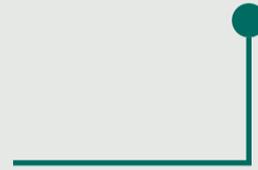


# THE NIGERIAN GRADUATE REPORT



# 20 16



By Stutern

In close partnership with:



## **LEVERAGING PARTNERSHIPS TO ABATE YOUTH UNEMPLOYMENT IN NIGERIA**

The pandemic scale of joblessness among youths is the number one priority issue that one believes all countries around a more insecure and fragile world should strive to tackle. In no continent is effective policy response to youth unemployment more necessary than in Africa and in no country is it more desperate than Nigeria. According to the Nigeria Bureau of Statistics, the general rate of unemployment as at third quarter of 2016 stood at 13.9% while underemployment rate was 19.7%. At the cumulative unemployment and underemployment rate of 33%, the problem of lack of jobs in a currently poorly performing economy should be a matter of deep concern to all.

The Nigerian youth make up a staggering 60% of the Nigerian 180m population. The unemployment situation is even worse so, a stock and a flow challenge among this segment of our population. As secondary and tertiary institutions graduate more young people annually with poor skills, the new flow of entrants worsen the stock of the unemployed. The economic future and social stability of Nigeria is definitely vulnerable to the existential risk of having about 2.5 - 3 million young Nigerians annually enter the labor market without the prospect of jobs for about 40% of them (Stutern Report, 2016).

According to World Bank, the economies of African countries despite the decade long average annual GDP growth of 4-5% has not expanded rapidly enough to absorb the between 9-10 million youths that enter the labor market. Data shows that even in some of the better performing economies on the continent, only 10% of such young people are ultimately able to find productive jobs in the labor market. Data of these kinds throw up and properly situate the joblessness challenge as a matter of two factors- namely, unemployability (skills deficit) and narrow employment opportunities (small sized labor market). The low skills and lack of competitiveness of the young people as well as the slowly changing structure of the economies in Africa are twin time bombs for governments.

Evidently, for any concerned policy maker, the bleak employment prospect of tens of millions of Nigerian youths which has over the last decade been allowed to escalate must now be urgently and effectively reversed to prevent obvious consequences.

## **LEVERAGING PARTNERSHIPS TO ABATE YOUTH UNEMPLOYMENT IN NIGERIA**

Not all solutions to youth unemployment are effective as countries have since come to learn after years of failure of poorly thought policy responses. It is however widely agreed that the problem must attract the fiercest urgency of action from a diverse range of stakeholders that includes governments, private sector, the education system and sector, the jobless and the wider Nigerian society.

One key lesson that has emerged around the world from both successful and failed actions to create jobs for young people is that, data and analysis improve the quality of policy or private sector response to the problem. The dearth of data on complex policy challenges despite the current laudable work and unprecedented strides of the Nigerian Bureau of Statistic represents a gap that must be quickly addressed. For tackling the scourge of youth unemployment especially, generating underlying data is a key prerequisite step.

It is for this reason that I am delighted at the work of Stutern which has produced the Nigerian Graduate Report 2016. It is a highly commendable work that helps to bridge some of the underlying data gaps that have made the youth joblessness challenge to be poorly understood by both government and other stakeholders. The Report unveils a diversity of the variables at play in the youth employment and unemployment issues that Nigeria must address.

As the report shows, there are underlying issues that seldom receive thoughtful response either by government, the education policy makers, academic institutions, the business sector and owners, families and young people who are the primary target of the Report. All these factors must now be further interrogated and the right menu of solutions found over time.

On the one hand, such solutions will include those actions that can help improve the competitiveness, adequacy and quality of skills of young people leaving our school system. On the other hand, it should ignite a mix of policy responses and effective partnership between government and the private sector that will help structurally transform, expand and grow the economy to offer more opportunities to the young who enter the labor market.

## **LEVERAGING PARTNERSHIPS TO ABATE YOUTH UNEMPLOYMENT IN NIGERIA**

Some of the report findings should rightly create discomfort across certain segments and actors within our society and I dare say, tense public discourse. Now, let the public debates of this Report begin and hopefully be healthy dialogues so the lessons are not lost. But it must not stop there. It is time for all, with the Federal Government in the lead, to act. It is time to speedily act for results.

Our young must become competitively and productively engaged, for only then can Nigeria of their dreams come to pass.

**Obiageli (Oby) Ezekwesili**

Former Federal Minister of Education, Nigeria

Stutern is on a mission to get young talents their first jobs. This report is part of our effort to democratize job opportunities in the economy. Our ultimate aim with this report is to empower all stakeholders to better understand the state of youth employment in the Nigerian economy. We are also particular about helping companies recruit better.

## KEY FINDINGS

1. Employment favors the most educated graduates. Graduate unemployment is at its highest for OND and HND degree holders, and it is at its lowest for MBA and PhD degree holders.
2. Labor is cheap in Nigeria. 1 out of 4 graduates earn less than ₦20,000(\$40) per month as salary for entry level jobs while well over 80% of employed workers earn not more than ₦150,000 as monthly salary.
3. The National Youth Service Corps (NYSC) program contributes to why the Education industry employs the most for first jobs in Nigeria, as soon as graduates change jobs, Technology, Banking & Finance as well as Non-profit industries employs more.
4. More than 50% of graduates disagree that their graduate education prepared them with communication skills.

## METHODOLOGY

This report is based on primary information gathered and analyzed by the Stutern team. For the purpose of this report, we focused solely on recent graduates mostly between 2010 and 2016.

