

Institute for
Fiscal Studies



Education inequality and social mobility

Claire Crawford

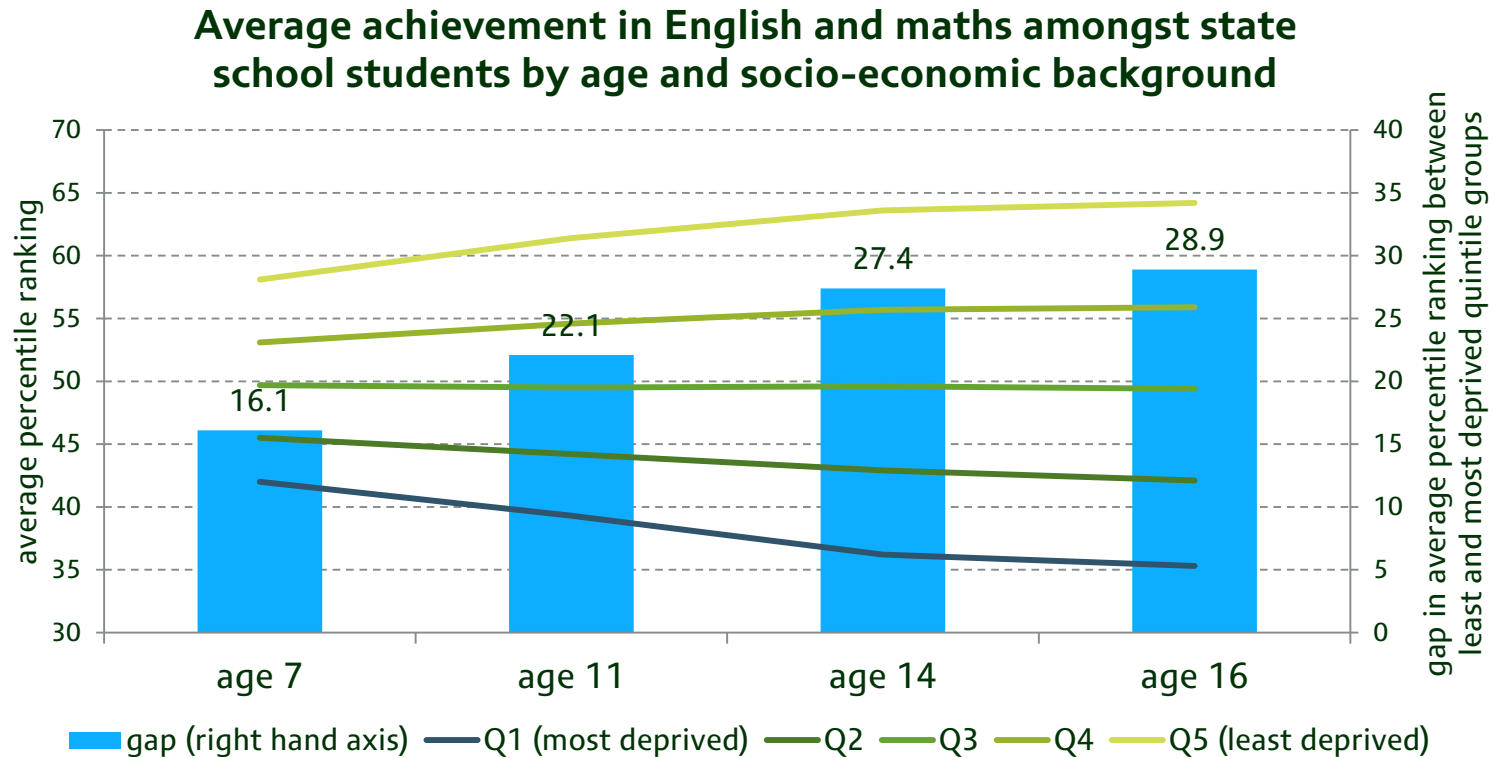
University of Warwick and Institute for Fiscal Studies

Why might education matter for social mobility?

