



# Rapid Review of the Graduate Route

May 2024

# Contents

<b>Foreword</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>6</b>
The MAC’s approach to this rapid review .....	6
Objectives of the Graduate route .....	7
How the MAC gathered evidence .....	7
Recent history of the Graduate route .....	8
Current visa policy for international students .....	10
Conflicts of Interest .....	11
<b>Chapter 1: Who uses the Graduate route?</b> .....	<b>12</b>
Who is using the route, and how has this changed over time?.....	12
Where do Graduate visa holders come from?.....	14
Which universities do Graduate visa holders come from? .....	15
Where are Graduate visa holders located? .....	16
Summary .....	17
<b>Chapter 2: What do migrants do on the Graduate route?</b> .....	<b>19</b>
During the Graduate route.....	19
After the Graduate route .....	23
Fiscal impacts .....	29
Housing and public services impacts .....	30
Summary .....	31
<b>Chapter 3: Is there evidence of abuse on the Graduate route?</b> .....	<b>32</b>
Defining abuse.....	32
Evidence of abuse on the Graduate route .....	33
The exploitation of international students .....	34
<b>Chapter 4: Impacts of the Graduate route</b> .....	<b>37</b>
How does a Graduate route help recruit international students? .....	37
What are the post-study work options in other countries? .....	39
Recent changes to post-study work routes .....	41
How has the Graduate route impacted the UK’s international competitiveness?.....	42
Has the Graduate route impacted student numbers in the UK?.....	43
Where is the growth in international students?.....	44

How do international students affect the HE sector? .....	49
Potential implications of further changes to the route .....	55
Net migration and recent policy announcements .....	56
Summary .....	59
<b>Conclusion .....</b>	<b>61</b>
Recommendations .....	63
<b>Annex 1: HE in the Devolved Nations .....</b>	<b>66</b>
<b>Annex 2: List of formal engagements .....</b>	<b>68</b>
<b>Annex 3: Statement on Conflicts of Interest .....</b>	<b>0</b>

# Foreword

This report fulfils a [commission](#) from the Home Secretary to provide a rapid review of the Graduate route. We provide new evidence on who is using the route and what they are doing whilst on the route. We also document how international student numbers have grown since the route was introduced, though it is impossible to attribute the exact contribution of the Graduate route to that growth.

In assessing the route, we have been guided by what the government has said. In 2021, the Home Office outlined the key objectives of the Graduate route. It is worth quoting this in full:

“The Graduate route is introduced to enhance the offer to international students who choose, or are considering choosing, to study in the UK. It is intended to retain their talent upon graduation thus contributing to the UK economy. Through increasing the attractiveness of the UK as a destination of study, the policy will ensure the UK remains internationally competitive, assist to achieve the Government’s ambition to increase the number of international students in higher education and increase the value of education exports.”

After reviewing the evidence, our conclusion is clear. The Graduate route has broadly achieved, and continues to achieve, the objectives set by this government. **We therefore recommend that the route remains in place in its current form.**

We found no evidence of any significant abuse of the Graduate route. By abuse we mean deliberate non-compliance with immigration rules. However, we do have concerns over the use of recruitment agents by universities in certain markets in providing misleading information to prospective international students. Whilst we recognise that the sector has introduced a voluntary framework to address these concerns, based on experience of voluntary schemes within the immigration system there is insufficient evidence that this voluntary code will prove effective against deliberate poor practice. Agents simply do not have the same incentives as universities. We recommend that the government consider whether mandatory requirements would ensure good practice and that universities be required to publish information on their use of agents to improve disclosure. This will help protect the integrity of the UK Higher Education system.

The government took action in 2023 to reduce the number of dependants who were entering the UK on a student visa, mainly associated with one-year Masters’ programs. From January 2024, students on taught Masters’ programs have not been allowed to bring dependants on the student visa and they will subsequently not be allowed to have dependants on the Graduate route. In effect this is also a restriction to the Graduate route. This will mechanically reduce the number of graduate visas, as around 30,000 dependants joined the route in 2023. In addition, the evidence suggests that the change in dependants policy has already substantially contributed to reduced international student recruitment beyond this for September 2024. Early indications suggest a 63% reduction in the number of deposits paid for the September 2024 intake by international postgraduate applicants for institutions in the UK compared to the same time in the previous year. It is therefore likely that there will be a significant reduction in future use of the Graduate route as a result of policy changes already introduced.

Any additional restrictions on the Graduate route will likely further exacerbate the decline in international student numbers. This is a competitive market and students that are planning to study abroad unsurprisingly exhibit flexibility over country choice. There are two inevitable consequences of further restrictions. First, the government will likely fail to achieve the target set in the [International Education Strategy](#). We have assumed that this strategy remains government policy as it was highlighted to us in the commissioning letter. Second, universities across the nations of the UK will experience further substantial financial difficulty leading to job losses, course closures and a reduction in research, and in the extreme it is not inconceivable that some institutions would fail.

As in social care, it is the failure to properly fund the sector that has led to an increasing overreliance on immigration. Universities lose money on teaching domestic students and on research activities, and it is the fee revenue from international students that mitigates (at least in part) the current funding gap for domestic students and research. We have had no indication in our discussion with Ministers, either in Westminster or the Devolved Administrations, that there is any plan in place to address this structural under-funding. In such circumstances, any policy change to the Graduate route intended to reduce student numbers would need to explain how the financial consequences for the sector would be addressed. We repeat the observation that we made in our last [Annual Report](#) that the government needs to consider the total impact of a policy change rather than simply its effect on net migration.

**Prof. Brian Bell (Chair)**

**Prof. Dina Kiwan**

**Prof. Sergi Pardos-Prado**

**Dr Madeleine Sumption MBE**

**Prof. Jo Swaffield**

# Introduction

## The MAC's approach to this rapid review

On 11 March 2024, the government commissioned the Migration Advisory Committee (MAC) to conduct a rapid review of the [Graduate route](#). The Home Secretary requested our report by 14 May 2024. Full details of the commissioning letter, and our response, can be found [here](#).

The commissioning letter was broad in scope. The letter made clear the intent of the government to continue attracting “the brightest and best” international students to study in the UK consistent with the [International Education Strategy](#), and the important role the Graduate route has played in this ambition. However, there was a concern in the commissioning letter that the Graduate route may be attracting migrants to come to the UK primarily for post-study work opportunities, rather than to access a quality education and the secondary opportunity to gain experience in the UK labour market.

The government asked us to provide evidence in answer to 5 questions:

1. Any evidence of abuse of the route including the route not being fit for purpose (covered in Chapter 3);
2. Who is using the route and from what universities they graduated (covered in Chapter 1);
3. Demographics and trends for students accessing a study visa and subsequently accessing the UK labour market by means of the Graduate route (covered in Chapters 1 and 2);
4. What individuals do during and after their time on the Graduate route and whether students who progress to the Graduate route are contributing to the economy (covered in Chapter 2); and,
5. Analysis of whether the Graduate route is undermining the integrity and quality of the UK Higher Education system. This includes an understanding of how the Graduate route is or is not effectively controlling the quality of international students, such that it is genuinely supporting the UK to attract and retain “the brightest and best”, contributing to economic growth, and benefiting British higher education and soft power – in the context of the government’s wider International Education Strategy (covered in Chapters 3 and 4).

In the main body of this report, we answer each of these questions to the best of our ability considering the time and data we had available. Whilst there are clear links between the impact of the Graduate route and the [Student route](#), and we highlight these throughout our report, this review is focused on the Graduate route as set out in the commissioning letter and not directly on the broader impact of international students or the Student route.

We also acknowledge the interaction between devolved and reserved policy matters in this review. Migration is a reserved matter and education is devolved to the Devolved Administrations. There are many similarities in the Higher Education (HE) system across the UK and most of the issues we discussed with the sector apply to the UK as a whole. However, HE providers are regulated and funded by different governments and public bodies in the Devolved Nations. In Annex 1, we provide additional context on some key differences.

## Objectives of the Graduate route

To assess the impacts of the Graduate route, we refer to the government’s objectives for the route as set out by the [Home Office](#). These were to:

1. Enhance the offer to international students who are considering study in the UK, to ensure the UK remains internationally competitive;
2. Enable retention of talent, enabling employers to recruit skilled graduates, who in turn contribute to the UK economy; and,
3. Support the UK government to achieve its ambition (as set out in the International Education Strategy) to increase the number of international students in higher education and increase the value of education exports.

The [commissioning letter](#) for our review also makes clear the objective to attract “the brightest and best” to the UK, in line with the [International Education Strategy](#). However, this term does not have a commonly understood definition. There was no definition of the term in our commissioning letter, nor was there a clear definition provided during our discussions with UK government ministers and officials. Given the compressed timescales to which we were asked to work for this review, we have not sought to establish our own definition. This lack of clarity makes it difficult to judge the performance of the route against this objective. In this report, we use various measures that have a degree of correlation with what might be considered “the brightest and best”. Whilst we refer to university rankings throughout the report, we recognise that any such measures should not be taken as a proxy or direct correlate for the “brightest and best”. For example, an international student could be considered among “the brightest and best” but cannot afford to pay the higher tuition fees associated with many higher-ranking universities. Likewise, there is no tangible definition of what constitutes a world-leading university. To understand trends, we group HE providers in our analysis. The groupings we use depend on what data are available. In some places we have grouped providers by world ranking, based on the Times Higher Education rankings as these rankings are also part of the eligibility criteria for the [High Potential Individual visa](#).

## How the MAC gathered evidence

The Graduate route has only been open to international students studying in the UK since 2021. It enables those students who successfully complete an eligible course to remain in the UK for 2 years after graduating (or 3 years in the case of a PhD). To gather evidence to inform the review, the MAC has undertaken research with Graduate visa holders, considered international comparisons of the route, engaged with stakeholders, and undertaken statistical analysis.

The short period of time that the route has been in place, coupled with the rapid nature of this review, has meant the MAC has been limited in what it has been able to consider compared with what a full review process would have enabled. This is in terms of our qualitative and quantitative analysis and the fact that we were unable to carry out a Call for Evidence (CfE) – an open consultation for anyone who wishes to respond – due to the limited time frame we were working towards. We were clear in advance to the government about



the likely limitations of our review given the short timescale. We commissioned [Revealing Reality](#) to conduct 40 interviews with Graduate route users, with soft sample quotas reflecting a broad range of demographics to achieve a spread of experiences. For full details of our methodology, see the forthcoming research report. We thank Revealing Reality for delivering this piece of work within the very tight timescale.

The compressed timeline that the MAC was given to deliver this rapid review did not enable us to run a CfE. We fully recognise that we were not able to receive evidence from certain stakeholders that understandably have an interest in the Graduate route. This includes engagement with employers who actively recruit from the pool of potential workers that the Graduate route creates. For this rapid review, we focussed specifically on consulting with the HE sector. We conducted 4 semi-structured online roundtable events. These captured the voices of HE sector bodies and mission groups, pathway providers, universities, and student representative bodies. In addition, an Open Forum event was held online bringing around 60 HE leaders together. We ensured a diverse range of types of HE providers were invited from across the UK, including from each of the Devolved Nations. We also met with Education Ministers in the UK government and the Devolved Administrations. We would like to thank all those who gave us their time at very short notice, over a holiday period, to feed into this rapid review. A full list of bodies and institutions that attended and contributed to the consultative roundtables can be found in Annex 2.

In delivering this rapid review, we wish to thank Sir Steve Smith, the UK government's International Education Champion, who has provided expert advice and insight into the international education landscape. Sir Steve assisted the MAC to map the stakeholders that cover the UK HE sector as widely as possible, ensuring in our limited timeline that our consultation was as inclusive as possible. However, the conclusions in this report belong to the MAC alone.

## Recent history of the Graduate route

### 2012-2018

In 2012, the Post-Study Work route was closed to new entrants as part of a package of reforms to immigration requirements for international students. This route had permitted international students graduating from a UK university to stay in the UK for up to 2 years after they finished their course, with unrestricted access to the labour market. Numbers of applications had been climbing significantly from 20,000 grants of extension of stay in 2008 to 43,700 in 2011, when the route accounted for 45% of all grants of extension of stay for the purpose of work.

The subsequent years between 2012 and 2018 saw several iterations of visa routes that enabled certain cohorts of international students to stay in the UK for varying lengths of time. These visas were dependant on whether their host institutions were part of a pilot; if they were on, for example, a Master's level course; and the nature of their course of study, e.g., electives for medicine/dentistry, etc. In the same period, whilst international student recruitment remained relatively stable in the UK, there was significant growth in alternative destination countries. Some believed the UK was risking losing its status as a prime study destination as a result of not having a more encompassing Post-Study Work route similar to the route that had been available up to 2012. In 2018, the MAC was commissioned to review the impact of [international students in](#)



[the UK](#). Our review set out the history of the Post-Study Work route and other policy changes in the period between 2004-2018.

At the time of our 2018 review, the International Education Strategy and the government's stated objective to make the UK more attractive to increase student numbers did not exist. In light of this, we recommended a more restrictive post-study work route, consisting of 1 year for PhD students and 6 months for Master's students, alongside a liberalisation of switching rules to facilitate access to the [Skilled Worker route](#). New policy objectives were set by the government in 2019 following the launch of the International Education Strategy. By 2024, with a live route and established infrastructure in place, the financial situation in higher education has changed, and we note that the context of our current review is fundamentally different.

## **2019 onward**

In March 2019, the UK government launched the [International Education Strategy](#). The strategy sought to boost the UK's education exports to £35 billion per year and set a target of 600,000 international students studying in the UK by 2030. The strategy set out that the government would put in place practical, advisory, and promotional support aimed at strengthening the UK's position in global education. Five key cross-cutting actions to support the UK education sector were identified – these included providing a welcoming environment for international students and developing an increasingly competitive offer. At this point, there was no mention of a Graduate route as part of the International Education Strategy.

