

Family Background and University Success

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Setting the scene: is university worth it for everyone?

Anna Vignoles

The book

- How can we improve access to and success in HE for poorer students?
 - How much focus should there be on access?
 - What happens to these students once in HE?
 - What happens after they leave?
- What drives the socio-economic differences in outcomes at each stage?

The value of higher education

- If we are concerned about access, we first have to ask – is going to university worth it?
- Broadly yes . . . average graduate earnings have remained high despite expansion of student numbers
- But variation in graduate outcomes has increased, with differences by institution, subject and degree class increasingly important
- Suggests we need to worry about SES differences in these outcomes too

The evidence

- Recent evidence for England funded by the Nuffield Foundation:
 - Graduates vs. non-graduates:
 - Britton, J., N. Shephard and A. Vignoles (2015), Comparing sample survey measures of English earnings of graduates with administrative data during the Great Recession, IFS Working Paper W15/28.
 - Differences by institution and subject:
 - Britton, J., L. Dearden, N. Shephard and A. Vignoles (2016), How English domiciled graduate earnings vary with gender, institution attended, subject and socio-economic background, IFS Working Paper W16/06.

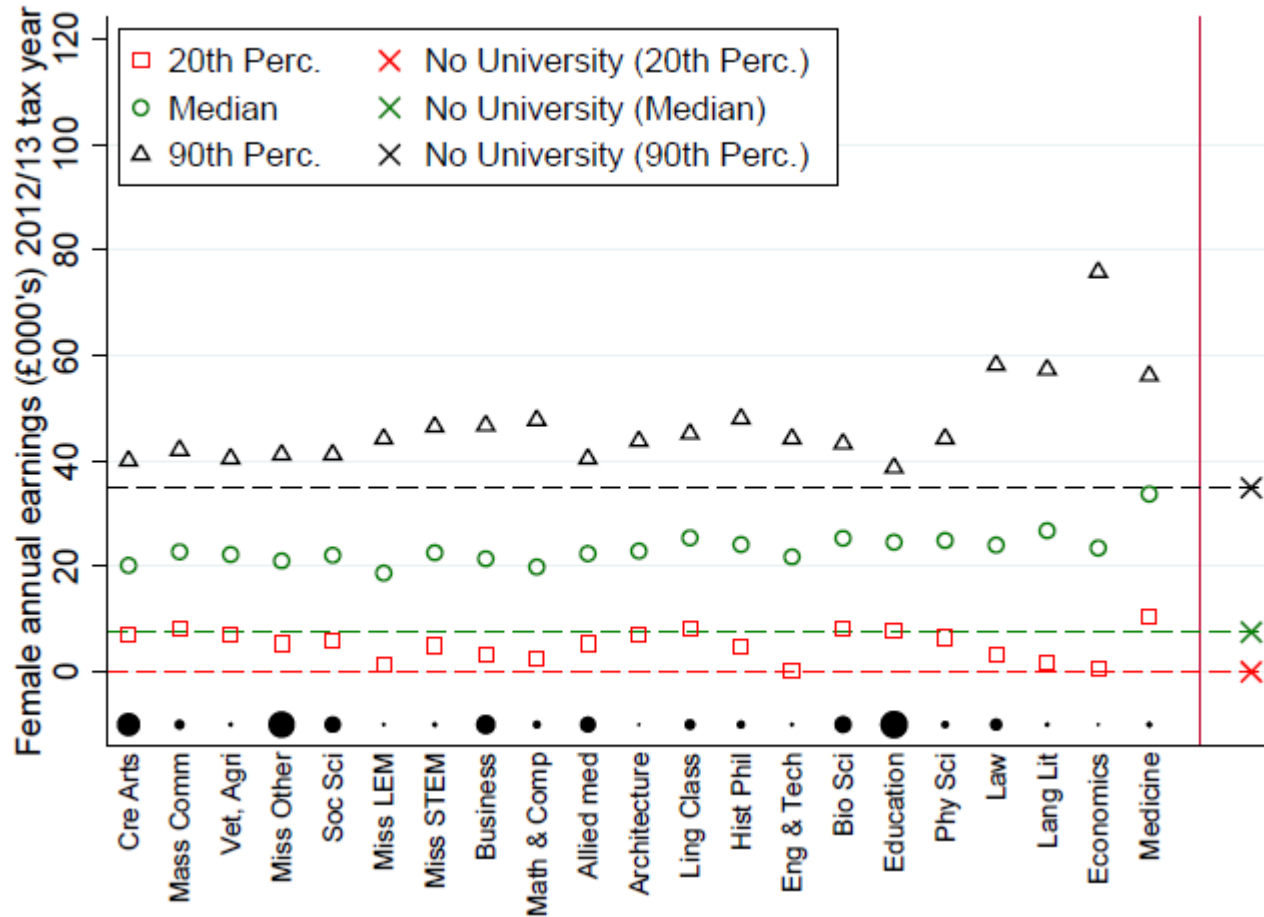
Graduates vs. non-graduates

- Graduates are much more likely to be in work, and earn considerably more, on average, than non-graduates
- Non-graduates twice as likely as graduates to have no earnings 10 years on
 - 30% vs. 15% for the cohort starting their studies in 1999, observed in 2011/12
- Male graduate to non-graduate pay gap: £8,000 per year
- Female graduate to non-graduate pay gap: £9,000 per year

Variation in graduate earnings

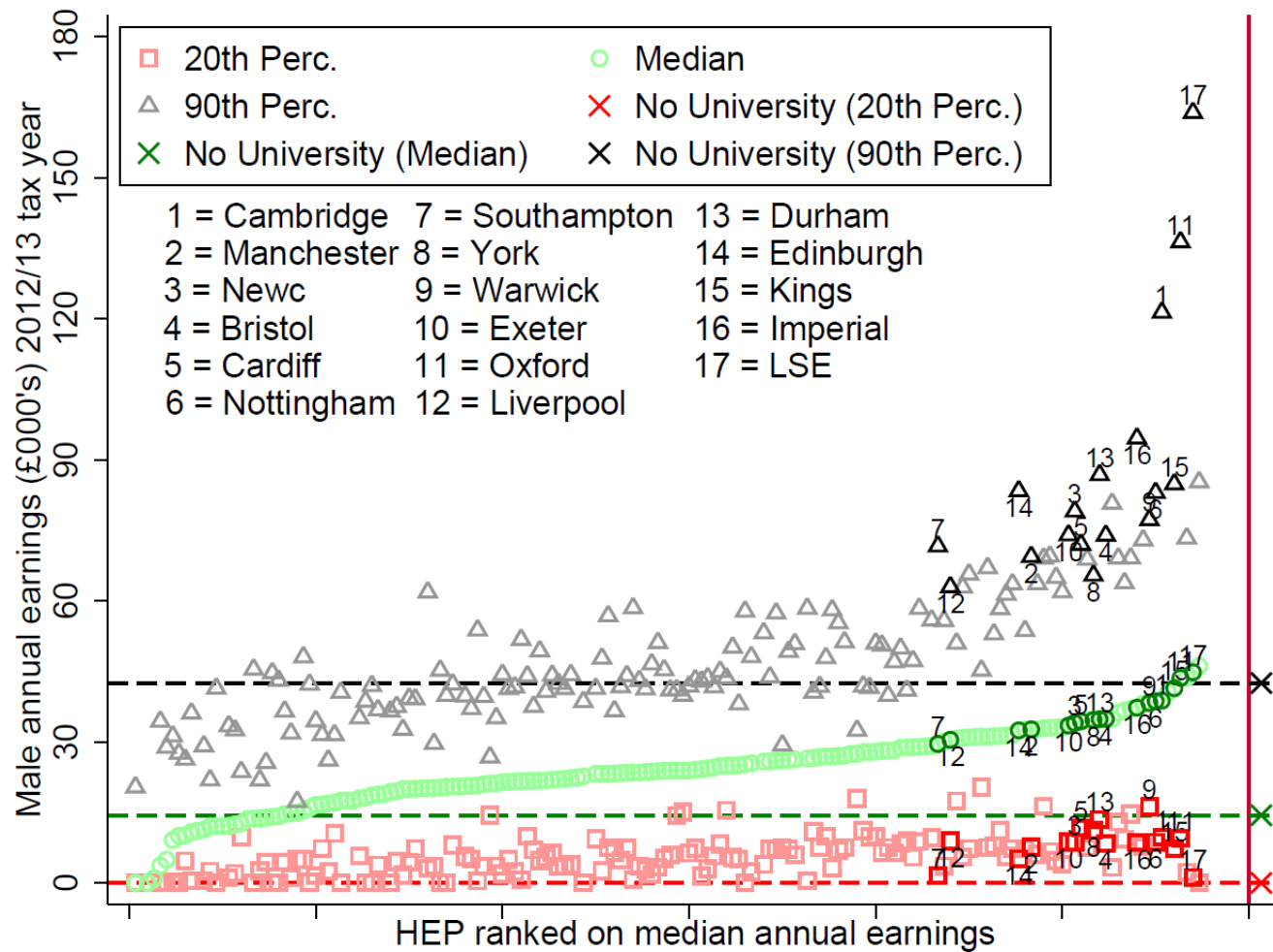
- Big differences in earnings by institution and subject
- Largely but not entirely driven by differences in entry requirements
- Also variation by degree class

