

## What are the job prospects for the class of 2020?

In a fragile graduate market, some employers are cancelling or deferring offers

Emma Jacobs, Amy O'Brien, Andrew Jack and Kate Beioley 9 HOURS AGO

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In February, Olivia, a law student with ambitions for a career in aviation, received an offer for a graduate job at an airport regulator. A few weeks later it was withdrawn because the organisation could not “afford to host graduate roles”, she says.

Nonetheless, Olivia, who prefers not to give her last name, counts herself one of the lucky ones, able to study for her final online exams under lockdown at home with her parents.

“Many of my friends have been struggling to access content due to poor WiFi connections, difficulties concentrating due to busy households or managing poor mental health, which has been exacerbated through the uncertainty and lack of support.”

This cohort of final-year students will enter a jobs market turned upside down by the pandemic. Charlie Ball, head of higher education intelligence at the Higher Education Careers Services Unit, says employers have been blindsided: “This is way outside normal experience.” In response, some are withdrawing job offers, pushing back start dates, or preparing virtual workplace introductions. Internships, typically part of an assessment for future job offers, are being cancelled, deferred or made digital.

A survey by [Prospects](#), the UK graduate jobs website, found that 28 per cent of graduates have had job offers rescinded or the start date delayed. According to the US National Association of [Colleges and Employers](#), 4 per cent of members are withdrawing offers and 20 per cent are considering it, while 21 per cent cancelled internship offers.

Edwin Koc, Nace's head of research, says this is "quite unusual . . . the last time we saw something like this was in 2009 when 9 per cent of employers decided to revoke offers". While he says it is a sign of the labour market's "deep distress", he cautions that many employers are waiting to see how the weeks play out. "They don't want to respond too quickly to the situation."

Graduates without offers will have to navigate online recruitment fairs, chasing a reduced number of jobs. Stephen Isherwood, chief executive of the Institute for Student Employers, says: "We know that the impact will be severe." Ise found more than a quarter (27 per cent) of businesses are reducing the number of graduates they recruit in 2020.

However, Mr Isherwood warns of generalisations: some sectors [hospitality and tourism] are badly affected, as are small and medium-sized companies, which are focused on keeping afloat rather than recruiting. There are some bright spots, including tech companies and programmes such as [Teach First](#), which operates in schools in deprived areas, where graduate numbers are strong for 2020, and recruitment for next year has just started.

Martin Birchall, managing director of High Fliers Research, which looks at graduate jobs, says that unlike the 2009 crisis, the biggest employers are working hard to keep their graduate employment on track. "Most of the biggest names are continuing with their planned intake, albeit under difficult circumstances."

"The graduate market is going to be suppressed," Mr Isherwood says, "but not completely cut off at the knees".

## **Uncertainty**

Graduate employers do not want to risk their reputation by withdrawing offers, says Mr Ball. BDO, the accountancy firm, for example, has furloughed its current first-year trainees, and is not recruiting more but is honouring 400 offers to new trainees starting in the autumn.

While large City law firms say they have no immediate plans to cut the size of their intake, some legal trainees have been furloughed, for example at Gateley. Meanwhile, the postgraduate legal practice course (LPC) exams that prospective solicitors need to take are disrupted. The Solicitors' Regulation Authority, the UK lawyers' regulator, has indicated it would accept suggestions from providers seeking to supervise exams online.

Second-year law students, and graduates hoping to switch to law, would usually be gearing up for the spring and summer rounds of vacation schemes — vital for securing a job in a top law firm. Mayer Brown and White & Case have both cancelled their spring schemes and not yet agreed a new date. Others are offering virtual ones. Clifford Chance, for example, is launching an online summer vacation scheme in July, offering three days of classroom learning using a digital platform called InsideSherpa. Students will be asked to work on real life deals and problem solving and then have the option of two days work shadowing in December this year.

Google has also moved its summer internship programme to a virtual model. This will include networking events for interns to meet peers, and mentoring sessions. EY's virtual programmes will be modular, though the professional services firm insists there will be opportunities to do client work as well as training and networking.

One third-year student due to start at Goldman Sachs speaks of her relief that the intern programme is going ahead, despite being cut from nine to five weeks and shifting online. "Graduate recruitment is normally almost all done through the summer internship, so I feel lucky that I still have this chance at a time when it's so difficult to get a job," she says. She is also relieved to spare herself paying rent in London for the duration, though knows others have committed to tenancies.

### **Virtual advantages**

One first-year student has found an unexpected perk of the virtual format: it allowed her to fit more internships into the spring break, rotating through Lazard, McKinsey, BNP Paribas and Deloitte. To her surprise, she found the experience "quite authentic". Working on a project with strangers on Zoom, "certainly shows that we're adaptable", she says. "I'm not sure how the firms will view the placements — whether they'll count them as just as significant as in-person internships. A lot of the spring weeks are designed to be a way for the firms to recruit future summer interns, and it's quite difficult for the firms to make decisions based on these short virtual events."