- There are substantial returns to education in the UK
 - Those with higher qualifications tend to earn more, at least on average
 - SES differences in attainment → SES differences in earnings/income, perpetuating link between circumstances of parents and children
- ➔ To help break link, need to reduce (or reverse) education inequalities

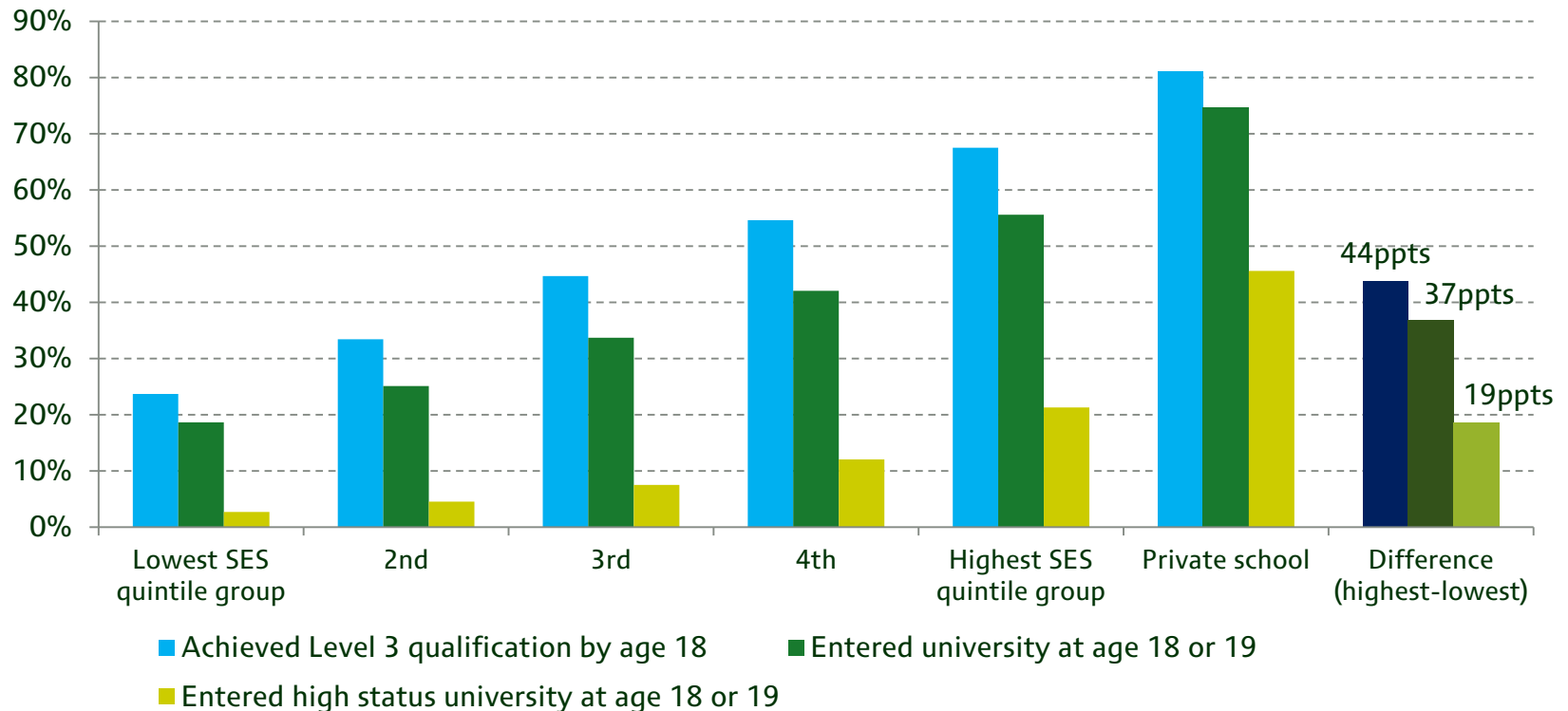
How big a task is this?

- Quite big! SES gaps are large at school entry and widen with age



Large gaps also exist in FE and HE . . .

