



Demand for higher level skills

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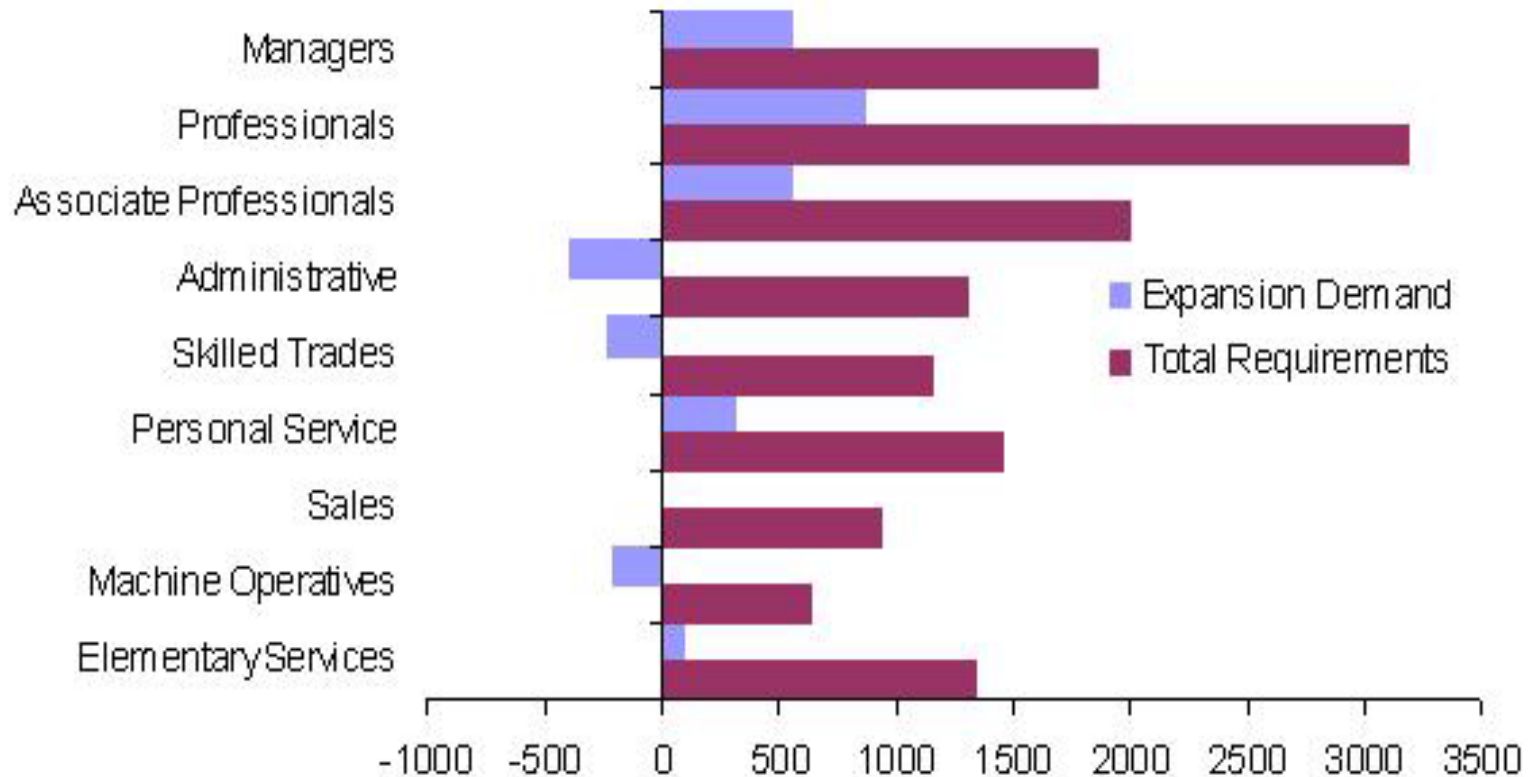


Do higher level skills matter to employers?

- It has been estimated that a one percentage point increase in the proportion of the workforce with a degree, instead of A-levels or equivalent qualifications will lead to a 0.5% increase in productivity.
- Productivity is estimated to be 30% higher in businesses if the entire workforce has higher level skills than if none do.
- Internationally successful businesses tend to have high levels of graduates and postgraduates.
- The UK Community Innovation Survey (2009) found that businesses that are innovative have more than double the number of employees with degrees than businesses who do not innovate.