**DATA COLLECTION PARTNERS:** Jobberman, PushCV and Co-Creation Hub.

**RESEARCH PARTNER:** BudgIT.

## ABOUT STUTERN

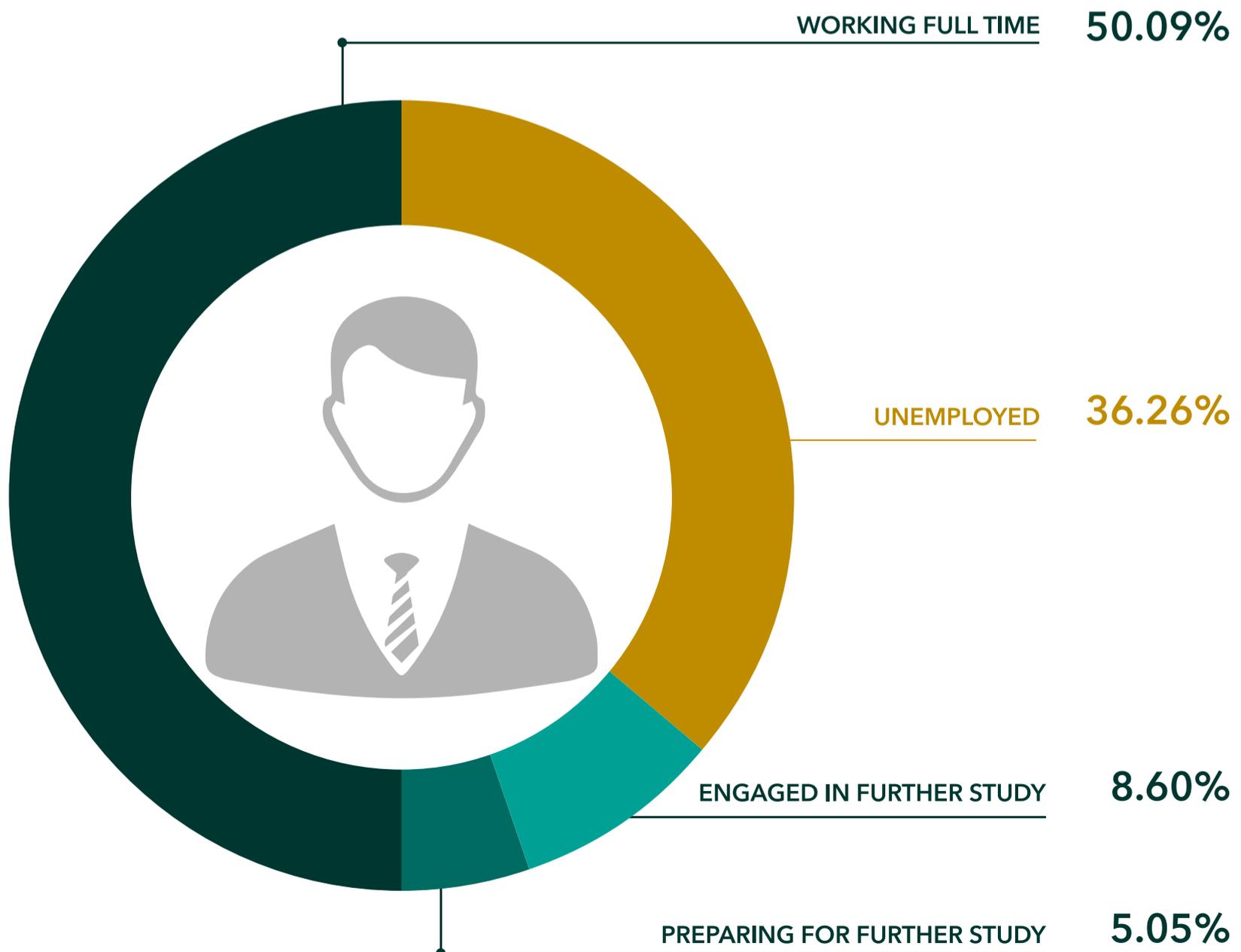
At Stutern, we connect young talents with employers. We have built a career matching platform that connects outstanding young Nigerian graduates with some of the best companies to work with in Nigeria. Stutern is headquartered in Lagos, Nigeria. For more information, visit [www.stutern.com](http://www.stutern.com).

# Employability Status

36.26% of recent graduates are currently unemployed. 50.09% of our respondents are currently working full time (including self-employed/freelance, voluntary or other unpaid work, developing a professional portfolio/creative practice or on an internship). Another 8.6% are

currently engaged in full time and part-time further study, training or research while the remaining 5.05% are presently preparing for further study or professional exams.

## MAIN ACTIVITY OF RESPONDENTS



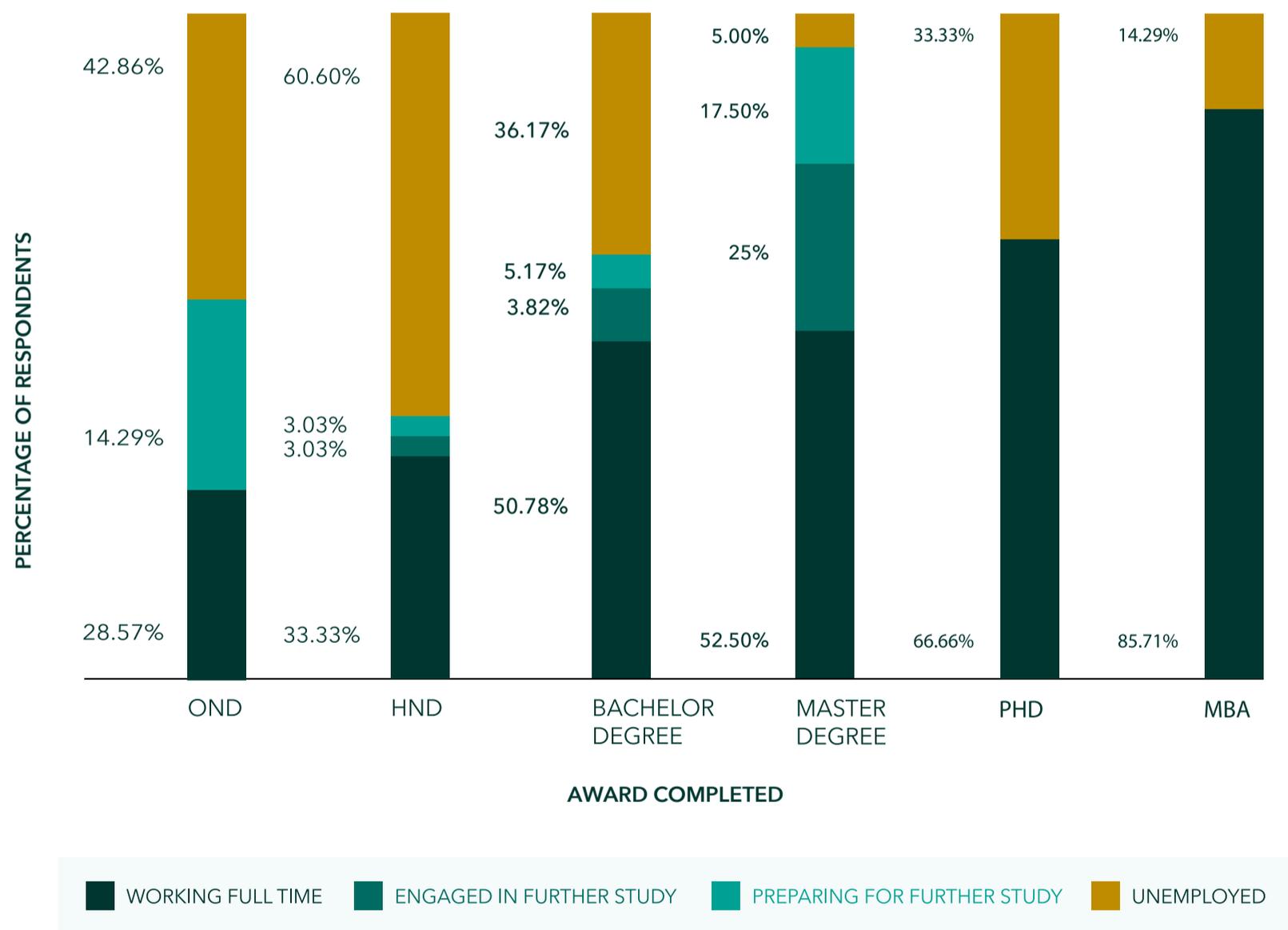
# Employability Status by Level of Degree



Our analysis shows that there are more unemployed OND and HND degree holders. The most employed set of

degree holders are MBA degree holders and PhD/Doctorate Degree holders.