Achievement in FE and access to HE by socio-economic background



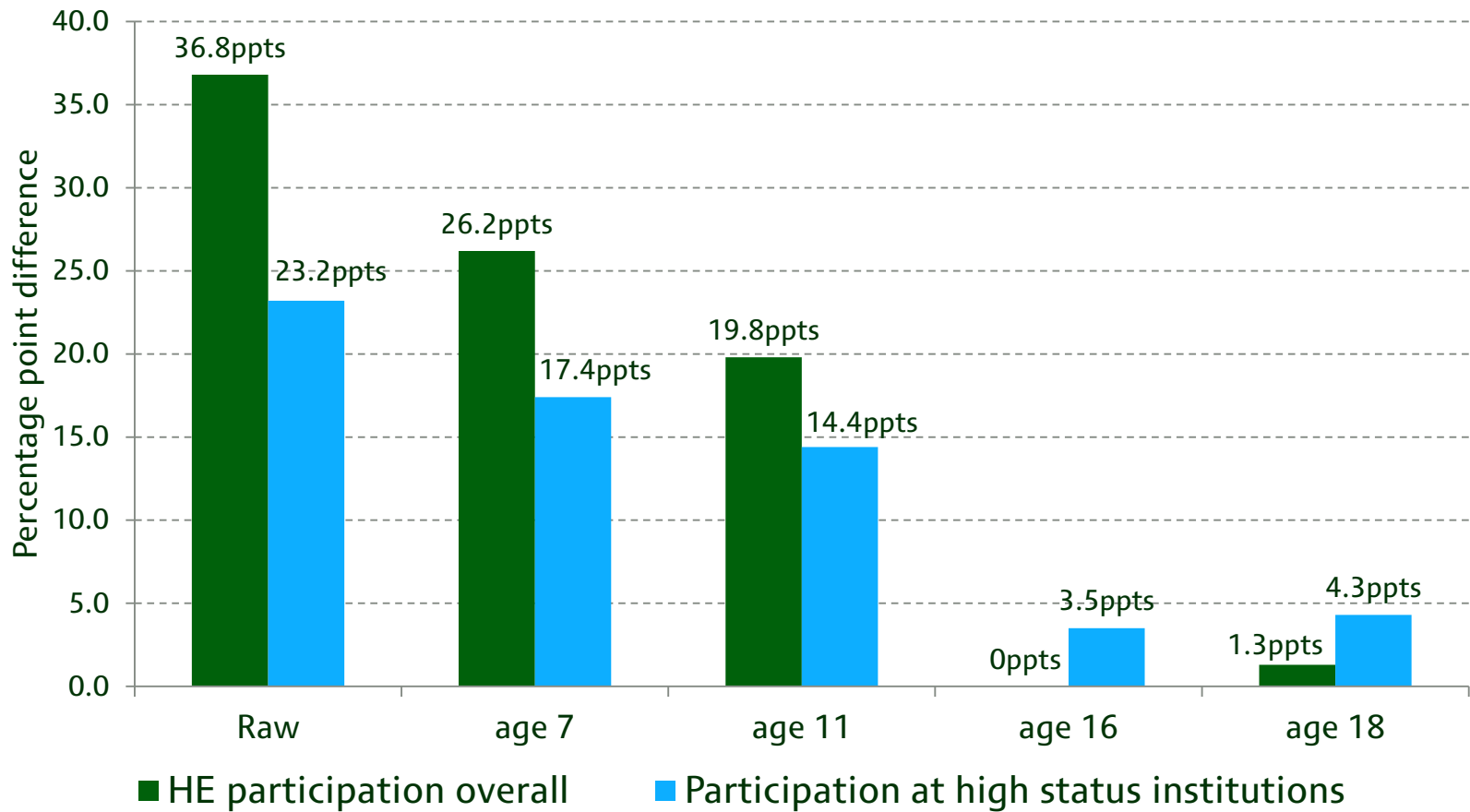
What explains these differences?

- Important question from a policy perspective is what explains these differences (and hence how might we be able to reduce them)?
- Remainder of talk will focus on HE access and outcomes . . .
- Not because I think HE is the only way to increase social mobility
- Actually FE will play at least as important a role given that the majority of students do not access HE, and those from poorer backgrounds are more likely to end their education at this level
- But we have better data (and I have done more research!) on HE

Questions I will tackle today . . .

- Can gaps in HE access be explained by how well students do in GCSE and A-level exams, or are there gaps conditional on attainment?
- Would getting more pupils from disadvantaged backgrounds into HE be enough? How well do they do during and after their time there?
- How can policymakers ensure HE delivers greater social equality?

How important is prior attainment at different ages in explaining SES gaps in HE participation?

