had probably been used as a means by which employers had rejected applications for employment. Moira had clearly had her confidence seriously eroded by lack of success in job applications in her attempts to move on to a more demanding job. She reflected:

*'I'm 47 in March and certainly 3 years ago I seemed to be getting many more interviews per application than I am now... it might not be age but I don't know...you always think it's you, don't you?'*

Education Development Officer aged 46, 2:1 degree in Human Sciences from an old university

One of the key, recurrent themes of the interview programme was that mature graduates often find that they are caught between 'a rock and a hard place': they have maturity, but less experience than those of their age who completed an undergraduate degree soon after they completed secondary schooling. In several interviews it was suggested that the most significant barrier to initial, and subsequent, recruitment was that often employers make assumptions about the type of employment suitable for and the degree of experience expected of a person of 'a certain age'. It was felt that often employers were reluctant to offer initial graduate level employment to mature graduates but at the same time assume or expect a certain degree of experience even if in relatively specialist areas.

*'I think perhaps the age worked against me on two grounds. One was that I was too old for real basic, bog-standard graduate entry and I was too old because I didn't have the experience to go with the age into other jobs'.*

(Transport Planner, aged 48, with a 2:1 in Rural Resource Development from a new university)

This was echoed time and time again in the interviews with mature graduates and appeared to have two affects: it was often perceived to have led to their a lower propensity to be short-listed, or it had led employers having unrealistic expectations of what they might be expected to do.

*'Unfortunately, because I was 37 at the time I was feeling very much that age was against me... When you come out with your brand new degree certificate and you go for jobs, people either assume that you should be young if you want to come in at the lower level or that your age must give you some automatic experience in the specialist field that you're entering. They don't know quite where to put you unless of course they are particularly far sighted and accept that you might be able to bring quite a lot to a more junior role''*

(Senior Project Co-ordinator aged 39, 2:1 in Psychology from an old university)

Where this lower propensity to be recruited, and even short-listed, is likely to be most pronounced is in what Malcolm described as 'young' industries, in his case the music industry. Despite a degree in music, his recent experience and expertise within the industry, he felt his opportunities for progression outside his current organisation were extremely limited by his age. He said:

*'The music industry seems to respect business qualifications more than music qualifications and you get a problem with age as well, it's a very young industry and I'm getting to an age where it's difficult to get jobs anyway. There is an*

*ageism about jobs, I think. [It's] very hard to get into because they all want experience already and if you go for the lesser trainee they want someone younger and that's a real problem..."*

(Data Communications Administrator, aged 43, 2:1 in Music from a new university)

Furthermore, Barbara had found that sometimes her age had led to unreasonable expectations on the part of employers, so that she was subjected to more difficult selection procedures than those used to assess younger recent graduates:

*'I went for a really horrible interview and I turned up and they then asked me to give a training seminar using a particular tool that I'd come across for the first time during [my] Masters course in occupational psychology. They expected me to be able to do a consultancy thing using this tool... They said, "well, if you'd been a new graduate we wouldn't have asked you to do that!... Normally, we would give that task to someone who'd done two or three years of consultancy work". That's the kind of attitude that you come up against, people assume that you've got this knowledge, experience just because you happen to be a bit older when, in fact, you're at the same [career] developmental stage... strictly speaking"*

(Senior Project Co-ordinator aged 39, 2:1 in Psychology from an old university)

Whilst the interviews suggest that mature graduates of all ages were mainly positive about their undergraduate experiences and outcomes, lack of initial success in the labour market, often continuing for a significant period post-graduation, led to disillusionment among some mature graduates in the light of their investment in higher education. Several respondents expressed disappointment that there appeared, contrary to assumptions, little advantage in the labour market of them having attained a degree. Robert said:

*'I think perhaps people didn't understand – "Why has he gone to work for six years and gone to college and not done it the other way around" – and yes; I was 28 with a 2.2 degree and I wasn't a 23 year old with a 2.1 and possibly because somebody looking at my CV would think "that person doesn't have any direction, doesn't really know what they want to do'.*

(Accountant, aged 35, 2.2 in Business Studies from new university)

Robert's case highlights an issue raised by others: that some employers appear to have regarded mature graduates with suspicion, not only unsure about where they might fit into the organisation, but also wary of their motives for doing a degree and imputing character flaws in those who had not followed the 'normal' (in fact, middle class) educational route from secondary school into higher education: second, the fact that mature graduates themselves are somewhat naïve about the opportunities which await those with degrees.

Therefore, while mature graduates are clearly not a homogeneous group, the interview data reveals common themes, suggesting that mature graduates may be faced with greater obstacles to appropriate labour market integration and achievement of their aspirations than is the case for the younger graduates they studied alongside. The majority of those interviewed so far had been

relatively successful, seven years on - and the survey data showed the extent to which there had been a convergence in the outcomes of younger and older graduates as time went on. However, the interview data suggests that many of the mature graduates had to display greater determination and resilience to achieve relative labour market success to overcome employer suspicions and the problems implicit in embarking on a new career direction; many concurrently balancing other commitments and responsibilities.

