



Department
for Education

Graduate Outcomes (LEO): International graduate and postgraduate outcomes 2005/2006 to 2015/2016

Ad-hoc notice

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Longitudinal Education Outcomes (LEO)

This latest release of Longitudinal Education Outcomes (LEO) data expands upon that already published on international (EU and non-EU) graduates and postgraduates.

Previous releases looked in detail at international graduate and postgraduate outcomes at one, three and five years after graduation in the 2014/15 and 2015/16 tax year. This release makes available the data for all graduating cohorts and tax years to provide a broader picture of the trends in outcomes over time. This document provides brief summary of some key findings.

Published Data

Published analysis of graduate outcomes using LEO data can be found here:

<https://www.gov.uk/government/collections/statistics-higher-education-graduate-employment-and-earnings>

Previous releases have provided analysis of outcomes for UK domiciled and international graduates and postgraduates, with breakdowns by personal characteristics, subject studied and university attended.

International Graduate Outcomes

Earnings Outcomes

The earnings of EU and Non-EU students are generally similar. In recent years, Non-EU graduates have earned slightly more on average in their first few years after graduation than their EU counterparts. However, this has not always been the case, and in general the earnings for EU graduates are slightly higher than for Non-EU graduates. In the case of Masters graduates, earnings for EU graduates are substantially higher than those for Non-EU graduates in all years.

The data shows that earnings appear to reflect the state of the economy over the last decade, dipping slightly in the aftermath of the 2008-09 recession and picking up thereafter.

Employment Outcomes

When looking at employment outcomes, the trends for EU and Non-EU students differ much more than for earnings. EU domiciled graduates are much less likely than Non-EU graduates to be classified as unmatched, which suggests they were more likely to have been issued with a National Insurance number (note; this could have occurred before, during or after the study spell in question).

First Degree graduates

Whilst the overall proportion of Non-EU first degree graduates staying in the UK to work and/or study one year after graduation has fallen slightly, (46% for the 2009/10 graduating cohort one year after graduation, and 43.6% for the 2013/14 graduating cohort), the distribution of destinations amongst recent graduates has altered in the last few years. In particular, it appears that recent graduates are more likely to undertake further study. The proportion of 2009/10 graduates who were classified as in 'sustained employment only' one year after graduation was 14.1%, however amongst 2013/14 graduates, this proportion had fallen by 5.6 percentage points to 8.5%; this is larger than the marginal (2.4 percentage point) decrease in the proportion of Non-EU graduates remaining in sustained destinations.

This pattern is not reflected amongst less recent graduates. The proportion of Non-EU graduates remaining in sustained employment, further study, or both at least six years after graduation is lower, but does not show a decreasing trend (remaining at between 17-20%).

A different trend has been observed among EU students; from the 2009/2010 to 2013/2014 graduating cohorts, the proportion of EU graduates in sustained employment one year after graduation rose from 17.6% to 27.7%. Furthermore, the data suggests that EU first degree graduates in more recent cohorts have stayed for the longer term: the

proportion of the 2005/2006 graduating cohort in sustained employment, further study, or both five years after graduation (2011/2012 tax year) was 24.6%, whilst the proportion amongst the 2009/2010 graduating cohort (2015/2016 tax year) was 31.5%.

Level 7 graduates

Many of the trends for first degree graduates are repeated for Masters graduates, and in some cases are even more pronounced. For instance, the proportion of Non-EU Masters graduates staying in the UK in a sustained destination immediately after graduation has decreased rapidly. For instance, of the 2009/2010 graduating cohort, 27.1% were in sustained employment, further study, or both one year after graduation (2011/2012 tax year), but of the 2013/14 graduating cohort this had nearly halved to 14.3%. The proportion of those in sustained employment only dropped at an even greater rate, falling from 19.1% to 8.0% in the same time.

Also similarly to first degree graduates, this pattern is not replicated for less recent graduates. Again the proportion in sustained employment, further study or both of those who graduated six years ago or more has remained stable at around between 14-20%. Equally, just as at first degree level, EU Masters graduates are more likely to stay in the UK than Non-EU graduates, and not only has the proportion of those who graduated recently increased over time, but they are staying longer as well. In the 2011/2012 tax year, 29.5% of those who had graduated one year before (2009/2010 cohort), and 20.1% of those who had graduated five years before (2005/2006 cohort) were in the UK in a sustained destination. By the 2015/2016 tax year, these proportions had both risen, to 35.1% and 24.9% respectively.

Level 8 graduates

Some of the trends above are mirrored amongst Doctoral graduates, however others are not. When compared to first degree and Masters graduates there has been relatively little change in the proportion of Non-EU Doctoral graduates staying in the UK and entering a sustained destination. However, the proportion amongst for EU Doctoral graduates has increased slightly. In general trends amongst Doctoral graduates tend to be more stable.

