

**IES GRADUATES' EARNINGS SURVEY**

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In June 2012 the IES FSV UK organized a second questionnaire survey among its graduates, three years after the first survey. The aim was to get indicative information about graduates' earnings and how it changed over time. Knowledge of income is important information for new applicants when making their education choices and for potential employers. This initiative should also signal a demand on the part of this Institute for a systematic cross-university comparison of graduates' earnings using standardized methodology and covering larger subject pools.

**Main results**

More than one hundred and twenty graduates provided information about their current earnings and their earnings after graduation, mostly with Master or PhD degree. Their monthly median income in 2011 is CZK 65 000 or an equivalent amount in foreign currency when they are employed abroad (excluding Bachelor graduates continuing at their Master studies in 2011). In comparison with the previous survey, undertaken in 2009, the median income increased from CZK 60 000 reported in 2008.

*Comparison to university graduates in the Czech Republic*

We compare this result with median monthly earnings of university graduates in the Czech Republic provided by the Czech Statistical Office for the year 2011. The median monthly earnings for an average master graduate equal CZK 33.358, i.e. one half of the earnings of an IES master graduate.

**Income distribution of IES graduates**

The income distribution of our graduates shows that more than 40% of our graduates that participated in the survey has monthly income exceeding CZK 80 000. Less than 3% respondents indicated income below CZK 20 000. The distribution is similar to figures reported in 2009 Survey.

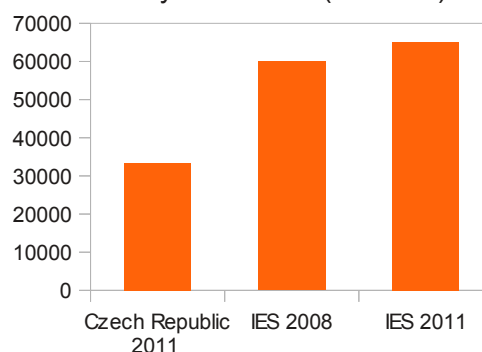
Similarly, we compare the income in the first year after graduation. The starting monthly income of 83.5% of IES graduates exceeds CZK 20 000 and almost one third of graduates earns more than CZK 40 000, 7% more than in 2008.

With respect to different cohorts of students with master degree, the median income in the first year after graduation in 2011 was CZK 31 667. Those who graduated prior 2007 reported monthly income CZK 27 000, between 2008 and 2010 CZK 40 417. Nevertheless, we must admit that the sample size of the IES graduates is relatively low to allow for strong conclusions as the sample selection bias might arise.

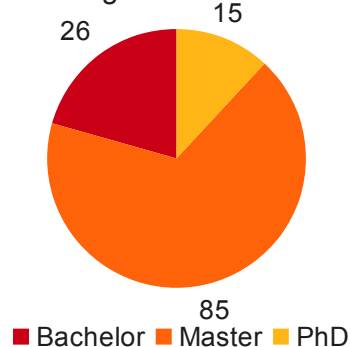
**Percentage of Graduates by Income in 2011**

	<20.000	20.000-40.000	40.000-60.000	60.000-80.000	>80.000
IES 2011	2,54%	22,03%	16,10%	15,25%	43,22%
IES 2008	5,70%	22,70%	15,90%	11,40%	44,30%

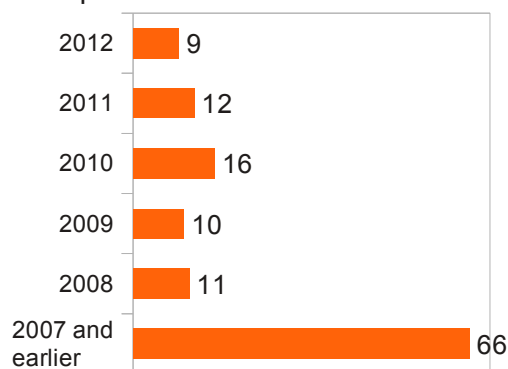
Monthly Earnings of University Graduates (Medians)



