



Gap year takers: uptake, trends and long term outcomes

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Introduction and Background

Both the number and proportion of young people going into higher education has risen rapidly over the last few years, from 29.5% in 2005 to 34.1% in 2010.² As the number of students has increased, so too has the number taking a 'gap year', commonly thought of as a year-long break between finishing school and starting university, often devoted to travel or work.

Despite increasing numbers, high media exposure and the development of a "gap year industry", however, there is very little evidence on the characteristics of gap year takers, their motivations for taking a gap year and what they do whilst they are out of education and, perhaps most importantly, what effect this decision has on their longer-term outcomes. This report aims to fill these gaps, by providing quantitative evidence from two datasets on gap year takers in the UK.

Key Findings

This analysis is based on two rich survey datasets: the Longitudinal Study of Young People in England (LSYPE), which follows a cohort of individuals first eligible to go to university in 2008-09, and the British Cohort Study (BCS), a cohort of individuals first eligible to go to university in 1988-89.

LSYPE Analysis (gap year taken 2008/09)

- At least two distinct groups of gap year takers were identified:
 - a) those who planned to take a gap year: this group had typically applied to and accepted a place at university before they left school and were more likely to go travelling on their year out. They tended to have higher prior attainment, come from a more affluent socio-economic background and were more likely to take up their place at university.

¹The Institute for Fiscal Studies have undertaken this work through 'The Centre for Analysis of Youth Transitions' (CAYT) – a DfE funded research centre that brings together leading educationalists and social scientists from the Institute for Fiscal Studies, the Institute of Education, and the National Centre for Social Research.

² Figures refer to the official Higher Education Initial Participation Rate for people entering higher education by age 19. Source: Department for Business, Innovation and Skills.

b) Those who took an unplanned break: this group typically had not applied to or accepted a place at university before leaving school and were more likely to work or study full-time during their gap year. They were also more likely to come from a lower socio-economic background and less likely to go on to university at the end of their 'gap year'.

- Compared to those who went straight to university, both groups of gap year takers had lower ability beliefs, were less likely to feel in control of their own destiny and were more likely to engage in a range of risky behaviours.
- Most gap year takers (over 80%) work in Britain at some point during their year off. Other activities include travelling, volunteering in Britain or abroad, training, retaking exams and working abroad. Only 3.7% of gap year takers were classified as being not in education, employment or training (NEET).
- Overall, young people who take gap years are slightly less likely to take up their place at university than those who intend to go straight there, but this is driven by the group of gap year takers who had not already applied and accepted a place at university by the end of Year 13.

BCS Analysis (break in full-time education around 1988/89)

- Gap year takers from this cohort earned slightly less than those who went straight to university at age 30. This appears to be largely due to the timing of their labour market experience, as there is evidence of a strong positive return to a year of experience after graduation, but no return to experience gained prior to graduation.
- There are significant differences between BCS and LSYPE, both in terms of the definition of a gap year and the characteristics of young people who take them. Caution should thus be applied to the relevance of the negative long-term consequences of taking a gap year for current cohorts of young people.

Datasets

This analysis uses two rich survey datasets:

- The Longitudinal Study of Young People in England (LSYPE), which follows a cohort of young people as they make decisions about whether or not to enter higher education (HE) and whether or not to take a gap year at the height of the recent recession.
- The British Cohort Study (BCS), which follows the population of individuals born in Great Britain in a particular week of April 1970, who were first eligible to enter HE in September 1988.

These two datasets together enable an assessment of the intentions, activities and characteristics of a recent cohort of gap year takers and the long-term consequences of the decision to delay entry into HE for a range of outcomes, with a particular focus on wages and earnings.

The analysis of the recent LSYPE cohort focuses on individuals who are on a gap year according to the "official" Department for Education definition. LSYPE cohort members are asked, at the end of the first academic year following Year 13, if they have: a) applied to university, b) received offers and c) accepted an offer. If they answer "yes" to all three questions, they are asked "Are you on a gap year between getting exam results and going to university?" If they answer "yes" to this question, then they are classified as being on a gap year. In contrast to the definition of gap year takers in the BCS – which relies on identifying

breaks in full-time education – individuals who are classified as gap year takers in the LSYPE do not all end up going to university. This is an important distinction between the two studies.

Findings

Gap Year Takers in the LSYPE

Analysis of the LSYPE cohort shows that there are many different routes into a gap year: over two fifths of gap year takers do not apply to university before sitting their A-levels, and 28% of gap year takers do not express an intention to take a gap year when asked about it in Year 13, suggesting that it is an unexpected decision for these individuals, perhaps in response to poorer than expected exam results. There is also substantial heterogeneity in the activities that are undertaken during a gap year, although most gap year takers tend to use their time productively, with over 80% reporting working in Britain at some point during their gap year. Other common activities include travelling and working abroad, especially among young people who expressed an intention to take a gap year. These statistics mean that it is relatively unsurprising that only 3.7% of gap year takers are classified as NEET in the LSYPE, of which most are unemployed. Interestingly, the stated reasons for wanting to take a gap year primarily involve gaining independence and taking a break from education, rather than saving money to go to university.

