

The fresh grad job is now a third-year job

By Lin Suling Opinion Editor

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Employers expect graduates to arrive pre-trained, with industry exposure and familiarity with real-world applications. Internships, once optional, have become a prerequisite to employment. To a large extent, what is happening may be an overall raising of the baseline, with a stronger graduate pool. ST FILE PHOTO

Poorer graduate employment outcomes may simply reflect a structural shift in the economy.



Lin Suling

Opinion Editor

J is a second-year undergraduate taking the same course as my cousin at a local autonomous university.

He has just secured a summer programme in foreign exchange at a prestigious global bank – a seat so coveted, the firm filters through over 100 applications for just two spots. This would be his third internship, having completed a first in corporate banking at one of the big three local banks, and the second in foreign exchange at a prominent Japanese financial institution during a gap semester.

He spends his free time completing a CFA Institute certificate in private markets, preparing for business case competitions and meeting university alumni for career advice and references. He's also actively involved in his university investment club where his simulated portfolio has appreciated, after he made the call

to go big on oil at the onset of the Iran war.

To J, a bachelor's degree is a necessary hassle, a credential he maintains with a near-perfect GPA so his resume doesn't get tossed out by an HR algorithm.

And to my cousin, J is the superstar peer fast becoming a personal role model, one whose trajectory offers a potentially replicable pathway to career success at a time of weakening local graduate employment outcomes.

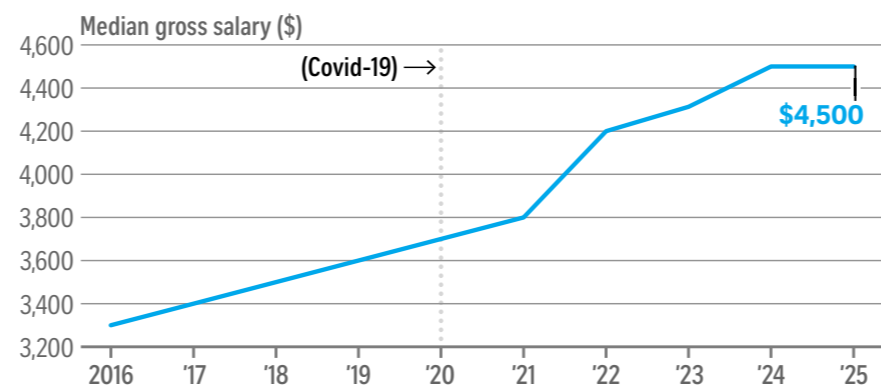
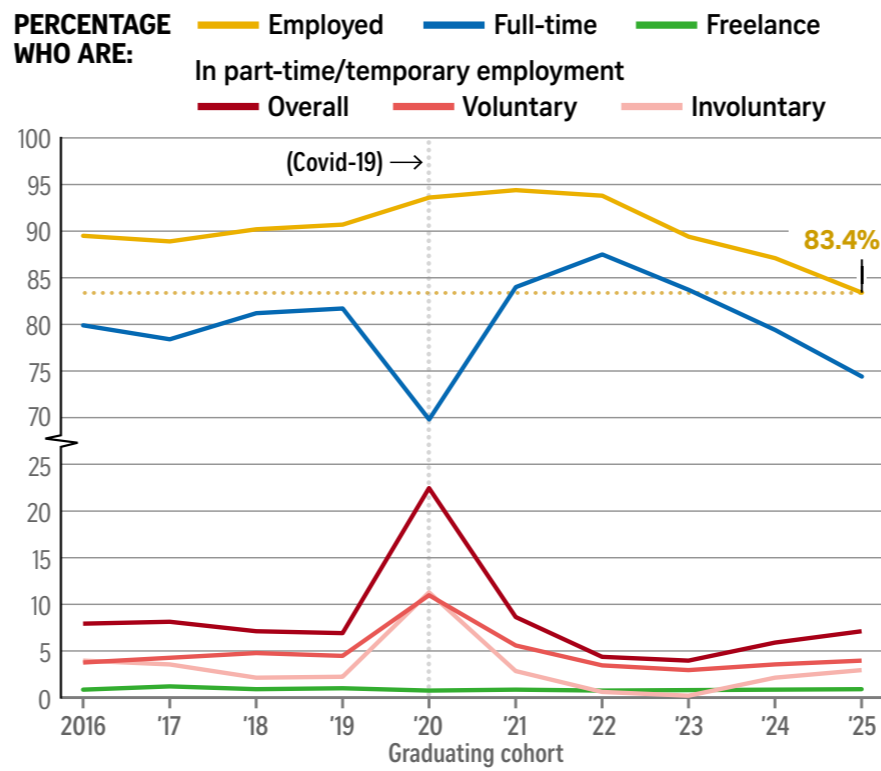
POORER GRADUATE EMPLOYMENT OUTCOMES

Singapore's graduate employment outcomes are strong by many international standards but the latest figures show worrying signs. In just three years, full-time employment six months after graduation among six autonomous universities has fallen by 13 percentage points.