## MAIN ACTIVITY OF RESPONDENTS BY LEVEL OF AWARD COMPLETED



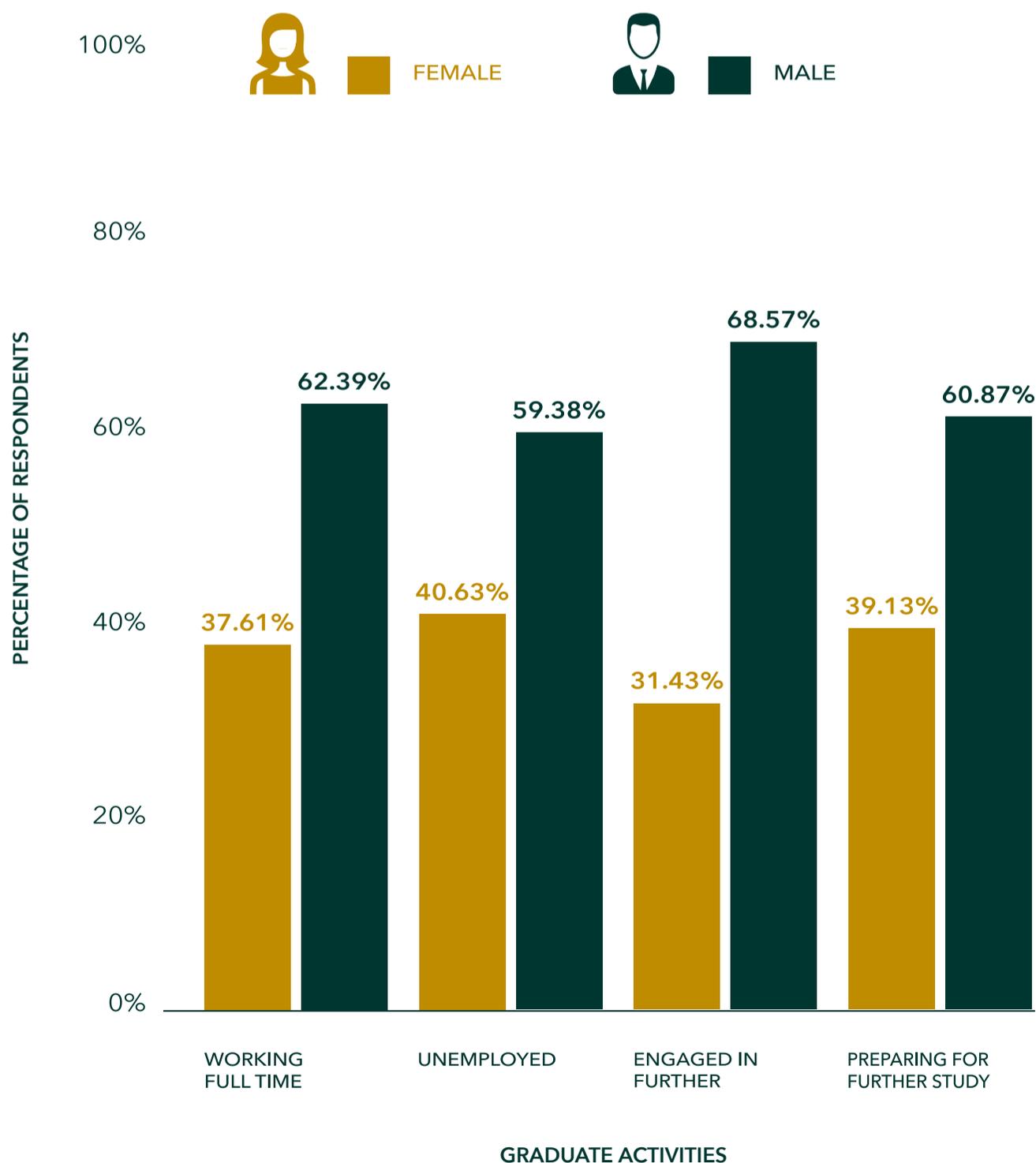
# Employability Status **by Gender**



After analyzing the current activities of recent graduates, of the 50.09% that are currently employed, 37.61% are female while 62.39% are male. The largest

earning gap exists between the 31.43% female of recent graduates engaged in further study against the 68.57% male.

## MAIN ACTIVITY OF RESPONDENTS BY GENDER



# Most Employable Courses

Among the 50.09% employed graduates in our research, these are the top ten most studied courses in descending order.

## TOP 10 MOST EMPLOYABLE COURSES



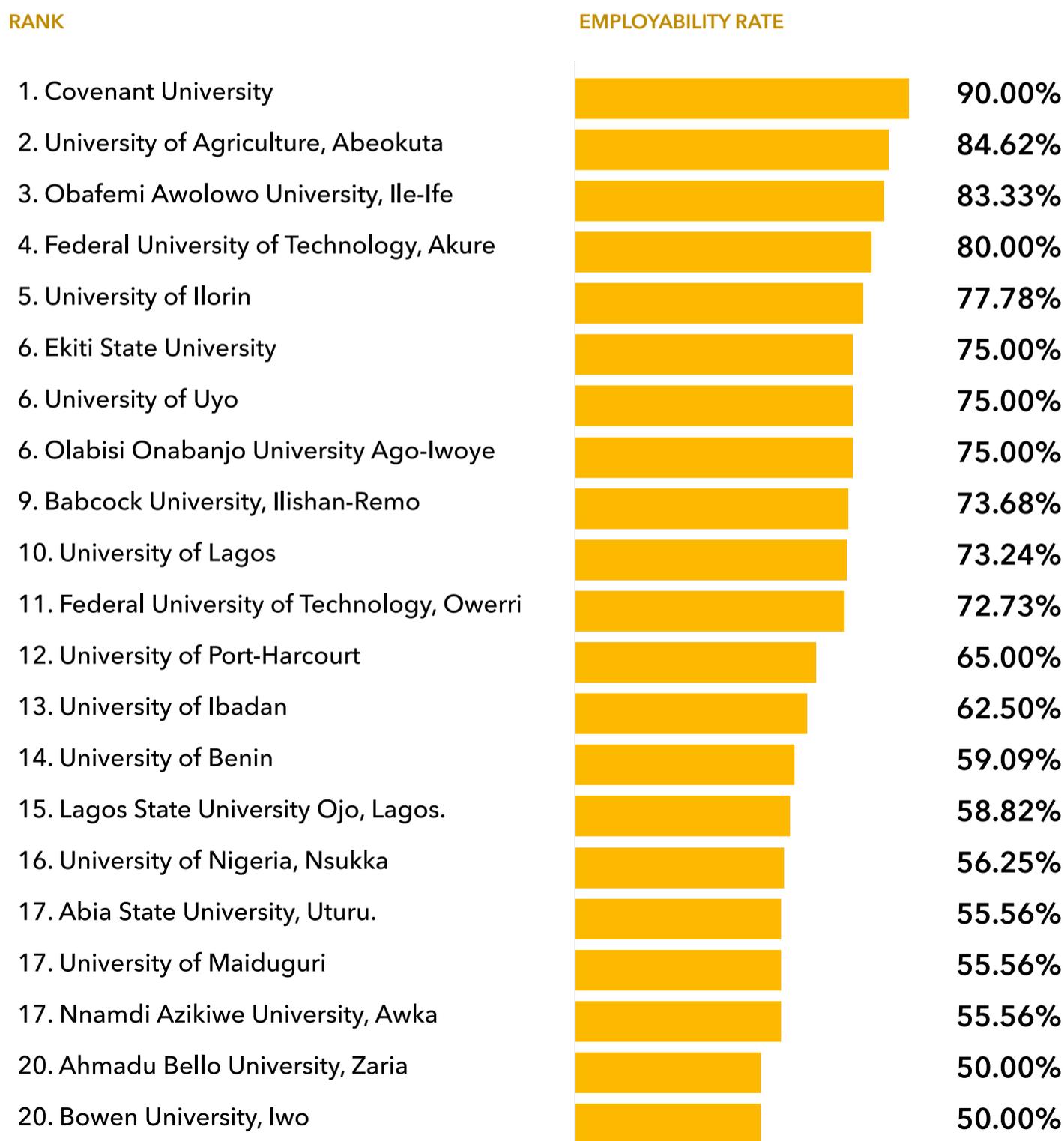
# Most Employable Universities

10

These institutions have more employed graduates according to the employment status of their graduates. Only two private

institutions made our list while others were federal institutions.