Finally, it is worth emphasising that any changes in employment activity over the last 5-10 years must be taken in the context of the global recession. The trends mentioned above will result from many factors including both government policy and wider economic conditions, and no one factor in isolation should be used to exclusively to explain any trend.

Annex A: Background Information

The Small Business, Employment and Enterprise Act 2015 enabled government, for the first time, to link higher education and tax data together to chart the transition of graduates from higher education into the workplace¹. One of the advantages of linking data from existing administrative sources is that it provides a unique insight into the destinations of graduates without imposing any additional data collection burdens on universities, employers or members of the public. Compared to existing sources of graduate outcomes data, it is also based on a considerably larger sample, does not rely on survey methodology, and can track outcomes across time to a greater extent than was previously possible.

The LEO dataset links information about students, including

- personal characteristics such as sex, ethnic group and age
- education, including schools, colleges and higher education institution attended, courses taken and qualifications achieved
- employment and income
- benefits claimed

By combining these sources, we can look at the progress of higher education leavers into the labour market.

Coverage

This publication looks at those who graduated with a first degree, Masters or Doctorate qualification from higher education institutions (HEIs) in England. We have looked at those classified as EU or Non-EU domiciled prior to entry to higher education.

Designated alternative providers are not included in this publication as they were not required to return student level data to HESA prior to the 2015/16 academic year. The exception is the University of Buckingham, which has historically returned HESA data and so is included in the publication.

All figures are based on UK tax, benefit and student records only, activity of those who move abroad to work or study after graduating is not reflected in the employment or further study figures. This has potentially important implications when looking at the outcome of non-UK domiciled students.

Domicile categories

Domicile categories have been based upon graduate domicile prior to the start of their course, as recorded in the HESA Student Record for graduates from HEIs and as recorded in the Individualised Learner Record (ILR) for graduates from Further Education

Colleges (FECs). Graduates have been grouped into the top-level domicile categories: EU (excluding UK domiciled) and Non-EU.

Country of domicile is not the same as nationality (as recorded in the HESA Student Record or ILR). For instance, in 2012/13, 91% of UK domiciled graduates were classified as UK nationals, 7% of EU domiciled graduates were classified as UK nationals, and 4% of Non-EU domiciled graduates were classified as UK nationals.

Earnings outcomes

Earnings are presented for those classified as being in sustained employment and where we have a valid earnings record from the P14 and/or Self Assessment tax return.

Please note: prior to tax year 2013/14 no self-assessment data is available, and earnings are based solely on PAYE data.

Those in further study are excluded as their earnings would be more likely to relate to part-time jobs.

The earnings figures in this release represent PAYE earnings from graduates who are employees, self-assessed earnings from graduates who are self-employed and the sum of both for graduates who are both an employee and self-employed.

PAYE earnings have been annualised. All earnings from self-employment are taken as provided (not annualised) and are assumed to relate to the full tax year.

All earnings presented are nominal. They represent the cash amount an individual was paid and are not adjusted from inflation (the general increase in the price of good and services).

Employment outcomes

Outcomes are presented for **all** graduates, not only graduates who have been matched to the Department for Work and Pensions' Customer Information System (CIS) or a further study instance on the HESA Student Record. In this publication, the proportion of individuals who have not been matched to an employment or further study record are referred to as **unmatched**. High proportions of international students who are unmatched are expected as many will leave the country after graduation.

Graduates are then placed in one of five outcomes categories. These are:

Activity not captured: graduates who have been successfully matched to CIS but do not have any employment, out-of-work benefits or further study records in the tax year of interest. Many international graduates will appear in this category because they have moved out of the UK after graduation for either work or study. Another reason for appearing in this category would be voluntarily leaving the labour force.

No sustained destination: graduates who have an employment or out-of-work benefits record in the tax year in question but were not classified as being in 'sustained employment' and do not have a further study record.

Sustained employment only: graduates are considered to be in sustained employment if they were employed for at least one day for five out of the six months between October and March of the tax year in question or if they had a self-employment record in that tax year and earnings from partnership or sole-trader enterprises of over £0 (profit from self-employment). To be in the sustained employment only category, graduates must not have a record of further study in the tax year in question.

Sustained employment with or without further study: includes **all** graduates with a record of sustained employment, regardless of whether they also have a record of further study. A graduate is defined as being in further study if they have a valid higher education study record at any UK HEI on the HESA database in the relevant tax year. The further study does not have to be at postgraduate level to be counted.

Sustained employment, further study or both: includes all graduates with a record of sustained employment **or** further study. This category includes all graduates in the 'sustained employment with or without further study' category as well as those with a further study record **only**.



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About this publication:

enquiries Matthew Bridge, Higher Education Analysis.

email HE.LEO@education.gov.uk

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