Differences by subject (females)



Source: Figure 5 of Britton et al. (2016)

Differences by institution (males)



Source: Figure 5 of Britton et al. (2016)

Implications

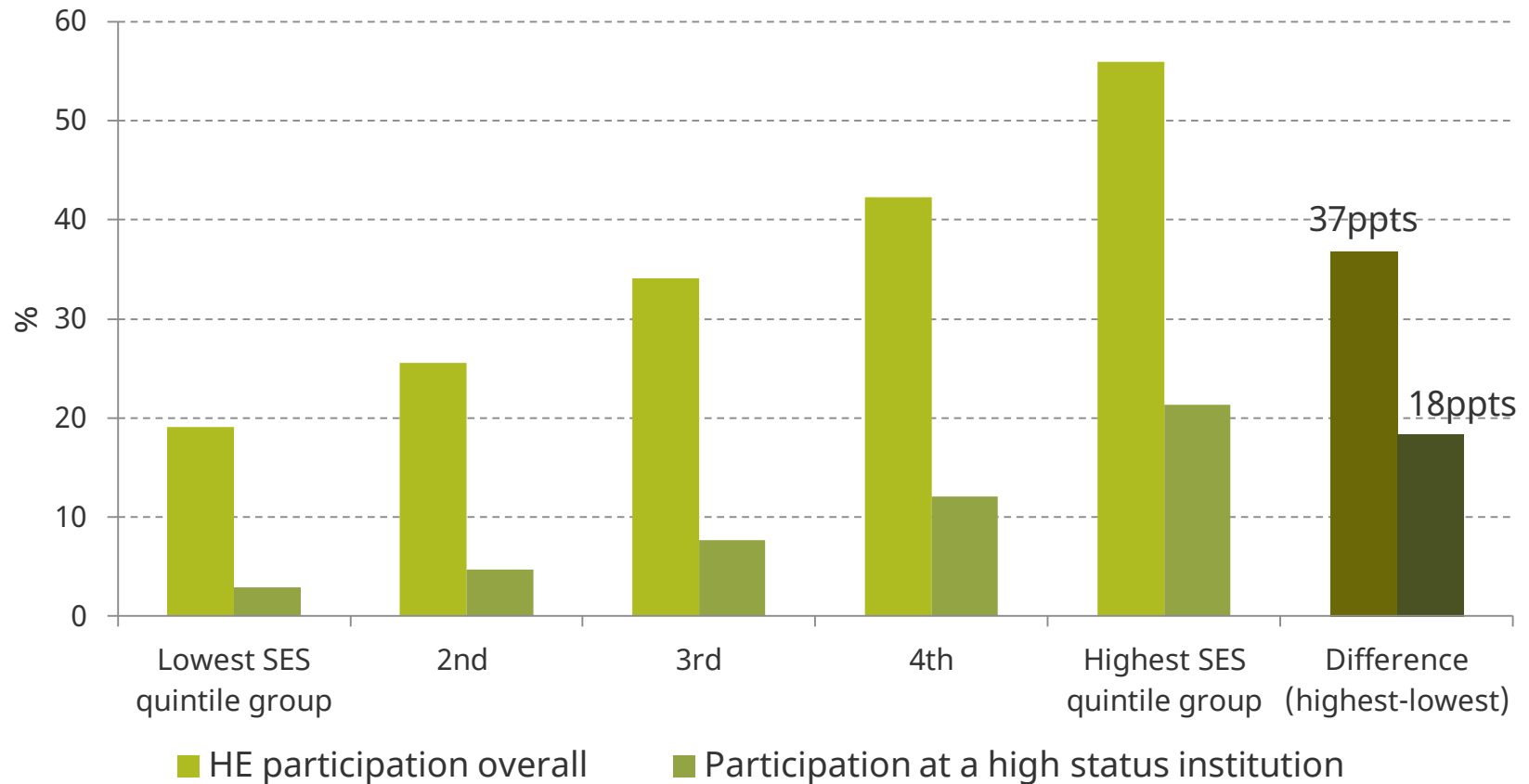
- A degree offers a pathway to relatively high earnings for many – but not all
- Ensuring equal access to HE clearly first order priority
- But access to institutions and subjects with higher earnings also important
- As is ensuring low and high SES students achieve similar degree classes

