

Institute for
Fiscal Studies

CELEBRATING

50
YEARS

THE FUTURE OF POLICY EVENT SERIES

THE FUTURE OF EDUCATION

MONDAY 28 OCTOBER 2019

18:30-20:00, ROYAL INSTITUTION, LONDON

Chair **Branwen Jeffreys**, BBC

Speakers **Paul Johnson**, Institute for Fiscal Studies
David Laws, Education Policy Institute
Anna Vignoles, Cambridge University

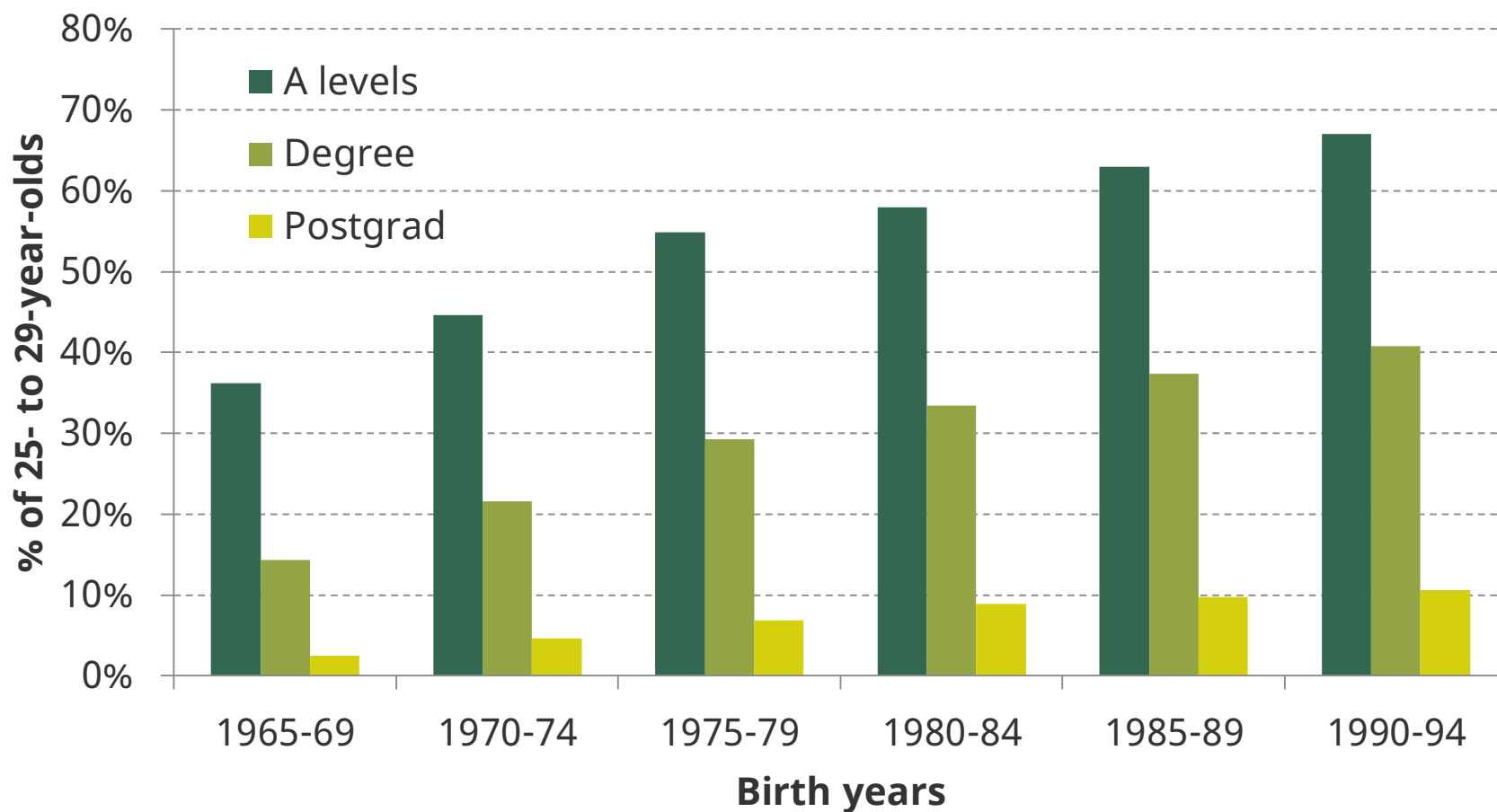


#IFSat50

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Password: Cavendish

Objective analysis of economic policy is more important now than it has ever been. Please support our work and help us to improve public debate and government policy by becoming a member: www.ifs.org.uk/about/membership

A transformation in levels of education



Source: Labour Force Survey

And yet, just last week

According to the Industrial Strategy Council:

Productivity held back by significant skills gaps

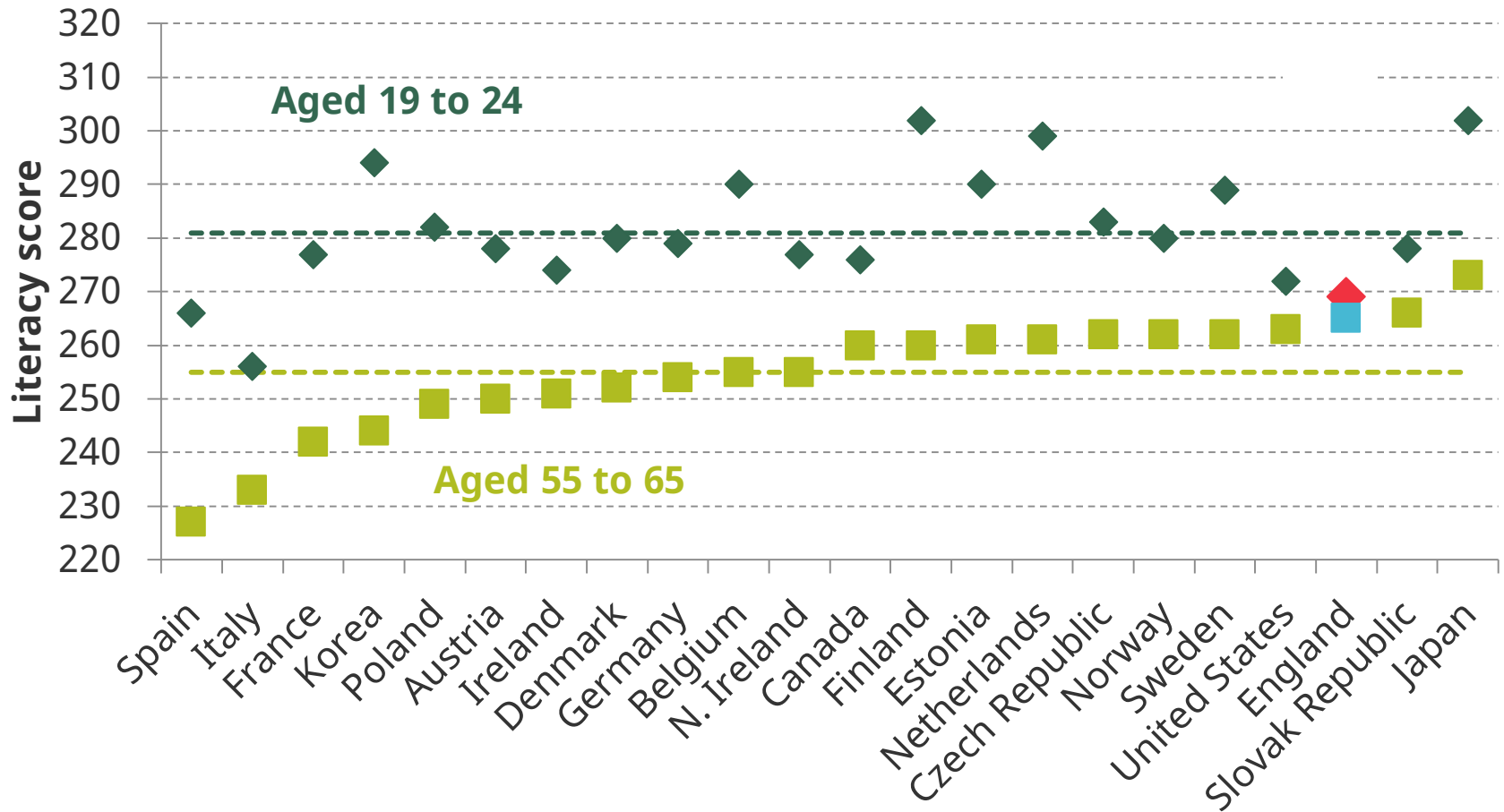
28% of workers underqualified for their job

Increasing gaps in digital skills as well as in management, communication and analytical skills