Employment projections by SOC groups (000s) 2010 to 2020

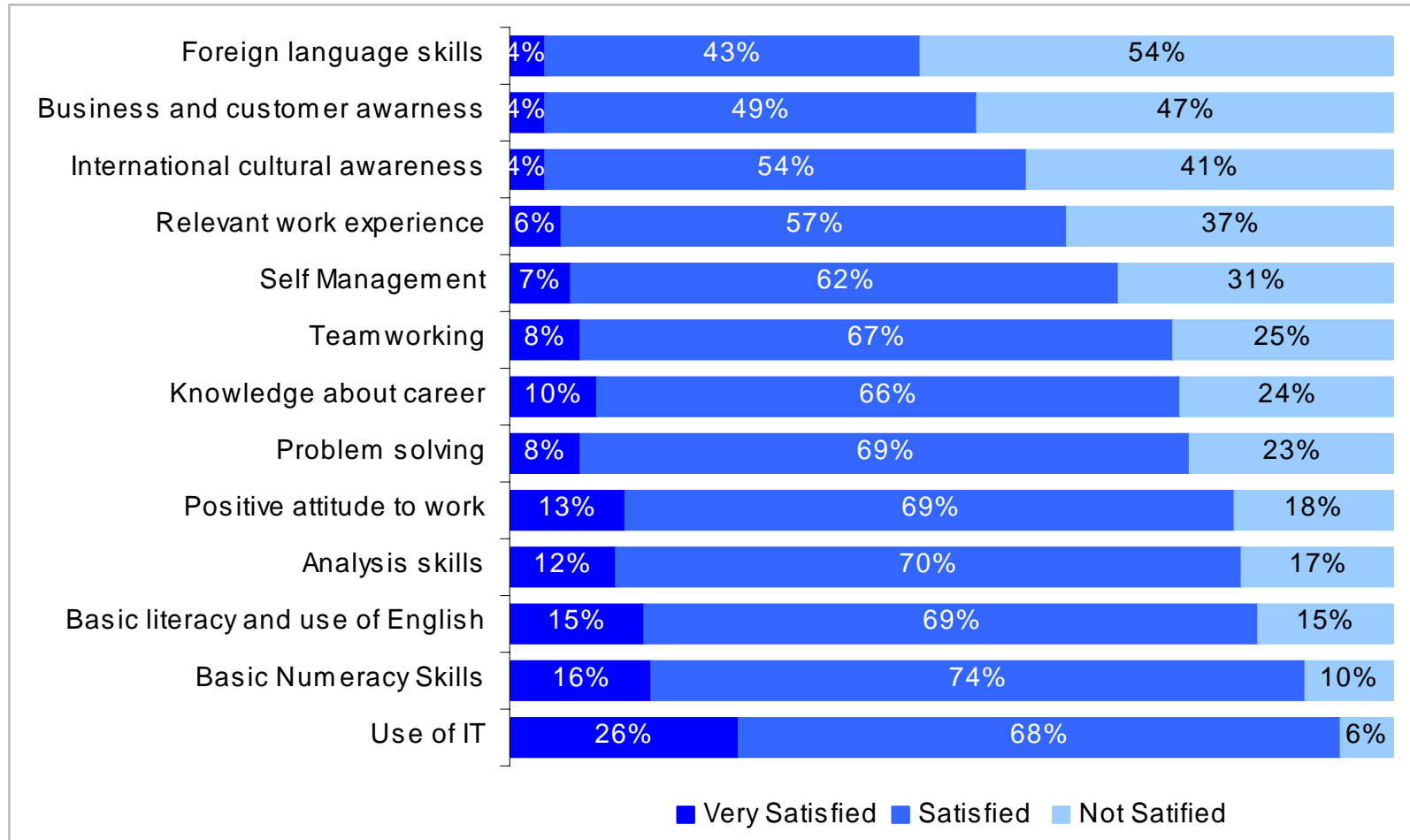




Do higher level skills benefit individuals?