Just 74.4 per cent of 2025 university graduates in the labour force secured a full-time job compared with 87.5 per cent of their 2022 peers.

Most worryingly, 10.5 per cent of 2025 graduates were unemployed and searching for a full-time job, compared with 3.6 per cent who were unemployed and still looking for a job in 2022.

Graduate employment outcomes



Source: JOINT AUTONOMOUS UNIVERSITIES GRADUATE EMPLOYMENT SURVEYS 2016-2025 STRAITS TIMES GRAPHICS

The median gross monthly salary has stayed the same at \$4,500 for the last two years, though this is still up from \$4,200 for the 2022 graduating cohort.

A similar storyline is playing out for polytechnic graduates – lower full-time employment rates and more involuntarily in part-time or temporary work, though there is a larger uptick in median pay to \$3,000 from \$2,600 for the 2022 graduating cohort.

One explanation is that we are simply in the downswing of the macroeconomic cycle and correspondingly, the jobs market. After a post-pandemic boom, hiring was always going to moderate and return to pre-Covid-19 norms, particularly after high interest rates over the past three years, sunken investments in artificial intelligence and US tariff shocks.

Businesses are recalibrating their workforce needs, with many taking a wait-and-see approach. And now, an energy shock arising from shipping restrictions through the Strait of Hormuz threatens to temper the early rebound in hiring sentiments in the first quarter of 2026, captured in ManpowerGroup's Employment Outlook Survey.

INTERNSHIPS BECOMING A PREREQUISITE FOR ENTRY JOBS

Still, a focus on the business cycle risks missing the deeper structural changes under way in the labour market, particularly as graduate full-time employment remains firmly below pre-pandemic levels (see charts). Nor is this simply a story of AI wiping out entry-level roles; it is, more fundamentally, a reorganisation of work.

Singapore Management University president Lily Kong offered a sharper framing when she spoke to me on the In Your Opinion podcast. She observed that the entry-level position has become a "third-year job" – where hirers assume prior basic industry exposure.

Employers expect graduates to arrive pre-trained, with industry exposure and familiarity with real-world applications. Internships, once optional, have become a prerequisite to employment.

To a large extent, what's happening may be an overall raising of the baseline. Employers tell me that the modern graduate pool today is stronger than before.

Many have impressive CVs like J's, packed with multiple internships, practical industry project experience and global exposure through exchange programmes, overseas competitions and cross-border project work.

"It's a buyer's market," as one managing director puts it.

In this competitive field, the jobs market rewards those able to collect multiple internships, network their way into better placements and add overseas experiences before emerging into the workforce for their first job.

The challenge is whether rising expectations from hiring managers will outpace how fast undergraduates can rack up points.

GROWTH OF WORK-STUDY PATHWAYS

Singapore has anticipated this shift, which is why the SkillsFuture Work-Study pathway for tertiary educational institutes has expanded from 15 to 150 programmes since 2015, with about 16,000 participants and 4,000 companies benefiting over the decade.

Sector-specific schemes aiding students to gain industry experience while completing course work are being scaled up, like Infocomm Media Development Authority's TechSkills Accelerator for ITE and Polytechnics, which was extended to university undergraduates in April.

And more universities are expanding internship schemes, mandating overseas exchanges and broadening mentorship programmes involving industry professionals.

The private sector is also increasingly enlisted in curriculum development and applied learning, through the establishment of university centres like the Singapore Institute of Technology-Seatrim Offshore and Marine Digital Learning Lab, which exposes undergraduates to real-world operational challenges and the use of advanced engineering tools like digital twins.

All these narrow the chasm from school to work and help students make the leap. About nine in 10 graduates who completed a work-study programme found full-time employment upon completion. Work-study diploma holders also saw a higher average pay of 9 to 11 per cent. More accurately, they are signs of a disruption in the traditional school-then-work sequence, and new routes are emerging.

There is also a safety net for young graduates who fall short of expectations, evidenced by a new Graduate Industry Traineeships programme launched in 2025 targeting graduates from universities, polytechnics and the Institute of Technical Education with no working experience.

It's a useful acknowledgement that in this race towards graduate employment, many will need extra support to climb that first rung of the career ladder.

The sum of these efforts today create a system where traineeships and internships are financially supported by the Government and embedded into many tertiary education experiences, making them core arteries into employment.

That may be a natural evolution as a developed nation. Organisation for Economic Cooperation and Development data shows that countries with strong vocational pathways enjoy higher youth employment. Germany and Switzerland's structured, paid apprenticeship systems are often credited by economists for pre-empting youth joblessness in developed economies.

