

Why the first step on the career ladder is crumbling for today's UK graduates

In 2025, a degree is no longer the golden ticket to entering the labour market.

Raised on Tony Blair's mantra of "education, education, education", late-born Millennials and early Gen Zers flooded universities, resulting in an oversaturated market.

Dr Paul Redmond, an expert on generational trends in the workplace, compared the old career path to an escalator and said education bears some responsibility for letting Gen Z ride it blindly, from GCSEs to degrees.

He said: "We're preparing students and graduates for the wrong century.

"What no one has admitted is that the escalator's been broken for a number of years."

Degrees no longer guarantee direction. According to the Resolution Foundation's Intergenerational Audit for the UK 2023, the graduate labour market is more competitive than ever.

The Office for National Statistics found 13.2% (946,000 people) of 16 to 24-year-olds in the UK were NEET (Not in Education, Employment or Training) in mid-2024.

With entry-level roles demanding prior experience, this locks fresh graduates out.

Breaking into their chosen industries proves increasingly difficult amid lingering post-pandemic disruption and the shrinkage of entry-level jobs.

Hannah Slaughter, Senior Economist at the Resolution Foundation, said: "It's harder than ever to transition from university into career-path jobs."

She added: "Graduates are in a catch-22. They need experience to get hired, but they can't get that experience without being hired first."

For many recent graduates, 'temporary' jobs in hospitality or retail are filling the gap and are lasting far longer than expected.

Jude Stephens, 24, an MA graduate with distinction in Sport and Exercise Psychology from Loughborough University, now earns his sole income working as a barista in his home town in Surrey.

He said: "Following my graduation, I enrolled into the British Psychological Society's Stage 2 training to become an accredited and chartered Sport Psychologist with the HCPC. I hoped to immediately fall into a full-time paid position within elite sport, moving away from home and beginning my career."

He didn't expect to face so many dead-end job applications in sports psychology after years of further education, keeping him in hospitality since March 2024.

“AI changes everything,” said Dr Paul Redmond, highlighting how it's reshaping the hiring process.

“One of the reasons employers used to ask for a degree was because it was a great sifting device. That's changing,” he added.

Artificial Intelligence now filter CVs, meaning some graduates may never even be seen by a human.

“Graduate recruiters in the top jobs in this country rejected three million applications last year,” Dr Redmond noted. “If each one took eight hours to complete, that's 11,500 years of wasted effort, back to the Stone Age.”

The Labour Market Outlook Q4 2024 suggests resilience and adaptability are no longer optional, but now essential for today's shifting job landscape.

Slaughter said: “We need to rethink how we support young people in transitioning from education into the workforce.

“It's no longer just about getting a degree, but about providing real pathways into meaningful careers.”

Slaughter added: “Immediate financial pressures are outweighing long-term career goals.

“Graduates need to earn now, and that often means taking jobs in sectors that are hiring, even if those jobs don't offer a clear career path.”

Starting wages in many career jobs now closely match hospitality wages, blurring the incentive for long-term careers, with the combination of student loans and the cost of living.

The Office for National Statistics revealed in 2023 that 28% of young adults aged 20 to 34 in the UK live with their parents to help manage costs while they balance ‘temporary’ work or unpaid roles.

Stephens said he's only managing financially because he still lives at home with his mum. Not paying rent allows him to balance unpaid work and hospitality shifts without going under.

Stephens admitted: “I wouldn't say my motivation fluctuates, but my mood does,” as juggling hospitality work, unpaid roles, and repeated application rejections weigh on him.

He's not alone. More graduates are turning to hospitality and retail, not because they lack ambition, but because they need income now, often leading to frustration and burnout.

The Chartered Institute of Personnel and Development's (CIPD) 2024 data found 58% of graduates employed in retail and hospitality are overqualified for their roles.

According to CIPD, only 54% of overqualified graduates report job satisfaction, compared to 72% of graduates in roles matching their qualifications - this gap has a stark emotional cost.

A 2025 Planday survey found that 69% of hospitality workers report burnout from irregular hours, high stress, and physically demanding tasks.

Burnout doesn't stop when employees clock out, it spills over, impacting their mental and physical health and disrupting their work/life balance.

The survey also revealed tough working conditions, with 98% regularly working overtime, often without considerable notice, nearly half managing multiple jobs to make ends meet, adding to fatigue and reducing job satisfaction.

While some use side hustles or freelance work to bridge the gap, Dr Redmond said: "We've got to start thinking about the world of work as it really is, not how it used to be."

It's not the lack of effort of younger generations. It's the failure of the system to adapt, and young people bear the cost, financially and mentally.

However, Dr Redmond explained his "broken escalator" theory opens new doors in this new landscape, encouraging young people to learn to navigate AI, build networks, and monetise their digital skills.

He said: "Working as a barista or in temporary jobs doesn't have to hold anyone back as it once might have. The key is using technology every day, like smartphones, to create new paths and income streams."

However, he warned that social media can distract the younger generations from these opportunities.

"The issue with Gen Z is that social media is taking your attention away from using your phones to set up businesses and embrace the AI age," he said.

Ultimately, success for younger generations will come from embracing adaptability and harnessing digital tools, turning uncertainty into opportunity in a career world still being rewritten.