In September 2019, the government announced the Graduate route with the intention that it would help recruit and retain “the brightest and best” talent to contribute to society and the economy post-study. Following the [launch](#) in July 2021, the then Home Secretary Priti Patel stated:

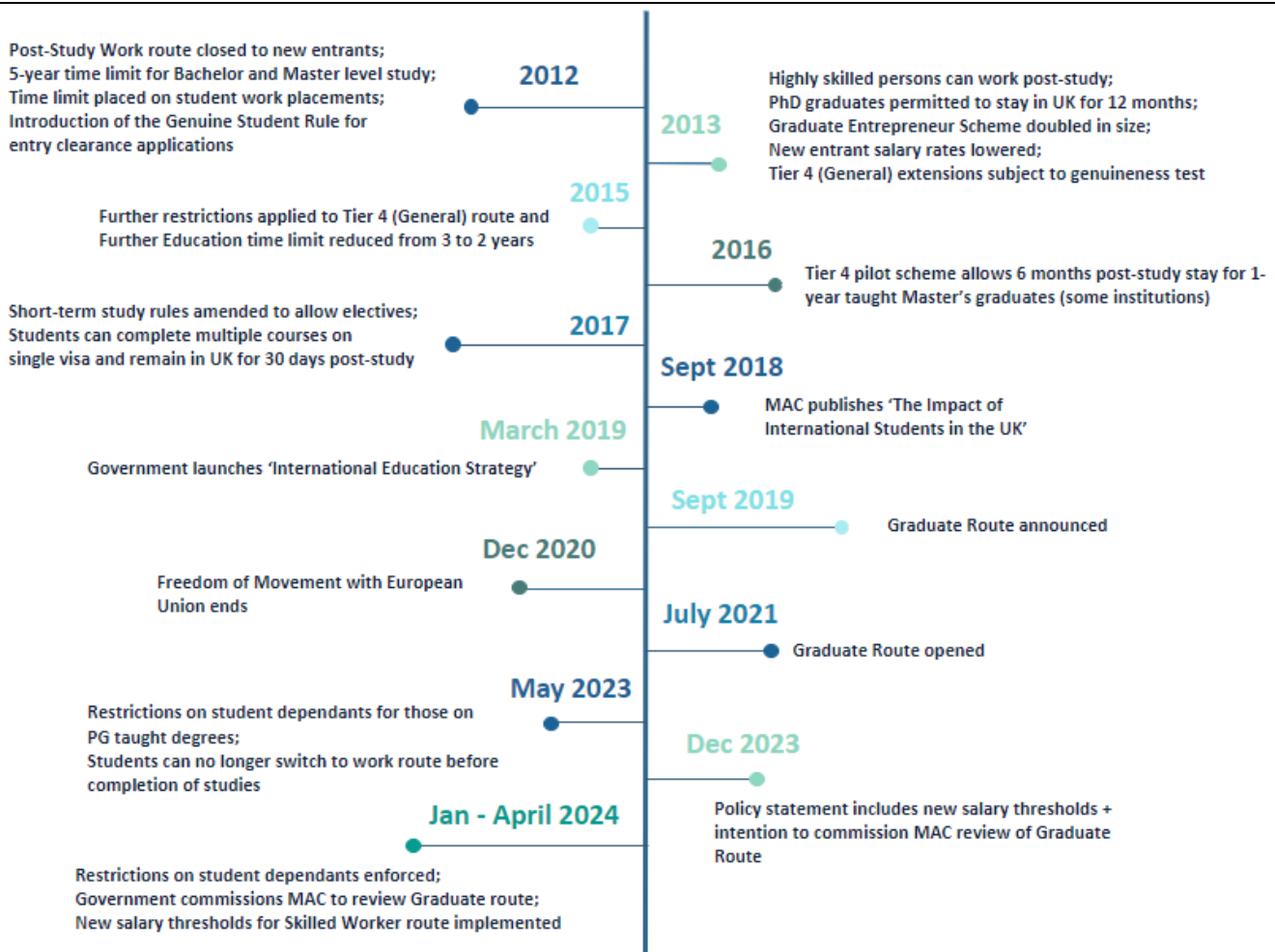
*“Our world-leading universities welcome thousands of international students every year. As we build back better (after the global pandemic), it is vital that the UK continues to be a beacon for talented young people across the globe who want to make a difference.”*

The Graduate route opened in July 2021. We note that the UK was one of the first countries to start opening up again to international students following post-pandemic restrictions, which impacted on UK numbers in comparison to other countries. The then Universities Minister, Michelle Donelan, stated:

*“International students are a vital part of our society, and those who graduate from our world-leading universities should have the opportunity to stay and build meaningful careers here, in the UK. That is why we are introducing this new route for international graduates, enabling British businesses to attract and retain some of the brightest, most talented graduates across the globe.”*

A summary of the key changes between 2012 and 2024 are set out in the following timeline:

**Figure 0.1: Post-study policy 2012-2024**



Source: [Home Office](#).

## Current visa policy for international students

The Student route is a visa that is used by international students coming to study in the UK. The Graduate route then becomes available to those who have completed a degree at undergraduate or postgraduate level at a HE provider with a track record as a Home Office licensed sponsor. The application for the Student route visa currently costs £490, and for the Graduate route it is £822. There is in addition a Health Surcharge of £776 for international students that rises to £1,035 once on the Graduate route, which is payable for each year of the individual's stay in the UK. Students must make an application for the Graduate route before their student visa expires. A student visa usually expires 4 months after the course end date. In May 2023, the Home Secretary Suella Braverman announced that from January 2024, international students studying in the UK would no longer be able to bring dependants with them on their UK student visa. The exception to this is students on postgraduate courses that are currently designated as research programs. The Home Office also announced that international students would no longer be able to switch out of their visa to a working visa before completing their course of study.

Those successfully completing undergraduate or postgraduate level study can stay in the UK and work for 2 years (doctoral students can stay for 3 years). The student must be in the UK at the point of application and hold an existing student visa. Their HE Provider must confirm to the Home Office that the student has successfully graduated from their course of study. The Graduate route does not count towards settlement – however, individuals are able to apply to other routes during and at the end of their 2–3-year stay, for example, the Skilled Worker, Global Talent, or Innovator routes. The design of the Graduate route offers significant flexibility. Though often referred to as a Post-Study Work route, there is in fact no requirement to undertake any form of work. Those that do choose to work can do so in any job without restriction, or they can be self-employed or carrying out voluntary work.

One of the main routes that people switch to from the Graduate route is the Skilled Worker route. It should be noted that in December 2023, the Home Secretary announced changes to this route that could potentially impact users of the Graduate route who wish to switch to the Skilled Worker route. These changes came into effect on 4<sup>th</sup> April 2024. The minimum salary to be sponsored for a Skilled Worker visa has increased from £26,200 to £38,700, while the [occupation-specific threshold specific to each job](#) has also increased significantly. However, Graduate route users applying for their first Skilled Worker visa after 4<sup>th</sup> April 2024 can still be paid less than the new salary thresholds [in some circumstances, including the 30% ‘New Entrant’ discount](#). There are also different salaries for [NHS staff](#) and [education workers](#) based on national pay scales, while social care workers [can be paid £23,200](#).

Within this report we cover the usage of the Graduate route; what users of the Graduate route are doing on the route and after the route; whether there is evidence of abuse of the route; and the impact of the Graduate route on the UK HE Sector.

## Conflicts of Interest

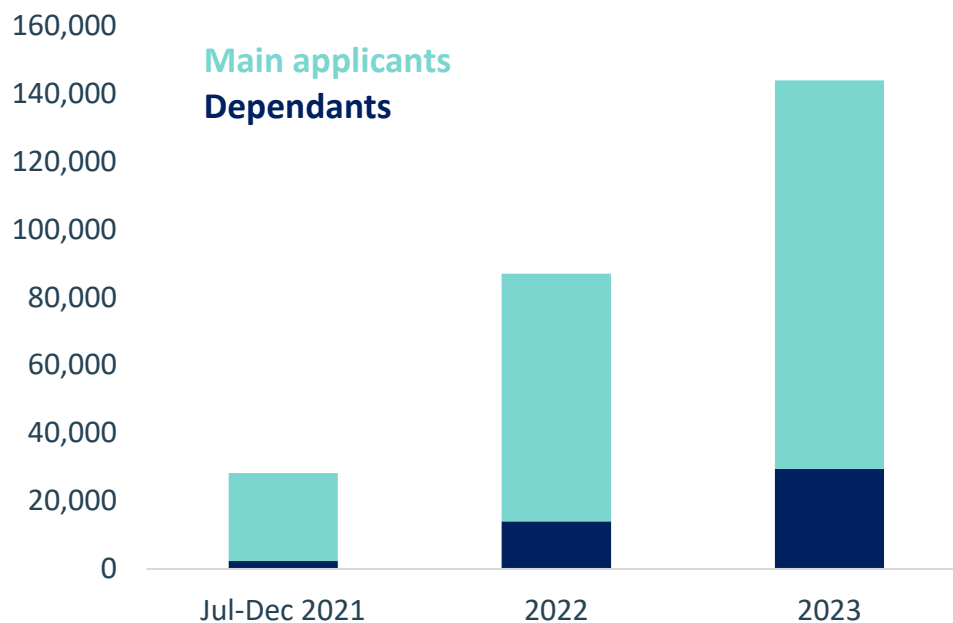
Committee members are appointed to the MAC on an individual basis, and not as representatives of any organisation or institution. For this rapid review in particular the MAC recognises that, outside of their role on the Committee, each member is currently a paid employee of a UK University. These same employing universities derive significant fee-based income from the recruitment and retention of international students. In the authoring and publication of this review, the MAC has carefully considered Committee members’ actual or perceived conflicts of interest. We are committed to maintaining public trust and confidence. In Annex 3, we set out the actions we take to manage conflicts of interest and provide details about Committee members’ current roles within the UK HE sector. Details are also provided on how to find out more about the MAC’s operating framework. In line with our usual approach, we set out the evidence within our report for transparency, showing how we came to the conclusions and recommendations that we have reached.

# Chapter 1: Who uses the Graduate route?

## Who is using the route, and how has this changed over time?

Since the introduction of the Graduate visa in July 2021, there has been a rapid increase in the number of visas granted. In the first full year of the Graduate route (year to Q2 2022), there were 66,000 Graduate visas granted for main applicants and dependants. This more than doubled to 144,000 visas in 2023 (Figure 1.1). Of the 114,000 main applicant visa holders in 2023, 99% held a 2-year visa as they had completed an undergraduate or Master's degree (or equivalent), whilst 1% (1,500 visas) held a 3-year visa having completed a PhD/other doctoral qualification or equivalent. There were 30,000 dependant visas issued in 2023.

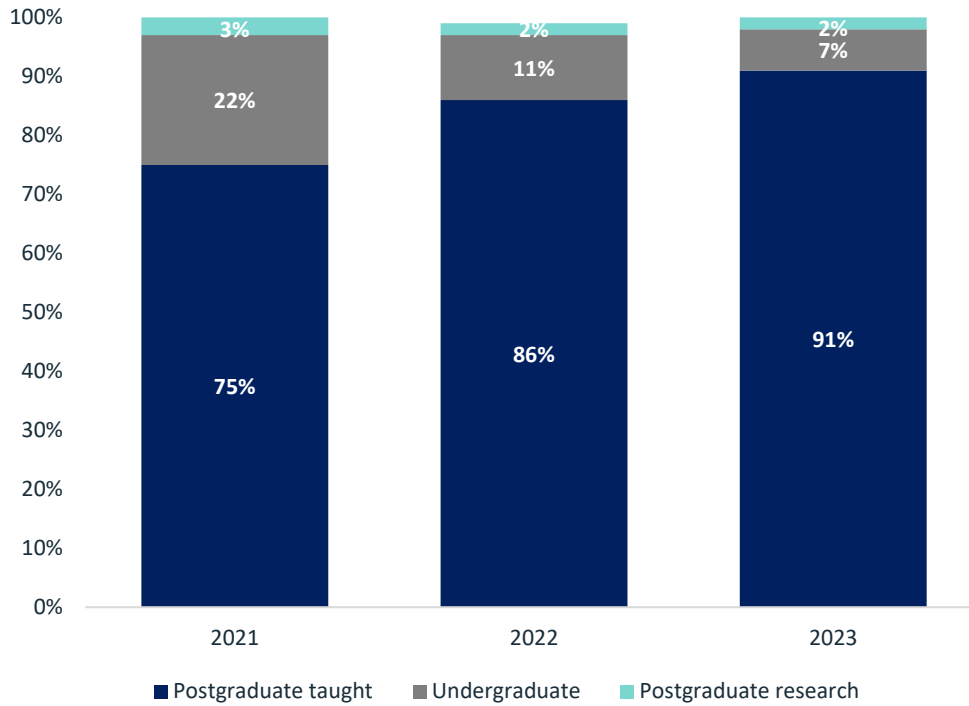
**Figure 1.1: Total Graduate visas**



Source: Home Office immigration statistics granted extension visas up to and including Q4 2023.  
Note: 2021 data is only from July 2021, as that is when the Graduate route started.

Whilst there has been an overall increase in the total numbers of visas across all study types, Figure 1.2 shows that growth has been faster for postgraduate study. The majority of those on the Graduate route completed postgraduate taught courses, and this share has increased since the route's introduction.

**Figure 1.2: Graduate visas by degree type**



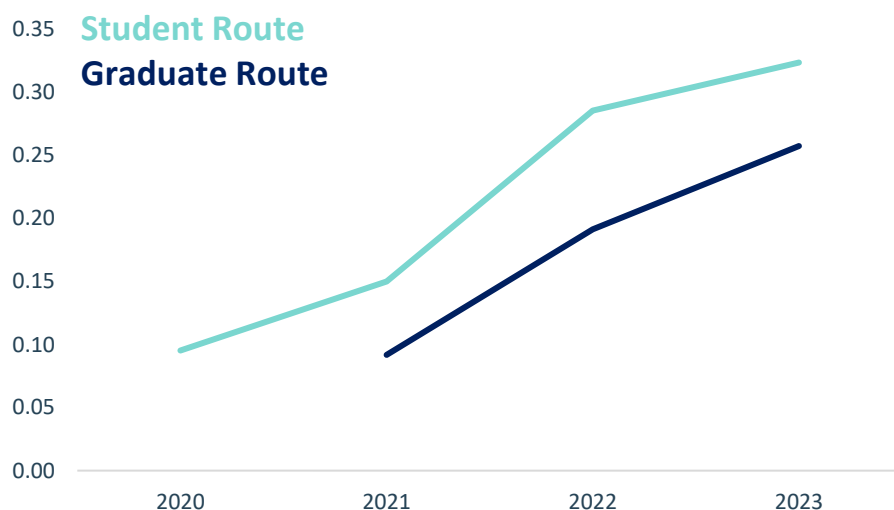
Source: Home Office immigration statistics up to and including Q4 2023, issued extension visas.  
Note: 2021 data is only from July 2021, as that is when the Graduate route started.

The age profile of the route has also changed since introduction. Since 2021, the proportion of main applicants aged over 25 has increased by approximately 15 percentage points. In 2023, those aged 26 or over accounted for 54% of the main applicant Graduate visas. This has coincided with an increase in the dependant ratio for the Graduate route. Since July 2021, the dependant ratio for the Graduate route has increased from 0.1 (on average 1 dependant for every 10 main applicants) to 0.3 in 2023 before the dependant rule changes came in, with children as a share of total dependants increasing by 13 percentage points to 36% over the same period. This is lower than the dependant ratio of 0.7 for the Skilled Worker visa. It is also lower than the dependant ratio for the Student route. However, this may be due to international student cohorts filtering through to the Graduate route gradually over time, and so the graduate dependant ratio is broadly similar to the student dependant ratio a year prior as shown by Figure 1.3.

---

**Figure 1.3: Graduate and Student visa dependant ratios**

---



---

Source: Home Office immigration statistics up to and including Q4 2023, issued extension and entry visas.

As discussed in the introduction, since January 2024 only students who are on a research postgraduate course can bring dependants on the Student route. Dependants are only eligible for the Graduate route if they were previously a dependant of the main applicant on the Student route. The recent change on dependants on the Student route is in effect a change of the policy on the Graduate route. The [recent statistical release](#) by the Home Office showed that applications for main applicants on the Student visa fell by 15% to 34,000 visas when comparing Q1 2024 with Q1 2023, whilst dependant applications fell by 80% to 6,700 visas. If all applications were granted, this would equate to a student dependant ratio of 0.2 in Q1 2024, down from a ratio of 0.3 in 2023 (see Figure 1.3 above). This suggests the dependant rule change is already having an effect, although it will be necessary to await the usual peak in student visa applications before the start of the next academic year in September 2024 to see the full effect. This is discussed in further detail in Chapter 4.

## Where do Graduate visa holders come from?

Table 1.4 shows that the top 5 nationalities account for nearly 75% of all Graduate visas with India accounting for over 40%. Indian nationals made up a higher proportion of Graduate visas (42%) compared to their proportion of Student visas (26%) whilst the opposite is true for Chinese nationals, who accounted for 10% of Graduate visas but 25% of Student visas. Nigerian nationals were the most likely to bring a dependant of the top 5 nationalities and of these dependants, half were children.