Half have primary school numeracy levels

Uniquely basic skills of young people no better than old

England unique in lack of progress in literacy (and numeracy) across generations



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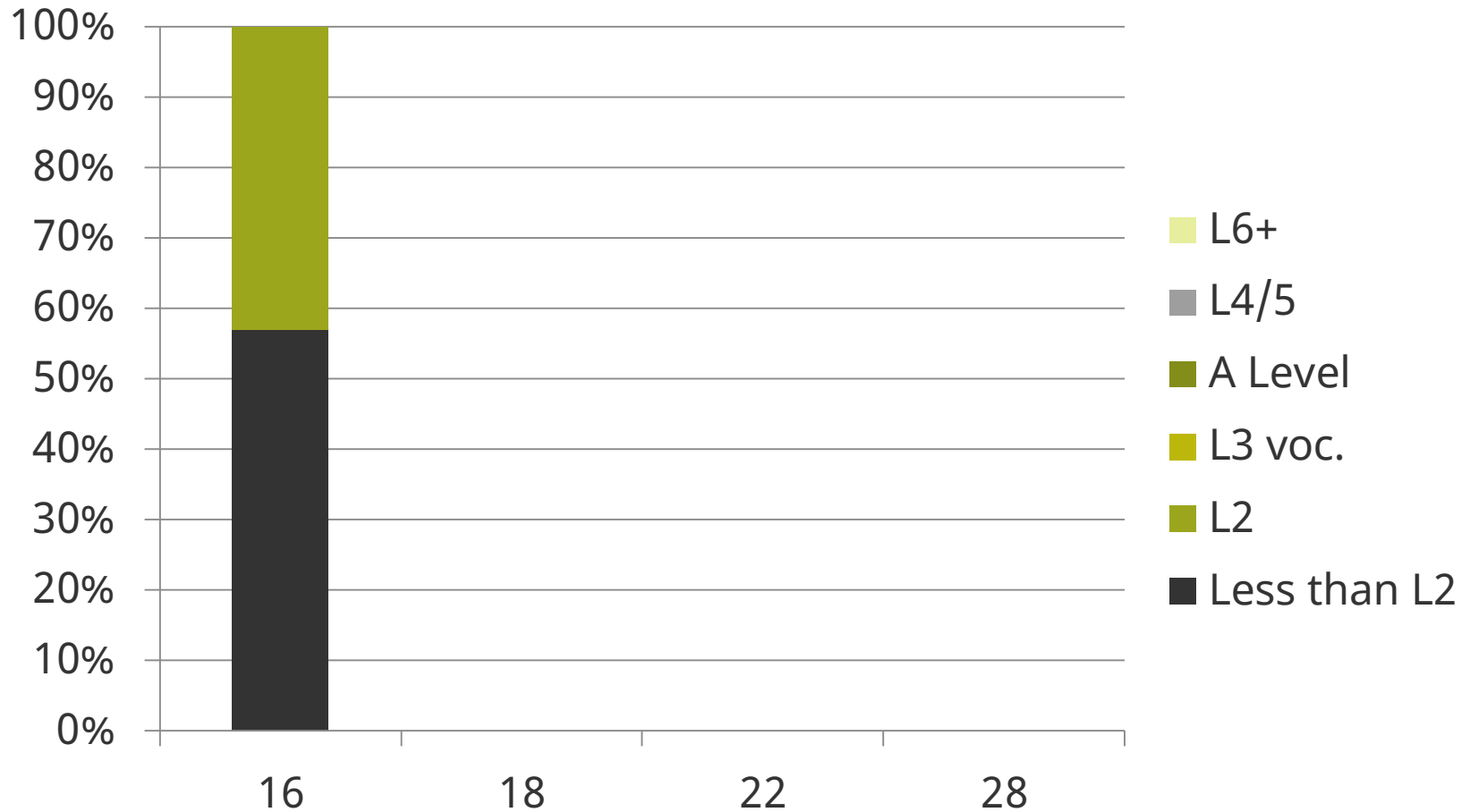
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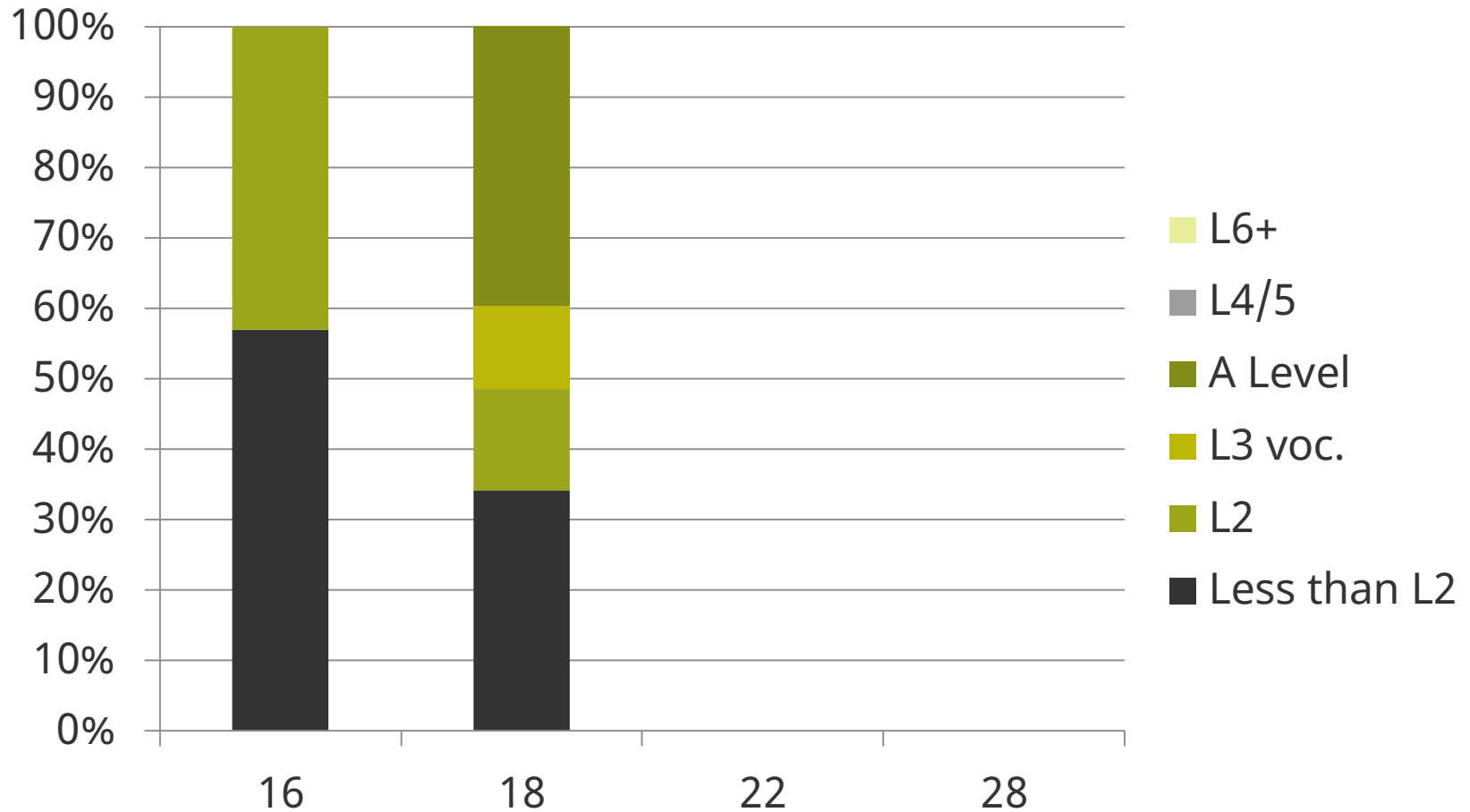
Outcomes at age 16

(cohort taking GCSEs in 2003)

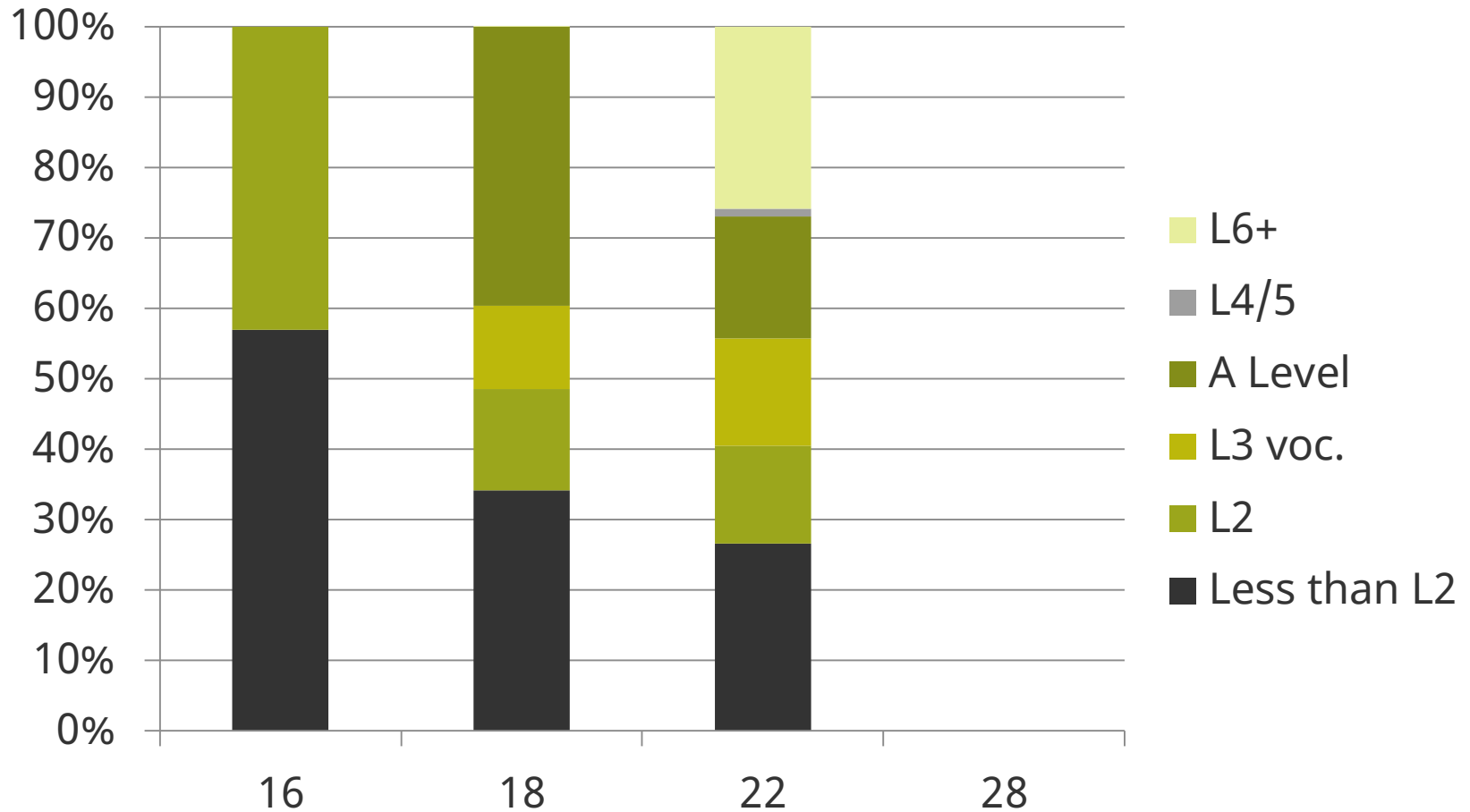


Source: A comparison of earnings related to higher level vocational/technical and academic education", Espinoza and Speckesser, CVER 2019