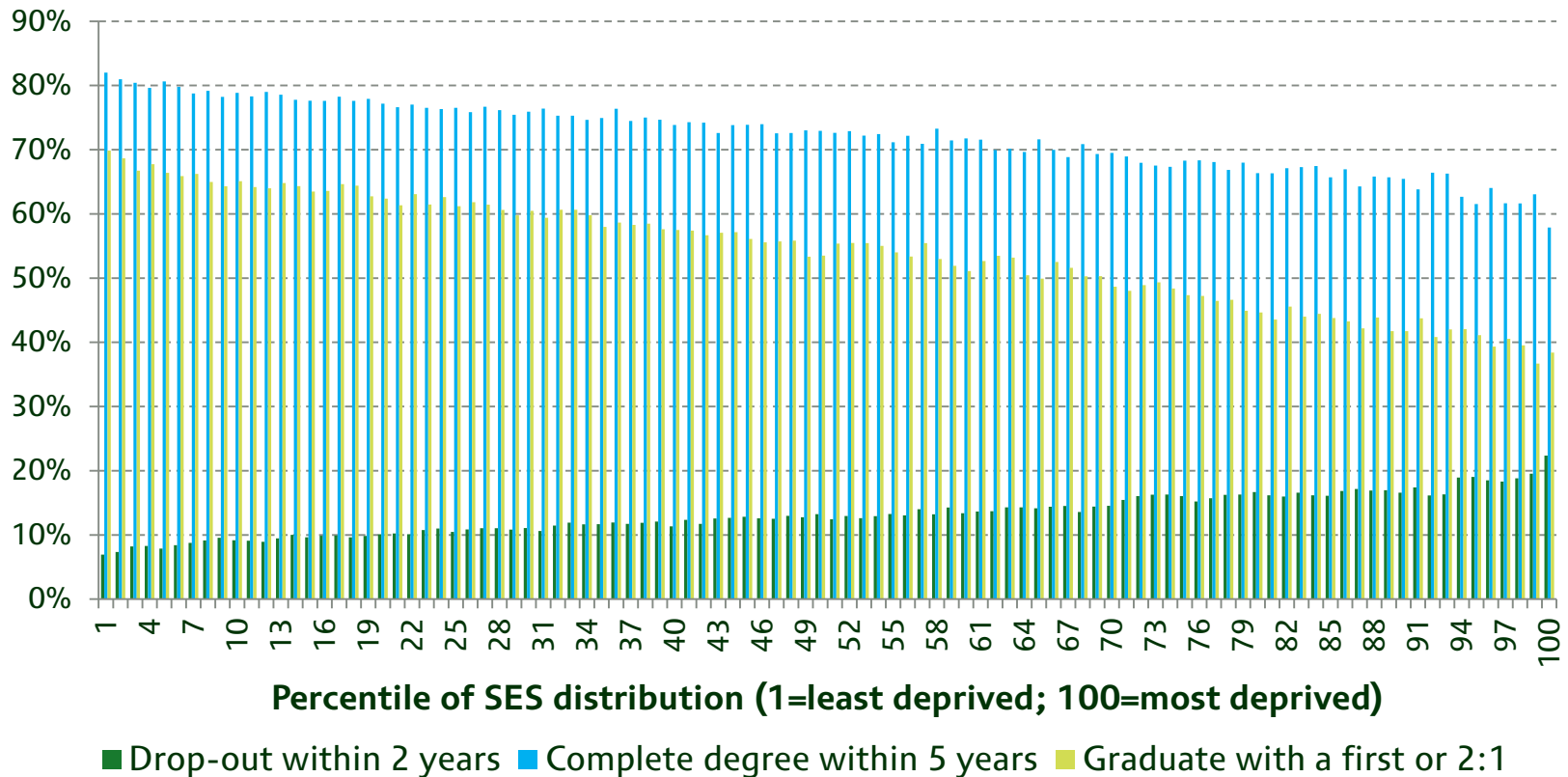


Prior attainment is vital – but not the whole story for participation at high status institutions