**Table 1.4: Top Five countries for Graduate visa Usage**

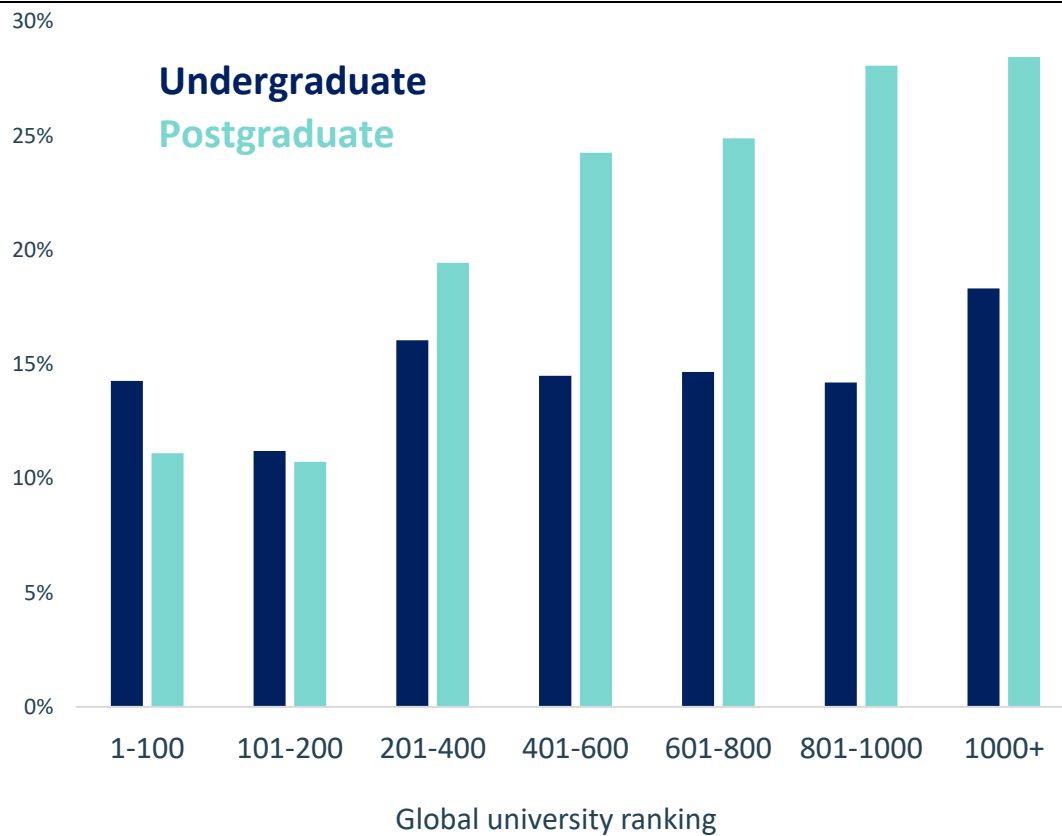
Rank	Country	Main Graduate visas	Proportion of all main Graduate visas	Proportion of all main Student visas	Dependant ratio for Graduate visas	Proportion of child dependants on Graduate visas
1	India	89,200	42%	26%	0.23	24%
2	Nigeria	23,600	11%	10%	0.50	50%
3	China	22,200	10%	25%	0.02	32%
4	Pakistan	14,300	7%	6%	0.30	38%
5	United States	7,500	4%	3%	0.07	65%

Source: Home Office immigration statistics “granted visas” from Q3 2021 up to and including Q4 2023, issued extension visas and entry visas.

## Which universities do Graduate visa holders come from?

Figure 1.5 shows that international postgraduates from lower globally ranked universities are more likely to go on to the Graduate route. Approximately 10% of international postgraduate students in the UK who attended a university ranked between 1 and 200 (the highest ranked) globally went on to obtain a Graduate visa, whilst 30% of those who attended universities ranked 800+ went on to obtain a Graduate visa. The shares of undergraduate international students who went on to the Graduate visa were more similar across the rankings. The majority of the growth since the Graduate route’s introduction is from non-Russell Group universities’ postgraduate courses (66% of all Graduate visas). This is the same group that has driven the growth in the number of Student visas in recent years. Looking at a breakdown by global university ranking tells a similar story. If the government’s aim is to retain bright international students as outlined in the [commissioning letter](#) and by this they mean those who attend universities ranked the highest globally, then this data suggests that the Graduate route may not be attracting the global talent defined in this way (although as we noted in the Introduction it is unclear how the government define the ‘brightest and best’). However, the ranking of the university is an imperfect proxy for the quality of international students, whose choices will depend on many factors including their financial constraints. For example, a student could be considered among the ‘brightest and best’ but cannot afford to pay the higher tuition fees associated with many higher-ranking universities (as highlighted by Figure 4.12). Chapter 2 provides further detail on the impact of the Graduate route and what visa holders do on the route.

**Figure 1.5: Graduate route Usage by global university ranking**



Source: Home Office Management Information: Confirmation of Acceptance for Studies (CAS) data matched with Graduate visas from July 2021 up to and including December 2023.

Note: Data show the percentage of international students who go on to the Graduate route. The rankings used are the [Times Higher Education](#) rankings.

## Where are Graduate visa holders located?

Students must make an application for the Graduate route before their Student visa expires, which is typically 4 months after the course end date. Table 1.6 shows that almost 40% of applicants to the Graduate route were based in London (based on address at application stage). Comparing this with the regional distribution of Student visas, this suggests that students may be moving to London for work after graduating from universities in other parts of the UK. It also suggests, to a lesser extent, that students may be moving to the West Midlands and North West, where there are also large cities, while students have been moving away from most other regions and nations after graduating. Our analysis of the [Higher Education Statistics Agency \(HESA\) open data](#) shows that British graduates were also found to move towards London after graduating with 25% of British graduates estimated to work in London compared to the 18% of British students who studied there. Given the visa data only reflects the address upon application to the Graduate route, we do not know the extent to which visa holders move around the country whilst on the Graduate route or whether they remain in the UK for the duration of the route.

**Table 1.6: Student visas and Graduate visas by region**

Region	Graduate proportion	Student proportion	Difference
London	39.5%	30.8%	8.7%
West Midlands	8.5%	8.1%	0.4%
South East	8%	9.2%	-1.2%
North West	7.3%	6.3%	1%
Scotland	7.5%	8.8%	-1.3%
East of England	6.7%	8.3%	-1.6%
Yorkshire and The Humber	5.9%	7.3%	-1.4%
East Midlands	5.8%	6.4%	-0.6%
North East	3.8%	4.4%	-0.6%
South West	3.6%	5.5%	-1.9%
Wales	2.7%	4%	-1.3%
Northern Ireland	0.7%	0.8%	-0.1%

Source: Home Office Management Information and Higher Education Statistics Agency (HESA) microdata.

Note: Student data are for students that then go on to the Graduate route. Home office data does not distinguish between university campuses so if someone attended a campus that was based in London, but their university was based outside of London then they would be counted as being outside of London.

Whilst this may downward bias the share of students in the London region, when comparing to HESA microdata which does account for London campuses then the regional distributions are broadly similar.

## Summary

As highlighted above, there has been a large increase in the number of Graduate visas granted since the route's introduction. In 2023, 114,000 Graduate visas were granted for main applicants with a further 30,000 being granted for dependants. The take up of these visas is largely concentrated among 4 nationalities. The top 4 nationalities - India, Nigeria, China and Pakistan - accounted for 70% of all Graduate visas, with India accounting for over 40%.

The majority of those on the Graduate route completed postgraduate taught courses. 91% of Graduate visa holders in 2023 had completed a postgraduate taught course. Most of the growth since the Graduate route's introduction is from non-Russell Group universities' postgraduate courses which account for 66% of all main applicant Graduate visas. This is the same group that has driven the growth in the number of Student visas in recent years.

It is not possible to provide analysis on the academic achievements of those who go onto the Graduate route as the Home Office do not collect data on this. The Home Office only have data on whether a student has successfully completed their course, as that is a requirement for the Graduate visa. Access to data on

academic achievement would provide more insight into what the government considers 'brightest and best' and whether they are going onto the Graduate route.

# Chapter 2: What do migrants do on the Graduate route?

Understanding what Graduate visa holders do whilst on the route is an important consideration in determining the overall impact of the route. This chapter covers what individuals do during the route, and after the route, alongside the fiscal impacts whilst on the route. Where possible, comparisons are made to domestic graduates, alongside those on other visa routes. The [commissioning letter](#) from the Home Secretary provided some data on the type of jobs that those on the Graduate route who switched into the Skilled Worker route obtained, suggesting that over half went into the care sector. These data are incorrect, and this chapter covers this issue in more detail.

## During the Graduate route

We use a newly matched dataset to explore employment outcomes of those on the Graduate route. We are grateful to Home Office and HM Revenue & Customs (HMRC) analysts for enabling us to use this. To analyse the work-related activities that Graduate visa holders are doing during their time on the route we use the HMRC-Home Office (HMRC-HO) data match<sup>1</sup>. This only allows us to analyse those who are main applicants in paid employment whilst on the route. Dependants are currently not in the HMRC-HO data, so we are unable to analyse this group. There are few restrictions on what a Graduate visa holder can do on the route, and there is limited evidence and data on what else (other than work) individuals are doing whilst on the Graduate route.

Of the Graduate visa holders who started the route before April 2022<sup>2</sup>, 79% match to an HMRC record (including paid employment through pay as you earn (PAYE), or self-employment measured by self-assessment). Their employment record may cover (partly or in full) a period outside the Graduate visa e.g., during a previous Student visa or a subsequent worker visa. As a result, the 79% match rate is not an estimate of the employment rate among Graduate visa holders. Another estimate of employment of Graduate visa holders is the share of the cohort who start the route before April 2022, who are PAYE employees and who work for at least 1 month during their first year after obtaining the Graduate visa<sup>3</sup>. This figure is 68%. It is important to note that those for whom no HMRC record was found may have started to work for the first time after April 2023, may have left the country without exercising their right to live and work in the UK for the full 2 or 3 years, or may have been working in the UK but their records did not match. We are unable to estimate

---

<sup>1</sup> HMRC-HO data is the result of a matching process between main applicant Graduate visa holders whose applications were received by the Home Office in or before Q1 2023, and HMRC employment records between April 2019 and April 2023. The matching process is less likely to succeed the more circumstances change between obtaining the visa and employment (e.g., change of address). The match allows observations of visa holders' PAYE monthly income; yearly self-assessment and PAYE income; and industry codes of employment. More information on the HMRC-HO data match can be found here <https://www.gov.uk/government/statistics/analysis-of-migrants-use-of-the-graduate-route>.

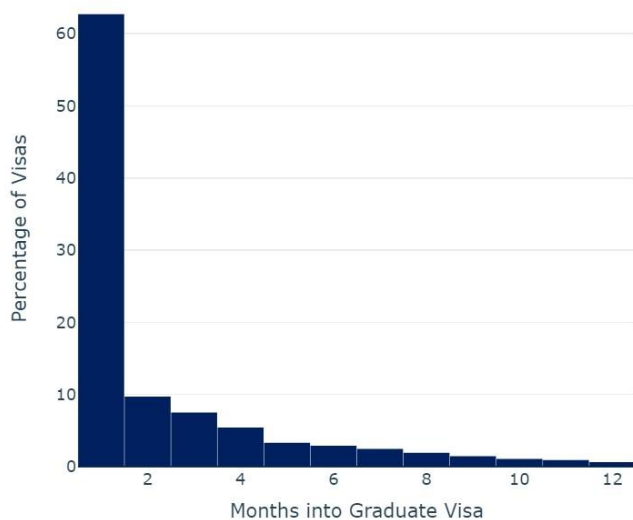
<sup>2</sup> Since the HMRC records from the HMRC-HO data match only run to April 2023, this allows us to capture those who have started the Graduate route early enough to (potentially) have a full year of income available.

<sup>3</sup> Does not include the self-employed, as they do not have monthly income values.

how many Graduate visa holders leave the country before their visa expires, and the Home Office is currently unable to supply this data. Neither measure of employment is comparable to employment rates calculated in the normal way. This is because an accurate employment rate would exclude people who have left the UK and would count people who were in work at a fixed point in time, rather than at a time which varies according to when they obtained their visa.

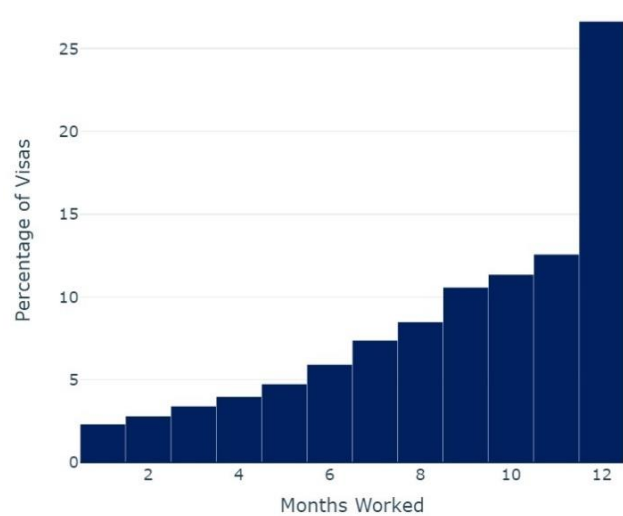
It is possible to use the HMRC-HO data match to understand when and for how long a Graduate visa holder is in employment, as long as they are working as employees (rather than self-employed where the data are only available in full tax years). Figure 2.2 shows that, among those working at least 1 month during their first year on the Graduate route, the largest group (27%) is those who are in employment for the full year, and 61% are employed for 3 quarters of the year or more. Regardless of how much of the year they are employed, Figure 2.1 shows that of those who work, the majority (63%) are employed within 1 month of starting on the Graduate route. Taken together, Figures 2.1 and 2.2 support the conclusion that, for those graduates who work while on the route, the majority secure employment promptly and work for most of their first year.

**Figure 2.1: Time taken to start employment on route**



Source: Home Office – HMRC data match.  
 Note: Figure only covers employment income through PAYE. The start of the Graduate route is taken to be the first full month after the visa is obtained. They may have secured employment before starting on the Graduate route. Main applicants only.

**Figure 2.2: Proportion of the first year of the Graduate route in employment**



Source: Home Office – HMRC data match.  
 Note: Only cover employment income through PAYE. The start of the Graduate route is taken to be the first full month after the visa is obtained. The months worked need not be consecutive. Main applicants only.

Figure 2.3 shows, unsurprisingly, that the monthly income of an individual is likely to be higher the further they have progressed into their first year of the Graduate route. We are unable to separate the growth in hourly earnings from the growth in hours worked. It is likely that some of the growth in monthly earnings represents growth in hours worked, alongside growth in hourly earnings. Growth in hourly wages could be attributed to graduates adapting to the UK labour market, as well as high nominal wage growth in the same period. For example, the proportion of individuals in the lowest bracket earning less than £2,000 per month



falls from 63% to 38% between the first full month and the last month on the visa. The highest income bracket in Figure 2.3 covers those earning £2,500 or more monthly<sup>4</sup>. This is close to the £2,580 monthly (or £30,960 annually) salary threshold for a Skilled Worker visa with the new entrant discount applied, although the occupation-specific rate for a Skilled Worker visa may be higher than this. It is interesting to note, in this context, that 19% of Graduate visa holders earn at least £2,500 in their first full month after obtaining the visa. This increases to 38% by the 12th month.

Figure 2.3 also provides a comparison to the income of domestic graduates approximately 15 months after their graduation in the 2020/21 academic year. This is the final column in the figure. Graduate visa holders are proportionately more likely than their domestic counterparts to be in either the highest or lowest income brackets 1 year after obtaining the visa. The largest difference lies in the middle bracket, which accounts for 24% of Graduate visa holders 12 months after obtaining the visa, and 39% of the domestic graduate sample.