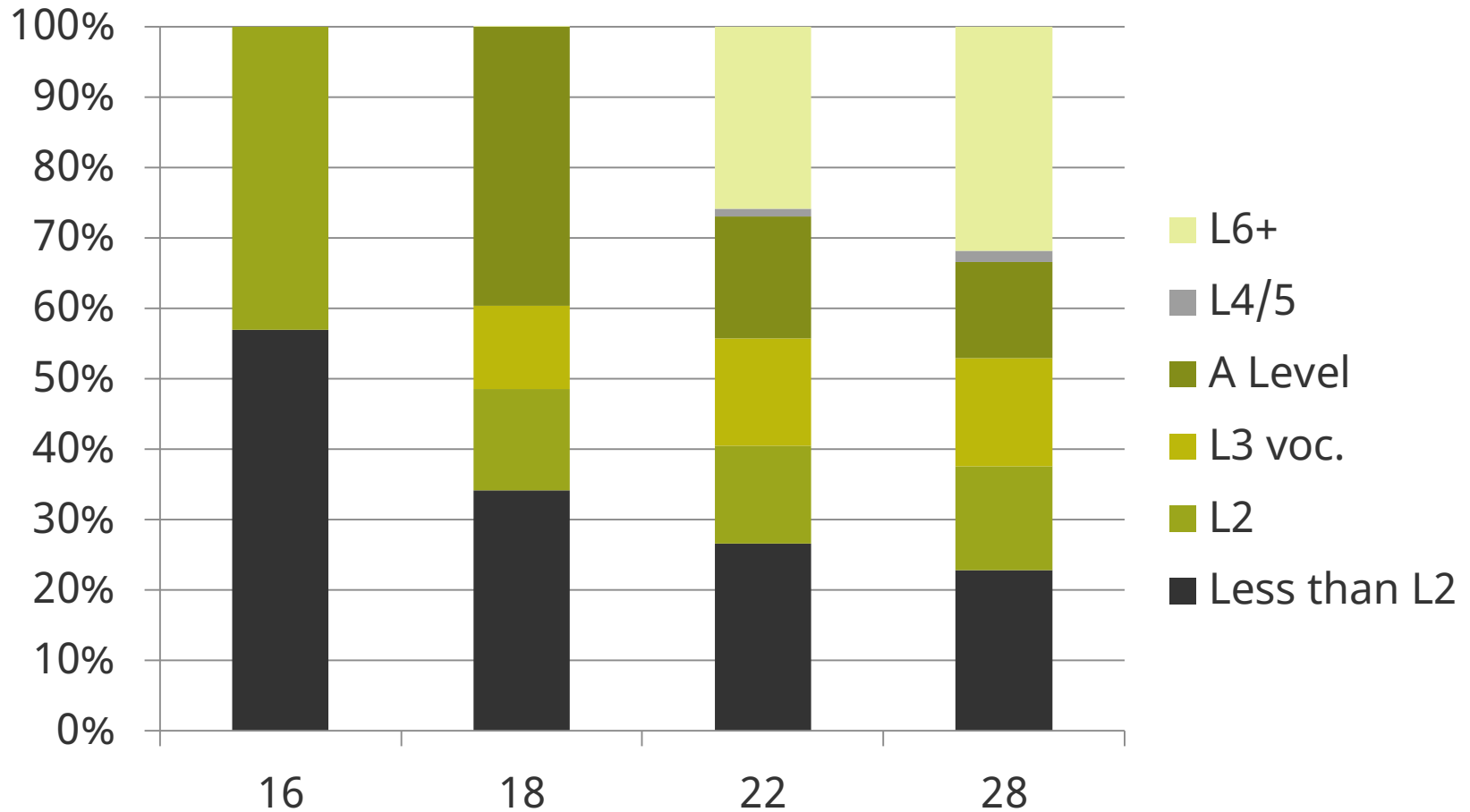
Some progress by 18



Even by age 22, 40% still not beyond level 2



With almost no additional progress by 28



We shut doors

Opportunities for those who haven't done well by 16 are complex and limited

Source: Machin, McNally, Ruiz-Valenzuela, CVER 2018

We shut doors

Opportunities for those who haven't done well by 16 are complex and limited

***Just* missing a grade C at GCSE English at age 16**

Reduces probability of enrolling in a higher level qualification by 9 percentage points

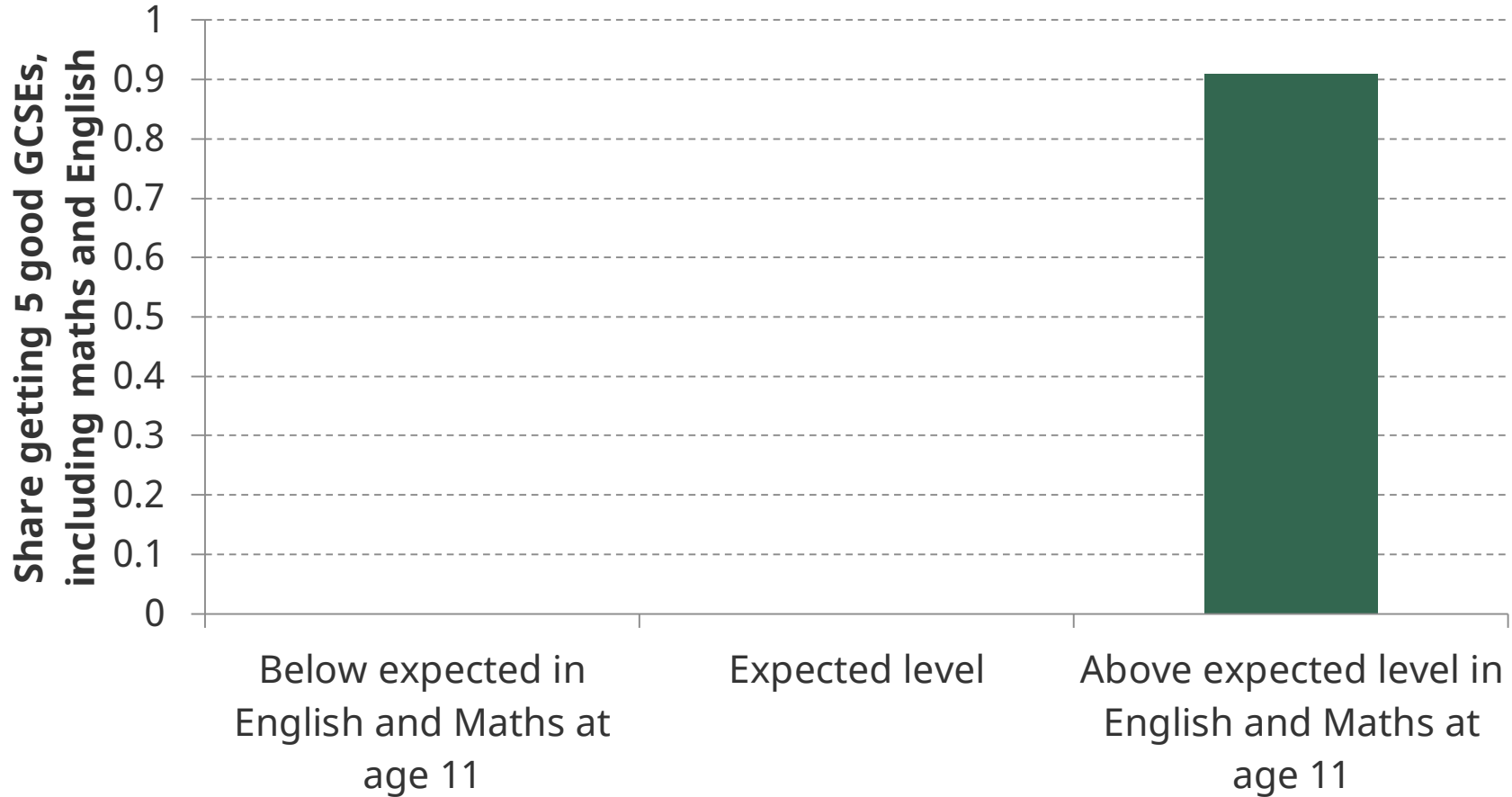
Similarly reduces probability of attaining A levels or equivalent

Increases probability of not being in education at all at 18 by 4 percentage points