## **The problem is that employers [tend to] look at graduates from that year. They are economising on their recruiting time**

**Peter Cappelli, director of the Center for Human Resources, Wharton Business School**

Virtual internships depend on students being able to access broadband, as well as having a quiet place to work, and there are concerns that those from lower income households, with cramped living conditions, might be disadvantaged.

Employers worry that hastily conceived virtual internships might deter students from applying for later job rounds so would prefer to cancel. Others, including Lloyds Banking Group, have cancelled

internship programmes but fast-tracked candidates through to the final stage of the graduate application process. Others have offered jobs for summer 2021 to penultimate year students who had qualified for internships this year.

### **Long-term impact**

The impact of graduating into an economy in recession can last beyond the downturn. A report by the UK's Resolution Foundation last year found that the "crisis cohort" who entered the jobs market in the wake of the banking crisis, "continued to face higher unemployment, lower pay and worse job prospects up to a decade later, compared to other young people entering work before or after the downturn". One of the reasons for the impact is the idiosyncrasies of the hiring market, says Peter Cappelli, director of the Center for Human Resources at Wharton Business School. "The problem is that employers [tend to] look at graduates from that year. They are economising on their recruiting time."

A study by the UK's National Union of Students found 81 per cent of respondents said they were concerned about the effect that the coronavirus crisis will have on their own job prospects and 71 per cent were concerned about the impact it will have on their employability.

Sarah Atkinson, chief executive of the Social Mobility Foundation, says that the graduate recruitment market is always challenging for students from a disadvantaged background who may not have the professional connections and the apparent polish of their more privileged peers. “At the moment, that’s exacerbated because they also have worse access to technology,” she says. Some firms, Ms Atkinson adds, are already scaling back their outreach and recruitment activities and this means the gap is likely to widen. “If firms respond to the crisis by retreating to the superficial comfort of recruiting from a small pool of graduates from a small number of universities, that closes the door to talent from disadvantaged backgrounds.”



Tanya De Grunwald believes coronavirus is enabling employers to rebadge free work as civic duty © Jas Lehal

Ms Atkinson says that some employers are building inclusion into virtual internships and online recruitment. In addition, more professionals now have time to give advice.

Hecsu’s Mr Ball says that students should not be deterred from looking for graduate jobs. “In 2008, lots of students didn’t bother as they didn’t think it was worth it. It had a disproportionate effect on those students from lower income brackets. We’re trying to balance messages so as not to make the situation worse.”

There are also concerns that graduates may find themselves pressured to work for free. Tanya de Grunwald, founder of the [Good + Fair Employers Club](#) believes coronavirus is enabling employers to rebadge free work as civic duty. “It always ends up as survival of the fittest in times like this — my hope is that enough big employers have done good work in this area and behave themselves.”

Josie Dobrin, chief executive of Creative Access, a social enterprise supporting people from under-represented backgrounds into creative jobs, says: “I’ve seen people talk about volunteering [for roles that] are staff jobs. They know that if they are volunteering it will look good on their CV.”

One option that is not available to graduates in the age of social isolation is travel. A final year language student has been told her offer to teach English in China has been frozen. “It’s funny,” she says. “They’re beginning to get back to normal in China now. It’s probably safer than where I am now in the UK, in terms of the virus.”

# What can graduates do this summer?

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Elizabeth Darlington, director of careers at the London School of Economics, reminds graduates to **use this time to make contacts**. “We know that many of our alumni and employers are open to networking conversations [and] informational interviews so students are still able to build their knowledge and networks in this way. Students may choose to do a portfolio of different things over the summer instead, some volunteering to help with their local community, short contracts, research work and learning a tangible new skill that will be beneficial for their future career. Employers will always value students who are able to demonstrate resilience, flexibility and ‘get up and go’ during this period.”

Nick Hillman, head of the Higher Education Policy Institute, a think-tank, says **volunteering or short-term contracts** are useful evidence “that you’ve got the soft skills necessary to thrive in the workplace”.

Many providers of **online training** have reported a notable jump in demand in recent weeks by students keen to learn marketable skills where there is still significant demand. Pierre Dubuc, head of OpenClassrooms, an online platform, says: “Forecasts show that there will still be labour shortages for tech jobs and in other organisations transitioning to online.”

“I would advise students coming towards graduation to study online for an additional 2-3 months in skills that are and will be in high demand despite the crisis: coding, data analysis, or data science (for example, front-end dev or data analyst).”

**Flexibility is key**, says Steve Isherwood, who recommends volunteering and taking short-term jobs, while also using university careers services’ virtual tools. While graduate programmes can provide a great springboard for careers, they make up the minority of first jobs. “You don’t have to join a big accountancy firm or big bank to work in finance,” says Mr Isherwood. “**Every sector needs accountants** and there’s lots of routes into it.”