

Graduates enjoy £100k earnings bonus over lifetime

A degree from a UK university increases a person's net earnings by £100k or more on average over their lifetime, new landmark research has found today.

The research, carried out by the Institute for Fiscal Studies (IFS), demonstrates the benefits a degree can provide to students, the economy and society.

The findings will help students make more informed choices about higher education, and also underline the strength and value of the UK's world-class universities.

Key findings include:

- Women's earnings increase by £100k on average with a degree and £130k for men over the course of their working life – after student loan payments and taxes are factored in;
- Graduates will earn on average 20% more over their working life than those who did not go to university;
- The economy gains £240k per male graduate and £130k per female graduate on average over a lifetime.

While research shows that boosting job and salary prospects are important factors for students applying to university, the benefits of a degree stretch far beyond just these outcomes. For example, studying subjects such as nursing or education are essential for our public services.

The Government's manifesto has committed to continuing to support our leading universities to provide high quality education and generate benefits for graduates, the economy and wider society.

Universities Minister Michelle Donelan said:

This research underlines that our university sector is world leading by setting out the impact higher education can have on someone's life.

When you add the unquantifiable experiences and friendships that come with that, it is no surprise our universities attract students from all over the world.

However, that prestige is built on quality and my role is to work with the regulator to safeguard that, while ensuring students and

the taxpayer are getting the value they would expect for their investment.

The data, commissioned by the Department for Education, is part of the Government's drive to define the benefits of higher education, among other high-quality post-16 options.

It is one tool that will help students of all ages make smart choices about their future – whether that involves university, an apprenticeship or a high-quality technical course. This range of post-16 options form part of the Government's commitment to level up skills and opportunities across the country.

The data includes earnings for full-time students by subject, gender and university type, and also shows the wide variations in earnings potential. Studying medicine or economics generates lifetime earnings of more than £500k for men and £250k for women.

Dr Tim Bradshaw Chief Executive of the Russell Group said:

The economic value of quality higher education is clear, benefiting both the individual and the Exchequer. Alongside academic excellence, the overall university experience can have a transformative impact on people's lives.

Universities and Government have a responsibility to ensure that the opportunities of a world class education are open to all and the benefits are felt across the country.

The UK's world leading universities will be central in delivering the home-grown skills the UK needs to prosper in the years ahead.

Higher education benefits wider society in a number of ways, through industry, public sector work and community engagement. However, the Government created the new regulator for English higher education providers, the Office for Students (OfS), to act where courses are not delivering high quality teaching and value for money for students and taxpayers.

The Government has given the regulator a range of strong powers to take action where it finds universities are not acting in students' best interests. In September the Education Secretary issued guidance to the OfS stressing the importance of focussing on value for money for students and taxpayers, and gave his full backing to the regulator exercising its powers boldly.

The overall cost of higher education is evenly split between the Government and student contributions, reflecting the wider benefits to society a degree

brings and ensuring everyone with the potential can access the life-changing opportunities of university.

The Review of Post-18 Education and Funding published last year made recommendations on the balance of funding between universities, further education and apprenticeships and adult learning. The Government is considering these recommendations carefully and will respond at the spending review.