Source: Machin, McNally, Ruiz-Valenzuela, CVER 2018

The doors shut early on some

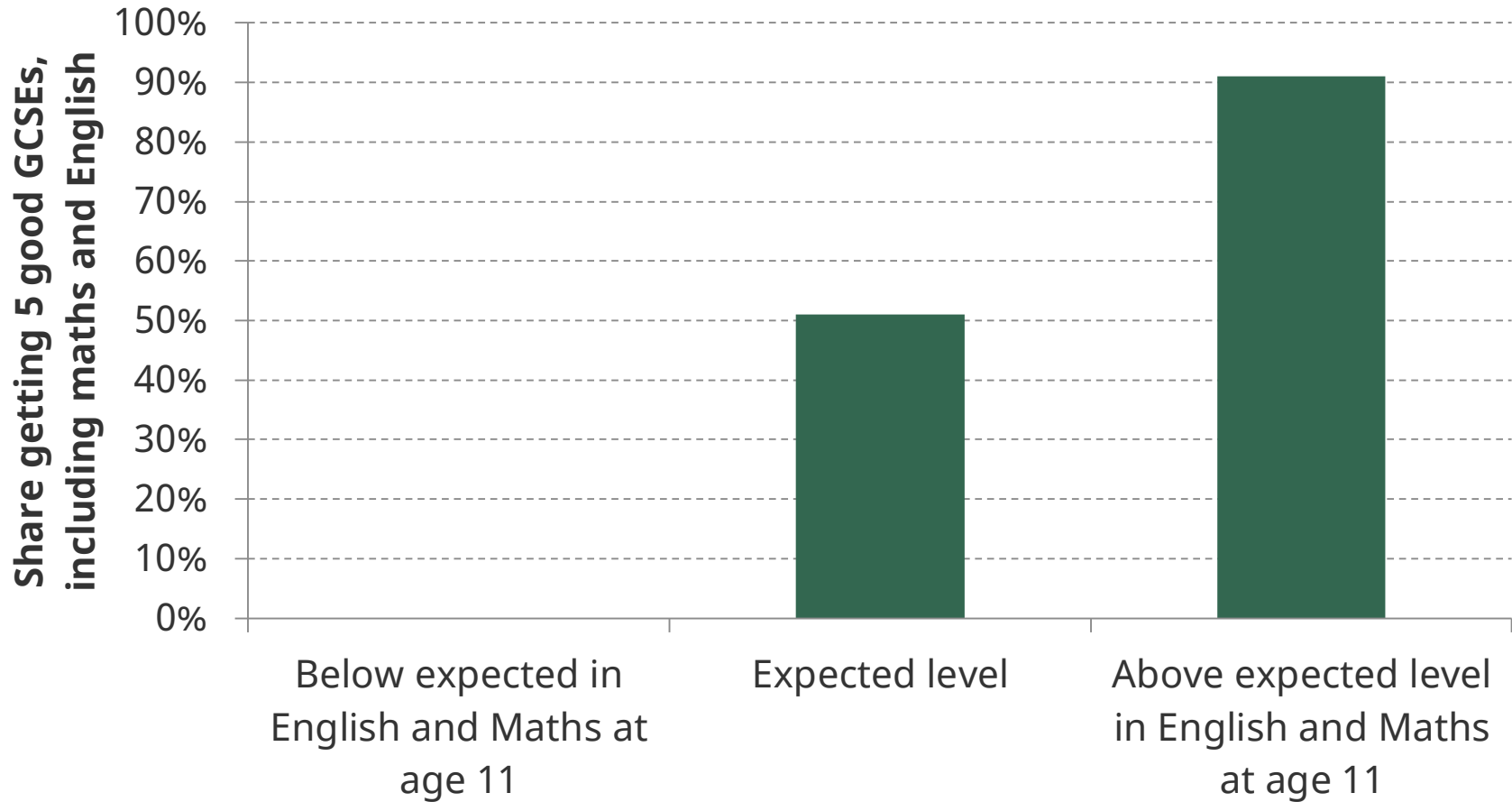
KS2 results are strong predictors of GCSE results



Source: National Pupil Database; 2010 GCSE cohort.

The doors shut early on some

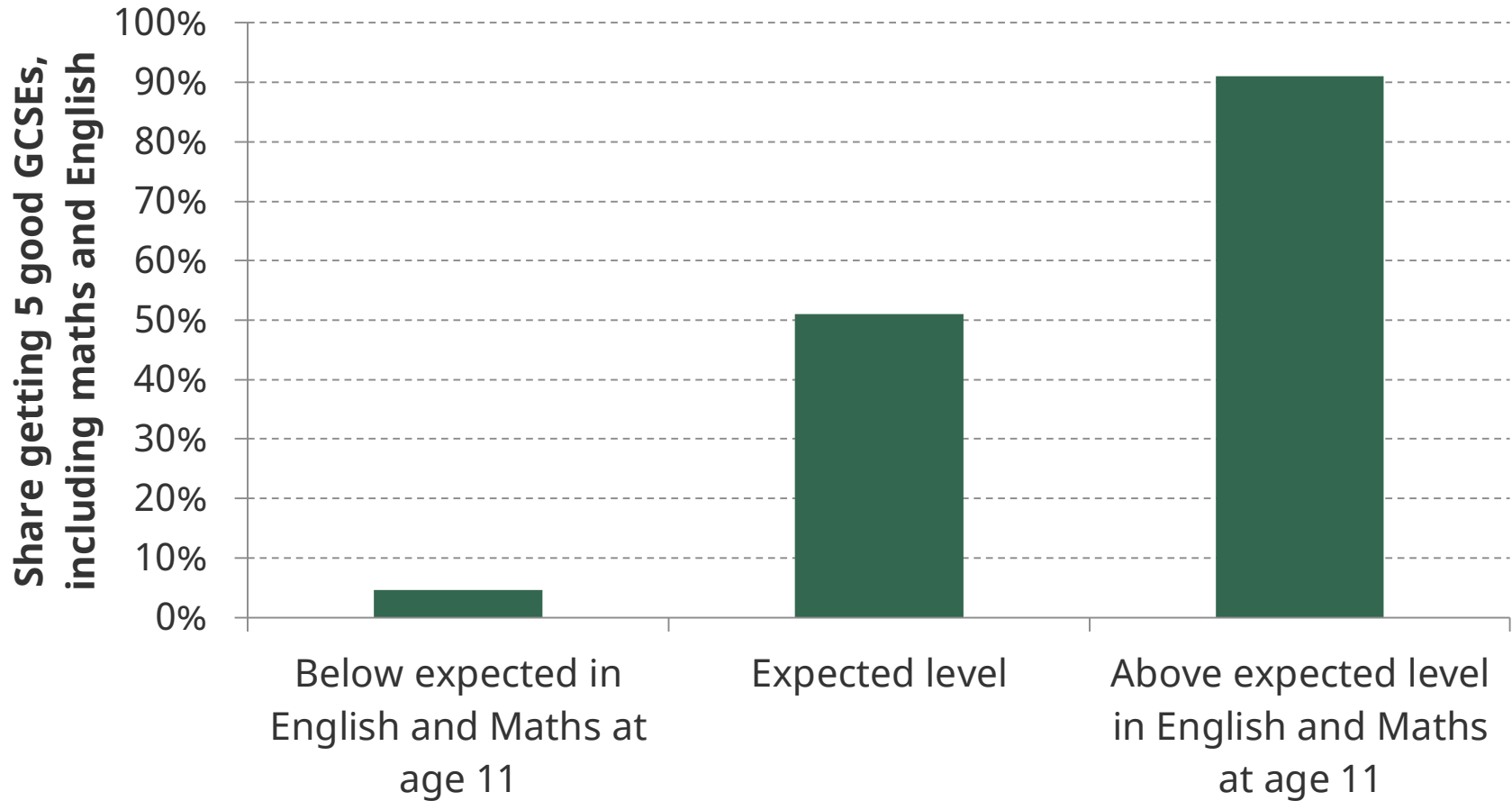
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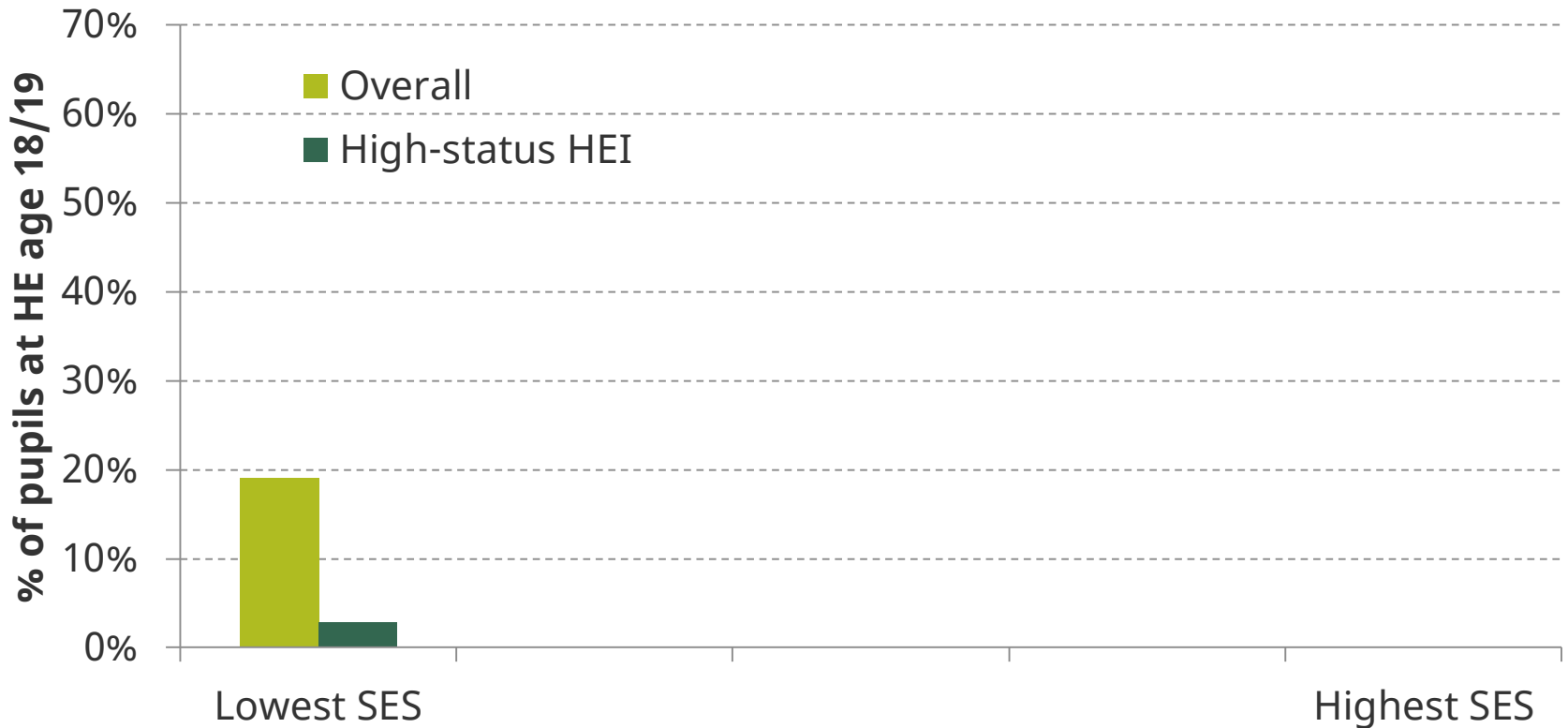
KS2 results are strong predictors of GCSE results



Source: National Pupil Database; 2010 GCSE cohort.

