

DEMOGRAPHIC AND LABOR MARKET ANALYSIS
OF UNIVERSITY GRADUATE UNEMPLOYMENT
AND SOCIAL IMPACT REPORT
OF THE FIRST CHANCE PROGRAM

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Esas Sosyal social investments aim to contribute to sustainable social development in Turkey, with a primary focus on unemployment of young university graduates. In order to better understand the challenges in youth employment and measure the impact of investments, Esas Sosyal commissioned and conducted approximately 30 studies since 2014, using a variety of methods and data including household surveys, focus groups, secondary data analysis, and impact analyses with youth, their mentors and managers.

The most recent research studies were conducted in cooperation with Bilkent University and published in March 2020.* The first pertains to understanding how inequality in higher education leads to inequality in employment after graduation. The second is an impact analysis that compares the labor market outcomes of the First Chance Program participants to a control group of individuals with similar characteristics.

* Esas Sosyal First Chance Program Demographics Project, Higher Education and Employment, Assoc. Prof. Çağla Ökten, PhD - Pelin Akyol, PhD, Bilkent University, December 2019.

DEMOGRAPHIC AND LABOR
MARKET ANALYSIS OF UNIVERSITY
GRADUATE UNEMPLOYMENT

Higher education graduates are increasing rapidly. In 2018, 40.7 percent of the 20-34 age group of the population in 28 EU countries had graduated from higher vocational schools, college or higher. The rate of higher education graduates demonstrated an increase of 9.6 points between 2008-2018. In Turkey, the rate of higher education graduates of the same group increased from 12.8 percent in 2008 to 31.3 percent in 2018. One critical reason is the 60 percent increase in the student quota of colleges due to 41 newly opened public universities between 2006-2008.

This research aims to explore the labor market status and outcomes of new university graduates in Turkey. TurkStat's Household Labour Force Survey was used to analyze the educational and employment status of 22-27 year olds (by gender and educational level -higher education/high school) between 2004-2018. The second aim is to explore the employment, unemployment and wage differences between graduates of the First Chance Program target universities (second tier schools) and graduates of higher ranked universities as according to the University Ranking by Academic Performance (URAP). IPSOS Research Company survey data (conducted for Esas Sosyal) and the KONDA Research Company Structure of the Education System and Expectations survey data are used in the analysis. The following summary highlights key findings of this research. The full paper is available on www.esassosyal.org.

UNEMPLOYMENT AMONG NEW UNIVERSITY GRADUATES IN TURKEY

1 As the number of young university graduates increases, their employment rate decreases.

Data shows that the number of higher education graduates among youth in Turkey is increasing rapidly while the employment rate among university graduates is decreasing. The share of higher education graduates in the 20-34 age group was 12.8 percent in 2008, and rose to 31.3 percent in 2018 with an increase of 18.5 percentage points. During the same period, employment rate of this group decreased from 72.2 percent in 2008 to 65 percent in 2018. From 2013 to 2018, employment rate of young university graduates increased in the EU states whereas these rates declined for both men and women in Turkey. In the European Union (EU) states, 85 percent of new graduates in the 20-34 age bracket are employed while this rate is around 65 percent in Turkey as of 2018.

Higher education graduation rate (20-34 age group)

2008	2018
12.8%	31.3%

Employment rate among new graduates in 2018 (20-34 age group)

EU states	Turkey
85%	65%

UNEMPLOYMENT AMONG NEW UNIVERSITY GRADUATES IN TURKEY

2 The most significant rise in unemployment is among social science and engineering graduates.

Unemployment rates have increased for both male and female social science graduates in the last five years. The increase in the unemployment rate of men, especially engineering majors, is noteworthy. This rate, which was 14 percent in 2013 rose to 23 percent in 2018. As for women, the biggest increase is seen in social sciences majors. This rate, which was 30 percent in 2013 rose to 35 percent in 2018. Among employed higher education graduates, the biggest increase from 2013 to 2018 for both men and women was in the unpaid family worker category followed by the self-employed category.



Male unemployment rates, engineering

2013

14%

2018

23%



Female unemployment rates, social sciences

2013

30%

2018

35%

UNEMPLOYMENT AMONG NEW UNIVERSITY GRADUATES IN TURKEY

3 Young people graduating from second-tier state universities are at a disadvantage in finding employment.

Graduates of second-tier state universities* are at a greater disadvantage compared to other university graduates in terms of employment, field of work and household income. According to the study, job-seeking male graduates of second-tier state universities are 51 percent more likely to remain unemployed for one year or longer compared to 38 percent among job-seeking male graduates of other universities. For women, these rates are 53 percent and 49 percent, respectively.

* Universities whose URAP score is in between 250-599.