## TOP 20 MOST EMPLOYABLE UNIVERSITIES



# Return on Investments

## TOP 20 RETURN ON INVESTMENTS

On our ranking of the best institutions for return on investments, top honors went to University of Ilorin and none of the private universities made the list. This was measured based on candidates' starting salary.

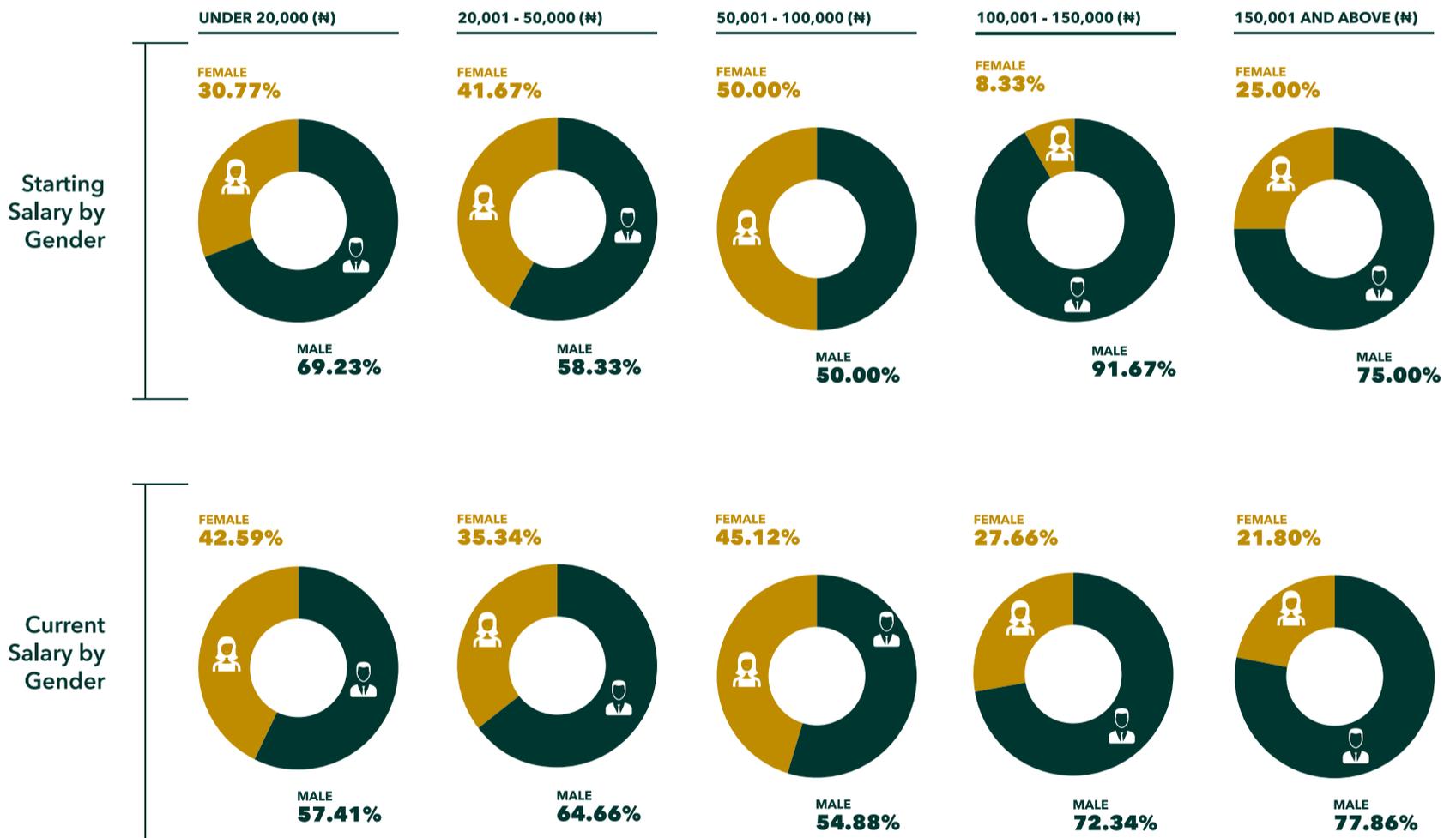
RANK	AVERAGE SALARY	AVERAGE TUITION	SALARY TO TUITION RATIO
1. University of Ilorin	₦ 1,110,000.00	₦ 72,700.00	15.26%
2. University of Agriculture, Abeokuta	₦ 888,000.00	₦ 108,750.00	8.16%
3. Lagos State University Ojo, Lagos	₦ 805,714.29	₦ 125,000.00	6.44%
4. Nnamdi Azikiwe University, Awka	₦ 720,000.00	₦ 123,720.00	5.81%
5. University of Port-Harcourt	₦ 975,000.00	₦ 180,000.00	5.41%
6. Ahmadu Bello University, Zaria	₦ 600,000.0	₦ 120,000.00	5.00%
7. Federal University of Technology, Akure	₦ 480,000.00	₦ 106,950.00	4.48%
8. University of Ibadan	₦ 810,000.00	₦ 219,500.00	3.69%
9. Obafemi Awolowo University, Ile-Ife	₦ 708,000.00	₦ 208,000.00	3.40%
10. University of Benin	₦ 768,000.00	₦ 240,000.00	3.20%
11. University of Uyo	₦ 660,000.00	₦ 232,000.00	2.84%
12. University of Lagos	₦ 596,000.00	₦ 220,000.00	2.70%
13. University of Nigeria, Nsukka	₦ 510,000.00	₦ 200,000.00	2.55%
14. Federal University of Technology, Owerri	₦ 600,000.00	₦ 243,250.00	2.46%
15. University of Maiduguri	₦ 600,000.00	₦ 313,000.00	1.92%
16. Ekiti State University	₦ 454,285.71	₦ 320,000.00	1.41%
17. Abia State University, Uturu	₦ 1,200,000.00	₦ 1,090,000.00	1.10%
18. Olabisi Onabanjo University Ago-Iwoye	₦ 732,000.00	₦ 666,684.00	1.09%
19. Bowen University, Iwo	₦ 1,080,000.00	₦ 2,015,428.00	0.53%
20. Babcock University, Ilishan-Remo	₦ 1,131,428.57	₦ 4,929,384.00	0.22%

# Starting and Current Salary by Gender 12

For middle level positions paying between N50,000 and N100,000, both genders tend to level in salary rates by gender. As

the salary rate increases, the salary gap by gender widens, increasing for male and decreasing for female.