How large are the SES gaps in HE participation and what drives them?

Lorraine Dearden

HE participation overall and at high status institutions, by socio-economic background

% of state school pupils going to university at age 18/19

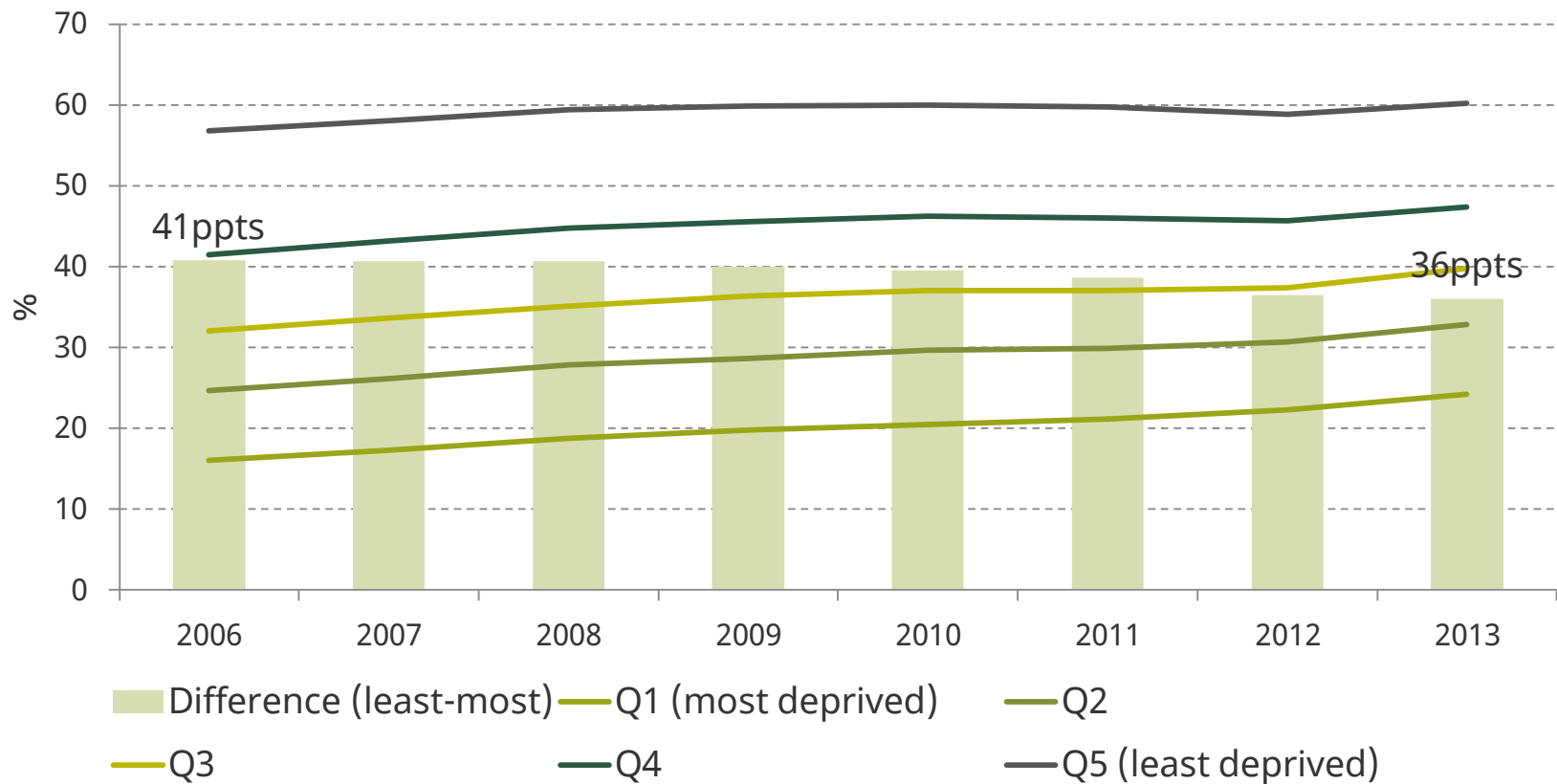


Why are these gaps so large?

