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# Salary gap between Bachelor's and Master's graduates is shrinking

## Starting salaries for Bachelor's graduates in health and social services sector have risen significantly

Vienna, 2024-01-31 – The salaries of young professionals with a Bachelor's degree are approaching those of Master's graduates, as an analysis by Statistics Austria shows. The increase in starting salaries for Bachelor's graduates is primarily attributable to the fields of health and social work and education. The analysis also shows how the choice of degree course affects income differences between men and women.

“A degree is still a guarantee for a quick entry into professional life and a good starting salary. One year after a Master's degree, the median salary is just over 3 000 euros gross per month. Additionally, starting salaries after a Bachelor's degree in the healthcare or social sector have increased significantly over the past ten years,” says Statistics Austria Director General Tobias Thomas on the register-based graduate tracking project ATRACK, whose data provides information on career entry and career paths of university graduates.

### **Bachelor's and Master's degrees enable a quick entry into the labour market**

As a result of the Bologna Process and the expansion of the university of applied sciences sector, more and more job entrants with a Bachelor's or Master's degree are entering the labor market. While around 16 000 university degrees were registered in the graduation year 2008/09, which were not followed by further education, this figure had already risen to around 27 000 by 2020/21. Almost four-fifths of these were Bachelor's (36.0%) or Master's degrees (43.6%) in the academic year 2020/21.

On average, people at the beginning of their career with a Bachelor's degree were able to take up their first employment within around two months, while those with a Master's degree were able to do so in less than a month. Furthermore, the employment rate of career starters with a Bachelor's or Master's degree increased over the monitored period. While this rate was 77.3% for graduates twelve months after completing a Bachelor's degree in the academic year 2008/09, 81.8% were already employed in 2020/21. Graduates with a Master's degree showed a similar trend: 84.3% were in employment twelve months after graduating in 2008/09 and 87.3% after graduating in the 2020/21 academic year.

### **Starting salaries of bachelor's graduates catch up**

The monthly gross median income from full-time employment twelve months after completing a Master's degree programme fluctuated between around 3 100 and 3 300 euros during the period under review. In contrast, the median income of Bachelor's graduates rose significantly from 2012/13 onwards: While it stood at 2 653 euros per month twelve months after graduation in the 2012/13 academic year, it increased to 2 986 euros by 2020/21. Thus, the difference to graduates with a Master's degree reduced from just under 600 euros in the graduation year 2008/09 to around 200 euros in 2020/21.

A closer look at the starting salaries of Bachelor's graduates by field of study shows that these have not risen in all areas, but that the fields of health and social work as well as education stand out in particular. In health and social work, the median monthly income twelve months after completing a Bachelor's degree rose particularly sharply from 2 742 euros (2008/09) to 3 263 euros (2020/21). In the same period, the

number of people entering the profession also multiplied from around 400 (2008/09) to around 2 400 (2020/21). An increase in starting salaries can also be observed in the field of education, albeit to a lesser extent – from 2 683 euros per month in the graduation year 2008/09 to 2 915 euros in 2020/21. The number of graduates without subsequent training reached its peak in this field in 2015/16 (approximately 2 500) and then fell again significantly (2020/21: around 800). The observed increase in the salaries of young professionals with a Bachelor's degree is therefore primarily attributable to these two fields of training.

### **Men are overrepresented in high-income training fields**

An analysis of the difference in income between men and women with a university degree shows that, twelve months after completing a Bachelor's degree in 2020/21, men earned around the same median as female graduates with a Master's degree. This difference can be partly attributed to gender-specific differences in the choice of degree programme. For example, men are overrepresented in the fields of computer science and communication technology as well as engineering, manufacturing and construction – two fields of study with relatively high median incomes. Women, on the other hand, make up a large proportion of graduates in the fields of social sciences, journalism and information, as well as humanities and arts – both fields with comparatively low incomes. However, there is also a gender pay gap within the training fields. On average, women with the same degree in the same field of study usually earn less than their male colleagues.

**More information** and the entire [report](#) can be found on our [website](#).

**Information on methodology, definitions:** The graduate tracking project ATRACK is a register-based survey of all graduates and drop-outs at Austrian universities and was developed by Statistics Austria together with a consortium of Austrian universities under the leadership of the University of Vienna. The body of data makes it possible to statistically analyse the career entries and career paths of all graduates and drop-outs. ATRACK can be used, for example, to evaluate the labour market status, gross dependent income or the economic sector (ÖNACE) of the place of work according to personal or study-related characteristics (e.g. gender, age, type of study or ISCED 2013 field of education) on certain key dates before or after graduation/dropout. The results come from the basic registers of the register census and the harmonised employment statistics.

ATRACK currently includes around 799 000 graduates and around 349 000 dropouts (Bachelor's, Master's, Diploma, Doctorate/PhD and university courses) at Austrian higher education institutions from 2008/09 to 2020/21. The main results of the project can be found on the Statistics Austria [website](#).

**Vienna model:** Only degrees obtained by people who were under the age of 35 at the time of graduation are considered (this age limit does not apply to doctoral/PhD degrees). Persons who have already obtained a degree of equal or higher value or who attended further education in the academic year following the degree in question are excluded from the analyses. In the case of degrees according to the Vienna Model, it is assumed that graduates do not remain in the education system after graduation, but are available to the labour market and are therefore considered to have entered the labour market.

**If you have any questions on this topic, please contact:**

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