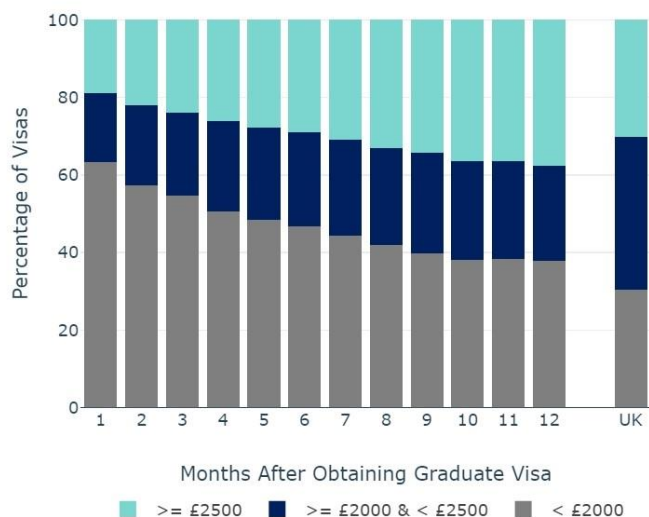
Figure 2.4 shows the distribution of the average monthly income during the first year on the Graduate route. The median monthly income of the matched cohort who are in work is £1,750 (equivalent to £21,000 annually). The median monthly income, when looking at only the last 3 months of the first year on the Graduate route, is £2,020 (equivalent to £24,240 annually). We would expect to see an increase, given the trends shown in Figure 2.3.

These figures are higher than the Home Office assumed for those on the route in the [Graduate route impact assessment](#), which assumed a median salary of £18,000 using ASHE (Annual Survey of Hours and Earnings) 2019 data. The ASHE 2022 median earnings for all workers between the age of 22 to 26 is £19,200 annually. For domestic graduates it is estimated at £26,000 15 months after graduation, from the [Graduate Outcomes Survey](#) (UK domicile 1<sup>st</sup> degree in 2020/21). Despite a greater proportion of Graduate visa holders being postgraduates compared to domestic graduates, the difference between the 2 median income figures can be expected given that international students are likely to have less experience in the UK labour market.

---

<sup>4</sup> The income brackets were chosen to enable a comparison with a sample of domestic graduates.

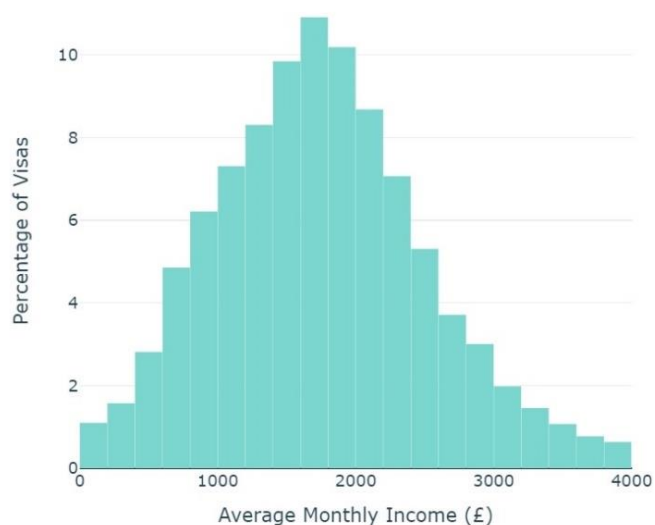
**Figure 2.3: Monthly income during the first year on the Graduate route**



Source: Home Office – HMRC data match and Graduate Outcomes Survey for domestic graduates.

Note: Figure 2.3 shows graduates, including those switching in their first year, starting before April 2022. It only considers those who have non-zero income every month during their first year on the Graduate route. Employment income is through PAYE. Main applicants only. The UK comparison is made with Higher Education Statistics Agency (HESA) Graduate Outcomes 2020/21: [Graduate Outcomes 2020/21: Summary Statistics - Graduate salaries and work locations | HESA](#). The domicile is all UK, mode of former study is full-time, and paid employment is the most important activity.

**Figure 2.4: Average monthly income during the first year on the Graduate route**



Source: Home Office – HMRC data match.

Note: Figure 2.4 shows graduates starting before April 2022 who do not switch visas within a year and who have income for at least 1 month during their first year on the Graduate route. Only monthly incomes greater than £0 are considered. Employment income is through PAYE. Main applicants only. Monthly incomes above £4000 are not shown due to small sample sizes, but account for 3% of the total.

The route has no restrictions on the type of employment that Graduate visa holders can have, and therefore it is not required that Graduate visa holders always work in graduate roles. Stakeholders reported that the lack of restrictions does provide some benefits, such as allowing self-employment which is more restricted on work visas, and for those working in creative subjects having flexibility to freelance. It also increases the labour market power of the Graduate visa holder, as they are more freely able to move to a different employer given there is no sponsorship element, and they are able to leave if working conditions are not suitable.

The Graduate visa holders interviewed often reported that they were not in jobs which related to their course of study, preferred longer term career trajectory, or in jobs they wanted to be in. They were in job roles, or were having to apply for job opportunities, for which they were overqualified. Domestic graduates may be similarly dissatisfied, but we were unable to compare this in the timeframe given for this review. It should also be noted that this is a small sample taken from a short period on the route. The qualitative interviews aimed to identify a range of various perceived barriers, opportunities and experiences of students on the route from a spread of different universities, courses studied, level of study, employment status, location and jobs.

*"[Working in retail] is quite tricky in all aspects because I think I'm the oldest one. I have colleagues that are 16, they're not pursuing a university degree... I feel like a failure."*

**Filipino Graduate visa holder, research interview**

A lack of awareness of the Graduate route amongst employers was reported as a barrier to those on the route seeking employment. This was a finding in the report by the [All-Party Parliamentary Group for International Students \(APPG\)](#) and was also reported to us by student representative groups, who said students and those on the route were having to explain conditions of the route to employers themselves. The sector has developed employer toolkits to raise awareness of conditions, for example the route not requiring sponsorship or a resident labour market test, but more could be done by government and universities to raise awareness of the route amongst employers.

*"...they [employers] still think that the Graduate route either doesn't exist, so they don't know about it, or the fact that it might still need a resident labour market test."*

**Student representative, roundtable discussion**

*"...they [an individual on the Graduate route] might not even get to interview stage if an employer doesn't understand about the Graduate route."*

**Student representative, roundtable discussion**

There may be some reluctance by employers to take on Graduate route users, who may not remain in the UK after their visa period. Employers may prefer to take on someone for a longer period. For employers there may also be the consideration that salary thresholds on the Skilled Worker visa have recently risen to £30,960 (new entrant discount applied). This may deter employers from employing newly qualified Graduate visa holders, who may not be able to reach the Skilled Worker threshold by the end of their Graduate visa. The theme of employer reluctance to hire individuals on the Graduate route is echoed by [other research](#). Given the limited timeframes for this review, we were unable to engage employers who have recruited those on a Graduate visa to develop a fuller understanding of their perspectives.

## After the Graduate route

During the 2-year (3 for PhD graduates) timespan of the Graduate route, individuals can switch out of the route into other visas they are eligible for, leave the UK, or remain on the route and in the UK. However, at the end of the 2- or 3-year period individuals still on the Graduate route must leave the UK, or switch onto another eligible visa route. Those on the Graduate route cannot switch to another route and then switch back onto the Graduate route.

Individuals who wish to remain in the UK have the following visa options:

- Find an employer to sponsor them on a **working visa**, subject to visa rules, or qualify for another work visa such as Global Talent;
- Apply for another **student visa** – e.g., Masters' or doctoral courses; or,

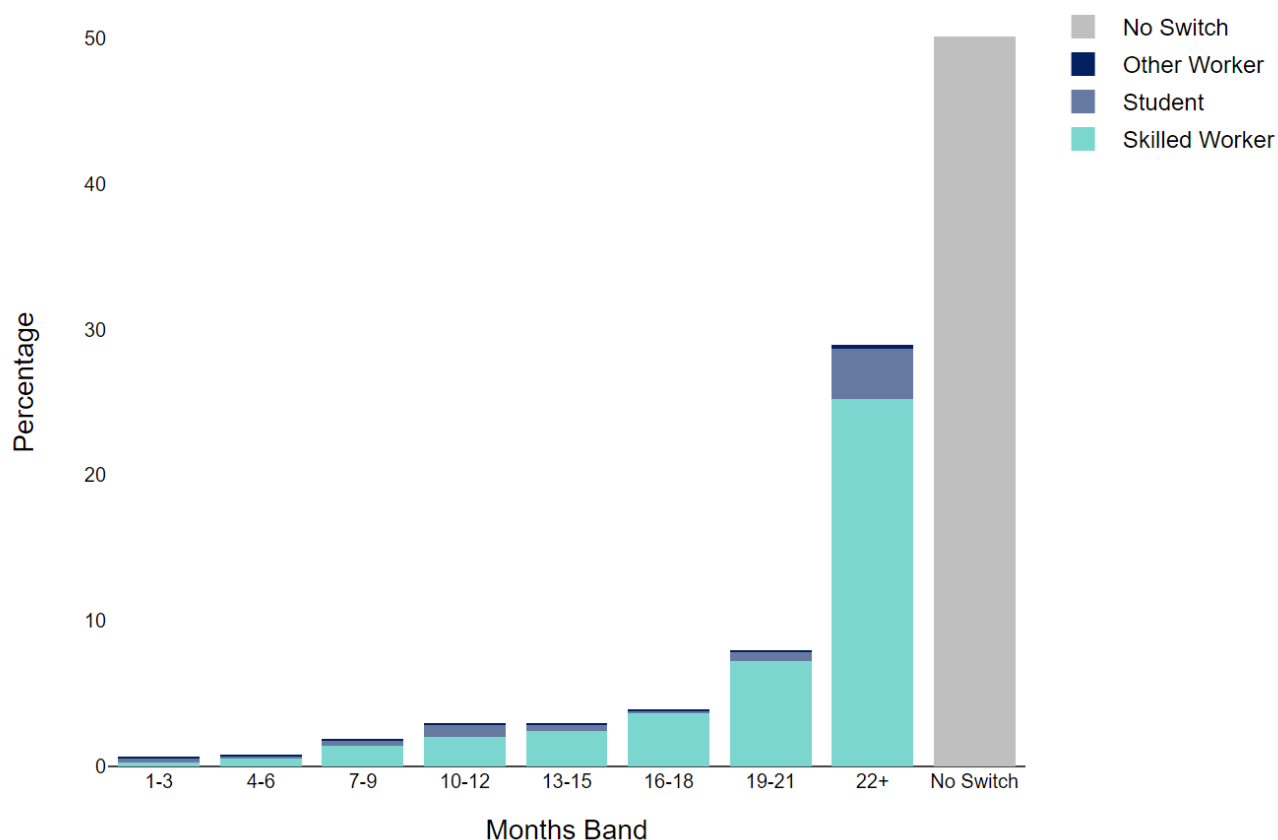
- **Other options**, if eligible – e.g., stay as a dependant of another individual on a visa, or on the Family Route.

To understand the migrant pathway, we used Home Office management data that linked graduates backwards (to their Student visa) and forwards (to Skilled Worker or other visa) to follow their migration journey. Only those who began the Graduate route between July 2021 and December 2021 have seen their Graduate visa expire in our dataset and have therefore had to switch visas if they wish to remain in the UK. Home Office data show that 50%<sup>5</sup> of these individuals switched into a work visa or Student visa, either prior to or when their Graduate visa expired. Most of these (86%) went into the Skilled Worker route, whilst 1% went to other worker visas, and 13% went back to Student Visas. The nationalities of those switching into work routes from the Graduate route reflect the top nationalities on the Graduate route itself (India, Nigeria, China, Pakistan, United States).

---

<sup>5</sup> Home Office has published similar analysis, showing similar but not identical results: this is due to the use of different data sources. <https://www.gov.uk/government/statistics/analysis-of-migrants-use-of-the-graduate-route>.

**Figure 2.5: Switching from Graduate visa to other visas**



Source: Home Office Management Information, July 21 to March 2024.

Note: Cohort is only those whose Graduate Visa has now expired, i.e., started July 2021 to December 2021. Those identified as 'No Switch' may be on Family visas or other visas – this was not identifiable in the data. [Home Office estimates that 6% switch into the family route, and 5% into other routes.](#)

We were unable to identify individuals moving into Family visas or other routes in the dataset we were provided with - these individuals are therefore captured in the 'No Switch' category in Figure 2.5. However, the [Home Office](#) estimates that 6% of those switching from the Graduate route switch into the Family visa and 5% switch into other visas. Figure 2.5 shows that, of those who switch into study or work routes (50%), the majority switch towards the end of the visa. Graduates may not see the need, or may find it difficult, to switch onto a sponsored route until the end of their current visa. Employers may also be reluctant to sponsor graduates before their visa expiry, given the costs and administration involved. In interviews with Graduate visa holders, we asked about their plans after the Graduate route. Some were hoping to be sponsored on the Skilled Worker route and had taken jobs they believed acted as a bridge to sponsorship in the future with the same employer or improved their chances of getting sponsored elsewhere.

*"... after the contract, then obviously when they see how awesome I am they would say, oh we have to keep you, we can't let you go. But no, they did let me go, even before the 12 month [job contract] period."*

**Nigerian Graduate visa holder, research interview**

They were optimistic about their ability/chances of securing a sponsored job and of meeting the salary threshold. Interviewees said they had, or were in the process of having, conversations with managers about whether their current role or other roles in the company were open for sponsorship. Of those who were unemployed, most were looking for work, applying for further studies, or applying for alternative visas before their Graduate visa expires.

*“There’s no opportunity for sponsorship in my current role but [my company] does do sponsorship, but it’s through specific roles. My manager has given me a few to apply to, and he said he’d put in a good word.”*

**Egyptian Graduate visa holder, research interview**

A [Home Office survey](#) also found that the Graduate route appealed to international students as it allows them to remain in the UK without needing sponsorship, making it easier to get a job and to gain experience towards getting a work visa sponsorship.

Below we compare those on the Graduate route who switch to the Skilled Worker visa, with domestic graduates surveyed 15 months after graduation, and those switching directly from the Student route to the Skilled Worker visa. The [commissioning letter](#) from the Home Secretary stated that “initial data shows that the majority of international students switching from the Graduate Route into the Skilled Worker route go into care work” and that “early data suggests that only 23% of students switching from the Graduate route to the Skilled Worker route in 2023 went into graduate level jobs.” Having spoken to the data owners in the Home Office, we have found the data that informed these claims do not in fact show Graduate visa holders switching into work routes. **The statement made in the commissioning letter regarding where Graduate visa holders work post-route is therefore incorrect.** The Home Office has provided us with another cut of the data, which looks to be more robust and correct, although we cannot independently verify this. Table 2.6 and 2.7 shows the switching rate for graduates switching into work routes, based on these corrected data.



**Table 2.6 Proportion of occupations of those on the Skilled Worker route, July 2021 to December 2023**

	All Graduate route switchers	Direct Student route switchers	Skilled Worker route age 30 and under	Domestic graduates
Managers, directors and senior officials	7%	4%	2%	4%
Professional occupations	40%	29%	46%	49%
Associate professional and technical occupations	22%	8%	9%	22%
Administrative and secretarial occupations	3%	2%	1%	6%
Skilled trades occupations	4%	4%	6%	2%
Caring, leisure and other service occupations	22%	51%	37%	6%
<i>Specifically care workers, and senior care workers</i>	20%	49%	35%	-
Other occupations	2%	1%	0%	11%

Source: Home Office Management Information, July 2021 to December 2023, and Graduate Outcomes Survey for domestic graduates.

Note: Other occupations include: Sales and customer service occupations; Process, plant and machine operatives; Elementary occupations. All Graduate route switchers are those who have entered the Skilled Worker route, after the Graduate route. Student route switchers are those who have entered the Skilled Worker route without using the Graduate route. Skilled Worker route under 30 are filtered for out of country applications so will not include Student route and Graduate route switchers. The Graduate Outcomes Survey samples those graduating in the academic year 2020/21 approximately 15 months after graduation. These figures are for those domiciled in the UK, who studied full-time, and were in paid employment. The industry is the respondents' 'most important' activity.