- One factor which has been a big concern in recent years is the cost of university – and in particular the amount of fees charged
- Recent reforms have increased the cap on annual tuition fees from £1,000 (in the early 2000s) to £3,000, and now to £9,000 (in 2011-12)
- What has happened to the socio-economic gaps in participation over this period?

HE participation rates over time, by a measure of local area disadvantage

% of young people going to university at age 18/19



Source: Figure 4.3 of Crawford et al. (2017)

Participation gaps have been falling while tuition fees have been rising – why?

- Answer is because students can borrow money to cover their fees whilst at university (and a contribution towards living costs) and do not have to pay it back until they are in work with reasonable income
 - No upfront fees for students from low income families
 - And those who go on to be low income graduates are relatively protected from the costs of university (insurance)

If not funding, what else?

- Suggests funding is not a major part of the reason why poorer students are less likely to go to university than richer students – at least among young HE entrants
 - Not least because there were large gaps even when HE was “free”
- What else could explain the gaps?
- Prior attainment potentially a big part of the story
 - If SES differences in HE participation were entirely explained by attainment earlier in the school system, then policy focus must be on improving these earlier outcomes amongst low SES children
 - But if they are only part of the explanation then policy must have a wider focus – attainment plus . . .

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

Difference in participation at age 18/19 between 20% richest and 20% poorest state school students



Source: Figure 5.1 of Crawford et al. (2017)

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

- Attainment at end of secondary school can explain **the whole gap** in HE access between richest and poorest 20% of state school students
- But **not quite the whole gap** in terms of entry to high status institutions amongst those who go to HE
 - Still small SES differences in applications/offers/entry to these unis
- Should we care about these gaps?
 - Yes, to the extent that – as we saw earlier – students from these institutions go on to earn more, on average, in labour market
- What other gaps might there be that we should worry about?