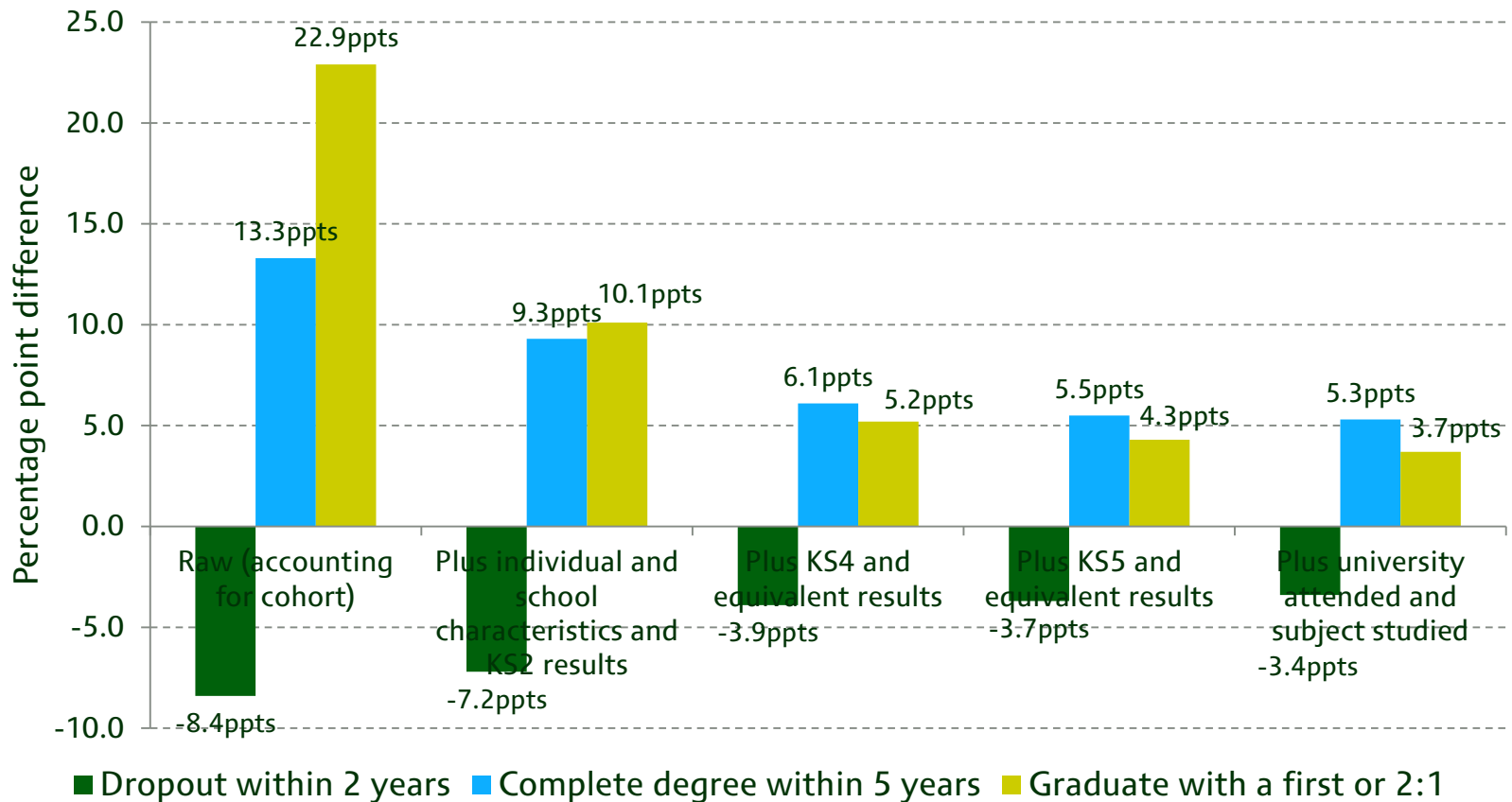
- Attainment at end of secondary school can explain **whole gap** in HE access between richest and poorest 20% of state school students
- But **not quite whole gap** in terms of entry to high status institutions
 - Still small SES differences in applications/offers/entry to these institutions
- Should we care about these gaps?
 - Yes to the extent that students from these institutions go on to earn more, on average, than those attending less prestigious institutions
- Existing evidence mixed on relative importance of application and offer decisions, but clearly still some work to do to elicit (attractive) applications from qualified students to high status institutions

Are there SES differences in HE outcomes amongst those who make it to university?

% of HE participants from state schools who drop-out, complete their degree and graduate with a first or 2:1, by percentile of socio-economic background



What explains differences in university outcomes between pupils from high and low SES backgrounds?