## AVERAGE STARTING SALARY VS CURRENT SALARY BY GENDER

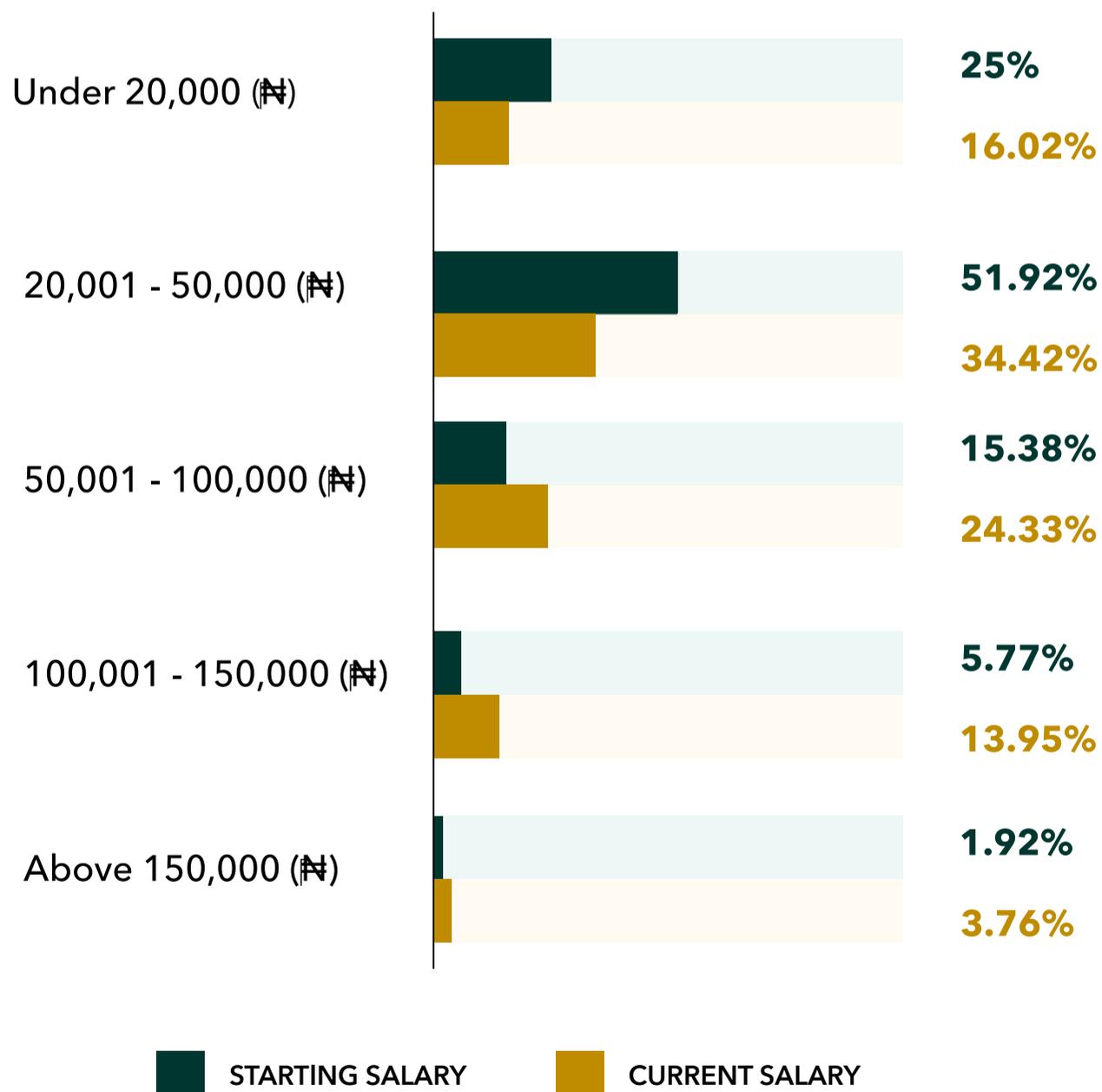


### KEY FINDINGS:

1. More than 50% of Nigerians currently earn N50,000 ( $\leq \$100$  if  $\$1 = \text{N}500$ ) or less on a monthly basis.
2. 1 in 4 new graduates earn less than N20,000 as monthly as starting salary.

3. Over 80% of employed graduates currently earn not more than N150,000 per month.
4. Most graduates earn between N20,000 - N50,000 monthly both as starting salary and current salary.

### SALARY DISTRIBUTION OF EMPLOYED GRADUATES

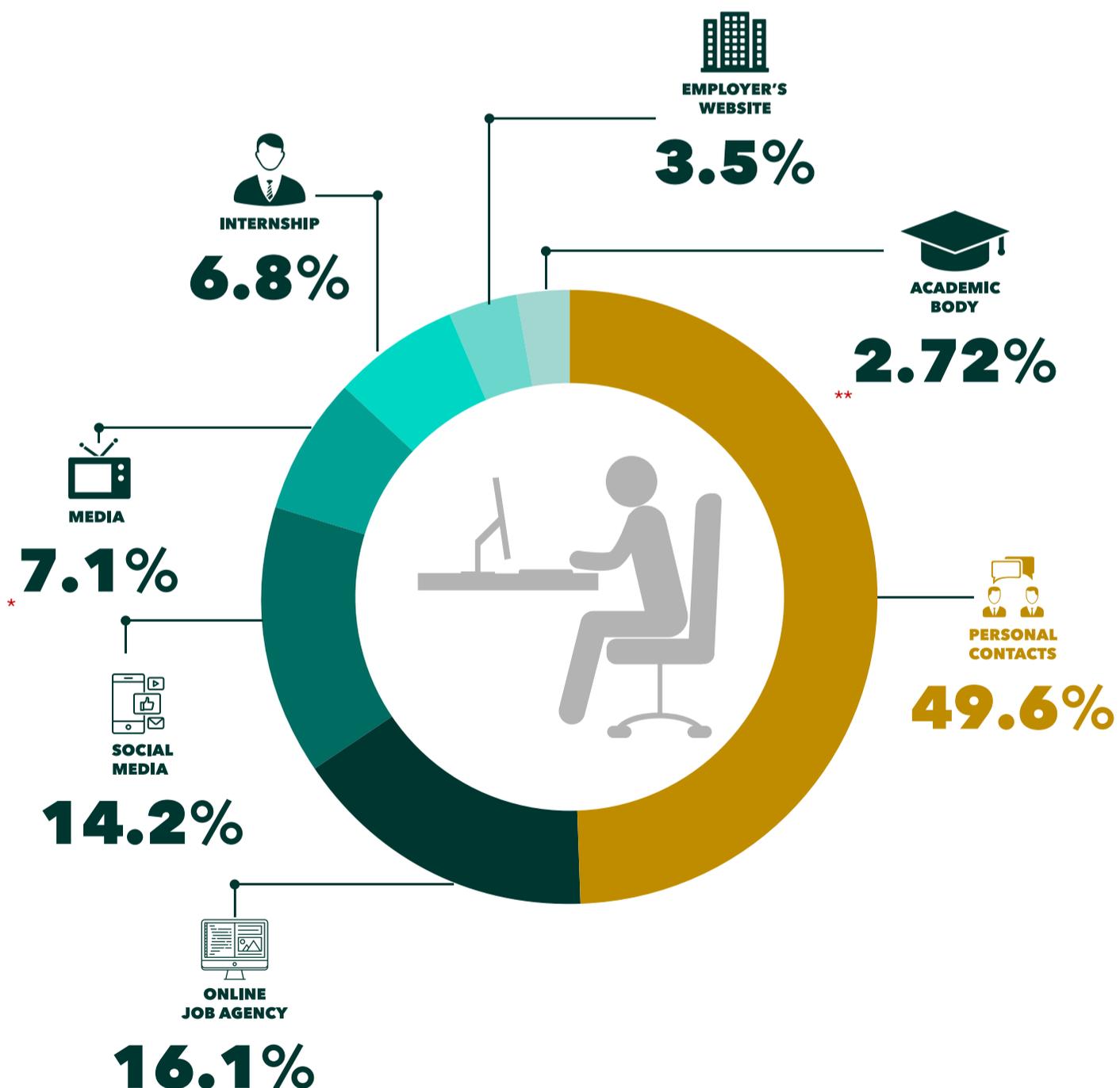


# How Graduates got the Jobs

Most graduates found out about their jobs through the network of personal contacts which includes family and friends. Recruitment agencies/online job sites and

Social media/professional networking sites are the second and third most used medium of finding a job.

