

What young graduates do when they leave study – New data on the destinations of young graduates

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This report focuses on the destinations of young domestic graduates. It complements the publication 'What young graduates earn when they leave study', which looks at the earnings of young graduates who remain in New Zealand. The report, focuses on differences in what graduates do rather than what they earn after they complete their studies. It looks not only at those who remain in New Zealand but also those who go overseas.

The report also investigates whether trends in what graduates do after they complete their studies have changed in the last eight years or not (looking in detail at cohorts who graduated in 2003 to 2010). Comparing current figures to these historical ones helps to put current rates in perspective.

Key findings

Graduates who complete qualifications at different levels differ in what they do post-study

Young, domestic graduates who complete qualifications below degree level are more likely to do further study after they complete their qualification, with around half of level 1–4 certificate and level 5–7 diploma graduates continuing on to do further study. Those who complete qualifications at higher qualification levels are more likely to be employed in the first year post-study, with around half of all bachelors and honours graduates employed, and 55 per cent of masters and doctorate graduates.

Graduates who complete qualifications at different levels show different employment rate trends over time

Employment rates increase over each of the first seven years after study for young domestic graduates who complete a level 1–4 certificate or level 5–7 diploma. Many of these graduates do additional study after their first qualification, so increasing their skill level and enhancing their prospects of employment. In contrast, employment rates tend to decline over time for young domestic graduates who do a bachelors qualification or higher as the percentage of graduates who go overseas increases with time. However, despite employment rates moderating over time, it is important to note that the earnings premium that those who complete higher qualifications enjoy remains consistent over time.

Very few young people who complete a qualification at diploma level or above are on a benefit in the first seven years after study

Around 5 per cent of level 5–7 diploma graduates are on a benefit and around 1 per cent of bachelors graduates, in each of the first seven years after study. However, it is around 12 per cent for those who graduated with certificates at levels 1–3.

Current overseas rates are comparable to historic ones

There has been no increase in the rate of departure of young New Zealanders at most qualification levels. There are also indications that the percentage of young domestic graduates who go overseas may be decreasing in more recent cohorts for those who have studied graduate certificates or honours-level qualifications. However, rates have increased for masters graduates in the first two years post-study.

The proportion of young graduates who go overseas generally increases with the level of qualification gained

In the first year after study, 3 per cent of certificate level graduates go overseas, 5 per cent of diploma graduates and around 10 to 11 percent of bachelors and honours graduates. There is then a jump with 20 per cent of masters and 30 per cent of doctorate young domestic graduates going overseas in their first year post-study.

The percentage of graduates who go overseas increases with time and the rate of increase generally increases with qualification level

Seven years after study, 17 per cent of certificate 1–3 graduates are overseas, 21 per cent of diploma graduates, 31 per cent of bachelors graduates and 41 per cent of doctorate graduates.

The percentage of young graduates who go overseas appears to flatten off and reach a maximum around six to seven years after graduation

This is particularly the case for those who have studied at higher qualification levels. The exception is doctorate students who reach a peak around three to four years after study. Given the high initial number of doctorate graduates who go overseas, the early flattening of the overseas proportion is most likely due to a large number of doctorate graduates going overseas immediately after their studies in order to complete a postdoctoral placement, with some then returning.

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Download full report at:

<http://www.educationcounts.govt.nz/publications/80898/what-young-graduates-do-when-they-leave-study>

Graduates outcomes were affected by the recent global financial crisis, with different trends seen for graduates at different qualification levels

Employment rates dropped and benefit rates increased for young domestic graduates who had completed a qualification at certificate levels 1–3. Employment rates also dropped for those who had completed a level 4 certificate or diploma, but further study rates increased over this time, suggesting that these graduates focused on obtaining further qualifications to enhance their employment prospects. Employment rates generally remained constant for young domestic graduates who completed a qualification at degree level or higher, which suggests that having a higher qualification has helped to protect these graduates from the worst effects of the recession.

Outcomes for young bachelors graduates vary by broad field of study

For example, of those young domestic graduates who complete a bachelors degree, employment rates are highest in all years

after study for those who study education, varying from 73 per cent in the first year after study to 64 per cent seven years after study. Around 54 per cent of bachelors graduates who have studied natural and physical sciences, and 47 per cent of society and culture graduates continue on to do further study.

Outcomes for bachelors graduates also vary by narrow field of study

Within a single broad field of study, there can be considerable variation in what young domestic graduates do after they complete their qualification. For example, employment rates are very high initially for young graduates in domestic pharmacy (94 per cent), radiography (85 per cent) and dental studies (69 per cent). However, these rates drop sharply in subsequent years, mostly because of the high number of graduates who go overseas. Employment rates increase or are more stable for those who study medicine, veterinary studies, public or other health, and nursing, with a lower proportion of these graduates going overseas over time.