The door to HE is closed to many from poorer backgrounds

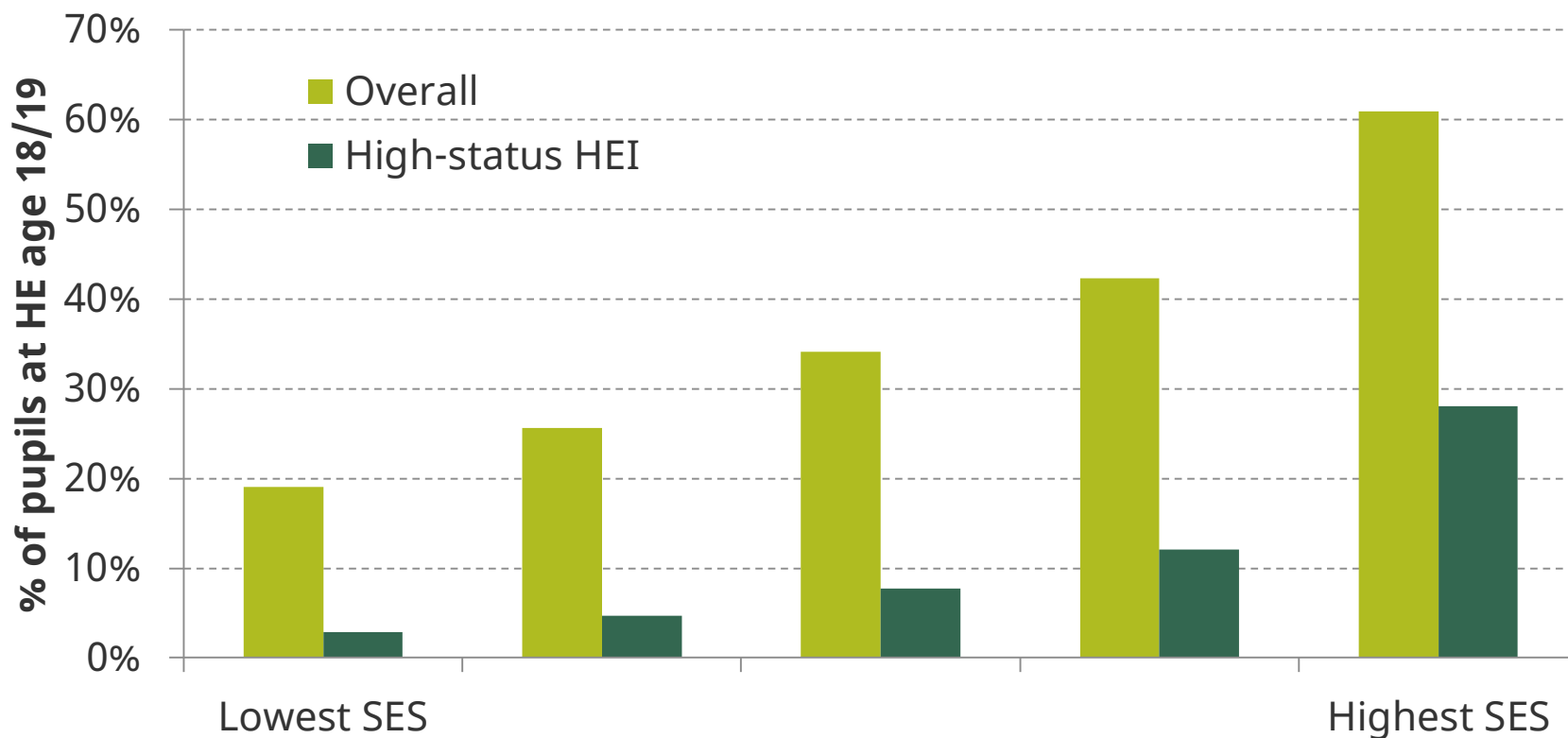
Fraction going to HE by parental social class



Source: Crawford, C. and E. Greaves (2015), *Socio-economic, ethnic and gender differences in HE participation*.

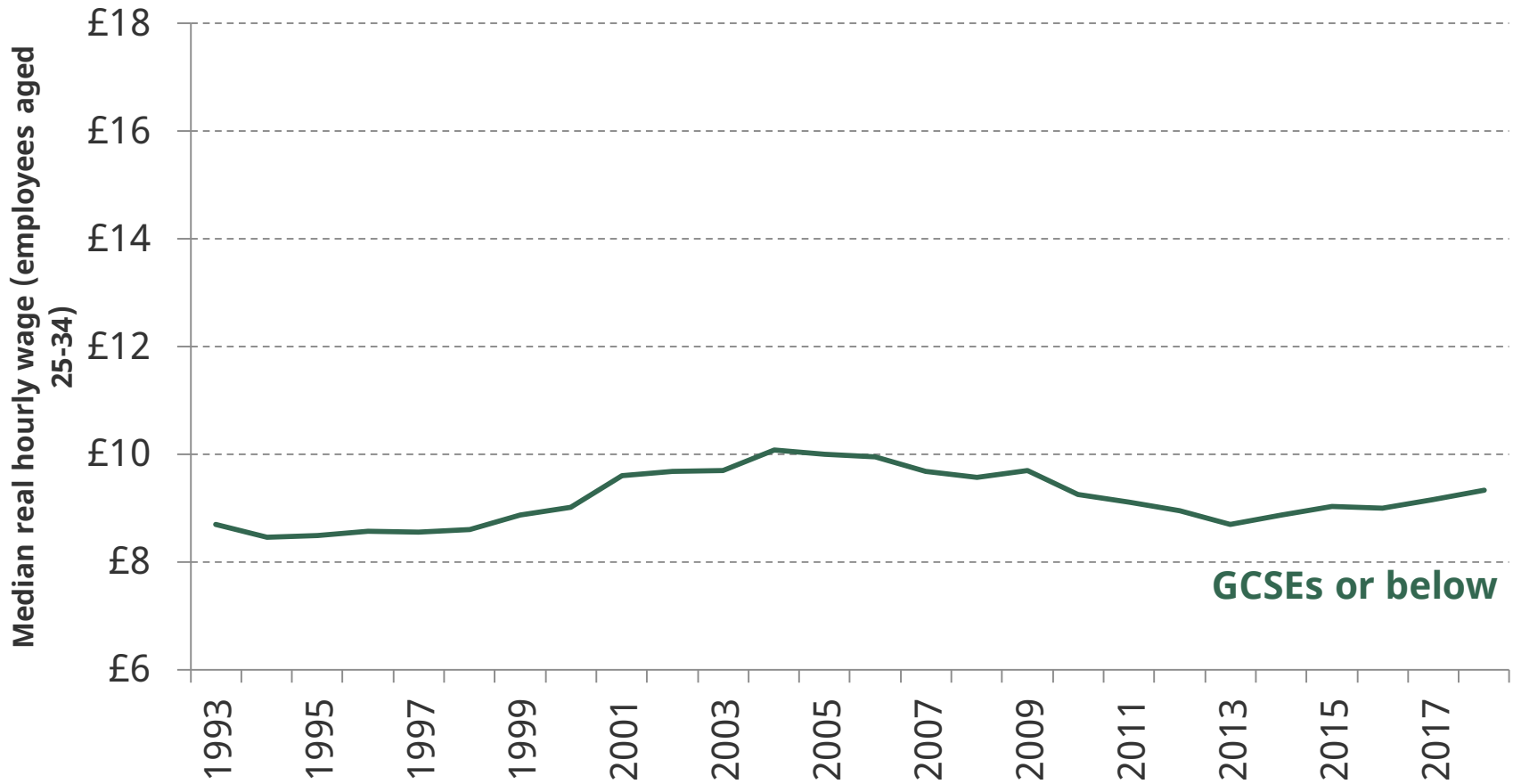
While the majority from higher social classes go on to university

Fraction going to HE by parental social class



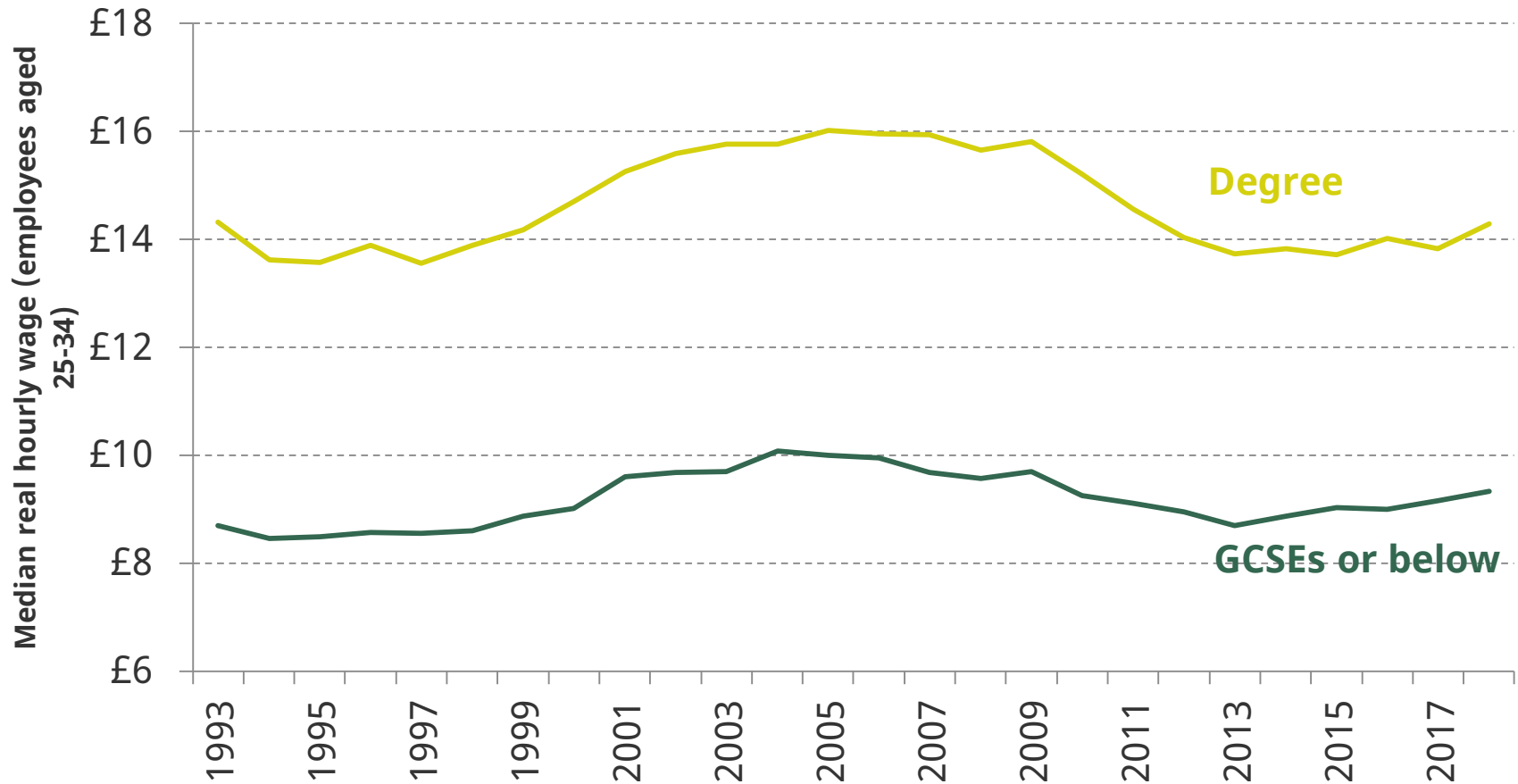
Source: Crawford, C. and E. Greaves (2015), *Socio-economic, ethnic and gender differences in HE participation*.