## MEDIUM GRADUATES USED TO GET JOBS



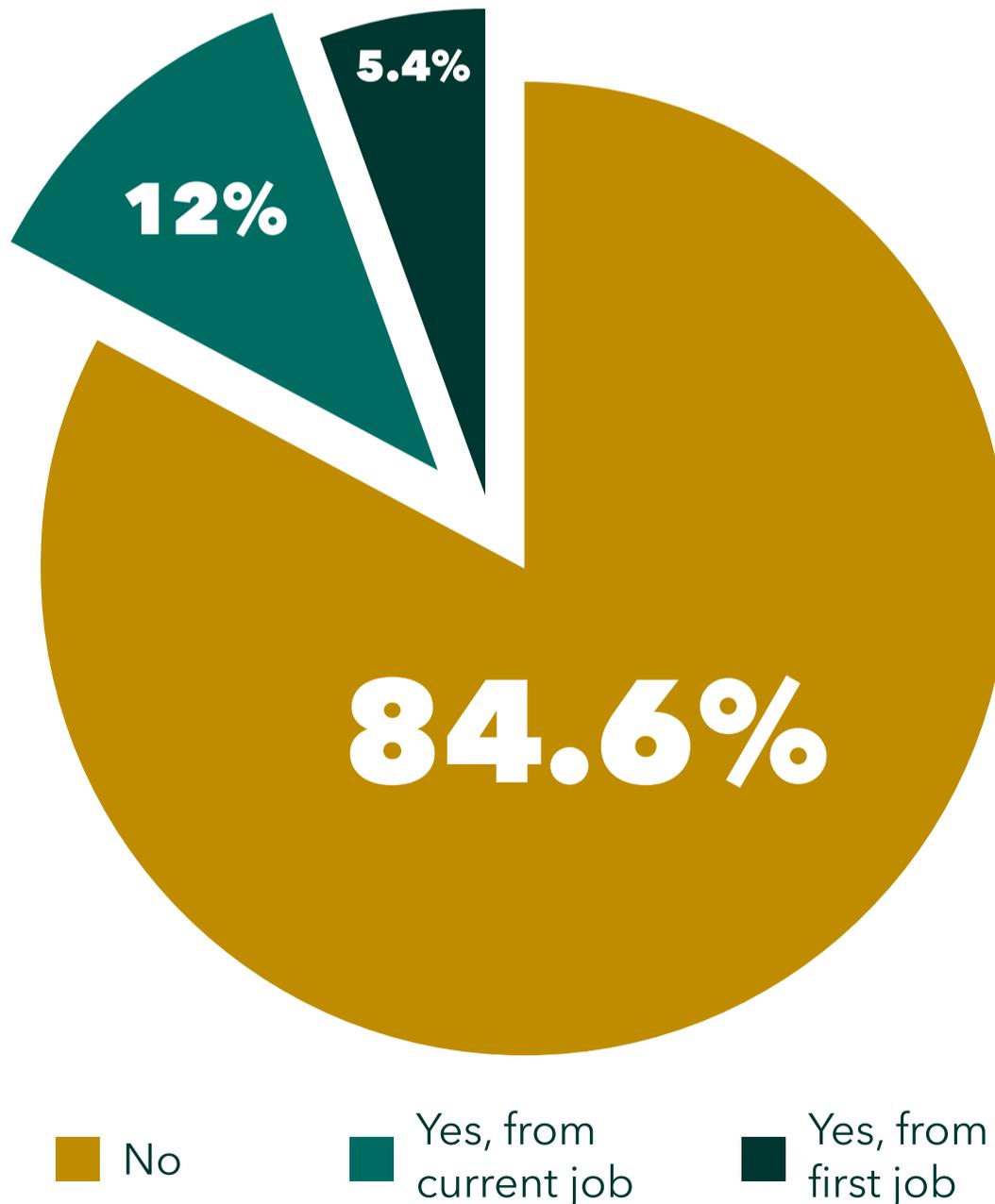
\*Media: Newspaper/ Magazine, Advertisement

\*\*Academic body: University/ Polytechnic, Careers Services, Lecturer website

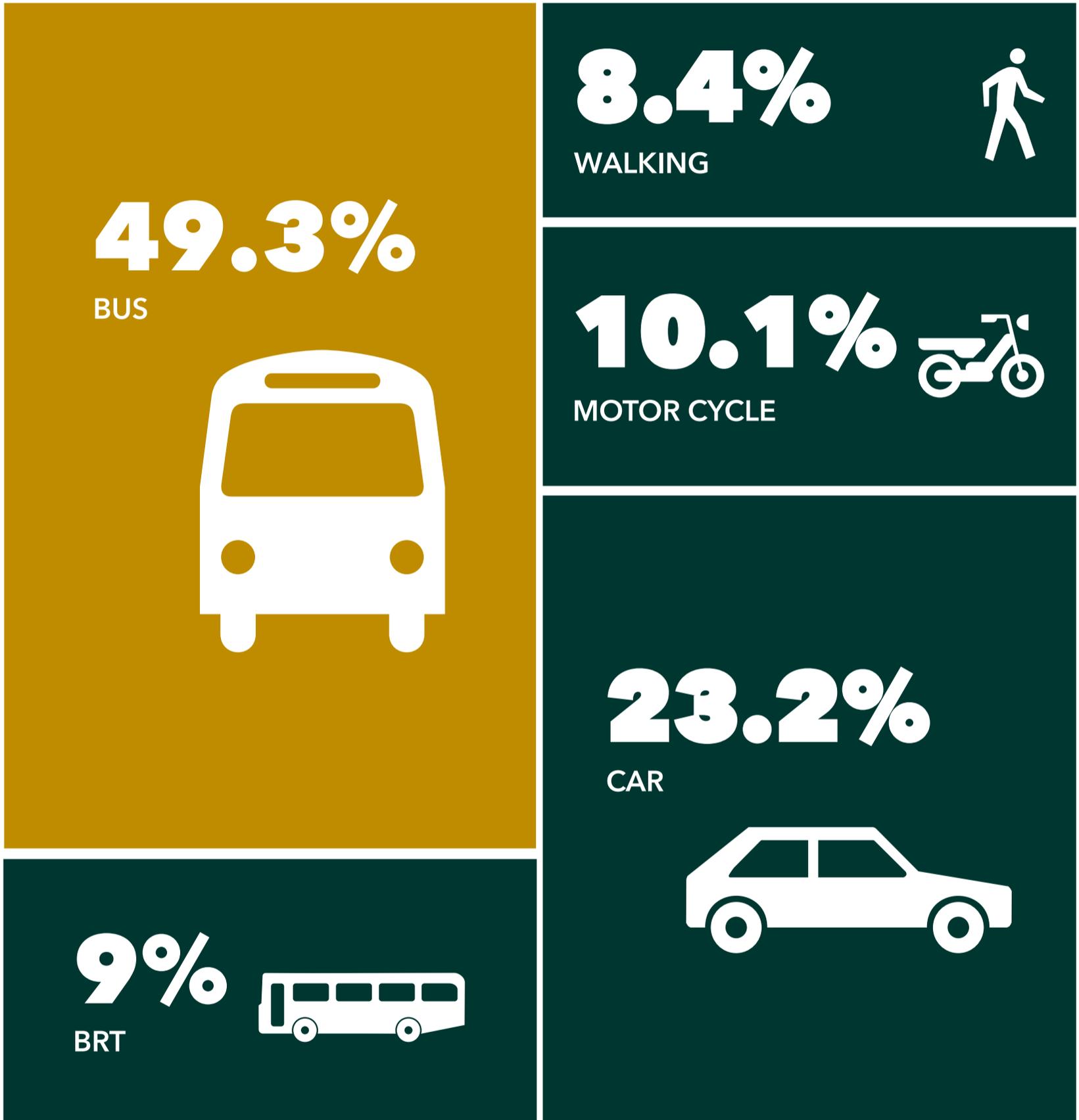
We wanted to know if people earned enough to buy a car or rent an apartment from the salary they earned. Only 5.4% of our respondents were able to either buy a car or rent an apartment from their first salary. This percentage more than

doubled after people left their first job for newer ones, by this time 12% of people could either buy a car or rent an apartment from their earnings. Nonetheless, over 80% still cannot afford to buy a car or rent an apartment from their salary.

