

MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

Regional patterns of graduate retention and attraction



Theme:

Skills and local labour markets

Area of Focus:

Identifying retention/migration patterns of recent graduate workers across the UK regions.

Key Findings:

- Whilst most university graduates are employed in their region of study 15 months after graduation (UK average retention rate: 58.1%), there are substantial regional differences in the likelihood of staying regionally or relocating for work.
- The West Midlands graduate retention was 50.8% in the 2018/19 academic year, while the East Midlands exhibited the lowest graduate retention rate of all the regions at 40.1%. The West Midlands attraction rate stood at 39.8% and the East Midlands rate was 42.8% (sixth and fifth highest, respectively).
- Of the total 2018/19 graduates across the UK who migrated to another region for work, 32.3% chose London as their employment destination.
- The average regional retention rates are lower for the new workers who attended a Russell Group (RG) university (49.9%) and graduated with a first-class or upper-second class degree (52.9%). Specifically, in England, the retention rates of graduates earning a “good” degree range from 33.2% in the East Midlands to 74.0% in London (West Midlands: 45.7%).
- On the contrary, the attraction rates are higher among the RG university graduates relative to those who obtained a degree from other institutions (East Midlands: 55.8% versus 39.4%, West Midlands: 44.8% vs 38.4%).
- Graduates with a qualification in Arts, Humanities, and Education are far more likely than STEM (Science, Technology, Engineering and Mathematics) and LEM (Law, Economics and Management) graduates to stay in the same region of study for work.
- Younger graduate workers (aged 29 years and under) are remarkably less likely to be employed in their region of study compared to those over 30 years (55.3% and 67.0%, respectively).
- Graduate regional retention rates are higher for women (West Midlands: 54.9%, East Midlands: 44.1%) than for men (West Midlands: 44.8%, East Midlands: 34.6%).
- On average, Bangladeshi (73.5%) and Pakistani (67.6%) graduates exhibit the highest retention rates, whereas Indian (50.6%) and Chinese (51.6%) new workers are the least likely to be employed in their region of study after graduation.



Midlands Engine Impact:

- Higher education institutions could utilise the knowledge gained from their collaborations with local firms to upgrade their degree programmes and equip their students with the required skillsets, thus enhancing graduates’ employability.
- Universities within the Midlands are already developing teaching and research provision to capitalise on opportunities in emerging sectors (e.g., life sciences, AI, digital, and cyber security).
- Workers employed in the digital industries are expected to play a crucial role in improving and levelling up the Midlands’ skills base. Specifically, the tech sector has the prospect of generating 52,000 new jobs in the region by 2025, thus contributing to the UK economy by £2.7 billion.

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