

Press Release

Graduates who went to private schools earn more than graduates who did not

Graduates who went to private schools earn substantially more than those who went to state schools. Part of that difference is explained by the fact that, on average, they attend more prestigious universities and study subjects which tend to be more highly rewarded. But even amongst graduates who went to the same university to study the same subject and who left with the same degree class, those who went to private schools still earn 7% more, on average, three and a half years after graduation than their state-educated contemporaries.

This difference does not arise because graduates who attended private schools are more likely to enter higher paid professions: even once we compare graduates in the same occupations, those who went to a private school still earn 6% more, on average, than those who went to a state school. These are the main findings of new research published today by the Institute for Fiscal Studies, funded by the Nuffield Foundation.

The research looked at the earnings of graduates who left university in 2007 in January 2011, approximately 3.5 years after they graduated. It compared the earnings of graduates who had previously attended a state school with those who had previously attended a private school while doing their A-levels. It found that:

- Amongst graduates who are in work 3.5 years after leaving university, those who previously attended a private school earn 17% more, on average, than those who attended a state school.
- Some of this difference arises because private school students are, on average, more likely to go to more research-intensive universities and study subjects which tend to be more highly rewarded. But even once we account for these differences, graduates who previously attended a private school still earn 7% more, on average, than graduates who previously attended a state school.
- Nor can it be entirely explained by the fact that graduates from private schools are more likely to go into higher paying occupations. Amongst graduates from the same backgrounds, who studied the same subject in the same university, and who went into the same occupation, those from private schools still earn 6% more, on average, than those from state schools. This is equivalent to around £1,500 more per year, on average, in our data.

Dr Claire Crawford, Assistant Professor of Economics at the University of Warwick and Research Fellow at the IFS, and one of the authors of the research, said: "Education is often regarded as a route to social mobility. But our research shows that, even amongst those who succeed in obtaining a degree, family background – and in particular the type of school they went to

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– continues to influence their success in the work place. These results suggest that there is a pressing need to understand why private schooling confers such an advantage in the labour market, even amongst similarly achieving graduates, and why higher education does not appear to be the leveler it was hoped to be.”

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Notes to Editors:

1. This PR summarises the results of a new research paper entitled “Heterogeneity in graduate earnings by socio-economic background” by Dr Claire Crawford (University of Warwick and IFS) and Professor Anna Vignoles (University of Cambridge and IFS). For embargoed copies of the paper or other queries, contact: Bonnie Brimstone on 020 7291 4818 / 07730 667013 or bonnie_b@ifs.org.uk.
2. All students who left university in 2006-07 were surveyed to capture information about their activity status and gross annual earnings some 6 months after graduation as part of the Destination of Leavers from Higher Education (DLHE) exercise. Approximately 75% of graduates who were invited to take part responded, although fewer graduates provided information on earnings and employment status. A subset of respondents at 6 months was followed up 3 years later (known as the Longitudinal DLHE sample). The response rate amongst those who were invited to take part at 3.5 years was 44%. The analysis in this paper is based on UK domiciled students who studied full-time for a first degree and responded to information on earnings.
3. The authors gratefully acknowledge funding from the Nuffield Foundation, who have provided generous support for our research via the project “Higher education funding and access: exploring common beliefs”. The Nuffield Foundation is an endowed charitable trust that aims to improve social well-being in the widest sense. It funds research and innovation in education and social policy and also works to build capacity in education, science and social science research. The Nuffield Foundation has funded this project, but the views expressed are those of the authors and not necessarily those of the Foundation. More information is available at <http://www.nuffieldfoundation.org>.