Table 2.6 shows that the distribution of graduate switchers across occupations is broadly similar to those who enter the Skilled Worker route directly from abroad and to domestic graduates. Amongst those switching from the Graduate route to a sponsored working visa, 69% were switching into occupations that are classified as: Managers, directors, and senior officials; Professional occupations; or Associate professional and technical occupations. This compares to 75% of domestic graduates who are in these roles. In contrast, only 42% of those switching directly from the Student route to a sponsored working route are in these roles. Crucially, Graduate route switchers are moving into graduate level jobs at the end of their visa in roughly the same proportions as we observe domestic graduates.

Almost half of student switchers work as Senior care workers or Care workers (49%), whilst in comparison many fewer Graduate route switchers work in these occupations (20%). However, this is still significantly higher than the domestic graduate population, where only 6% work in the entire 'Caring, leisure and other service' occupations. Those who switch from the Graduate route to the Skilled Worker route before 21 months on the visa are more likely to work as Care workers and Senior care workers (21%), compared to those who switch after 21 months on the visa (15%). This could potentially highlight a decision from a small portion of the Graduate route cohort (6%) to prioritise settlement (which requires switching into the Skilled Worker route) above their future career prospects.

The commissioning letter indicated concern about Graduate route visa holders switching into care work. The 20% identified above is still a substantial share, even if it is lower than in other routes and very much lower than claimed in the commissioning letter. However, if the government is concerned about this phenomenon, the problem lies in the care sector rather than the international study sector. Former students, and other migrants, do care work in the UK because this work is eligible for the Skilled Worker route and there is high

demand for care workers at the low salary threshold. In the period for which we had data, most former students who moved into the Skilled Worker route to do care work moved into this route directly, rather than via the Graduate route, and time on the Graduate route reduces the likelihood of entering care work in the longer term, perhaps through gaining experience. As we have set out multiple times including in our [2023 Annual Report](#), the main solution to the recruiting problems in the care sector is pay and conditions, and immigration should not be used to avoid the necessary adjustments (as is currently the case). However, to the extent that the UK relies heavily on visa holders to staff the care sector, there is no reason that it is worse for these workers to be former international students than other migrants coming from overseas. In fact, there may be some benefits of relying on former students as they may be less vulnerable to exploitation, though for the students themselves they may be working at a level below their experience and training.

Those switching from the Graduate route to the Skilled Worker route are more likely to be working in London or the South-East compared to others on Skilled Worker visas, with 52% being based in the London or the South-East compared to 43% of student switchers and 47% of others on the Skilled Worker route.

**Table 2.7: Annual salary band proportions of cohorts on the Skilled Worker route.**

	All Graduate route switchers	Direct Student route switchers	Skilled Worker route 30 and under	Domestic graduates
£18,000 to £24,000	24%	40%	31%	24%
£24,000 to £30,000	38%	33%	33%	36%
£30,000 to £36,000	18%	11%	9%	20%
£36,000 to £42,000	9%	7%	7%	8%
£42,000 to £48,000	4%	3%	4%	4%
More than £48,000	8%	6%	17%	8%

Source: Home Office Management Information, July 2021 to December 2023, and Graduate Outcomes Survey for domestic graduates.

Note: All Graduate route switchers are those who have entered the Skilled Worker route, after the Graduate route. Student route switchers are those who have entered the Skilled Worker route without using the Graduate route. Skilled Worker route under 30 are filtered for out of country applications so will not include Student route and Graduate route switchers. The Graduate Outcomes Survey samples those graduating in the academic year 2020/21 approximately 15 months after graduation. These figures are for those domiciled in the UK, who studied full-time, and were in paid employment. The industry is the respondents' 'most important' activity.

Table 2.7 shows that 61% of Graduate route switchers into the Skilled Worker route earned below or equal to £30,000, compared to 74% of student switchers and 60% of domestic graduates. Again, the salary distribution for Graduate route switchers is very similar to domestic graduates. The domestic graduates and Graduate route switchers had (predominantly) both graduated for over a year when these salaries were reported, whereas student switchers had not had this time since graduation. This highlights a probable experience gap, which suggests a closer comparison for graduate switchers is domestic graduates, as opposed to student switchers directly into the Skilled Worker route.

40% of Student route switchers are in the lowest salary band (£18,000-£24,000), compared to under a quarter of graduate switchers and domestic graduates. When this is taken in conjunction with the occupational

differences in Table 2.6 discussed above, we can see that graduate switchers and domestic students may be more likely to find a job traditionally considered a ‘graduate’ job role, such as a ‘professional occupation’.

Table 2.6 suggests that Graduate route switchers are more likely to be in graduate-level occupations (RQF6+) than student switchers. Without better data on the occupations and job roles graduates visa holders work in whilst on the route, it is difficult to form strong conclusions. However, to some extent this may highlight the Graduate route visa providing flexibility for graduates to build work experience, allowing them to progress into a higher-paying job before switching onto the Skilled Worker route. This is supported by the more similar occupation profile of Graduate route switchers to domestic graduates after 15 months, compared with student switchers. The slow rise in earnings through the route (Figure 2.3), implies flexibility in employment increasing earnings over time. However, we are comparing Graduate route switchers, who may have up to 2 years of UK labour market experience, to student switchers who may have much less. A better comparison would be the earnings and occupations of student switchers 2 years into the Skilled Worker route. We currently do not hold this information, but the HMRC-HO data match should allow this type of evaluation in the future.

Students switching directly on to the Skilled Worker route are more likely to be in lower-paid roles, and occupations less traditionally associated with graduate employment, demonstrated by Tables 2.6 and 2.7, where we see a large disparity between the earnings and occupations of student and Graduate route switchers. Direct student switchers will be different from Graduate visa holders in various ways. They have chosen not to pursue the Graduate route. This could be because they were already content with the role they had been offered, or that they did not believe they would be able to find more skilled work even if they did take up the Graduate route. Student switchers may also have preferred to switch to the Skilled Worker route sooner, in order to get onto a pathway to settlement.

## **Fiscal impacts**

Given the limited time to conduct this review, we provide a sense of scale and direction of fiscal impacts rather than detailed estimates – which would potentially have been possible with a longer review period. We suggest that Graduate visa holders are likely to be net fiscally positive whilst on the route. This is due primarily to their tax contributions through working, their low healthcare costs which are closely linked to age, the requirement to pay the Immigration Health Surcharge (IHS) (£1,035 per year) and the no recourse to public funds (NRPF) restriction.

Fiscal impacts can be categorised as positive and negative contributions. Positive fiscal contributions mainly come from tax revenue, where employment and income are good indicators of the likely contribution. Negative contributions come from the use of public services, both by the main applicant and their dependants (noting that in future there will eventually be very few dependants on the Graduate route).

As highlighted above, around 70% of those on the Graduate route have a pay record in the first 12 months of their visa. It is unclear whether the remaining 30% are unemployed, have left the country, are in unpaid work, are self-employed, or something else. Of those employed, Figures 2.2 and 2.3 outline their incomes. Incomes provide positive fiscal contributions via direct (income and national insurance contribution) and indirect (including value added tax) taxes. The median monthly income for an individual working on the Graduate

route was £1,750, or £21,000 annually. This level of income in financial year 2022/23 would contribute around £1,700 in income tax, and £700 in national insurance contributions.

Negative fiscal contributions come from use of public services, which is typically related to age. Graduate visa holders tend to be younger (median age of 26 at application) which may suggest lower health expenditures compared to other migrants and UK citizens. The [OBR reports](#) that health expenditure is lowest between the ages of 16 to 45.

Given the timeframes for the review and the lack of readily available data, we have very little evidence on what adult dependants on the route are doing, whether they are in work and (if so) their earnings. Therefore, it is not possible to make an assessment of the fiscal impacts of dependants on the route. Child dependants will represent a fiscal cost given the provision of state-provided education. From 1 January 2024, the Home Office removed access for the majority of dependants on the Student route, which will significantly reduce the number of dependants entering the Graduate route over time. We also do not attempt to assess the longer-term fiscal impacts of the route.

## Housing and public services impacts

Given the limited time for the review, we have been unable to look in detail at the effects of the Graduate route specifically on housing or public services. However, in our [2023 Annual Report](#) we commented on the impact of net migration on housing pressures, with the main conclusion from that report being that net migration contributes to the demand for housing through increasing the local population. Historically, the supply of housing in the UK has not kept pace with rising demand, and so it would be expected that the increased housing demand arising from positive net migration would put further upward pressure on housing costs. There have been attempts to estimate the impact of migration on housing costs, with mixed results. In our report on [European Economic Area \(EEA\) migration](#), we found that a 1 percentage point increase in the population due to migration leads to a 1% rise in house prices. However, the results were sensitive to specification<sup>6</sup> and the impacts of migration on house prices cannot be seen in isolation from other government policies.

As the Graduate route has increased the attractiveness of the Student visa offer, this also has implications for international student housing and use of public services. In our [2023 Annual Report](#) we also discussed how migration can affect public service provision. The [International Education Strategy](#) set a clear target for increasing the number of international students by 2030. However, it appears there was a lack of coordination or consideration across government of the implications of increasing student numbers for public services and housing at a local level. We have encountered instances of good practice between universities and local authorities across the UK in conducting integrated planning exercises to estimate the impact of cohorts of international students upon local housing stock and public services over the short, medium, and long term. For instance, Sheffield Hallam University and the University of Sheffield have worked with Sheffield City Council to

---

<sup>6</sup> In many empirical investigations of the impact of migration in the UK, the results are not reliable if local authority trends are also included in the model.

shape housing development in the city to 2039, accounting for the likely impacts of both domestic and international students. The universities, along with their respective student unions, collaborate with the council on a housing standards and landlords accreditation program to help students navigate the housing market. These localised examples highlight the need to consider the wider impacts of migration policy for public services across the UK.

## Summary

Whilst we cannot estimate an employment rate for those on the Graduate route, the majority are in work and for those graduates who work while on the route, the majority secure employment promptly and work for most of their first year. The findings broadly suggest that Graduate visa holders who are working earn a similar amount to domestic graduates, and their earnings typical increase with time on the route.

It is likely that Graduate visa holders make a small positive net fiscal contribution, as although they are relatively low earners, they are expected to have low healthcare costs, pay the IHS and the NRPF restriction applies. The main fiscal costs associated with the route could be child dependants, however, the government has significantly restricted access of dependants to the route in the future.

Of those Graduate visa holders who switched into the Skilled Worker route, apart from a higher proportion working as care workers, they generally work in similar occupations to domestic graduates. Our focus in this chapter has necessarily been on those who entered the Graduate route prior to December 2021, and it is possible that future cohorts may have different patterns of employment and earnings, so this should be monitored closely going forward. There are some evidence gaps where more time and linking of additional Home Office datasets could improve our understanding in the future on:

- The types of occupations that those on the Graduate route work in, and whether these are typically graduate level roles;
- The employment rate of those on the Graduate route and how many have left the UK before their visa has expired; and,
- The activities of dependants on the route, whether they are in work and if so their earnings.

# Chapter 3: Is there evidence of abuse on the Graduate route?

We were asked by the Home Secretary to consider any evidence of abuse on the Graduate route. This chapter provides our definition of abuse and considers the available evidence relating to the route.

## Defining abuse

We define abuse of the Graduate route as deliberate non-compliance with the terms of the route. According to UK Visas and Immigration (UKVI), a breach of the Graduate route immigration rules would be:

- Claiming public funds;
- Becoming a professional sportsperson;
- Overstaying;
- Sponsor and/or applicant falsifying eligibility requirements; and/or,
- Undertaking a course that would qualify for the Student route.

Abuse is distinct from instances where the route is used for permitted purposes that do not align with the government's intended policy objectives. For example, the high number of individuals using the Graduate route, or the type of work they do while on the route, are matters concerning whether the route is fit for purpose in achieving government objectives. Whilst we have considered these matters elsewhere in the report, we do not regard them as abuse.

This chapter also explores potential exploitation of those on the Graduate route, which is distinct from abuse of the rules, but for which there is evidence.

In this rapid review, we do not examine distinct abuse of the Student route, and note that the government did not ask us to do so. However, when considering the exploitation of international students, we consider the role of international recruitment agents which is relevant to both the Student and Graduate routes. We also acknowledge that there are more criteria with which Student visa holders and sponsors must comply and, therefore, there is comparatively greater scope for abuse to occur on the Student route compared to the Graduate route. While we cannot quantify the scale of any abuse on this route, it is appropriate for the government to seek to eliminate any such instances.

Finally, we note recent reports of an increase in asylum applications from those originally coming to the UK through work and study routes. The government may deem this behaviour undesirable and unintended usage of these routes. However, coming to the UK legally on a work or study visa and proceeding to make a legitimate, admissible asylum application does not constitute abuse. If the government is concerned by the rising number of such applications they should address this issue directly – it does not relate substantively to the Graduate route.



## Evidence of abuse on the Graduate route

Evidence from UKVI, alongside insights gathered through our roundtables, indicates that levels of abuse on the Graduate route are very low. This is partly because of the limited number of conditions attached to the route and the fact that a limited cohort of Graduate visas have expired, given the route was introduced in 2021. The section that follows outlines the very limited evidence we have uncovered on abuse of the Graduate route rules, and examples of exploitation of those on the Student route by some recruitment agents.

### Falsifying information

When an individual applies for the Graduate route, they do not need to provide a great deal of supporting evidence. For example, they do not need to provide a transcript of results or proof of funds. Additionally, UKVI only need to confirm with the Higher Education (HE) establishment that the individual has successfully completed their course. Student Sponsors must report course completion to UKVI, and UKVI will only contact Student Sponsors if they have not uploaded this confirmation and/or if they receive information from other channels e.g., public allegations, internal intelligence. UKVI note that they are not aware of any widespread falsification of information to qualify for the Graduate route. This is further evidenced by the very low refusal rate. Published Home Office statistics show that since the inception of this route there have been 214,900 main applicants and only 1,700 of those have been refused (0.8%)<sup>7</sup>. The main reasons for refusal include:

- An individual not having the correct type of qualification e.g., a certificate rather than degree (some non-degree courses are eligible as set out in the immigration rules); and,
- An individual applies for the visa too early i.e., before their course has concluded and thus before successful completion of the course. Sometimes UKVI hold applications like this for a short period, where feasible, and consequently those applications do not count towards refusal rates. However, if an applicant's results are not due within a reasonable timeframe, UKVI will decide the case based on individual circumstances and this can result in the case being refused.

The refusal rates are likely to be low as there is a limited number of criteria a student needs to meet to apply for the Graduate route given there are few restrictions for what those on the route are allowed to do in the UK. Beyond refusal rates, there are no quantitative data sources available at present that can be used to explore abuse.

### Overstaying

Given that the first cohorts of those on the Graduate route have only recently come to the end of their visa duration, there is little evidence available on the numbers who are overstaying their visa length. The Home Office was unable to provide data on the rate of overstaying on the Graduate route.

---

<sup>7</sup> The refusal rate for main applicants for the Student visa during the same period was 1.7% and the refusal rate for main applicants for the Skilled Worker visa was 3.2%.

## **Fraudulent applications**

UKVI have noted early evidence that a small number of individuals are using the Graduate route to extend their time in the UK beyond the usual timeframe. This is often done by 'in time' applications, where an individual applies for another visa or submits a fee waiver application before their current visa expires. If this individual's current visa expires while waiting on a decision for their new application, they continue to be covered by the conditions of the expired permission. In cases where these applications are made without merit, e.g., a fee waiver application on the basis of destitution where the applicant knowingly does not fit the UKVI criteria for destitution, these applications could be deemed fraudulent. UKVI will refuse such applications after they have been assessed and found not to meet the requirements, but the time this takes to assess extends their leave to stay in the UK.