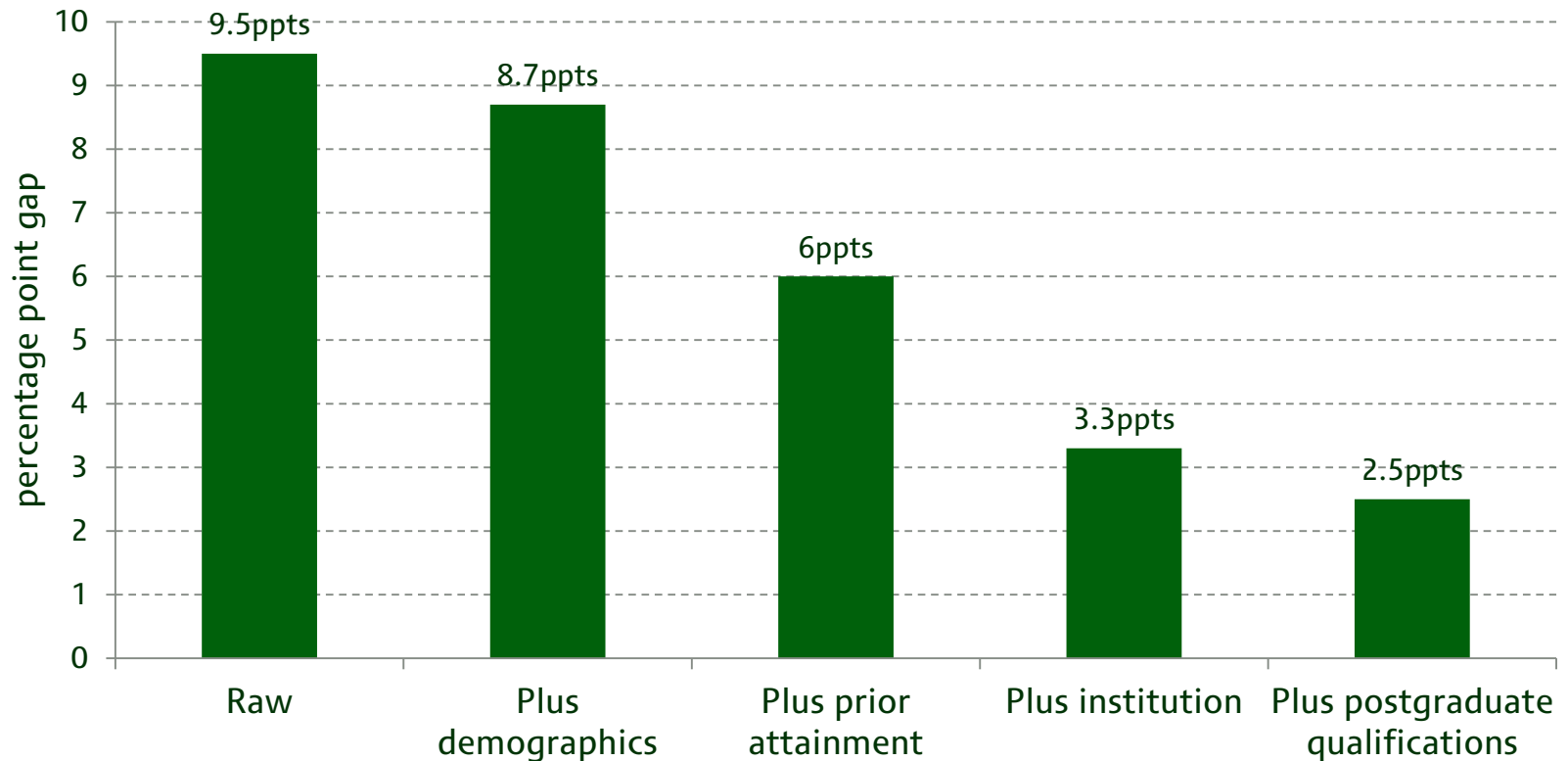
Important differences in HE outcomes by SES that cannot be fully explained by prior attainment

- Controlling for attainment on entry to university substantially reduces SES differences in HE outcomes, but comparing students on same courses makes little difference over and above attainment
- ➔ Students from high SES backgrounds still, on average, less likely to drop out, more likely to complete degree and more likely to get first or 2:1 than students from low SES backgrounds
- And this is true even at high status institutions
- ➔ Suggests institutions still have some work to do to better support students from disadvantaged backgrounds whilst at university

What about after students graduate?