Socio-economic gaps in university outcomes

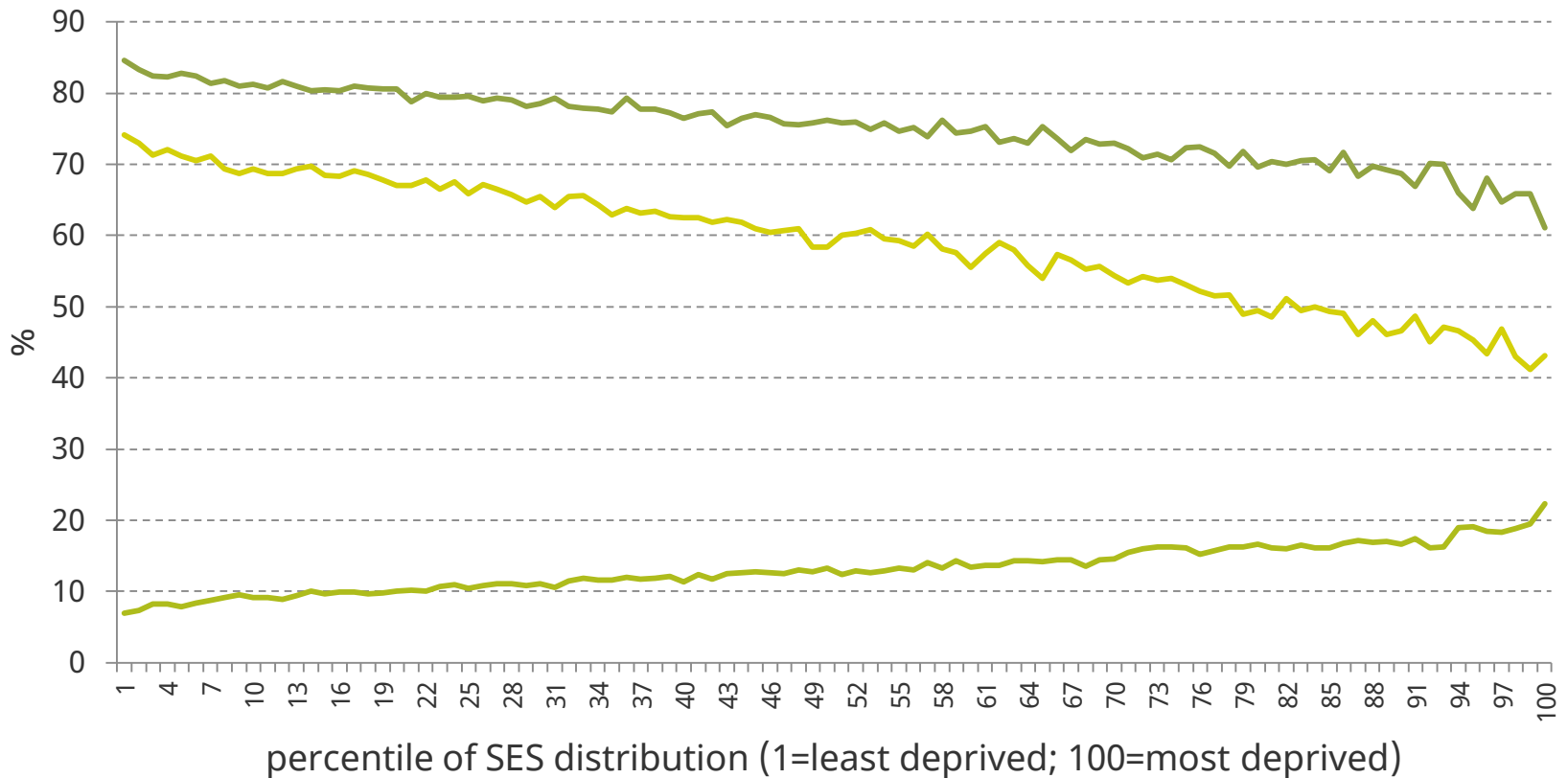
Claire Crawford



Is getting more poor pupils to HE enough?

- Large socio-economic gaps in university access
- But returns accrue to those who complete their degrees, not those who attend – and are higher for those with the best degree classes
- Are there further socio-economic differences in these outcomes?
- What about beyond graduation? Do richer and poorer students benefit equally from higher education?

