

Graduates turn to public sector jobs as recession deepens

Graduate job applications to the civil service have increased by 22pc in the last year, as university leavers shun banking and finance roles for the safe-haven of the public sector.

By Rowena Mason

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Cabinet secretary Sir Gus O'Donnell has made a direct link between the huge increase in graduates looking for high-flying positions in the public sector and the threat of job losses in the private sector.

"There is a silver lining that applications to the civil service fast stream are up 22pc," he said. "They don't want to work in banking anymore."



New graduates 'don't want to work in banking anymore'

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The cabinet office, responsible for "fast stream" applications to the civil service, said departments that have seen a particular increase in applications are NHS management training, the Teach First scheme, the Foreign Office, local government, Transport for London, the Met Office, MI5, GCHQ and the Ministry of Defence.

Nisha Patel, who graduated three years ago and now works as a management consultant, said she was applying to the civil service fast stream this year since people in her department were made redundant last month.

"I want a job where I'm not worrying all the time about whether I'm going to lose it," she said. "I didn't apply to the civil service originally because the pay is not good, but none of that matters when you just want security."

Charlie Ball, head of research at the graduate career agency, Prospects, said graduate demand for safe jobs also meant applications to postgraduate study courses had surged this autumn.

"Lots of graduates think it's not good to be job-seeking at this time, so they sign up to study for a couple of years until the recession is over," he said. "The sight of Lehman Brothers graduate trainees losing jobs in the week they started was not a good one. There are also cases of graduates having their jobs withdrawn before they start."

It is not just public sector recruiters which are benefiting from graduate fears about job security in the City. The number of students applying for graduate scheme places at accounting firms has almost doubled, according to PricewaterhouseCoopers (PWC).

Accounting jobs are traditionally seen as less high-powered and glamorous than City careers, but with retail and investment banks shedding thousands of jobs, the profession is witnessing an upturn.

However, Dr Ball said the idea that the number of graduate jobs in banking and finance is declining was not necessarily a true picture of the market.

"It's a problem of perception," Dr Ball said. "Most big employers are gambling that the recession won't be a long one. Last time there was a downturn, they cancelled graduate schemes and were left with a big gap in their management structure when things got back to normal."

The Centre for Economic and Business Research said this week that an extra 50,000 jobs in the public sector will have been created in the six months to the end of this year.

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