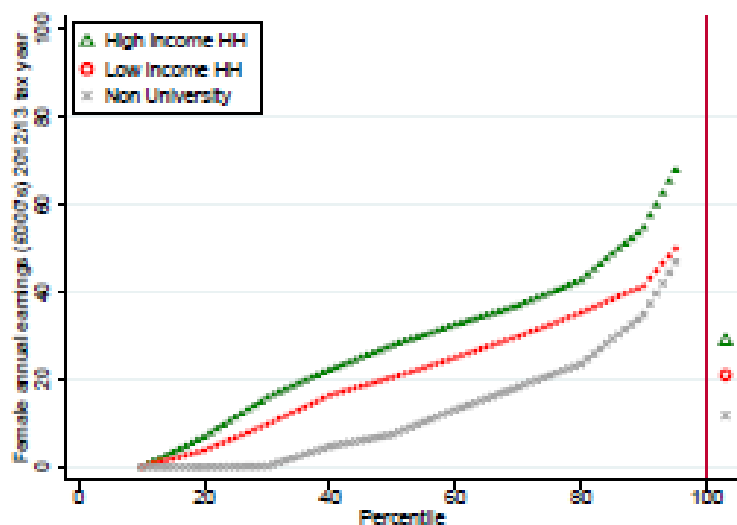
There are differences in terms of occupation . . .

How much more likely are graduates from private schools to work in NS-SEC 1 occupations 3.5 years after graduation than those from state schools?

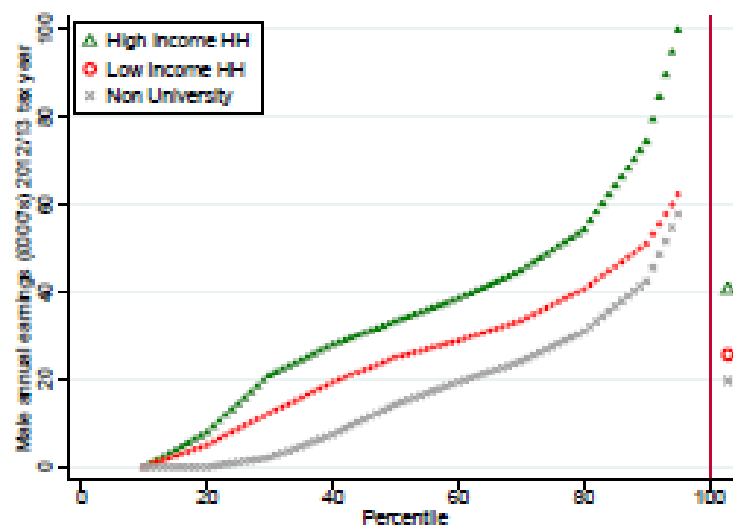


And in terms of earnings . . .

Earnings distributions for graduates from high and lower income households, and for non-graduates, measured when individuals are in late 20s



Females



Males

And these differences persist even amongst those with similar degree achievement . . .

- Comparing otherwise identical graduates, those from private schools/higher income backgrounds seem to do better on average
- Even if we account for differences in rich measures of cognitive and non-cognitive skills using survey data, differences persist
- Those from lower SES families and state schools do not appear to benefit to the same extent from HE: challenge for social mobility?

The counterfactual is important though . . .

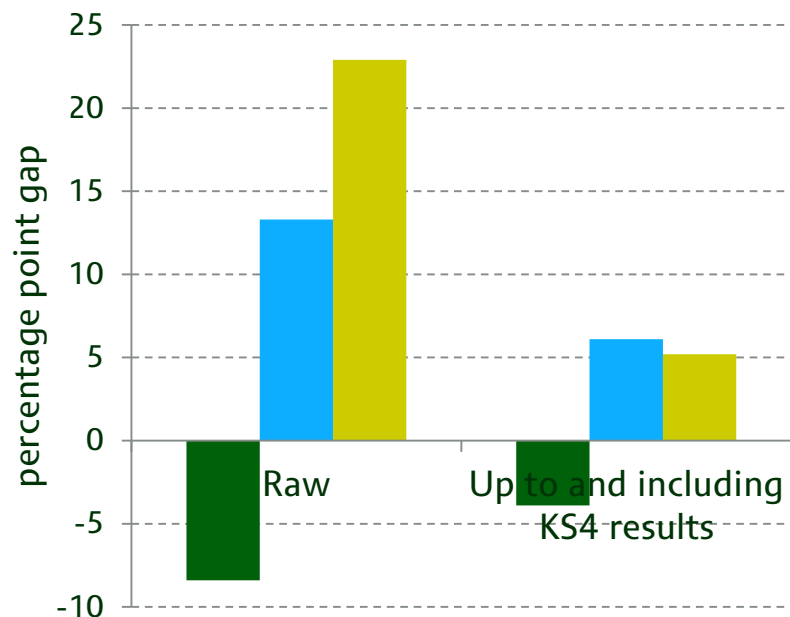
- Even graduates from low income families go on to earn more, on average, than those who don't go to university
 - And some work suggests poor graduates earn more relative to poor non-graduates than rich graduates do compared to rich non-graduates
- University still seems to offer an average earnings boost, so don't want lower earnings for poor graduates to deter them from going
- But clearly more work is required to reduce the SES gaps at every stage in order for HE to be a true 'engine of social mobility'

What can policymakers do to reduce these gaps?

