



## INSIGHT: GREATER CHINA

# China's new graduates face low salary growth, while jobs in ICT sectors earn the most



### THE TAKEAWAY

The average income of a college graduate from China's class of 2022 grew by just three per cent in 2022, a far cry from the seven per cent increase witnessed in 2021. The silver lining for students, however, lies in the surge of opportunities for graduates in the information and communications technologies (ICT) fields in the tech-heavy Yangtze River Delta region. The data point to an ongoing sectoral shift — guided by China's national strategies and industrial needs — which, in turn, is pushing educational institutions in the country away from fine arts and law, for example, and towards science and technology.

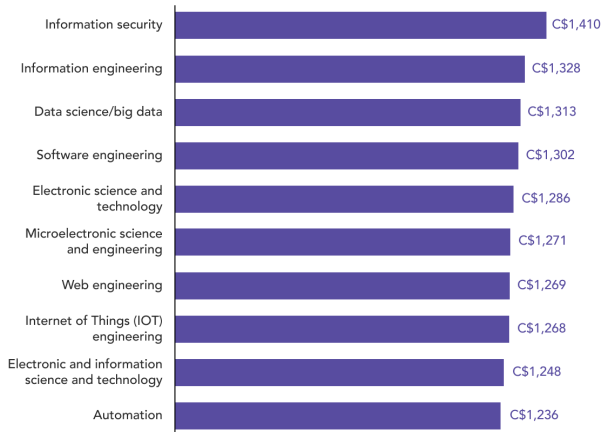
### IN BRIEF

On June 9, Mycos, a Chinese state-affiliated higher education consulting firm, [released](#) its “2023 Chinese 4-year College Graduates’ Employment Annual Report.” The study found that, on average, a new university graduate in 2022 earned C\$1,113 (5,990 Chinese yuan) per month. Of all graduates who earned a bachelor’s degree in

2022, 6.9 per cent made a starting monthly salary of more than C\$1,860 (10,000 yuan), while the majority — 57.7 per cent — made less than C\$1,115 (6,000 yuan). When comparing across different regions, the average graduate with a job in eastern China made the most — C\$1,222 (6,578 yuan) — per month, [compared](#) to C\$920 (4,959 yuan) per month in northeastern China.

Jobs in the [ICT sectors](#) offer the best monthly pay to graduates at C\$1,320 (7,113 yuan) on average. In particular, information security, information engineering, and data science/'big data' were the three majors that offered the highest-paid entry-level jobs in 2022. The average monthly salary for an information security graduate — the most lucrative major over the past nine years — saw an 8.7 per cent bump when compared to 2018 levels. Meanwhile, Mycos flagged painting, music, law, and applied psychology as “[professions in concern](#),” as graduates with these majors generally face scant job opportunities and low pay.

### Majors with highest monthly salaries among new grads (6 months after graduation)



## IMPLICATIONS

China's recent graduates witnessed an average salary increase of three per cent in 2022, significantly lower than the seven per cent increase witnessed in 2021. The underwhelming uptick puts more pressure on young professionals as they enter an already difficult job market with a record-high unemployment rate. In April, China's [unemployment rate](#) for those aged 16 to 24 hit a record 20.4 per cent. As Mycos's report points out, about half of unemployed 2022 graduates have abandoned a traditional job hunt and have, instead, signed up for civil service exams — more than [double](#) the ratio seen in 2018. A similar upward trend was seen in the percentage of new graduates (17.9%) opting to pursue a master's degree or PhD, as many young people look to [delay their entry](#) into the job market amid an uncertain economic outlook.

Meanwhile, lucrative job opportunities for ICT graduates highlight the rapid development of China's digital economy, which was in part supported by significant government investments into [advanced manufacturing](#). Those who studied electronic science and technology or automation — both highly relevant to artificial intelligence (AI) — are now able to earn nearly 20 per cent more than the 2018 graduates. So-called 'big data,' a new major that was added to university curricula in 2016, stormed into the top 10

best-paying majors for the first time, claiming the number three spot. As the demand for more in-depth data processing surges across all sectors in China that rely on the internet and web-based information, graduates who can apply big-data analysis to multiple disciplines and contexts tend to fare the best in the job market. These high-tech opportunities, concentrated in China's technologically advanced coastal areas, are due to assume a larger presence in the country's labour market. At the same time, the higher professional threshold and more specialized nature of ICT-related positions may create near-term challenges for youth currently looking for a job.

## WHAT'S NEXT

### 1. The rise and fall of university majors

In 2016, only three universities in the country had a 'big data' major. Now, over 700 Chinese universities offer the program. Meanwhile, several 'unpopular' [humanities majors](#) — including fashion design, social work, and public administration — were slashed at some science and technology institutes. As sectoral biases continue to shift, curriculum reforms in China's higher education are expected to become more drastic to better cater to businesses' needs.

### 2. Society calls on educational institutions to step up career advisory efforts

As a follow-up to the Ministry of Education's (MOE) [employment-boosting strategies](#) launched in November 2022, industry watchers are calling on universities to provide more guidance to job seekers. Apart from hosting more job fairs, universities must help students plan their academic journeys and prepare them to make career choices. As Chinese university students usually have to decide their majors before starting their first year, the MOE may soon have to integrate career-advising courses into college, or even high school, curricula.

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