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GENERATION ENTREPRENEUR: THIS YEAR'S STUDENTS WANT TO GO IT ALONE

Credit crunch drives ambition for self-employment among students

Nearly a quarter (24 per cent) of young people starting university this Autumn want to work for themselves when they graduate, according to research from HSBC. This year's students have grown up with the backdrop of recession and difficult employment conditions and as a result almost half (47 per cent) say this has made them want to work for themselves more. Overall one tenth of young people plan on setting up their own business upon graduation.

HSBC surveyed young people due to start university this Autumn, as well as current university students, on their attitude towards employment after university. Current students are less entrepreneurial than this year's students, with only 16 per cent wanting to work for themselves after graduation.

Many students still favour job security, as half (50 per cent) would prefer to work for an established business when they graduate. However, just 15 per cent of those planning on attending university this year say they intend to complete an unpaid internship, suggesting many are not prepared to work for free to secure their dream job. A further 40 per cent say they'll secure a paid job that's relevant to their chosen career while at university in order to improve their employability.

Table 1: Attitudes to employment

	Students starting university this year	Current university students
Want to work for themselves	24%	16%
Want to work for an established business	50%	57%
Will take on an unpaid internship	15%	22%

Vocational courses on the rise

The trend for students to opt for increasingly vocational courses continues, with three quarters (76 per cent) of students who have applied to start university this year planning on studying a vocational subject. This compares to 66 per cent of current students who say their course is vocational. UCAS applications show an increase in vocational degrees, with subjects such as Medicine (+18 per cent), Engineering (+35 per cent) and Nursing (107 per cent) all receiving a boost from 2008-2013.*

Table 2: Increase in vocational course applications

UCAS course applications 2008-2013	Increase/ Decrease (%)
Nursing	107%
Chemistry	39%
Engineering	35%
Art	32%
Film Studies	29%
Medicine	18%
History	13%
Management or business studies	12%
English	-3%
Modern languages	-11%

Andy Mielczarek, head of retail products at HSBC, said:

“Many of this year’s students were aged 12 or 13 when the financial crisis hit in 2008, growing up during the recession, the subsequent years of slow economic growth and a tough job market. On top of this, tuition fees have risen so it’s only natural that this year’s students want to maximise their return on investment. Students are increasingly seeing self-employment as an attractive career option. They’re also choosing more vocational subjects and making sure any part time job is relevant to their chosen career.”

Life beyond university

On average, those currently attending university feel it will take them 4 months to secure a graduate position, with this year’s students slightly more optimistic at 3.8 months. However, those yet to attend university are less confident over levels of pay. On average prospective students expect to secure an annual salary of £25,800. In comparison, those currently at university expect to earn a graduate salary of £27,000 per year. Although both may be disappointed as the average graduate salary in 2012 was £21,702**.

Andy Mielczarek added:

“It’s important that students consider both the outcome of university study and the practicality of funding it. Understanding the financial implications of further education is an important step. If parents plan early and regularly save it will make the financial burden of supporting children through university much easier to manage.”

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Notes to editors:

Research conducted among 2,000 young adults aged 18 to 22 by Opinion Matters between 16 and 23 June 2014

* UCAS Applications (choices), acceptances and ratios by subject group 2013. Source: <http://www.ucas.com/data-analysis/data-resources/data-tables/subject>

**Source: HESA 2011-12, found at: <http://www.thecompleteuniversityguide.co.uk/careers/what-do-graduates-do/what-do-graduates-earn/>

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