- Increasing earlier attainment is important – but no magic bullet
- More to do to ensure qualified students from poor backgrounds apply to (and are given serious consideration by) high status institutions
 - Increasing aspirations?
 - Ensuring students know high status institutions are for ‘people like them’?
 - Removing barriers (financial or otherwise) to living away from home?
 - Contextualised admissions?

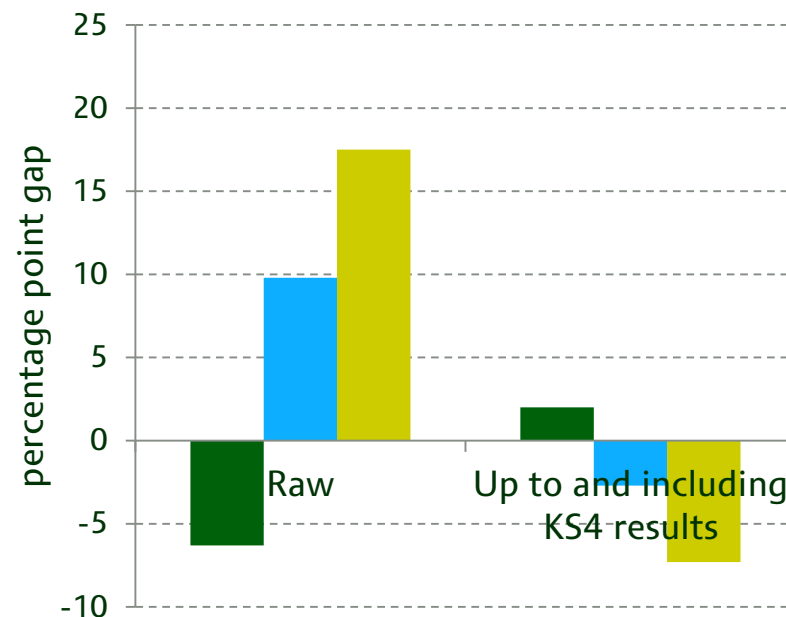
Differences between top and bottom 20% of pupils in terms of deprivation index vs. school performance

Differences by SES



- Dropout within 2 years
- Complete degree within 5 years
- Graduate with a first or 2:1

Differences by school performance



- Dropout within 2 years
- Complete degree within 5 years
- Graduate with a first or 2:1

Less risky to contextualise using school criteria than individual or neighbourhood based measures of SES?

- Differences by school characteristics suggest that pupils from low performing schools with the same attainment as those from high performing schools have, on average, higher “potential”
 - Universities may wish to account for this in making entry offers
 - If they do, they are likely to get it right **on average**
- Same is not true for individual/neighbourhood measures of SES
 - Does not mean that no students from lower SES backgrounds will go on to outperform students from higher SES backgrounds at university
 - But it is not true **on average**: makes it more challenging for universities to identify low SES students with high potential to do well

What can policymakers do to reduce these gaps?

- Work cannot stop with access
- Universities need to do more to support students from disadvantaged backgrounds to progress and succeed in HE, but evidence on ‘what works’ in this area is thin (and likely to differ by context)
 - Little evidence that financial support is a panacea
- Government may also wish to consider how to open up recruitment and progression practices of graduate employers
- Many focus recruitment efforts on limited set of institutions; how to ensure they target and attract a wider pool of talent?
- Some employers already thinking about this, but much more to do
 - e.g. Bridge report highlighted Fast Stream is more selective than Oxbridge

In summary . . .

- Large SES differences in access to university, but also in how well students do once there and indeed after they graduate
- At the moment, HE is clearly not ‘levelling the playing field’ amongst those from different socio-economic backgrounds and hence isn’t fulfilling its promise as an ‘engine of social mobility’
- Government should consider potential effects of future policy changes on students from different backgrounds as well as overall
 - Too early to identify effect of maintenance grant removal
 - Any danger that differentiated fees may discourage those from poorer backgrounds from attending institutions with high teaching quality?