Male, seeking job, likelihood of unemployment for 1 year or longer

Graduates of second-tier state universities

51%

Graduates of other universities

38%



Female, seeking job, likelihood of unemployment for 1 year or longer

Graduates of second-tier state universities

53%

Graduates of other universities

49%

UNEMPLOYMENT AMONG NEW UNIVERSITY GRADUATES IN TURKEY

- 4** Graduates of second-tier state universities are more likely to work in a trade and earn 31% less compared to graduates of higher tier schools.

Male graduates of second-tier state universities are more likely to work in a trade compared to those of other universities. In the long term, male graduates of higher tier universities have a 31 percent higher household income compared to those of second-tier state universities. The difference between average incomes is statistically significant and economically quite high.

31%

Difference in household income of male graduates of other universities and those of second-tier state universities

UNEMPLOYMENT AMONG NEW UNIVERSITY GRADUATES IN TURKEY

- 5 Graduates of second-tier state universities are generally from villages and small towns, and are more likely to come from low-income households.**

Considering the differences in family and environmental characteristics among youth, graduates of first-tier universities are mostly children of parents with higher education levels compared to those of second-tier universities. They are also more likely to be born and raised in villages and small towns while graduates of first-tier universities tend to come from cities.



SOCIAL IMPACT REPORT:
FIRST CHANCE PROGRAM'S
IMPACT ON EMPLOYMENT

FIRST CHANCE PROGRAM IMPACT ON EMPLOYMENT - IMPACT ANALYSIS*

The First Chance Program aims to support new graduates from second-tier universities in gaining work experience as they transition from school to work. According to the results of impact analysis conducted by academicians at Bilkent University, youth that complete the First Chance Program are at a significant advantage in gaining employment. Participants' employment rates after completing the program are 94 percent within the first 3 months and 100 percent within 6 months, which shows that giving youth a 'First Chance' contributes to solving the youth unemployment problem.** Turkey has a young population with increasing higher education levels. However, as education increases, employment among university graduates is decreasing. The First Chance Program was designed to model an intervention that could facilitate youth gaining employment experience and skills to help them transition to the workforce.



First Chance participants' employment upon program completion

In the first 3 months

94%

In the first 6 months

100%

* Impact Analysis of the First Chance Program, Pelin Akyol, PhD – Assoc. Prof. Çağla Ökten, PhD, January 2020

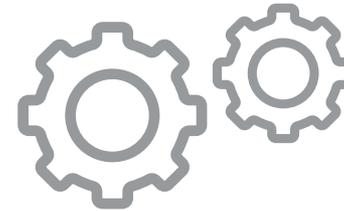
** Based on post-program employment of participants from 2016, 2017 and 2018 program (n=60)

For more information on the Program please see www.ilkfirsat.org/en

FIRST CHANCE PROGRAM IMPACT ON EMPLOYMENT - IMPACT ANALYSIS

1 Youth that complete the First Chance Program are 63 percent more likely to transition to employment compared to their peers.

New graduates from second-tier state universities who complete the First Chance Program are 63 percent more likely to be gainfully employed after the program compared to graduates with similar profile and qualifications but did not participate in the program. In other words, finding gainful employment is more likely for youth who complete the First Chance Program. The Program's impact has been found to be higher for men - at 68 percent - than for women - at 61 percent.



Impact of First Chance Program on



Men

68%



Women

61%

FIRST CHANCE PROGRAM IMPACT ON EMPLOYMENT - IMPACT ANALYSIS

2 100 percent of the First Chance alumni are gainfully employed.

The First Chance Program has a significant impact on youth employment. Research results show that 100 percent of those that complete the First Chance Program are gainfully employed (within 6 months of completing the program), while young people with similar qualifications and diplomas from comparable universities have lower employment prospects - 68 percent for men and 45 percent for women.

Employment ratios of First Chance Program alumni



Employment ratios of young people with similar qualifications and diplomas from comparable universities



FIRST CHANCE PROGRAM IMPACT ON EMPLOYMENT - IMPACT ANALYSIS

3 The First Chance Program alumni are more satisfied with their post-program jobs.

Among the First Chance Program alumni, 67 percent express satisfaction with their post-program jobs, while only 50 percent of non-participants are satisfied with their jobs.



Job satisfaction rate

Program alumni **67%**

Non-participants **50%**

FIRST CHANCE PROGRAM IMPACT ON EMPLOYMENT - IMPACT ANALYSIS

- 4** First Chance alumni are more likely to apply skills gained during the program later in their professional life.

Among the First Chance Program alumni, 75 percent state that they apply their skills frequently or all the time in their jobs while this rate is 67 percent among other non-participant graduates.



Skill application rate

Program alumni **75%**

Non-participants **67%**

Give Youth
a Chance

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