### GRADUATES ABLE TO PURCHASE A CAR OR RENT AN APARTMENT FROM FIRST SALARY?



## MEDIUM OF COMMUTING TO WORK



Majority of the respondents earns in naira, only a few earn in foreign currency. Most of the foreign currency earners are

Software Developers, Researchers and Chief Executive Officers.

## GRADUATE POPULATION OF LOCAL CURRENCY EARNERS VS FOREIGN CURRENCY EARNERS



**97%**

**EARN IN  
NIGERIAN CURRENCY**



**3%**

**EARN IN  
FOREIGN CURRENCY**

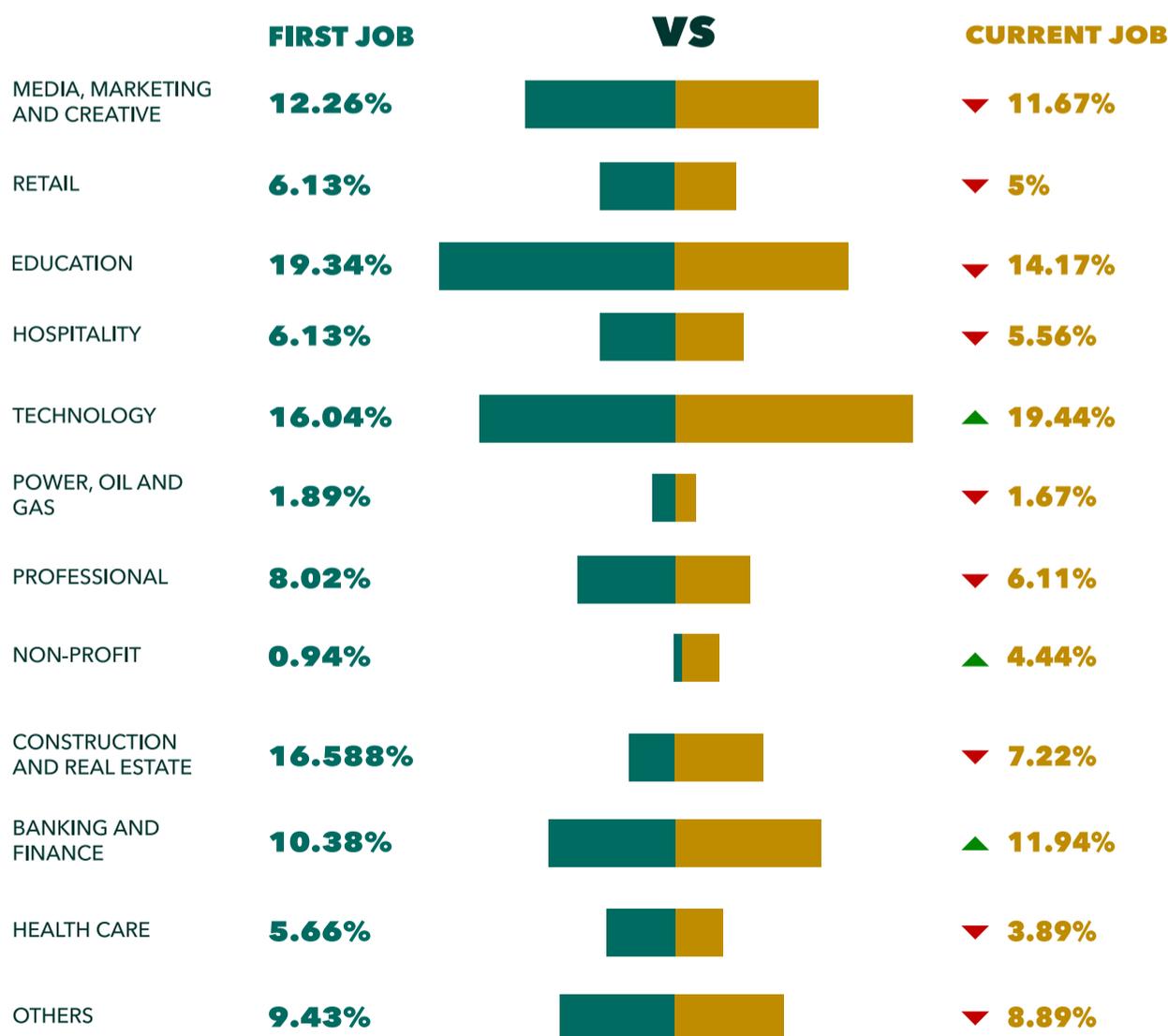
# Employing Industries

To answer the question of which industries employ most of the recent graduates, we found out that the education industry leads by employing 19.34% recent graduates for their first jobs. This shouldn't come as a surprise knowing that it is mandatory for all Nigerian graduates to go through the one year National Youth Service Corps

program (NYSC) during which most are authorized to serve the nation as school teachers.