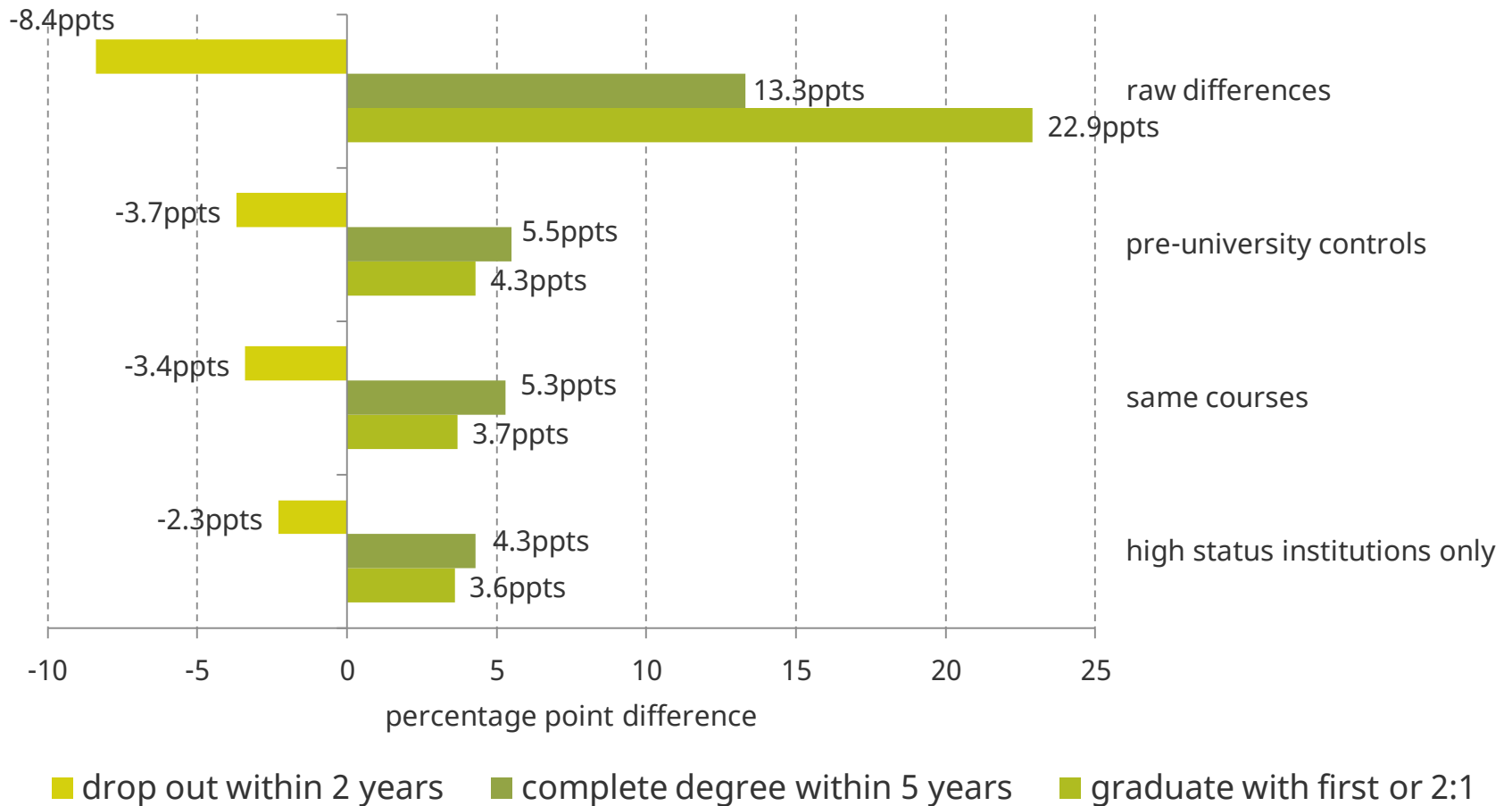
% of students who drop-out, complete degree and graduate with 1st or 2:1, by SES percentile



— drop out within 2 years — complete degree within 5 years — graduate with first or 2:1

Source: Figure 5.1 of Crawford et al. (2017)

What explains SES gaps in HE outcomes?



Source: Figure 7.1 of Crawford et al. (2017)

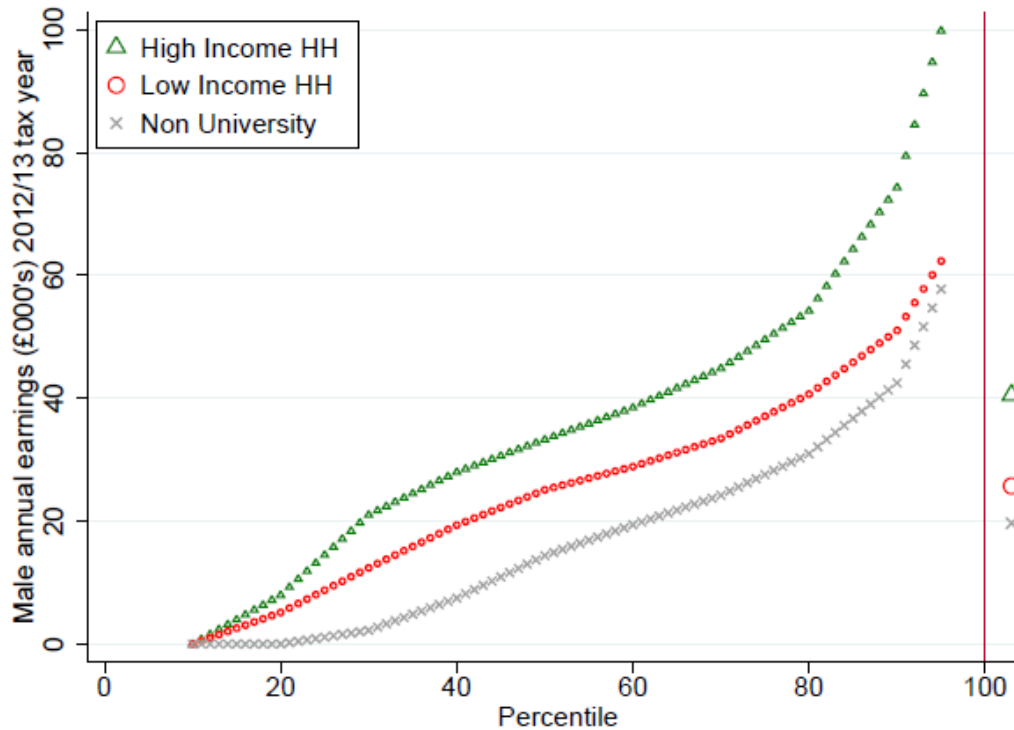
Further SES differences in outcomes at uni