This matters enormously



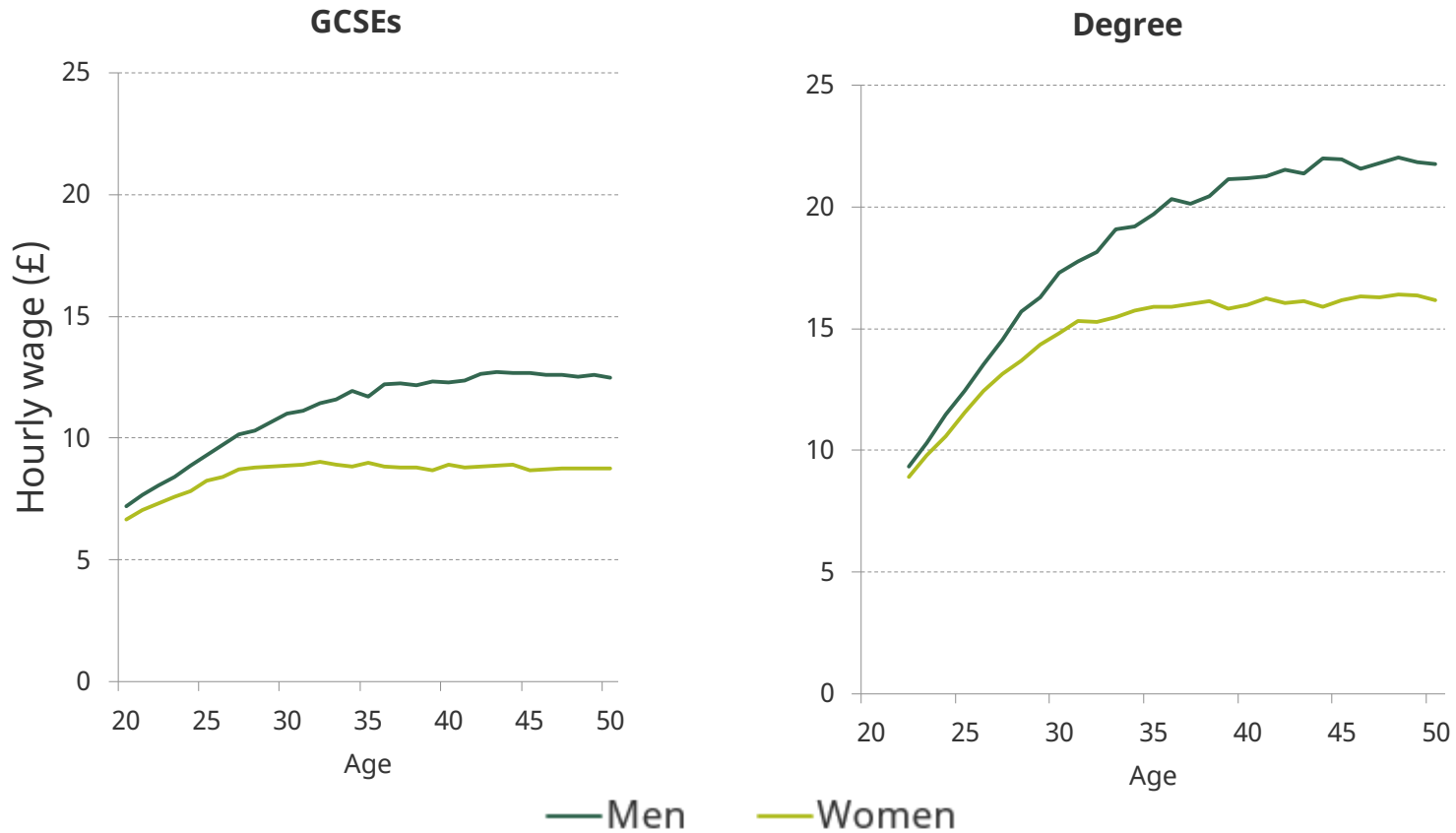
Source: Labour Force Survey

This matters enormously



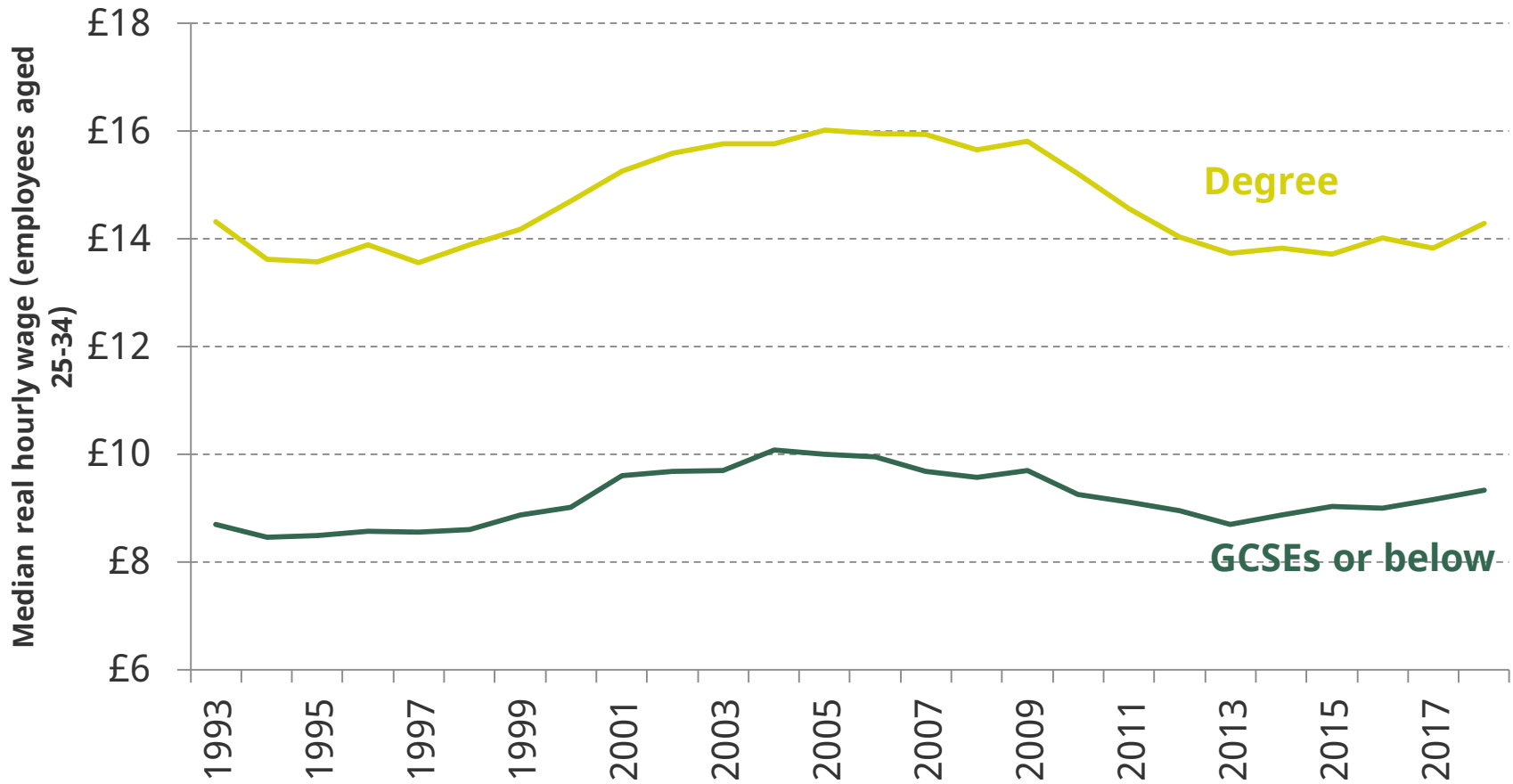
Source: Labour Force Survey

And matters more over time



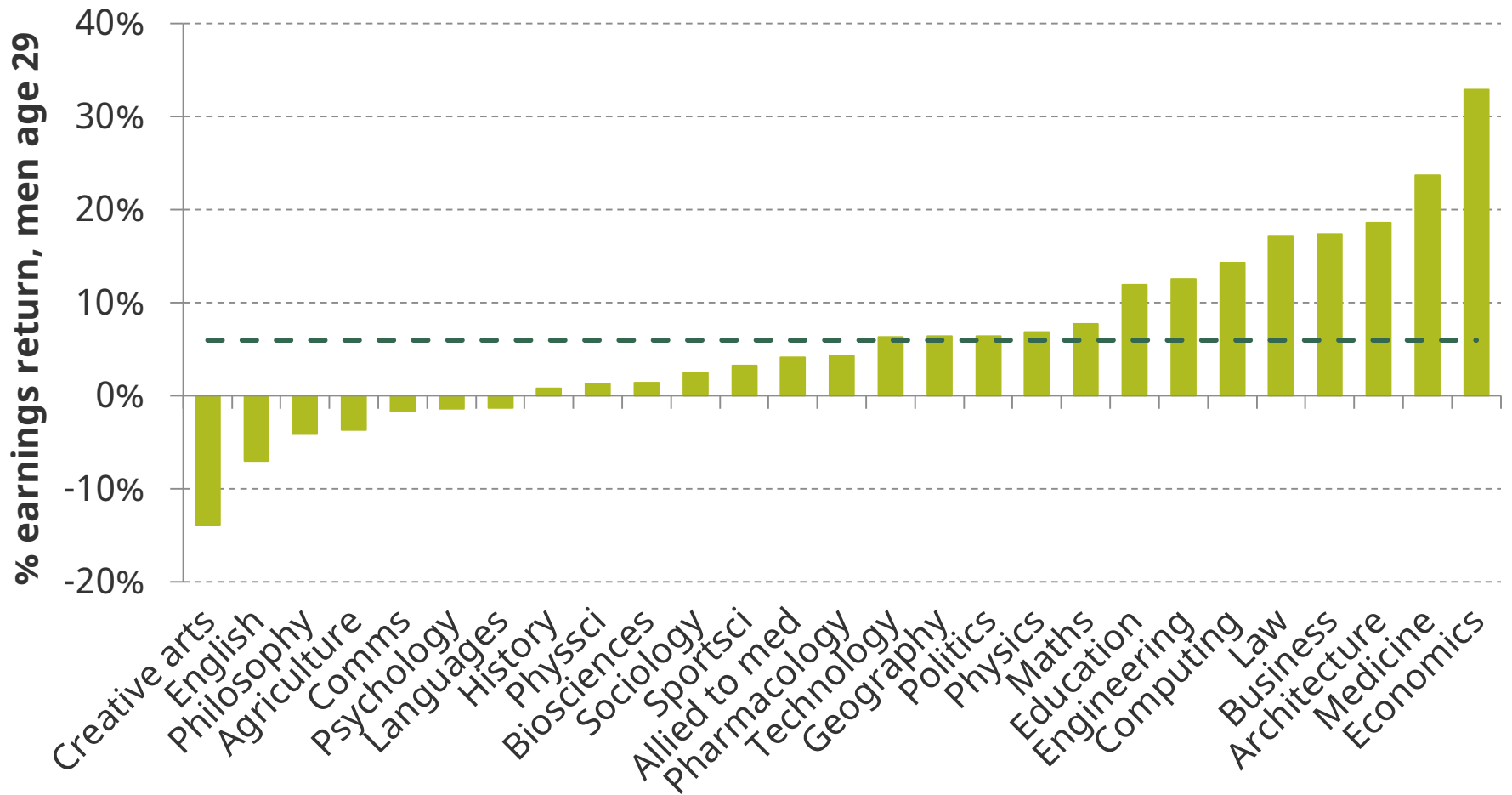
From Figure 4 of Costa Dias, Joyce and Parodi (2018): www.ifs.org.uk/uploads/publications/bns/BN223.pdf. Wages are shown in constant 2016 wage-terms. Individuals in the