In terms of their characteristics, relative to those who go straight to university, gap year takers in the LSYPE are, on average, more likely to come from higher socio-economic backgrounds and better performing schools, but they also tend to have lower ability beliefs, a more external locus of control (meaning that they are less likely to think that their actions make a difference) and are more likely to engage in risky behaviours such as smoking cannabis. Interestingly, there are no differences between gap year takers and those who go straight to university in terms of their overall prior attainment, although there is some evidence that those who go straight to university are more likely to have studied STEM subjects (science, technology, engineering and maths) at AS- and A-level.

In general, the analysis of the LSYPE cohort suggests that there are at least two distinct groups of gap year takers: one plans to take a gap year, applies to and accepts a place at university before they leave school, is more likely to go travelling, has higher ability and comes from a more affluent socio-economic background, and is much more likely to take up their place at university on their return; the other is less likely to have planned to take a gap year, typically hasn't applied for and accepted a place before they leave school, is more likely to have worked and/or continued in full-time education during their "gap year" and tends to come from a lower socio-economic background (although still significantly higher than the average socio-economic background of non-students). These individuals are far less likely to go on to university at the end of their "gap year".

Gap Year Takers in the BCS and the long-term effects of taking a gap year

In contrast to the results for the younger LSYPE cohort, gap year takers from the older BCS cohort tend to come from lower socio-economic backgrounds and have lower educational attainment, on average, than individuals who go straight into higher education. While these results are based on snapshots of two cohorts, this evidence supports a tentative conclusion that the composition of gap year takers may be becoming relatively more affluent over time, perhaps as the decision to take a gap year becomes a more deliberate choice to take time away from education. As was the case for the LSYPE cohort, however, gap year takers in the BCS are more likely to engage in a range of risky behaviours and to have a more external locus of control than those who go straight into higher education, which is an interesting finding.

From a policy perspective it is also interesting to understand what impact taking a gap year may have on these individuals later in life. By age 30, gap year takers tend to earn less than those who go straight into HE, with significantly lower hourly wages and weekly earnings. (These effects are smaller, but still persist, at ages 34 and 38.)

What might be driving these differences? In line with the findings of Birch & Miller (2007), gap year takers in the BCS are found to be more likely to graduate with a first or second class degree compared to those who go straight into HE, particularly once account is taken of their lower prior attainment. If degree class is rewarded in the labour market, then, on the basis of these results, one might expect gap year takers to earn significantly more than those who go straight into higher education, not less. It should be noted, however, that the estimates of the effect of gap year status on degree class are not significantly different from zero.

Taking a gap year will, by definition, increase the amount of time individuals may spend in the labour market prior to graduation at the expense of time in the labour market after graduation. To the extent that the timing of experience matters, this may well provide an explanation for the differences in wages that are observed. In fact, for the BCS cohort, there is evidence of a strong positive return to a year of experience after graduation, but no return to experience gained prior to graduation. This suggests that gap year takers have significantly lower wages than those who go straight into HE simply because they have fewer years after graduation during which they can reap the returns to their investment in human capital. In fact, these effects on the extent and timing of potential labour market experience are found to be one of the key drivers of the differences between gap year takers and those who go straight to HE in terms of wages and earnings during their 30s.

Conclusions

While not all gap year takers in the LSYPE go on to university, and the decision to take a gap year in the BCS appears to have negative consequences for a range of outcomes observed later in life, this report does not conclude that individuals should necessarily be discouraged from taking a gap year. In fact, the LSYPE results suggest that gap year takers who applied to and accepted a place at university before leaving school are at least as likely to go on to HE as those who applied and accepted a place with the intention of going straight there. It is gap year takers who do not apply to university until after they leave school who are less likely to go on. This may signal that their commitment to higher education was lower in the first place; they also have significantly lower prior attainment than gap year takers who applied to university before leaving school, perhaps suggesting that they do not ultimately meet their university grade offers. In either case, it might be more effective to encourage gap year takers to apply to university earlier than to try to prevent them from taking a gap year altogether, although it must be reiterated that these results are not causal.

In terms of the BCS results, it must be remembered that there are significant differences in terms of both the definition of a gap year and the characteristics of individuals who take a gap year in the LSYPE compared to the BCS, thus raising some questions over the relevance of the conclusions regarding negative longer-term consequences for current cohorts of gap year takers. Moreover, even if these findings were applicable to more recent cohorts, the decision to take time away from education may be beneficial for those who choose to do so in terms of their short- or longer-term wellbeing instead.

Additional Information

The full report can be accessed at <http://www.education.gov.uk/publications/>
Further information about this research can be obtained from
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The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.

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