Based on current anecdotal evidence, UKVI said they believed that the above trends relate to a very small cohort. To fully understand the extent to which the above trends occur, further analysis and resource is required. We are grateful to UKVI for sharing these early insights, but it is necessary that we treat them with caution and based on our current understanding we do not believe this behaviour represents a significant threat to the integrity of the Graduate route.

## **The exploitation of international students**

There is no formal definition of exploitation of international students in respect of the Graduate route. However, UKVI would consider this to be where an international student has been taken advantage of, deliberately misled and/or forced/coerced into doing something against their will, for another's benefit. During both our stakeholder roundtables and research interviewing Graduate visa holders for this review, it was highlighted that some international students are the victims of bad practice by international student recruitment agents when applying under the Student route. While this is not deliberate non-compliance with the immigration rules, it impacts prospective Student visa holders and is likely to impact Graduate visa holders. Exploitation of those applying under the Student route intending to use the Graduate route in the future by international student recruitment agents and sub-agents is a concerning issue. Individuals applying for the Student route place trust in these agents to support their decision making and the application process.

The importance of this is further illustrated in the latest [Home Office survey](#) which found that, of the 107 HE providers that actively recruit international students, 56% use student recruitment agents to attract international students. Additionally, in 2021 the [British Universities International Liaison Association \(BUILA\) reported](#) that approximately 50% of international students are recruited via education agents.

Interviews with Graduate visa holders also evidenced the poor agent practice some of them experienced when applying under the Student route. A general theme was the extent to which Graduate route users seemed to place reliance on agents when applying for the Student visa, including helping to select their course of study or institution, and navigating the visa process.

*“I didn’t really do any research, to be honest. I had no idea where I was going. I was booking accommodation without knowing anything.”*

**Egyptian Graduate visa holder, research interview**

*“They [the agent] applied for me and I didn’t do anything, to be honest. The only thing I did was the IELTS, and I gave them my documents. I think I had to do a personal statement, telling them [the university] why I wanted to do the course, but I think the agency wrote it for me.”*

**Algerian Graduate visa holder, research interview**

This reliance on agents may lead to individuals paying for unnecessary add-ons and potentially being exploited when applying under the Student route as some agents could use their strong influence to push specific courses or universities. The individual above whose agent wrote their personal statement, for example, ultimately ended up paying a large amount of money for an introductory course they later deemed to be unnecessary.

*“It was a useless course. It was basic maths and computer science stuff and it was mainly stuff I already knew. I came here through an agency, so they advised that I do a pre-Masters just to get used to the city, to get used to the education here. ...That’s what they advised me to do so that’s what I did. But I think I regret it; I shouldn’t have done it, I should have gone straight to my Master’s.”*

**Algerian Graduate visa holder, research interview**

There were also examples of individuals stating that agencies had mis-sold courses or universities to them when applying under the Student route. One person, for example, said she was led to believe she would be attending university in a large city, as some of the promotional materials had included photos of London, but she later discovered her university of choice was in a remote location that did not suit her needs or meet her expectations.

*“But gradually I was like, what is this? Why here? I wanted to go to a city and explore that side of me. But then coming to [here], you barely see people on the high street.”*

**Pakistani Graduate visa holder, research interview**

The use of the Graduate route as a selling point to recruit international students to the UK was evidenced when interviewing current visa holders. This issue was further raised in our student representative roundtable, where one individual stated:

*“ ...there’s outright lies... often these third-party educational agents... are mis-selling the UK as an immigration destination as opposed to an education destination.”*

**Student representative, roundtable discussion**

It is important to note that not all HE providers use agents, and initial steps have been taken by the sector to limit bad agent practice and protect students from exploitation when applying under the Student route. The recent implementation of the [UK Agent Quality Framework \(AQF\)](#) by the BUILA, Universities UK International, UK Council for International Student Affairs, and the British Council aims to ensure agents act ethically and professionally whilst facilitating informed student choice. HE providers who sign up to the AQF are encouraged to share data on agents to increase transparency within the sector while helping to identify and act against unscrupulous agents. [BUILA reported](#), in February this year, that almost 16,000 agents from 126 countries had signed the pledge.

HE providers and student representatives welcomed the recent implementation of the AQF at our roundtables, but also agreed that regulation would strengthen the ability to eliminate the exploitation of students by bad actors. In addition, UKVI noted that agents who sign up to voluntary codes are generally those already acting in good faith and 'bad actors' are unlikely to commit to a voluntary code.

We recognise that agents play an important role in the UK HE sector, and an inability to use agents would leave the sector at a distinct disadvantage to international competitors. However, the topic of poor practice by some agents, at Student visa stage, has been a recurring theme in our review and a lack of reliable data or a clear data sharing framework between the sector and government to understand the scale of these practices is a cause for concern.

# Chapter 4: Impacts of the Graduate route

This chapter outlines how the Graduate route helps attract international students, a comparison of competitor nations post-study work routes, evidence on the extent to which the Graduate route has helped attract international students to the UK, and how international students impact the Higher Education (HE) sector.

Our [commission](#) is a review of the Graduate route. Given this focus and the time constraints we have operated under, we do not provide an analysis of the contribution of the HE sector to the UK economy and society, nor to the importance of international students in that contribution. Our 2018 report on the [impact of international students](#) found “no doubt that international students offer positive economic benefit”, including that they allow for cross-subsidisation of the education of domestic students and for research. The benefits that we identified in that report remain true today, and as we document later in this chapter, the importance of international students for HE finances has grown significantly since that report.

We do not analyse the impacts here, but in our [impact of international students in the UK](#) report we reported that international students brought an economic benefit to the UK benefitting local areas where they study through their impact on local employment and other sectors. This remains the same now. Statistics show that the HE sector directly [employed](#) 513,600 workers in the UK in 2022, spread relatively evenly across the whole of the UK. The areas where HE supported 10,000+ jobs were all surrounding major universities, the top 3 areas being: Oxfordshire, Camden and City of London, and the City of Edinburgh. We note that alongside the target of 600,000 international students in the UK each year, the [2019 International Education Strategy](#) contained an ambition of increasing the value of education exports to £35 billion per year by 2030. Recent statistics show that total UK revenue from [education related exports and transnational education](#) (TNE) activity was estimated to be £27.90 billion in 2021, having risen 7% since 2019 based on current prices, indicating that the 2030 target will be met. International students are a key component of this export success.

## How does a Graduate route help recruit international students?

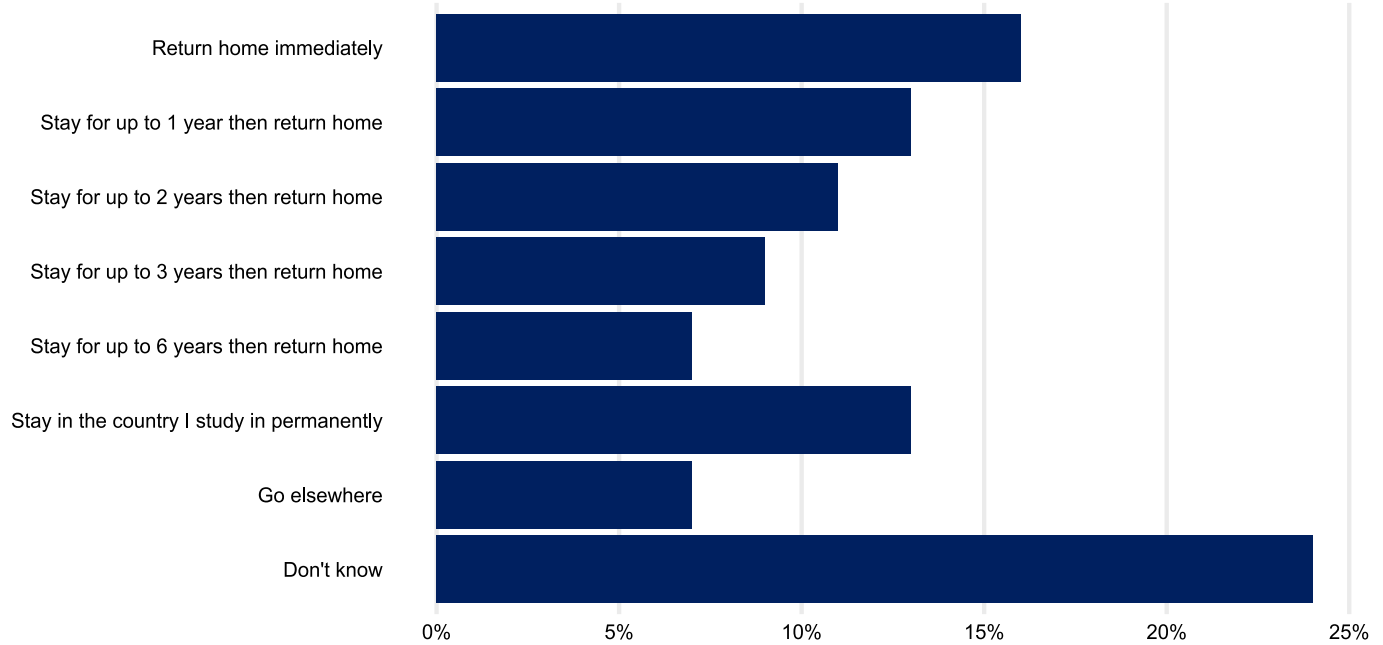
The availability of work routes after graduation is a factor in international students’ choice of study destination. The importance of extending the post-study period to help develop an internationally competitive educational offer for the UK is acknowledged within the International Education Strategy.

Whilst an individual’s actions do not necessarily reflect their original intentions, in a [Home Office survey](#) of Graduate visa holders, 73% of those who were aware of the Graduate route when applying said it influenced their choice to come to the UK. Of these, just under half (46%) would still have chosen to come to the UK if the Graduate route was not available, whilst 34% said they would not have come and 20% were unsure.

Students’ intentions are diverse. The [QS International Student Survey](#) draws responses from 110,000 prospective international students. As shown in Figure 4.1, a majority (53%) of prospective international students expect to remain in their chosen country after their studies, though only 13% expect to stay permanently. Currently around 32% of international students in the UK go on to join the Graduate route, while 18% switch directly into other work routes. Within the survey, nearly 64,000 respondents reported an interest in studying in the UK. [When surveyed](#), 30% claimed to be ‘much more’ likely to consider the UK and an

additional 29% were 'somewhat more' likely if the time available on the Graduate route was increased to 3 years.

**Figure 4.1: How long do prospective students expect to remain following graduation**



Source: UK International Student Survey 2022 - QS.

The survey shows significant diversity across nationalities over choices. For example, prospective Nigerian students rank the country being welcoming as the most important factor and increasingly emphasise the importance of graduate employment prospects. Chinese students by contrast rank the quality of teaching as the most important factor, alongside the university ranking and overall reputation at the institution and subject level. This is also consistent with the fact that Chinese students study primarily in the highest ranked universities.

Several reasons were reported for why students preferred the UK as a destination for higher education in our primary research. Quality of education and a trust that the UK offered a high standard of education that could enhance career progression either in the UK or in home countries were widely reported. The Graduate route itself was cited as an important factor, for reasons such as allowing individuals to gain work experience after studying, without the pressures of needing sponsorship immediately. It also allows students, particularly those who were making substantial investments to fund their education, to seek a return on their investment via employment.

*“The overwhelming decision point for students ends up being the ability to gain work experience, and I'd like to draw a distinction between work and work experience because I think that's quite a critical element. In our research, 70% of Indian students have said that the number one driver of what makes them choose between ultimately Australia or Canada or UK or in America is the ability to gain that work experience for a couple of years.”*

#### **Student representative, roundtable discussion**

Of the Graduate visa holders interviewed, not all of them were thinking of their longer-term career prospects, some just wanted the experience of living in the UK. Others viewed studying in the UK solely as a way to settle in the UK in the longer-term. Other reasons included the historical and geographical ties that countries had with the UK, including family connections, awareness of policy changes (in the UK and other countries), the length of stay permitted compared to other countries, and the role of agents in influencing decisions.

## **What are the post-study work options in other countries?**

The UK is not alone in having a post-study work route, and though the specifics vary, they are a common feature of our main competitors' offer. [Home Office survey](#) data suggests half of Student visa holders considered other countries before applying to come to the UK. Amongst those international students who considered other countries, the most commonly considered were the United States (US) (51%), Canada (42%) and Australia (34%).

Here we look at the post-study work visas offered by our main competitors and how these compare to the UK's Graduate route, in terms of; length of route, work rights, costs, ability to bring dependants, and options available upon completing the relevant post-study work route. Whilst we do not compare international student visa routes it is important to note that typical course length also varies across some of the key competitor countries depending on the education system.

**Table 4.2: Comparison of post-study work options across international competitors**

Country	UK	Australia	Canada	Germany	US
<b>Route</b>	<i>Graduate visa</i>	<i>Temporary Graduate Visa - Post-Study Work stream</i>	<i>Post-Graduation Work Permit (PGWP)</i>	<i>Residence permit</i>	<i>Optional Practical Training (OPT) for F-1 Students</i>
<b>Length of route</b>	2 years, rising to 3 years for PhD or other doctoral qualifications.	2-4 years depending on qualification level, 2-year extension for select degrees. Second Post-Study Work stream available for eligible students who study, live and work in regional areas.	8 months-3 years depending on course length and qualification level. Must graduate from eligible Designated Learning Institute (DLI).	Non-EU graduates can obtain 18-month residence permit extension after completing studies for the purpose of searching for a job as a professional with academic training. EU nationals can remain in Germany without residence permit.	Up to 1 year for most degrees, rising to 3 years for STEM degrees.
<b>Work rights</b>	Can work in any job (bar professional sportsperson).	Can work in any job.	Can work in any job.	Can work in any job.	Practical training relating to degree studied. Must be granted work authorisation whilst on Student visa.
<b>Costs</b>	Application fee: £2,892 (for 2 years); £3,927 (for 3 years) - includes annual Immigration Health Surcharge (IHS).	Application fee: AU\$1,895 <i>GBP equivalent: £1000.69</i>	Application fee + Open Work Permit fee: CA\$255 <i>GBP equivalent: £148.92</i>	Resident permit extension fee: approximately €100. <i>GBP equivalent: £86.11</i>	Application fee: \$470 (can vary). <i>GBP equivalent: £375.65</i>
<b>Dependants</b>	Only dependants attached to Student visa can stay as dependants on Graduate visa. From 1 <sup>st</sup> January 2024 student dependants restricted to postgraduate research degrees.	Dependants can be added to visa application or can apply to join as a subsequent entrant.	Dependants can be added to visa application or can apply to join as a subsequent entrant.	Dependants can apply to join main residence permit holder or if already in Germany can apply to extend family residence permit.	Dependants can join for duration of student's study, including OPT time.
<b>Dependants work rights</b>	Can work in any job (bar professional sportsperson).	Can work in any job.	Can work in any job if eligible for an Open Work Permit.	Can work in any job upon grant of residence permit.	Dependants cannot work whilst on F-2 visa. Limited work options under Special Student Relief (SSR) and Temporary Protected Status (TPS).
<b>Options at end of route</b>	Non-extendable. Can switch to another visa or leave the UK. Time on route does not count towards permanent residence.	Non-extendable (bar those eligible for Second Post-Study Work stream). Can switch to another visa or leave Australia. Time on route may count towards permanent residence pathways.	Non-extendable. Can switch to another visa or leave Canada. Time on route may enable access to permanent residency programs.	Non-extendable. Can apply for Employment Residence Permit or EU Blue Card if job has been secured. Alternatively, can leave Germany. Time on residence permit counts towards permanent residence.	Extendable if student extends or transitions to new study program. Can apply for H-1B visa if sponsored employment secured, otherwise has 60 days to leave the US. Can apply for immigrant visa out-of-country. Time as student and on OPT does not count towards permanent residence.