bottom two and top one percentiles of the gender- and year- specific distributions are excluded.

Look again at that graduate earnings line



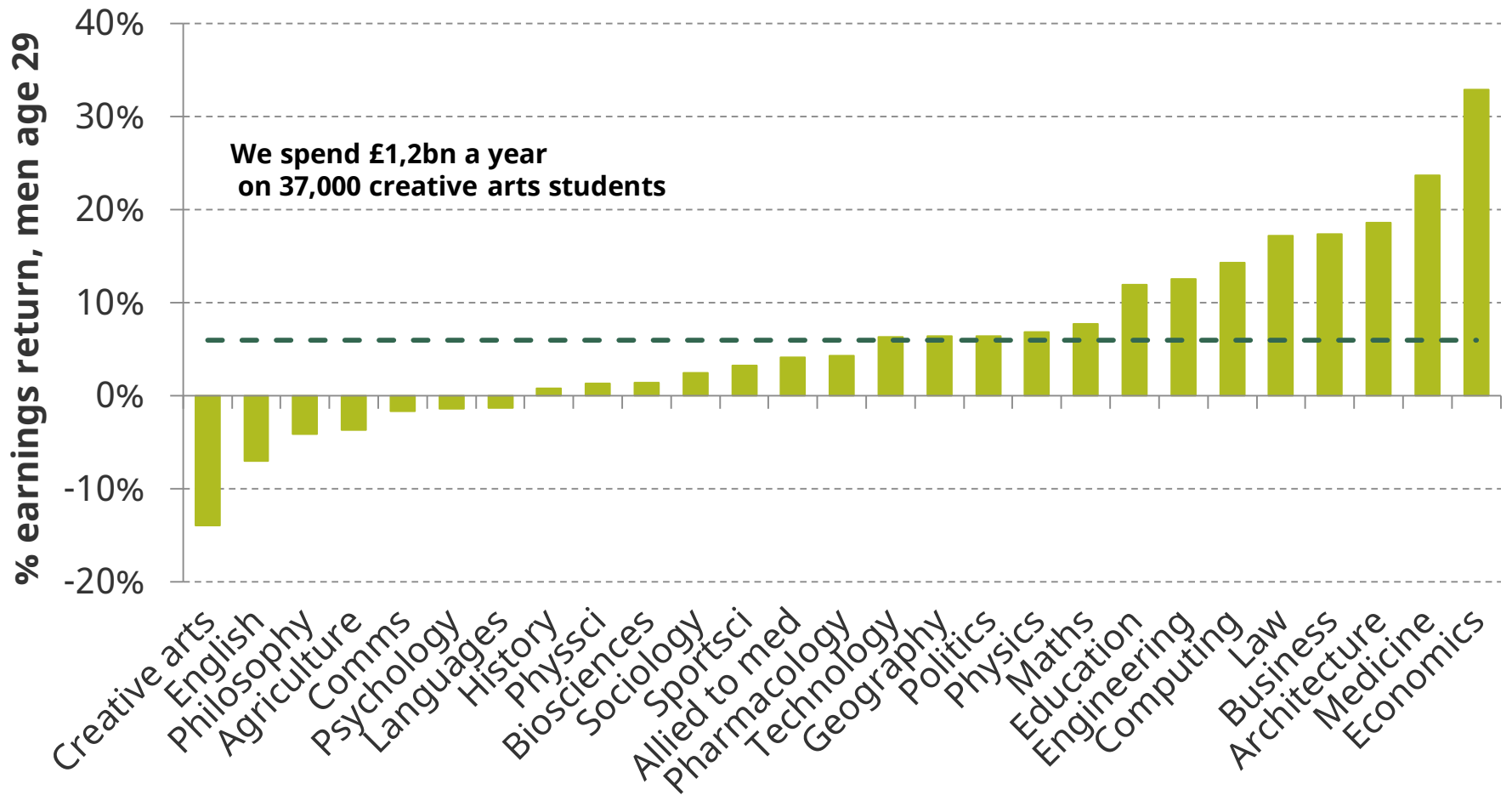
Source: Labour Force Survey

Returns to degrees are hugely variable by subject



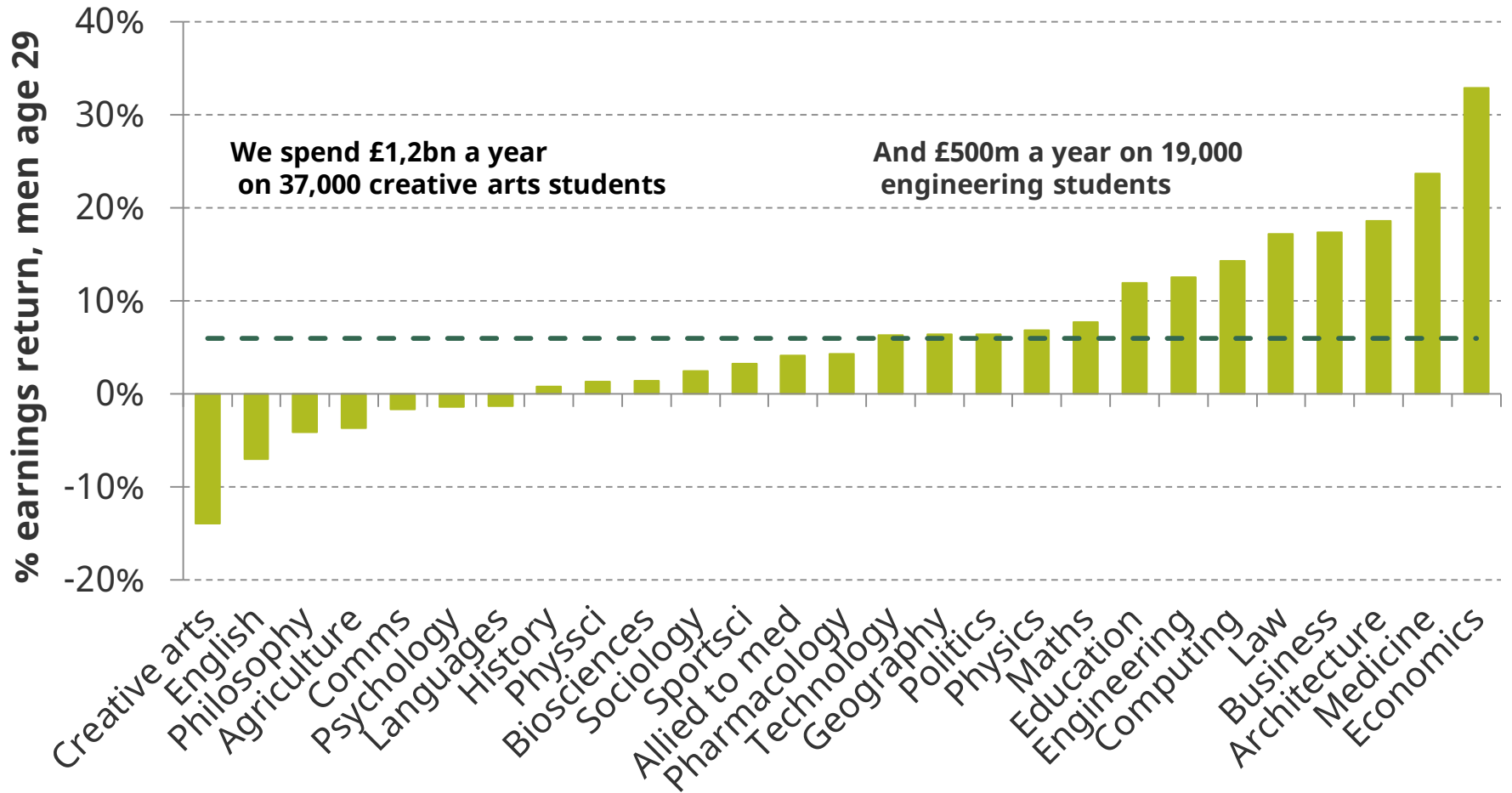
Source: the impact of undergraduate degrees on early career earnings, Belfield et al <https://www.ifs.org.uk/publications/13731>