- Those from lower socio-economic backgrounds are more likely to drop out, less likely to complete their degree, and less likely to get a 1st or 2:1
- True even comparing students from different SES backgrounds:
 - With the same attainment and other characteristics on entry to HE
 - On the same courses (same subject at same institution)
 - At high status institutions
- Suggests SES gaps in university access understate gaps *amongst cohort as a whole* in terms of degree acquisition and degree class

Is HE a route to social mobility?

- Have shown that those from low SES backgrounds are less likely to go to university, but also that they are:
 - Less likely to complete their degrees
 - Less likely to attend high status institutions
 - Less likely to graduate with a 1st or 2:1
- For all these reasons, we would expect university entrants from low SES backgrounds to earn less than those from high SES backgrounds
- And this is exactly what we see . . .

Earnings distributions for graduates from high and lower income households



Males

- Also true (using different data) amongst those with similar experiences (i.e. same other characteristics and attainment on entry to HE; who went to same institution, studied same subject, got same degree class)

Source: Figure 18 from Britton et al. (2016)

Does this mean low SES students shouldn't go to university?

- Comparing otherwise identical graduates, those from higher socio-economic backgrounds earn more, on average
- But graduates from low income families still earn more, on average, than those who don't go to university
 - And some work suggests that 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'

Policy implications

John Micklewright



University access

- Prior attainment is key – especially at age 16
 - Not enough to raise aspirations, offer information/financial assistance
- But policies to improve achievement of lower SES groups have had mixed success (e.g. spending on the early years, school reforms)
 - No silver bullet; more evidence required
- Prior attainment also important for attendance at high status institutions
 - Including GCSE and A-level subject choice
- But applications/offers/acceptances differ slightly by socio-economic status conditional on attainment, so more work to do here

University access

- Might contextualised admissions help?
- Prior achievement still key barrier – but should be encouraged
 - e.g. by omitting these admissions from league tables
- Contextualising on basis of school characteristics may be good way to start
 - On average, amongst pupils with same attainment, those from lower performing schools do better at uni than those from higher performing schools
- If contextualising based on family or neighbourhood characteristics, universities must ensure they support students on arrival

University access

- What is clear is that the recent changes to the funding system have not widened socio-economic gaps (at least for young f/t students)
 - If anything, SES gaps have fallen rather than risen over this period
- But changes whose implications we cannot yet observe may change this
 - e.g. replacement of maintenance grants with loans, freezing of income threshold, raising of tuition fees again via TEF
- Definitely some things we could be doing better
 - Universities should clarify bursary/fee support ex-ante
 - Government should not alter loan terms ex-post
 - Maintenance support may require more thought

Degree outcomes

- There is a clear need for intervention beyond university access too
- Prior achievement again important, but socio-economic gaps in degree completion and class remain amongst students who are similar on entry
- Again lack of robust evidence about 'what works' to promote retention and progression, but sense of 'belonging' seems important, and interventions at key points (e.g. induction) seem most successful

Later success

- And the challenges continue beyond university as well
- Students who look similar when they leave undergraduate studies have different outcomes depending on their socio-economic background
- Recent announcement of postgraduate loan scheme needs to be evaluated – will students really want to take on more debt?
- Could more be done by university careers services?
- Efforts by some large employers to use ‘blind’ admissions and to monitor the socio-economic background of their employees
 - But more needs to be done systematically

Wrapping up

- Narrowing SES gaps in university access and outcomes a big challenge
- Government has set ambitious targets: to double the % of students from disadvantaged backgrounds progressing to HE by 2020 (vs. 2009)
- But also important to ensure that students can access the subjects and institutions that generate high returns (if they wish), and that they can perform well once there – getting through the door is not enough
- Outcomes beyond graduation also important
- Finally worth remembering that higher SES students will not be standing still while all this is happening, so no guarantee that gaps will close