Note: GBP equivalents calculated on 09/05/2024 using Xe Currency Converter. Costs of UK Graduate visa includes yearly £1,035 Immigration Health Surcharge (IHS). Application fee for UK Graduate visa is £822. Any health insurances costs levied in comparator countries not included in costs displayed in Table 4.2.



## Recent changes to post-study work routes

Stakeholders noted the period of change currently taking place in post-study work routes, with some competitors moving to a more restrictive system, whilst other countries such as **Ireland** are [targeting an increase](#) in international students.

In December 2023, **Australia** announced a tightening of its Temporary Graduate Visa (TGV) as part of a published [Migration Strategy](#), with changes scheduled for implementation in mid-2024. The introduction of the Skilled - Graduate visa in 2007 offered 18 months of post-study work for international students who had completed 2 years of full-time study. [Amendments in 2013](#) involved a rebrand to the TGV with new eligibility rules, and an offer of 2-4 years stay for recent graduates, dependant on qualification level. These amendments sought to increase the attractiveness of Australia's HE sector. [More recent extensions](#) to the visa announced in 2023 were designed to provide students studying in select areas of skill shortage with the opportunity to apply for an extended TGV. However, concerns subsequently emerged that under the extended visa lengths graduates could remain in the country for 5 years or more in a temporary status and without progressing professionally with the 2023 [Migration Strategy](#) stating that "labour market outcomes for the Temporary Graduate visa are mixed, with about half of all visa holders working in lower skilled roles."

As a result of these concerns, from mid-2024, the Post-Study Work stream element of the TGV will be renamed Post-Higher Education Work stream and time on the route restricted to 2 years for Bachelor and taught Masters degrees, and 3 years for Masters by research and PhD students. This brings Australia's post-study work option closer in line with the UK's Graduate Route offer in terms of length of stay. However, there is still the option of a 1–2-year second TGV for those living and working in a regional location.

Earlier this year, **Canada** [extended the offer of a 3 year Post-Graduation Work Permit \(PGWP\)](#) to Masters students studying 1 year programs; those studying 2 year Masters programs were already eligible for a 3 year PGWP. However, this has taken place in parallel to [efforts being made to reduce international student numbers](#) due to a rapid increase in numbers, the associated pressure on public services, and the incentive of some institutions to increase intake purely to drive revenues. An [intake cap](#) has therefore been set on international student permit applications for a period of 2 years to stabilise growth; the cap will be allocated proportionally to provinces and territories, weighted by population. For 2024 a net zero first year growth model is being pursued with a strategy to balance out approved new student permits with the number of study permits due to expire in 2024. As a result, the Canadian Government have set a target of 235,600 approved study permits in 2024, a 42% reduction on 2023 levels. The cap for 2025 will be assessed at the end of the year. Those pursuing masters and doctoral degrees, and elementary and secondary education are not included in the cap. Furthermore, [from March 2024](#), eligibility for an open work permit was restricted to spouses of international students in masters and doctoral programs.

## How has the Graduate route impacted the UK's international competitiveness?

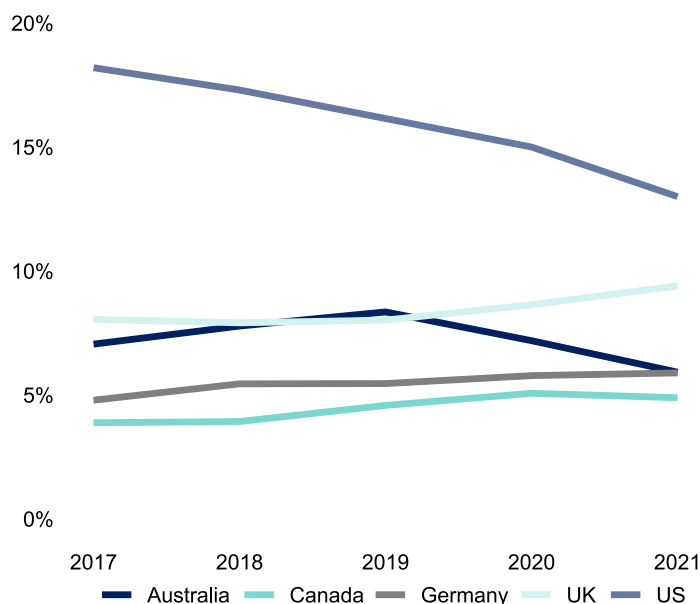
The UK competes in a global market for international students, and universities in the UK are not just competing with each other to attract students but with institutions in other countries. The requirements of a post-study work offer can also influence choice. As displayed in Table 4.2, the UK's Graduate route is as liberal as Australia, Canada and Germany, with regards to rules on working whilst on the route, with all allowing work in any job. However, tangible restrictions to the UK's offer, such as the limit placed on bringing dependants to only students on research degrees, make the UK's offer less attractive. Despite more recent policy changes to reduce immigration taking place in Australia and Canada, these visas are currently more attractive than what is offered in the UK, with more flexibility on the ability to bring family members and obtaining pathways to permanent residence. In contrast, the UK offer is significantly more attractive than that of the US, which places restrictions on the type of work that can be done and generally allows only 1-year of post-study work.

HE providers in the UK had the second largest market share for international students worldwide in 2021, behind only the US. But the market is changing over time, in part due to other markets reopening later after the COVID-19 pandemic. Data comparing international student flows do not use a consistent definition of international students. The best available source is UNESCO data, but this is reported with a significant lag, see Figure 4.3.

Despite the UK's high market share of international students, [IDP Education](#) report in August 2023 suggested the UK is perceived to have lower graduate employment opportunities compared to competitors such as Australia, Canada and the US, and of these, was perceived to only be above the US for post-study work visa policies. Respondents however felt the UK was behind only the US for quality of education.

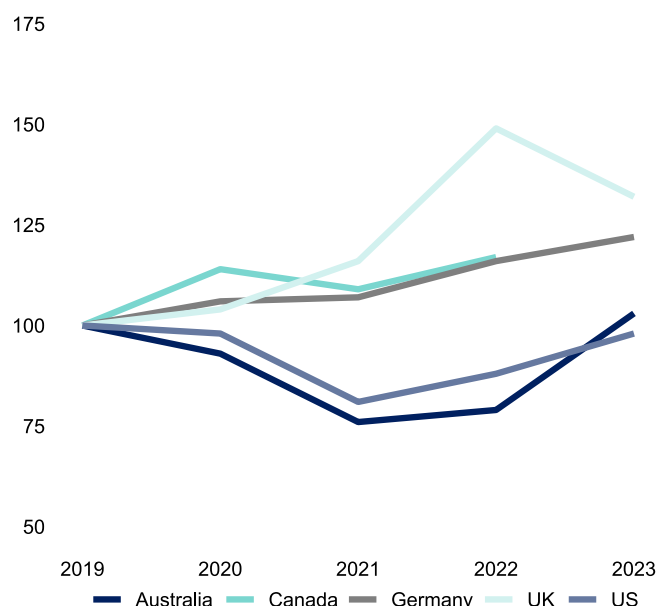
Figure 4.3 illustrates recent trends in the international student market share for the most popular destinations. Many of these, particularly the US, Canada, and Australia, would be considered the UK's closest competitors. Since 2017 the UK has largely managed to maintain its position as the second most popular destination behind the US, however it was briefly overtaken by Australia in 2018. Using country level data indexed to 2019, Figure 4.4 suggests the UK recovered faster from the impacts of COVID-19 on the international student sector compared to competitors. However, comparing this data is difficult as countries use different definitions of international students and report in different years. The UK's fast recovery is also likely to reflect how quickly countries opened-up post-COVID, with stakeholders noting that the UK has benefitted from opening-up more quickly than more restrictive countries, but any rise in student numbers from this effect was always likely to be short lived.

**Figure 4.3: International student market shares**



Source: UNESCO, international inbound student flows.  
 Note: US data is unavailable for 2019.

**Figure 4.4: International student numbers recovery from COVID-19**



Source: US-Open Doors Data, Canada-Statistics Canada, Germany-Wissenschaft weltoffen, Australia-Department of Education, UK-Higher Education Statistics Authority (HESA) and Home Office Management Information.

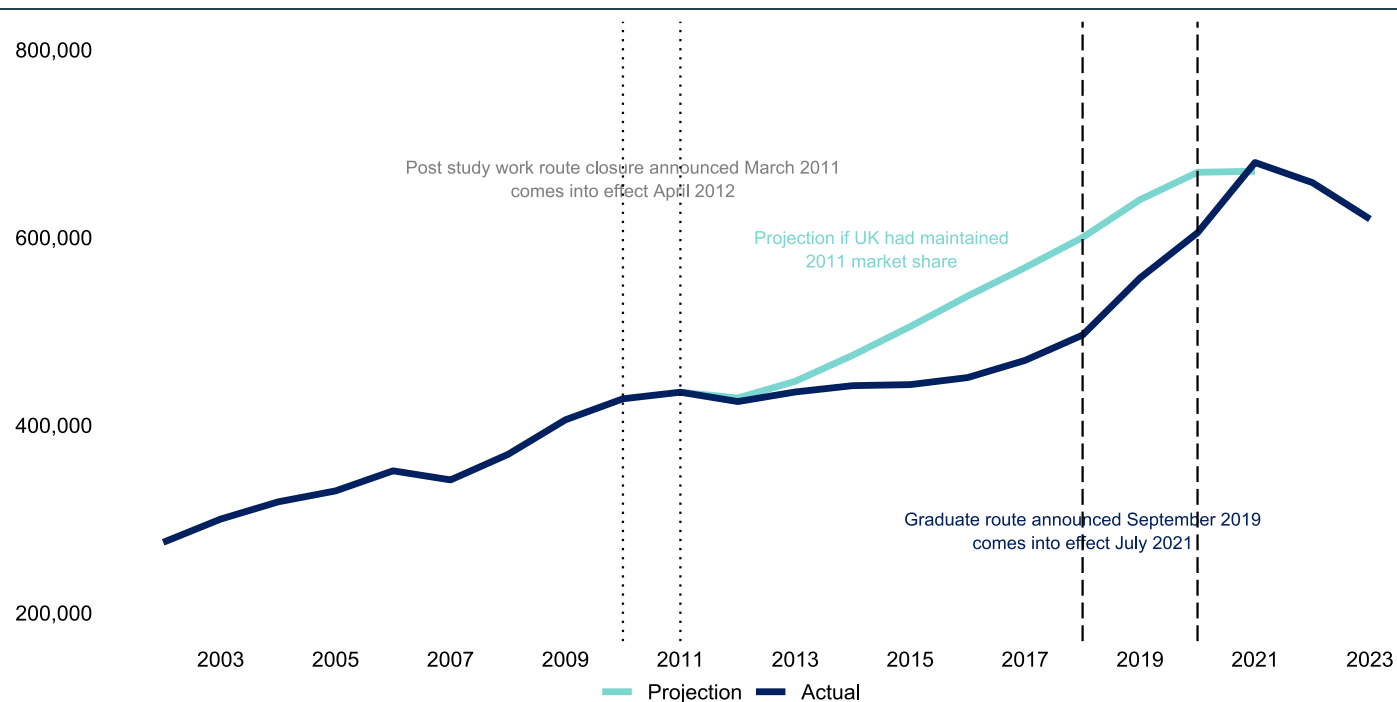
Note: Data are from individual country level statistics and have not been standardised so caution should be taken comparing total values however the analysis is useful to compare trends. Australia data reported in annual years, US, UK and Canada reported in academic years. Germany reported in winter semester international students intending to graduate from a German institution.

## Has the Graduate route impacted student numbers in the UK?

It is challenging to disentangle the effects of the introduction of the Graduate route on the HE sector in the UK from the effects of the COVID-19 pandemic, which had a major impact on international student flows across the world and happened in parallel to the route's introduction. Alongside this, from January 2021, European Union (EU) students were made subject to the same rules as other international students, including the need to apply for a Student visa, pay higher international fees, and cover their costs without access to government-backed loans. There have also been changes since the route was introduced with the government limiting dependants on the Student route to just those in research degrees from [January 2024](#). HE providers also told us that they have been recruiting more actively from overseas, in part due to increasing financial pressure on institutions.

Figure 4.5 shows that since the previous Post-Study Work route was closed in 2012, the number of international students in the UK was largely stable until academic year 2018/19 after a period of sustained growth. The illustrative projection line estimates the number of international students each year that might have been expected if the UK had maintained the world market share observed in 2011 (10.5%).

**Figure 4.5: International student numbers in UK**

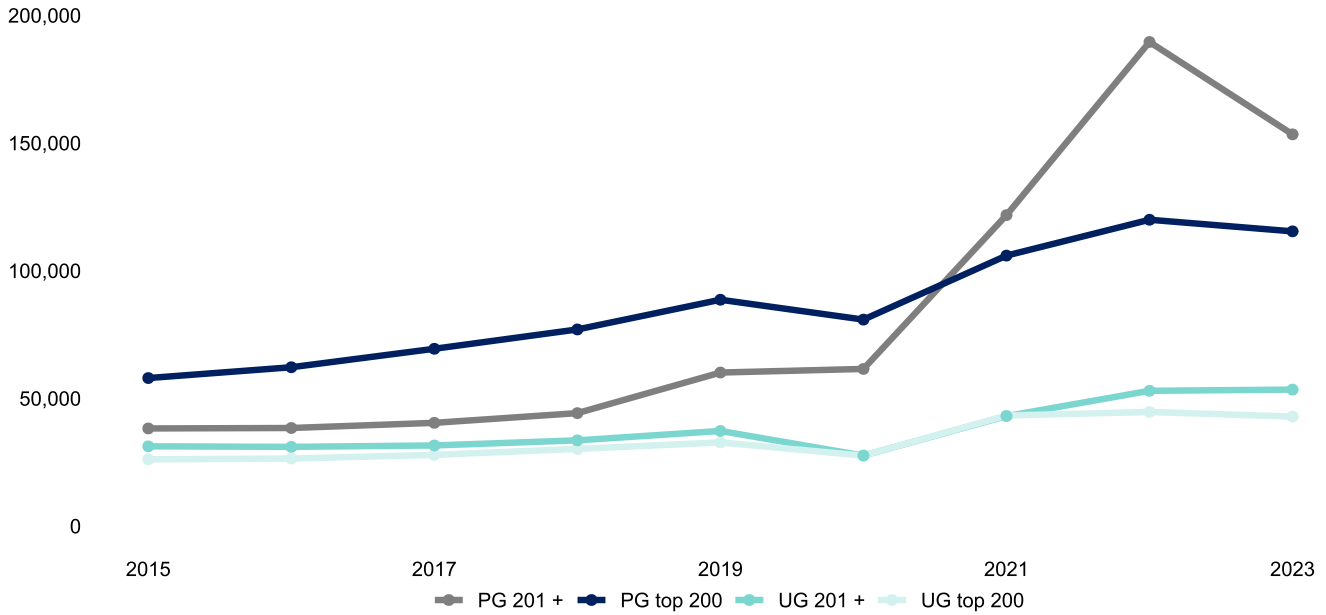


Source: Higher Education Statistics Authority (HESA) open data, Home Office published statistics and UNESCO data.  
 Note: HESA data is reported in academic years. 2021 is academic year 2021/22. For years 2022 and 2023 actual international student numbers are an approximation based on Home Office published visa data and the proportion of postgraduate students in HESA data who are not first year students. UNESCO data for Germany and US is unavailable before 2013 and US data is unavailable for 2019. UNESCO data only goes up to 2021.

## Where is the growth in international students?

As discussed in our [2023 Annual Report](#), growth in international students has primarily been concentrated in non-Russell Group universities and focused on postgraduate courses. This is shown in Figure 4.6 below, where universities are grouped using the Times global [rankings](#). All Russell Group universities are ranked in the top 200.