Participants: Highest Finished Degree at the IES



Participants: Graduation Year at the IES



### Percentage of graduates by income first year after graduation

	<20.000	20.000-40.000	>40.000
IES 2012	16,51%	54,13%	29,36%
IES 2009	21,20%	56,10%	22,70%

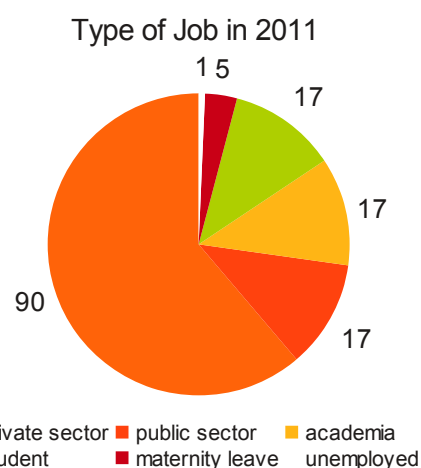
The median income of men is higher than of women (CZK 75 000 to CZK 53 000), however the difference is not statistically significant due to high variance and relatively low number of respondents.

### Where the IES graduates work?

Two thirds of the IES Graduates work in the private sector, whereas one fourth works in the public sector or in the academia. The median earnings in private sector are CZK 86 000, in academia CZK 65 000 but in the public sector the earnings are lower, at CZK 44 333. The remaining graduates are still studying either at the IES or at another universities and 5 are on maternity leave. One graduate was unemployed in 2011, however this was a 2011 graduate who ticked both “unemployed” and “employed in the private sector” in the questionnaire. Interestingly, when comparing types of jobs one year after graduation with the 2011 survey, the number of employed in the academia increases from 2 to 17 so that our alumni seems to return to academia after spending some years either in the private or public sector.

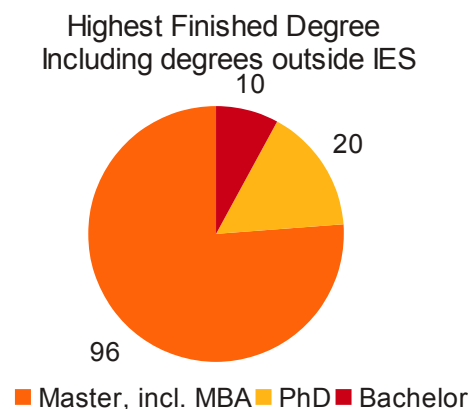
In 2011, 70% of the IES graduates were working in the Czech Republic, 18% partly in the Czech Republic and abroad, and the remaining 12% in the EU (1 respondent outside the EU). Those, who work in the EU reach the median earnings CZK 113 542, about two times more than in the Czech Republic and this effect is statistically significant.

With the new international study programs attracting more and more applicants from abroad, we expect the number of the IES graduates working outside the Czech Republic will further increase in the following years.



### A note on the Bachelor graduates' earnings

Somewhat interestingly, we cannot observe any difference in incomes among bachelor and master degree holders. This observation might have several explanations. First, it should be noted that only 26 bachelor degree holders participated in our survey which might bias the results strongly by itself. Second, the group of bachelor degree holders is very diverse: About one third of bachelor degree holders was still studying in master program either at IES or at another university in 2011. Furthermore, one half of bachelor degree holders from IES has master or even PhD degree from other university. Only 4 respondents indicated they finished their studies with bachelor degrees. From their individual profiles we wonder they decided to stop with their studies due to high opportunity costs due to high wage offers rather than lower abilities or performance during their studies at the IES.



### Data collection and limitations

The data were collected in cooperation with IES Alumni Association in June 2012 through an internet questionnaire survey. We greatly appreciate their collaboration. More than 500 people were invited to take part in the survey and 130 of them participated in the survey. Thus, the sample size is relatively small. Although this is a useful first step, please note that with this type of data we cannot separate the following reasons of high income levels of IES graduates: (1) effect of education at IES, (2) selection of students interested in studying at IES and (3) selection of graduates willing to provide this sensitive information.