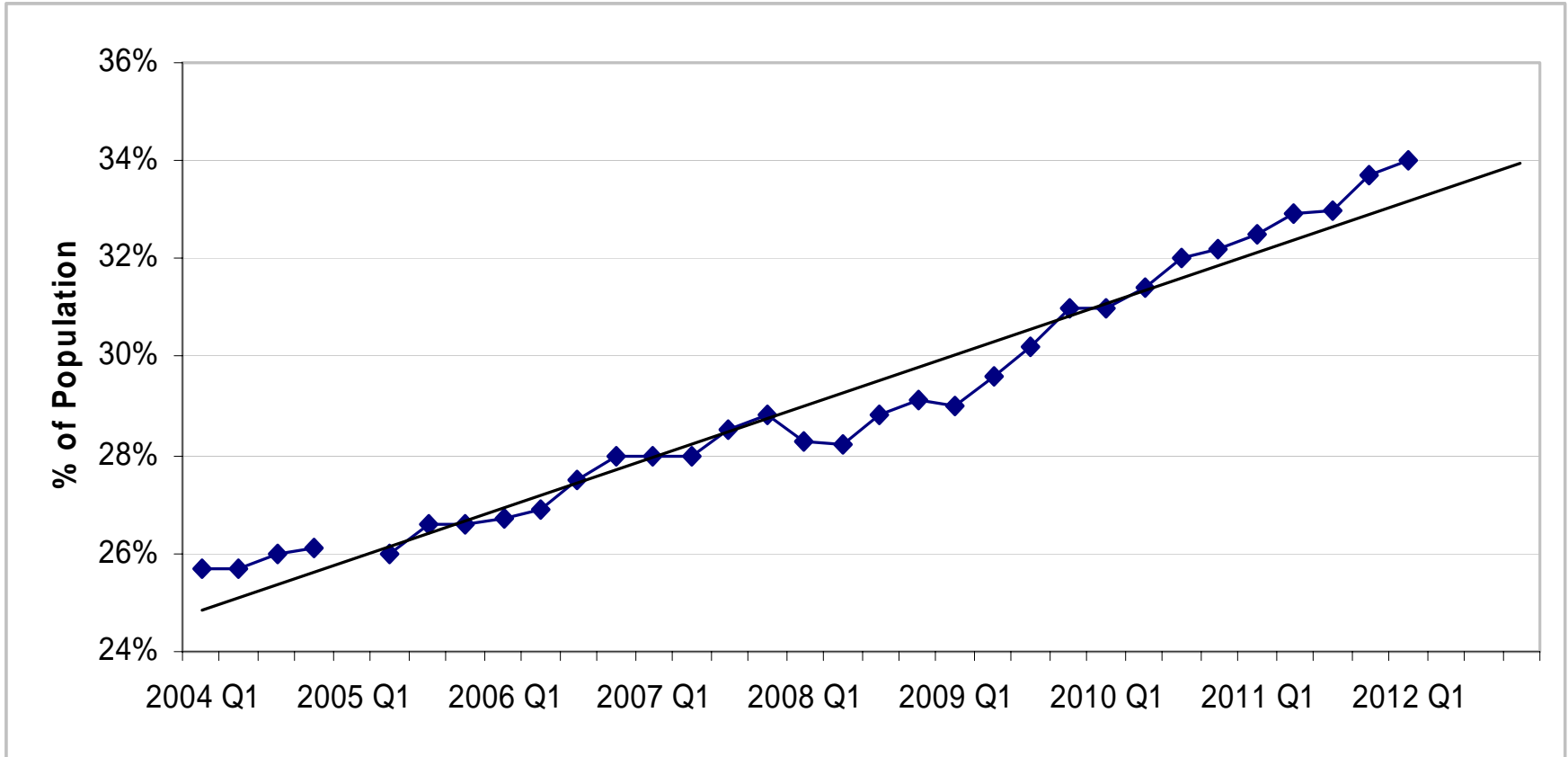
- The average graduate will earn comfortably over £100,000 more than an individual whose highest qualification is 2 or more A-levels over their working life, net of taxes and in today's valuation.
- The graduate premium is an average and it varies across individuals and subjects. However, on average people tend to be financially better off with a degree than without.
- Individuals with a level 4 and above (L4+) qualification have better employment rates (83.9% compared to 66%) and lower unemployment rates (4.6% compared to 10.9%) than individuals with level 3 or below qualifications.
- There are wider, non-monetary benefits of HE that benefit both the individual and society. On average graduates are healthier, more active citizens, more likely to be engaged with their children's education, and more tolerant.