Returns to degrees are hugely variable by subject



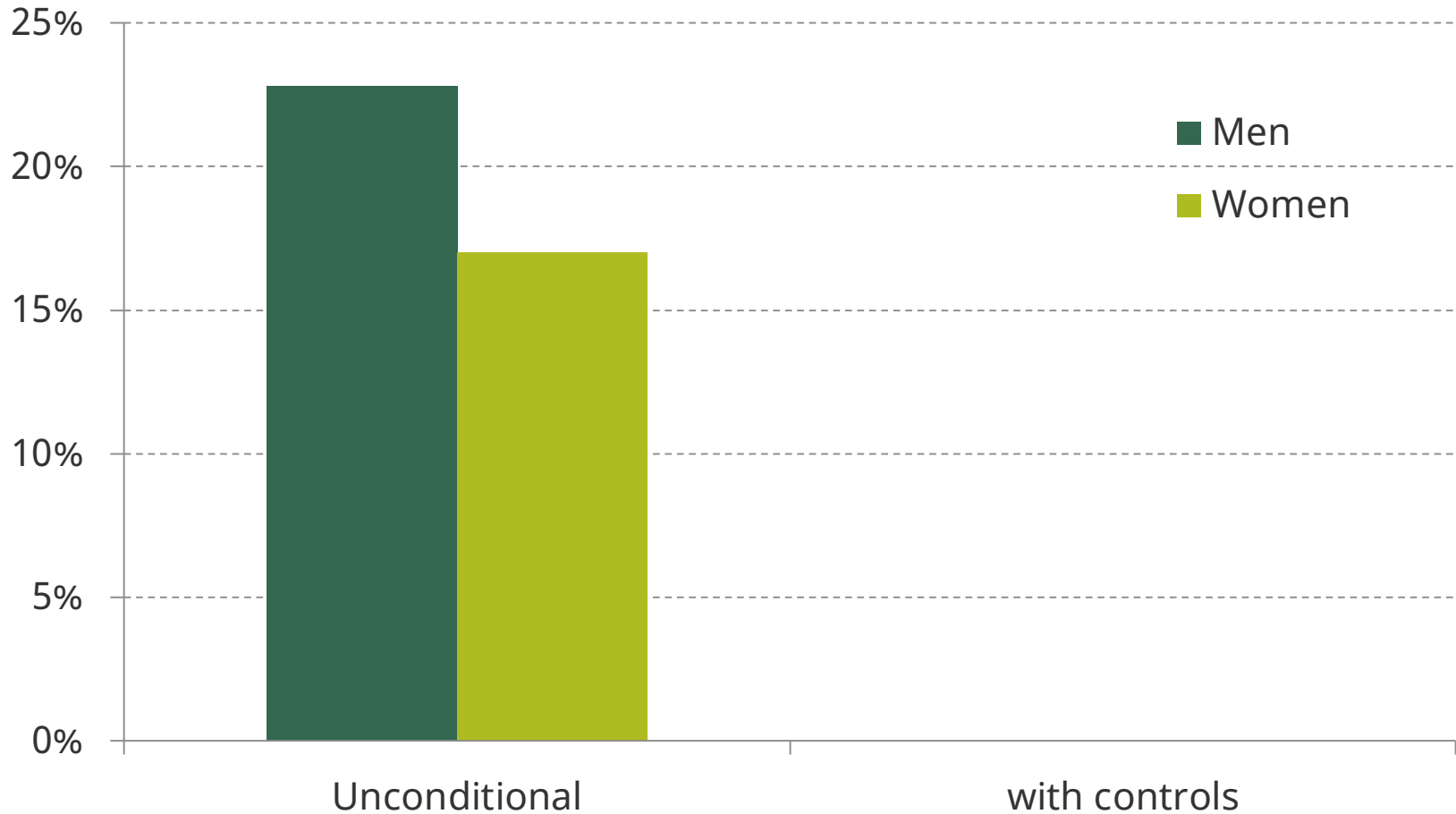
Source: where is the money going? Estimating government spending on different university degrees, Britton et al <https://www.ifs.org.uk/publications/13944>

Returns to degrees are hugely variable by subject



Those from better off backgrounds doing much better

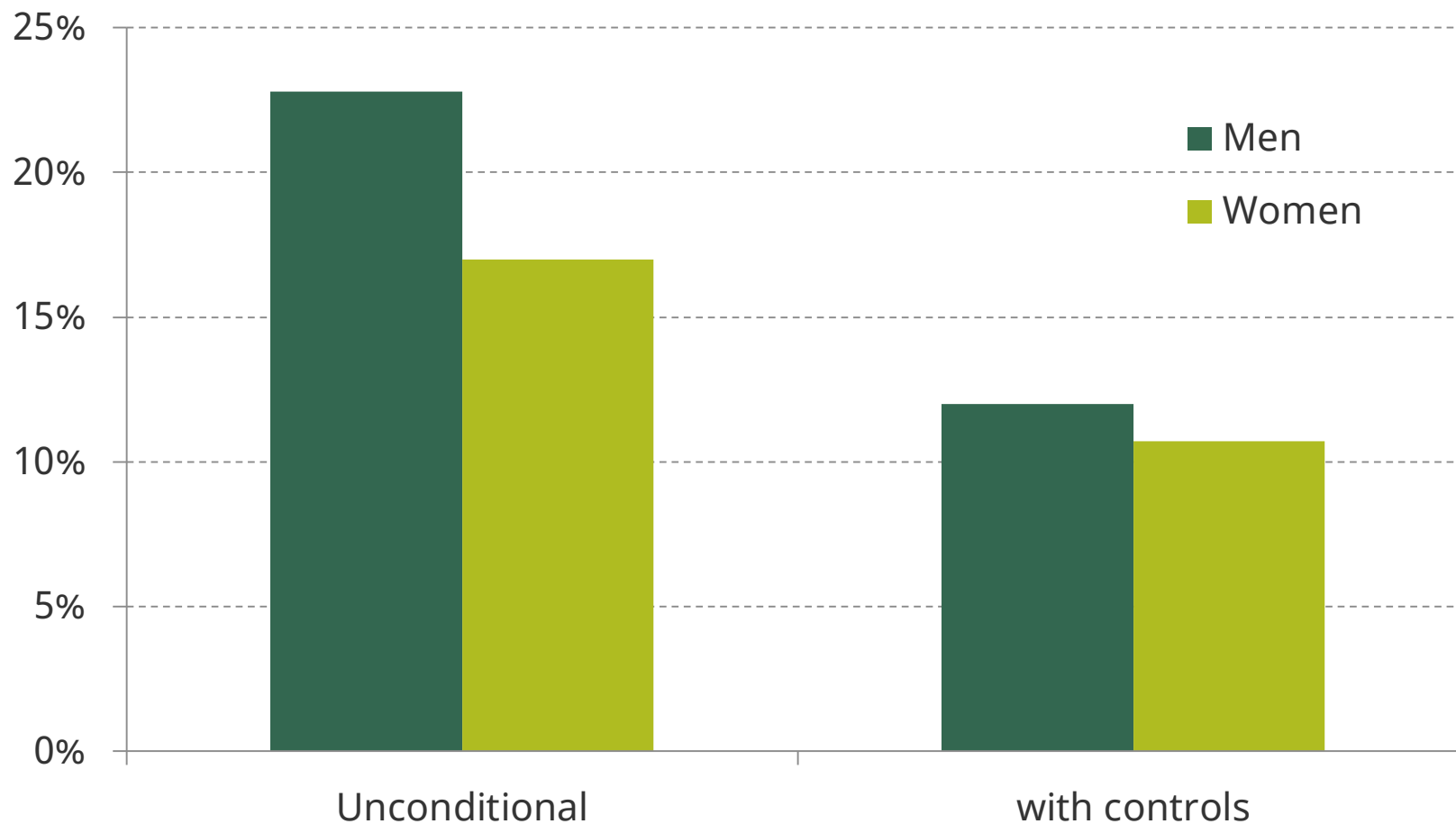
Earnings premia for graduates from better off backgrounds



Source: "Is improving access to university enough? Socio-economic gaps in the earnings of English graduates", Britton et al
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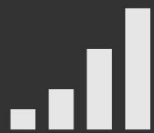
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So lessons for the future?

- 1) Just getting more and more through qualifications is not enough**
- 2) Better routes up for those not getting 5 good GCSEs vital**
- 3) Don't just focus on A level to university route**
- 4) Provide appropriate framework for levels 4 and 5**
- 5) Clarity and stability for the vocational route**
- 6) A rethink of the role of GCSEs and A levels**
- 7) Universities to focus more on skills for the labour market**
- 8) And all the things I haven't mentioned...**



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