In many ways, Singapore's approach is sensible. A degree is

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Structural solution to a structural problem needed over long term

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almost certainly expected to be less effective in setting its holder apart at a time of record number of graduates entering the labour market each year – almost 20,000 in 2025 compared with about 15,000 a decade ago.

Here, it is important to note that having more graduates entering the labour market does not automatically mean poorer employment outcomes.

What matters is whether the economy is generating enough quality jobs and whether graduates have the skills to match them, evidenced by the entry of the first graduating cohorts from the Singapore University of Technology and Design and the Singapore Institute of Technology in 2015, which saw an improvement in overall gross monthly median salaries and full-time employment in the other four autonomous universities.

ARE INTERNS DISPLACING ENTRY-LEVEL JOBS?

The trouble, however, is that an abundance of cheap undergraduates may breed a counterproductive dynamic in the

short term. It may simply serve to encourage firms to outsource to interns projects that expensive first- and second-year new hires would have undertaken in a full-time job.

The number of internships has skyrocketed post-pandemic. Almost all undergraduate courses in autonomous universities here require the completion of an internship for graduation.

Internship postings on jobs posting site Indeed doubled from 2022 to 2025.

Work-study diploma enrolment has surged to 1,300 in 2024 from 500 in 2021, while work-study degree enrolment more than doubled to 800 in 2023 from 300 in 2021.

Across all autonomous universities, graduates between 2022 and 2024 completed an average of around two internships before graduating. The 2024 graduating cohort at SMU averaged an impressive 2.8 internships per student.

The economics incentivise such behaviour. A full-time hire comes with fixed costs: salary, benefits, training, expectations around progression and work-life balance. An intern, a trainee or a contract worker meanwhile accepts a much

lower pay in exchange for experience, requires no permanent headcount, and is released from the company by default after a certain time period, without the kind of friction that accompanies retrenchments or dismissals.

At present, however, there is a dearth of proof points categorically confirming such a thesis. Entry-level vacancies remain high in end-2025 at 32,500, though this is a pullback from the 34,600 in end-2024.

What we can say is that there are sector-specific patterns: Sales, customer service and legal services have seen a drop. At the same time, junior roles across the board require data analysis, familiarity with AI tools and soft skills like client management and communication – the kind of third-year associate skills Professor Kong talked about.

There are other signs suggesting a softening in the entry-level jobs market, though there is nothing conclusive. The Manpower Ministry (MOM) reassuringly reported last September that a higher proportion of graduates from universities, polytechnics and ITE aged 25 to 29 are in permanent employment.

But the Ministry of Education's (MOE) latest Joint Autonomous Universities Graduate Employment Survey (GES) suggests more in the most recent 2025 cohort of graduates are taking up part-time or temporary work involuntarily.

Some alignment between the two datasets by MOM and MOE might be helpful going forward – including a new category in the GES that considers whether graduates who have secured full-time employment have done so under a contract with a fixed term or a permanent position.

Confusingly, the current GES figures for full-time employment includes graduates who have secured employment on a contract of a year or longer.

TEMPORARY ADJUSTMENT OR EARLY WARNING OF A LONG-TERM PATTERN?

This state of affairs may turn out to be a temporary adjustment, if work-study pathways eventually become a permanent and compulsory feature in tertiary education and enable graduates to tackle the higher-order challenges that entry-level jobs now demand upon graduation.

More graduates can then make the hop into a role that demands industry experience and workplace skills.

Over time, the overall effect would be a levelling up of the Singapore workforce. Fresh graduates would be internationally competitive and have stronger job prospects. Society is assured that less privileged graduates who might not have the know-how, professional networks or parental connections do not fall behind.

A focus on demonstrable skills and industry experience may also prod more employers to look beyond paper qualifications and, in turn, potentially temper credentialism.

Over the long term, however, Singapore needs a structural solution to a structural problem. Case in point: If fresh graduates are expected to have industry experience, universities might consider stretching out tertiary educational terms to accommodate time for such internships.

In Canada's co-op model, students who do a five-year degree alternating between four months of school and four months of paid work have seen better medium-term outcomes.

Almost nine in 10 of such graduates from the University of Waterloo earn more than C\$60,000 (S\$56,220) two years after graduation, compared with 44 per cent of graduates in the same Canadian province of Ontario.

Similarly in Germany's 4½- to five-year dual studies system, students not only gain professional experience and formal qualifications, but also earn a modest stipend and sponsorship of their tuition fees. Many then graduate with zero debt and a guaranteed job.

To be sure, while we are in this transitory period, much work will be needed to keep the Singapore economy growing, create good entry-level jobs with strong progression prospects and tackle structural mismatches between education and industry needs.

Because left to their own devices, someone exceptional like J, with a rock-solid GPA score, the benefit of an early decision in a career in finance, and the ability to fully orient his efforts to that endeavour, might still succeed in this environment. Others might not be so fortunate.

linsuling@sph.com.sg