The interviews suggest a key determinant of labour market success amongst mature graduates, as was the case for the sample as a whole, was the way in which they took advantage of opportunities, approached obstacles and handled setbacks. Whilst some appeared to dwell on the poor hand that they have been dealt and talked very fatalistically about lack of opportunities - "It didn't seem to happen for me" said the retail checkout operator with the 2.1 in Science from an old university - others respond in a proactive manner by creating and pursuing existing opportunities and manoeuvring themselves into position to take advantage of opportunities as they arose.

## **8. Summary and conclusions**

It is tempting to summarise the information we have presented in this paper in a positive light. Some commentators have implied that the labour market for mature graduates is a difficult one to enter – that mature graduates will face discrimination compared with younger graduates, and that they may be of a lower 'quality' compared with those who took a more direct route from school to higher education. We present evidence to show that none of these claims has much validity, especially given the fact that the supply of mature graduates has increased more rapidly in recent years than the supply of young graduates.

However, one of the interesting features of our study is the distinction that we make between 'young mature' graduates and 'older mature' graduates. The younger mature graduates are, in most respects, similar to the young graduates (those who pass straight through from school to university possibly with a one or two year break). In contrast, the situation for the older mature graduates does look less positive. While they still gain a significant pay premium for their degree, the scale of this is eroded by their age. This could be attributed to the type of work older mature graduates do, their social background and their generally lower entry qualification. Detailed analysis shows that this is not the case. At present we are left with no better explanation of this phenomenon than to relate the difference to age. Clearly, further investigation is warranted before we can conclude that some form of age discrimination is at work here.

Perhaps the most telling evidence we present here comes not from the longitudinal surveys we have conducted, but from the detailed interviews with a number of the survey respondents. The mature graduates among these have much to tell us about their experiences of higher education and the subsequent movement back into employment. For some, this was a difficult move – one with

significant financial implications both whilst studying and in terms of the difficulties of regaining employment. Yet the continuing expansion of the higher education system will cause many higher education institutions to seek to encourage people over the age of 30 to enter higher education. Without a concerted effort from employers to ensure that age plays no part in their strategies for the recruitment and retention of highly qualified persons, there is a danger that the labour market disadvantages that we have highlighted in this report may continue to develop.

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**Appendix: Regression results for rate of growth of earnings, first main job after 1995 degree to date of survey (2002/03), graduates in full-time employment only**

	Coefficient	Std. Error	t-statistic
Constant	13.523	0.495	27.302
<b>Subject area of study</b>			
Arts	Ref		
Humanities	0.524	0.108	4.838
Languages	0.308	0.136	2.257
Law	3.342	0.138	24.298
Social sciences	1.523	0.095	16.047
Maths and computing	3.264	0.115	28.308
Natural science	-0.069	0.098	-0.707
Medicine & related	0.897	0.120	7.450
Engineering	0.750	0.102	7.346
Business studies	2.870	0.099	29.083
Education	0.025	0.114	0.218
Other vocational	1.504	0.117	12.882
Interdisciplinary	2.188	0.177	12.391
<b>Type of institution attended</b>			
Old university	Ref		
1960s university	0.116	0.082	1.420
1992 university	0.790	0.061	13.054
HE college	-0.322	0.100	-3.211
<b>Entry qualifications</b>			
A-levels, 24+ points	Ref		
A-levels, 16-23 points	-0.496	0.070	-7.105
A-levels, < 16 points	-0.595	0.081	-7.315
Scottish highers	-0.924	0.090	-10.224
Access quals	-1.695	0.145	-11.728
Foundation course	0.392	0.218	1.799
HND/HNC	-1.010	0.101	-10.044
GNVQ	1.253	0.261	4.793
Baccalaureate	0.866	0.417	2.076
O levels	-1.403	0.236	-5.941
BTEC, ONC/OND	-1.036	0.143	-7.240
First degree	-2.484	0.223	-11.118
Postgrad qual	-0.695	0.464	-1.497
Other	-2.515	0.132	-19.122

Contd.

	Coefficient	Std. Error	t-statistic
<b><i>Class of degree awarded</i></b>			
First	1.142	0.129	8.865
Upper second	0.899	0.113	7.981
Lower second	1.293	0.115	11.288
Third	Ref.		
Unclassified	0.706	0.261	2.707
Ordinary/pass	0.869	0.148	5.874
Diploma	-1.484	0.862	-1.722
Postgrad qual	2.190	0.446	4.913
<b><i>Parental social background</i></b>			
Professional	Ref.		
Managerial/technical	0.119	0.064	1.865
Skilled non-manual	-0.732	0.089	-8.195
Skilled manual	-0.442	0.074	-5.989
Partly skilled	-0.903	0.108	-8.341
Unskilled	-1.667	0.193	-8.650
Armed forces	1.861	0.208	8.961
No parent in work	0.472	0.264	1.789
No information	0.364	0.083	4.380
<b><i>Type of occupation held</i></b>			
Traditional graduate job	Ref.		
Modern graduate job	1.009	0.065	15.474
New graduate job	0.774	0.066	11.709
Niche graduate job	0.691	0.090	7.648
Non-graduate job	-1.843	0.086	-21.329
Male	1.154	0.049	23.778
Age at graduation	-0.615	0.033	-18.880
Age squared	0.007	0.000	14.069
$R^2$	0.151		
<i>Number of observations</i>	2,900		

*Dependent variable:* annual rate of growth of real annual gross earnings, from first main job after graduation in 1995 to date of survey (2002/03)