Employer satisfaction with graduates' employability skills (CBI)



Source: CBI Education & Skills Survey (2012)

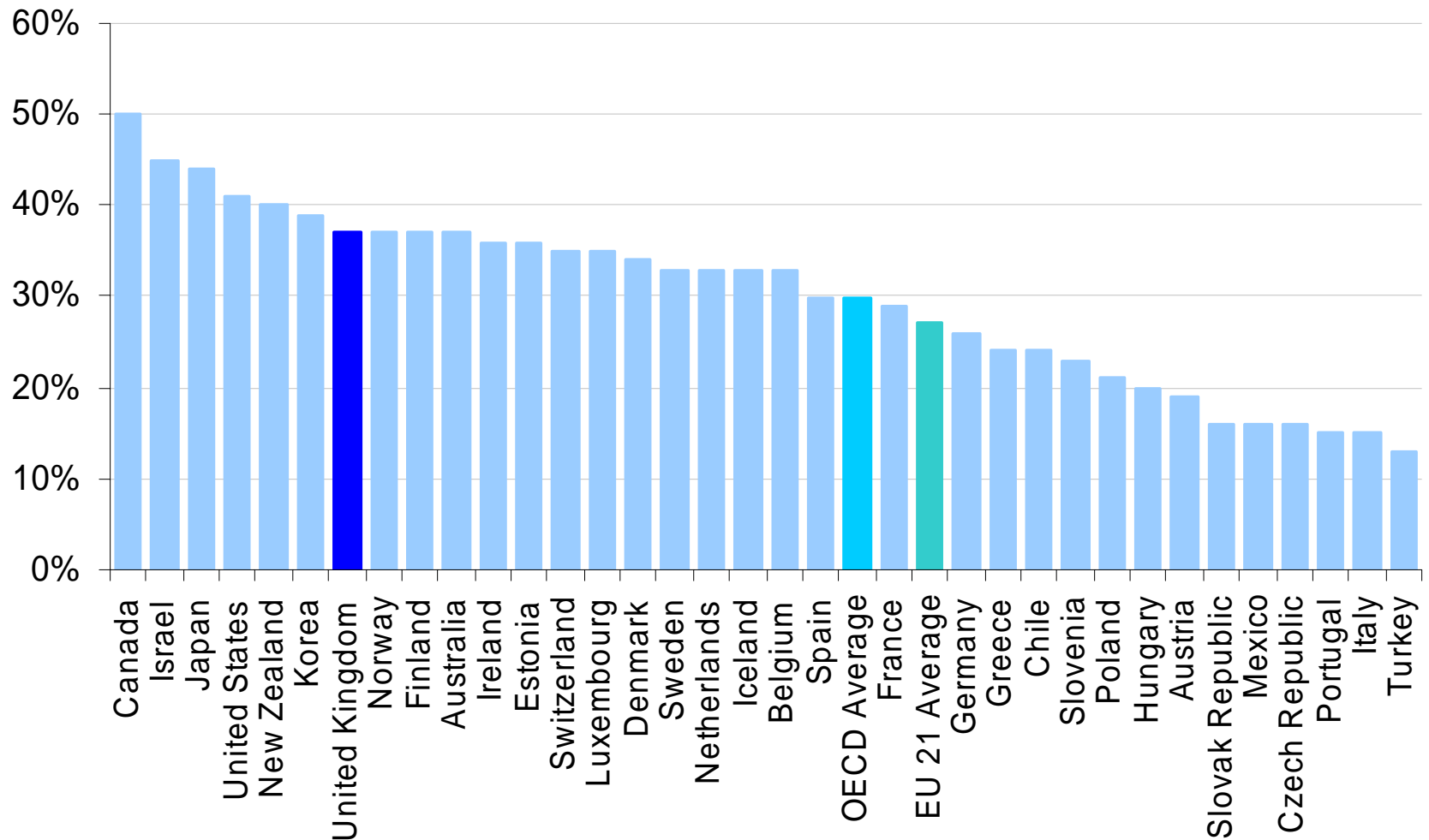
Proportion of adult working age population with Level 4+



Source: LFS 2004 Q1 – 2012 Q1 working age population (16-59/64) in England



Attainment of tertiary education, population aged 25-64 (OECD)



2012/13 enrolment – what's going on?

Some of the fall in acceptances at English institutions shown in the UCAS figures can be explained by recruitment behaviour in 2011/12.

1.Chart: deferral acceptances to English institutions