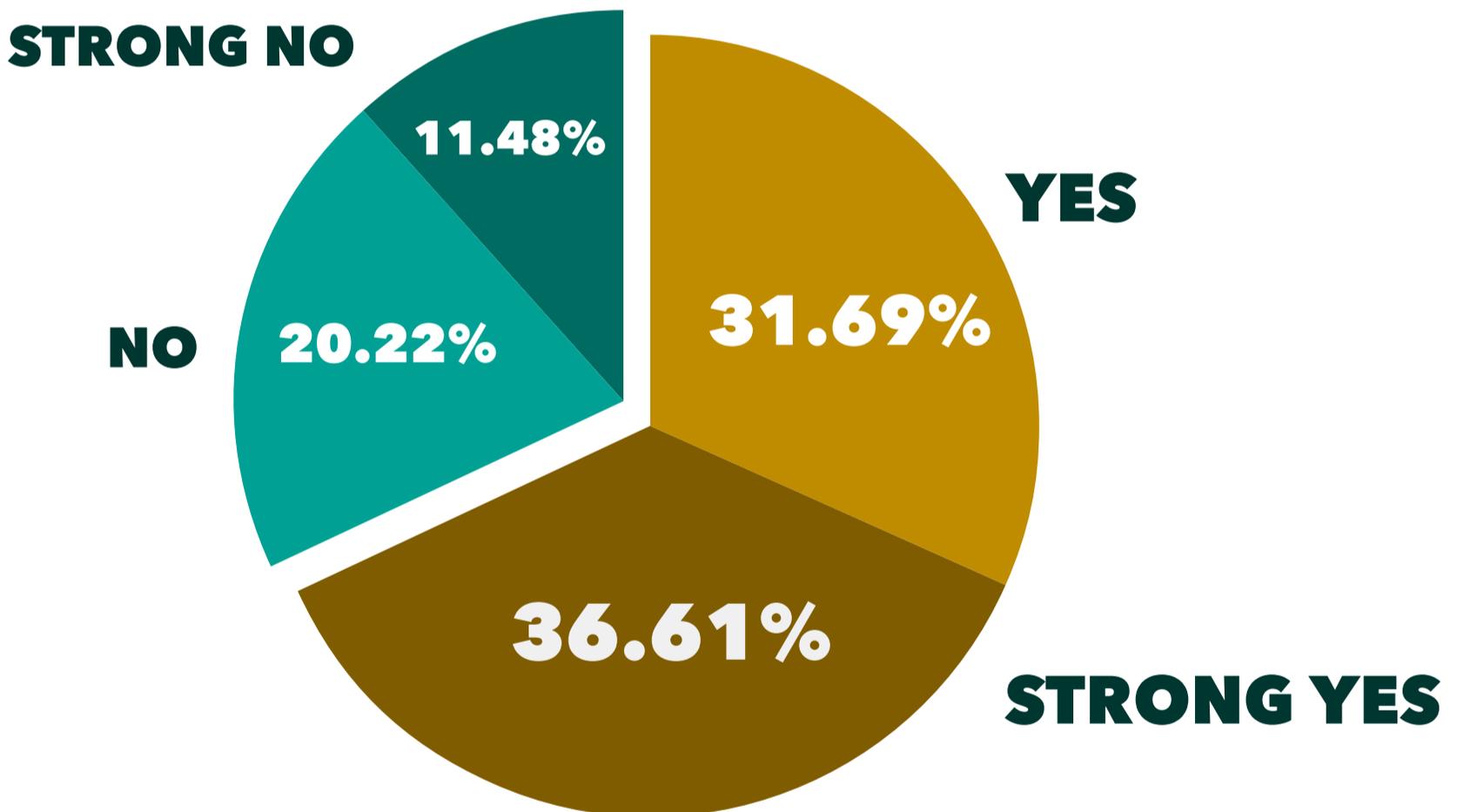
However, the Technology, Banking and Finance, and Non-profit industries take the lead when graduates switch to their current jobs.

## EMPLOYING INDUSTRIES FOR FIRST JOB VS CURRENT JOB



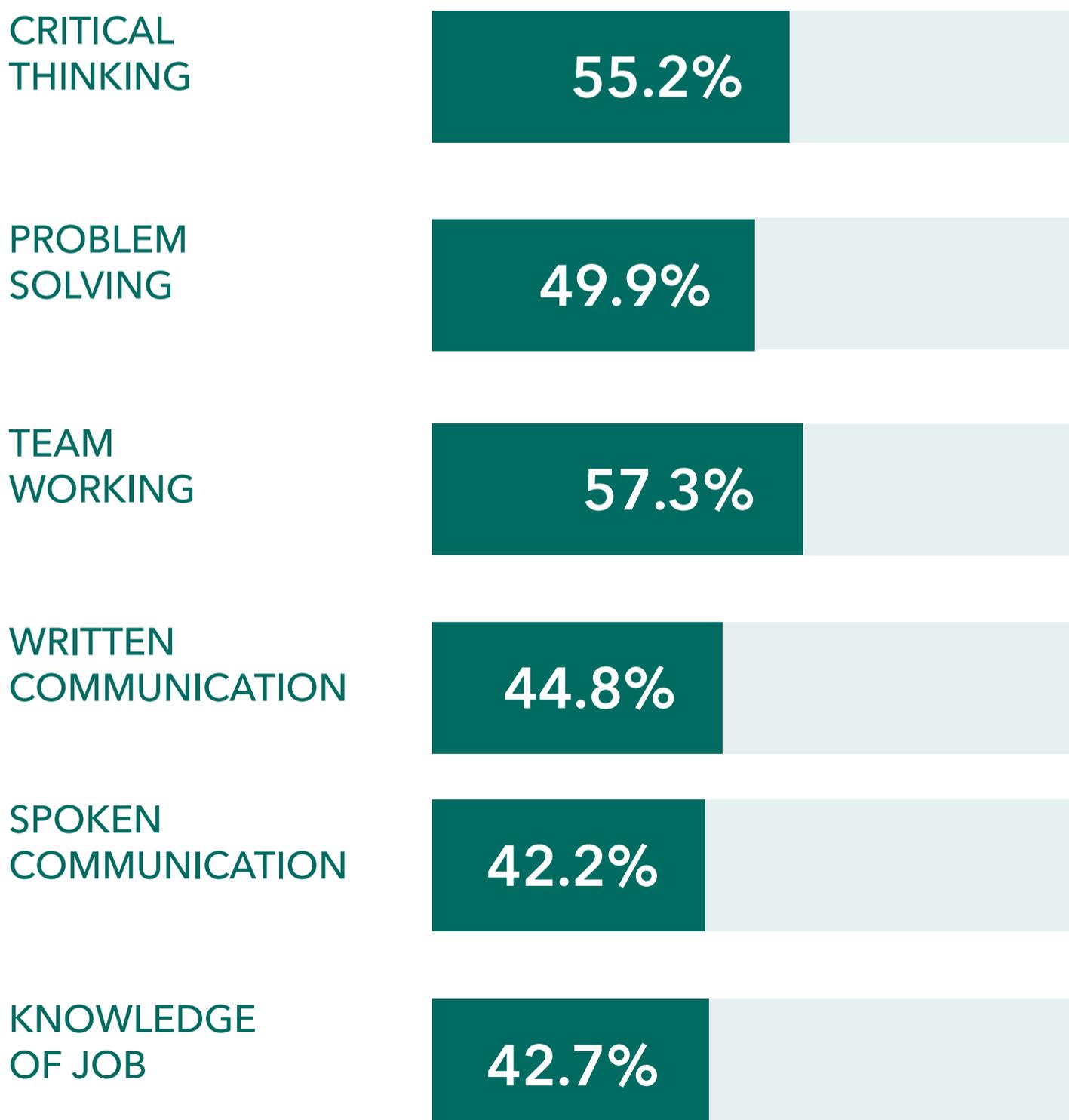
Overall, 68.30% of the recent graduates we surveyed believed their academic experience prepared them for employment. Also, most graduates believed their academic experience prepared them for further study than for employment.

### DID YOUR RECENT COURSE PREPARE YOU FOR EMPLOYMENT?



We asked the graduates what skills they thought their graduate education equipped them with. Written and spoken communications skills were among the least, as well as knowledge of the skill(s) studied.

## EMPLOYABILITY SKILLS POSSESSED BY GRADUATES



# Conclusion

---

Nigeria is known as a nation with an ever increasing youth population. While the Nigerian government has introduced several initiatives to get graduates employed, our data shows significant gaps in several areas.

From our data, it can be surmised that with the quality of education graduates received, they do not think it helped them hone their skills such as written communication, spoken communication as well as the knowledge of the skills studied.

Looking beyond the market uncertainty as a nation, especially with the currency volatility, we must deeply invest in tackling issues surrounding graduates employability. This will make Nigeria attractive to business opportunities, and produce talents who can compete globally.

If Nigeria is to stand on a global scale, the stakeholders in the economy- including the government, academic institutions, startups, local and multinational businesses need to address the skills gap that is widening.

**In Partnership with:**