**Figure 4.6: Visa numbers by course type and global ranking**

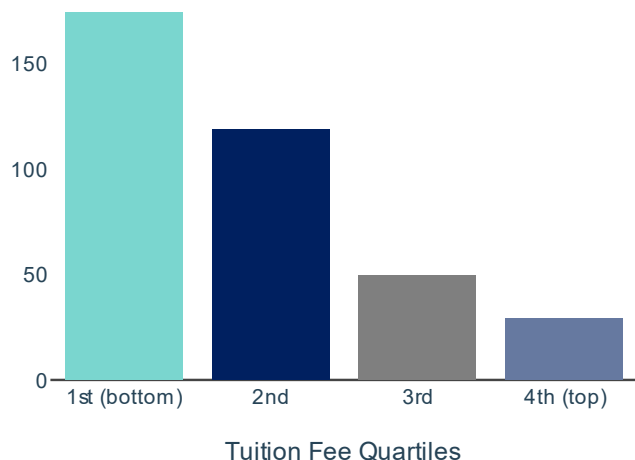


Source: Home Office Management Information, THES.

Note: UG is undergraduate and PG is postgraduate. Figure uses Certificate of Acceptance of Studies (CAS), reported in financial years. Top 200 includes UK universities ranked in the top 200, while 201+ includes all those ranked outside the top 200. Some Higher Education providers are not ranked and therefore numbers will not sum to published totals.

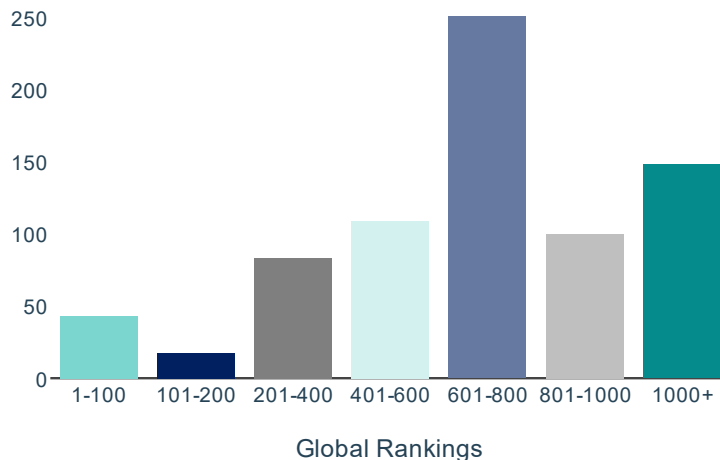
Within our 2018 report on the [impact of international students in the UK](#), we suggested that providing students with unrestricted work rights for 2 years after graduation could lead to an expansion in shorter Masters courses, and in universities with lower-fees or rankings. This appears to have been the case - Figures 4.7 and 4.8 show the increase in student numbers from 2019 to 2023 has largely been focused on universities charging tuition fees in the bottom 2 quartiles and in universities ranked outside the top 200. In 2019-20, 58% of postgraduate international students were studying at the top 200 universities, whereas universities ranked 601+ enrolled only 17%. Since then, the proportion of international students at universities ranked 401+ has grown significantly compared to those ranked in the top 400 where there has been very little proportional change.

**Figure 4.7: Percentage increase in international postgraduate students by tuition fee quartiles, 2019-2023**



Source: Higher Education Statistics Authority (HESA) data and Home Office Management Information.  
 Note: 1<sup>st</sup> is bottom quartile, 4<sup>th</sup> is top quartile.

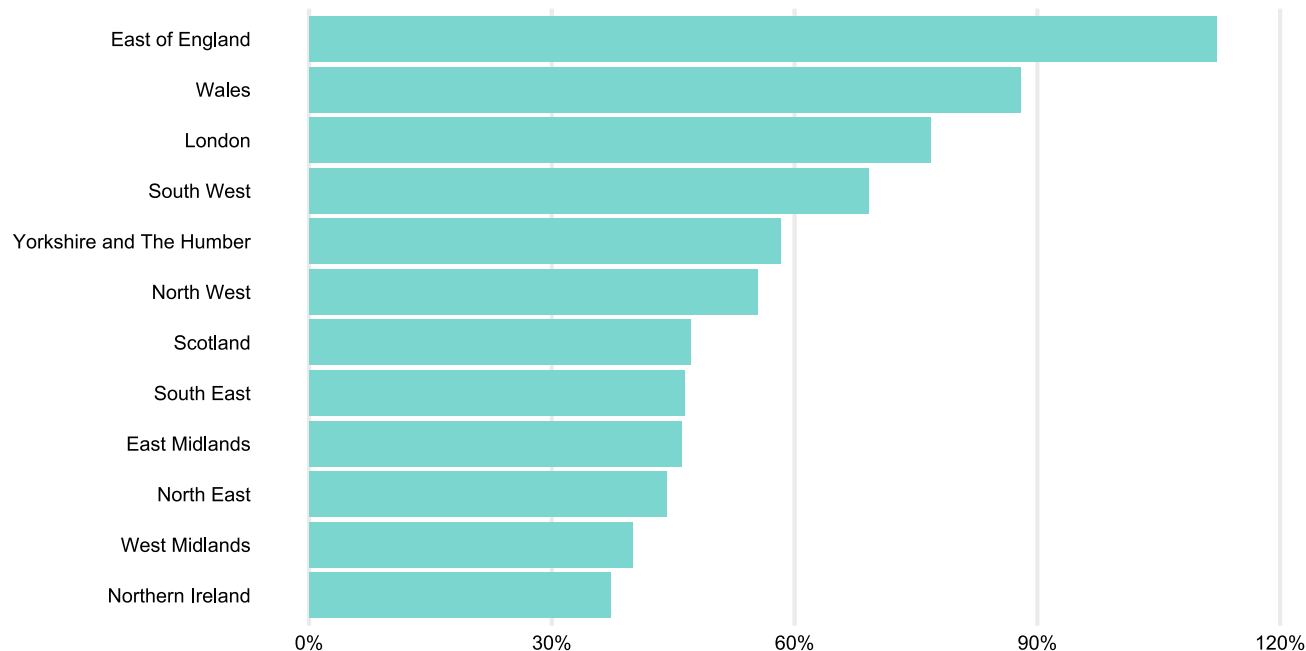
**Figure 4.8: Percentage increase in international postgraduate students by university global rankings, 2019-2023**



Source: Home Office Management Information and THES ranking 2023.  
 Note: 1-100 are the top 100 universities.

Figure 4.9 below looks at where in the UK students are coming to study comparing 2019 to 2023. There has been significant growth in Wales, the East of England and London. London has by far the most international students with over 126,000 visas issued in 2023 compared to 71,000 in 2019. By comparison, the number issued in Wales has increased from 10,000 to 20,000 over the same period. These growth figures may underestimate the number of international students arriving to study in London, as they do not take into account university campuses. As discussed in our [2023 Annual Report](#) of the 10 Higher Education institutions that had the highest increase in international student numbers studying taught postgraduate degrees between 2018/19 and 2021/22 academic years (excluding London based universities), 6 had an existing London campus and 1 had plans to open a London campus. Therefore Figure 4.9 may understate the number of international students arriving to study in London. However, what is clear is that the growth in international students since 2019, and the economic benefits that this brings, has been broadly distributed around the UK.

**Figure 4.9: Growth in international student visas by region and country**



Source: Home Office Management Information.  
Note: Compares 2019 to 2023 visa numbers.

One of the aims of the [International Education Strategy](#) is to promote the breadth and diversity of the UK education offer to international students, with references made to the diversity of the cohorts of international students coming into the UK. Whilst there appears to have been diversification of the market as a whole, attempts to diversify the market for international students have had mixed success depending on the specific provider or groups of providers in question.

HE providers and representatives from our roundtable discussions were keen to highlight that whilst some of the growth from countries other than China had happened organically, it was also part of a strategic decision to diversify and reduce dependency on a single source country. They felt the Graduate route was important in helping them to diversify. It was said that the implications of this policy, with more diverse international students applying, had often been felt more extensively in non-research-intensive institutions and for technical and applied courses.

*“...it feels like last year we were told to diversify and now there's potentially the... alteration of the Graduate route which would make that task of diversification much harder and would make us institutionally have to remain reliant on those Chinese students”*

#### **University, roundtable discussion**

In reality, however, despite the ambition, at the institution level there still appears to be little diversification, with many institutions reliant on 1 or 2 key nationalities for students. For example, the 3 largest nationalities at universities ranked in the top 200 made up 74% of postgraduate international students in those institutions in both 2019 and 2023. Universities in the top 200 primarily focus on the same nationalities in 2023 as they did in 2019, namely China (55%), India (16%) and the US (4%). Over the same period,

universities outside of the top 200 have become more reliant on a small number of nationalities, with the top 3 nationalities going from 64% of postgraduate international students in 2019 to 72% in 2023. This indicates that the ambitions of diversification policy have not been met at this level, and most universities are as reliant on a narrow market as they used to be.

There has been a significant shift in universities ranked outside the top 200 in terms of nationalities with the share of Chinese students falling from 22% in 2019 to 4% in 2023, while the share of Nigerian and Pakistani students has risen from 7% and 4% in 2019 to 19% and 12% in 2023 respectively. In the same period Indian postgraduate students went from 35% to 41%.

As discussed in our [2023 Annual Report](#), dependant numbers have increased significantly since 2019, with this increase largely driven by applicants from India and Nigeria. In 2022, the ratio of dependants to main applicants exceeded 1 for Nigerian nationals - 10 times the rate for all other countries (excluding India). Given the higher dependancy ratio for India and Nigeria compared to China, the ban on student dependants will likely have a larger impact on institutions outside of the top 200 if students with dependants decide not to come as a result of the policy.

The UK's recent rule changes, which limited dependants to just postgraduate research courses on the Student route, already appear to be affecting international student numbers for some institutions, although the precise magnitude is currently hard to discern. Stakeholders argued that both the dependants' changes, and the perception that there is more change to come on the Graduate route, are impacting student numbers. They felt that some potential students were interpreting this as a sign that the UK was not as welcoming to international students as it had previously been. However, given these are recent changes, they believed the full effects are yet to be seen. It is impossible to cleanly isolate the impact of policy changes or perceptions on student number from other factors. For example, the Nigerian Naira has depreciated very substantially against the pound in the last 12 months, and this will at least partly explain a drop in student numbers from Nigeria as students reassess options given potentially more binding financial constraints.

*"I think it could have been different [if I couldn't bring my wife and daughter to the UK on a dependant visa], because, as I mentioned, UK was one choice out of a few countries. I could have gone with Australia because they have a dependant visa policy as well. And, as I mentioned, I can't stay far from my family for a longer period of time."*

#### **Indian Graduate visa holder, research interview**

[Enroly](#), a platform that automates the Certificate of Acceptance of Studies (CAS), visa and arrival process for universities that recruit international students (third of market coverage), reports a significant decline in the number of deposits paid by students prior to receiving their CAS, used as part of their visa application. Enroly reports that out of a sample of 24 institutions that used its software for both the September 2023 intake and the September 2024 intake, deposits received by 6th of May were down for the 2024 intake by 57% compared to the 2023 intake. For India and Nigeria, the biggest users of the Graduate route who also typically bring



more dependants, deposits were down by 69% and 74% respectively<sup>8</sup>. Universities at all tiers of ranking level, and geography, have been affected by a significant year-on-year decline. Some stakeholders suggested some students were delaying putting down deposits until there was more certainty about the future of the Graduate route.

Enrolly also report a 63% decline in deposits for postgraduate taught courses compared to 29% for undergraduate courses. Deposits for postgraduate research courses were down just 16%. This suggests that while the number of international students coming to the UK is down across the board, it is having the biggest impact on courses affected by the change in dependant rules. It is worth noting that UCAS reported a slight increase in undergraduate international students for the [31st January applicant deadline](#) compared to previous years. This could indicate that the decrease in undergraduate deposits reported by Enrolly may depend heavily on which institutions are in the sample, with higher ranked institutions likely to be better protected from a decline in undergraduate numbers. The change in undergraduate numbers reported by UCAS shows how important country specific factors can be. For example, the number of undergraduate applications from Nigeria is down by 46% compared to 2023. In comparison the number from India has only fallen by 4% and the number from China has risen by 3%. The significant decline in Nigerian undergraduate students indicates that other factors outside of dependant rule changes are affecting their decision to come, as undergraduates are unaffected by the rule change.

## How do international students affect the HE sector?

Whilst in our roundtable discussions stakeholders acknowledged the importance of international students to HE finances, they were also keen to stress the wider benefits they believe international students bring.

Representatives from universities and student organisations argued that the student and learning experience of all is enriched by the diversity that international students bring to the classroom, and that this helps domestic students. They felt international students brought a more global outlook and perspective to the university, and that this would bring soft power to the UK over time.

*“...the bonds that I made with international students during my time at university... really, actually defined probably my university experience. It was hugely beneficial... being able to learn from other different perspectives, being able to make connections from all around the world.”*

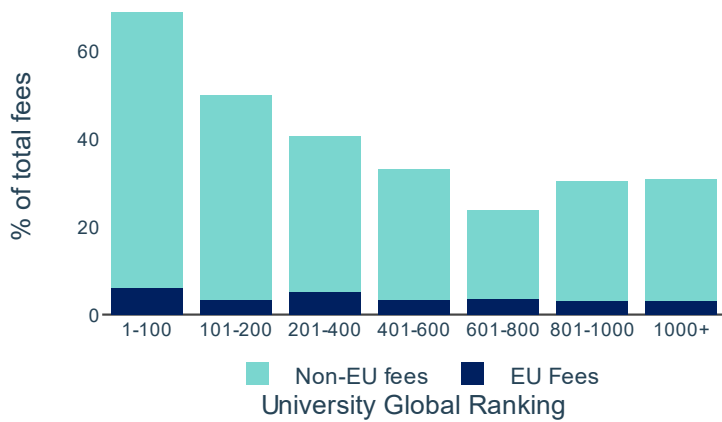
**Student representative, roundtable discussion**

International students do however make significant contributions in terms of fees and income to the HE sector. International fees are a large component of the UK's HE institutions total fees, accounting for 45% of total fees across the sector. There is a clear pattern across universities of a higher share of fees being paid by international students at higher-ranked universities: 69% of total fees for the top 100 ranked universities, and 31% for those ranked 1000+ (Figure 4.10).

---

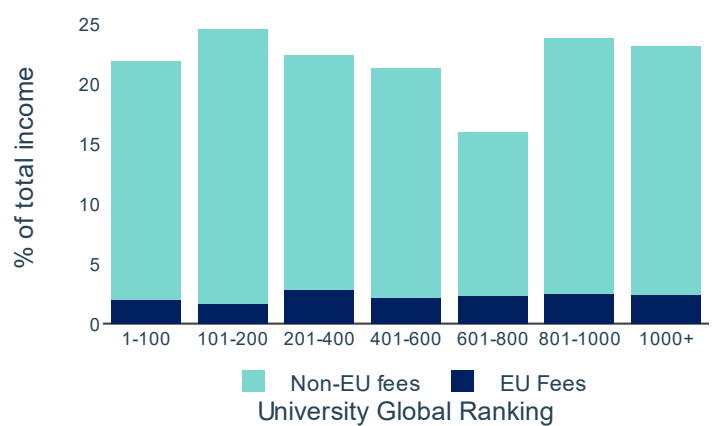
<sup>8</sup> Enrolly coverage is approximately a third of all international students. The data may contain bias on the nationality of students represented in the subset as of 6 May 2024, therefore this is indicative rather than fully representative of the entire international students market in the UK.

**Figure 4.10: International fees proportion of total HE fees 2021-22**



Source: Higher Education Statistics Authority (HESA) fees data. THES ranking 2023.

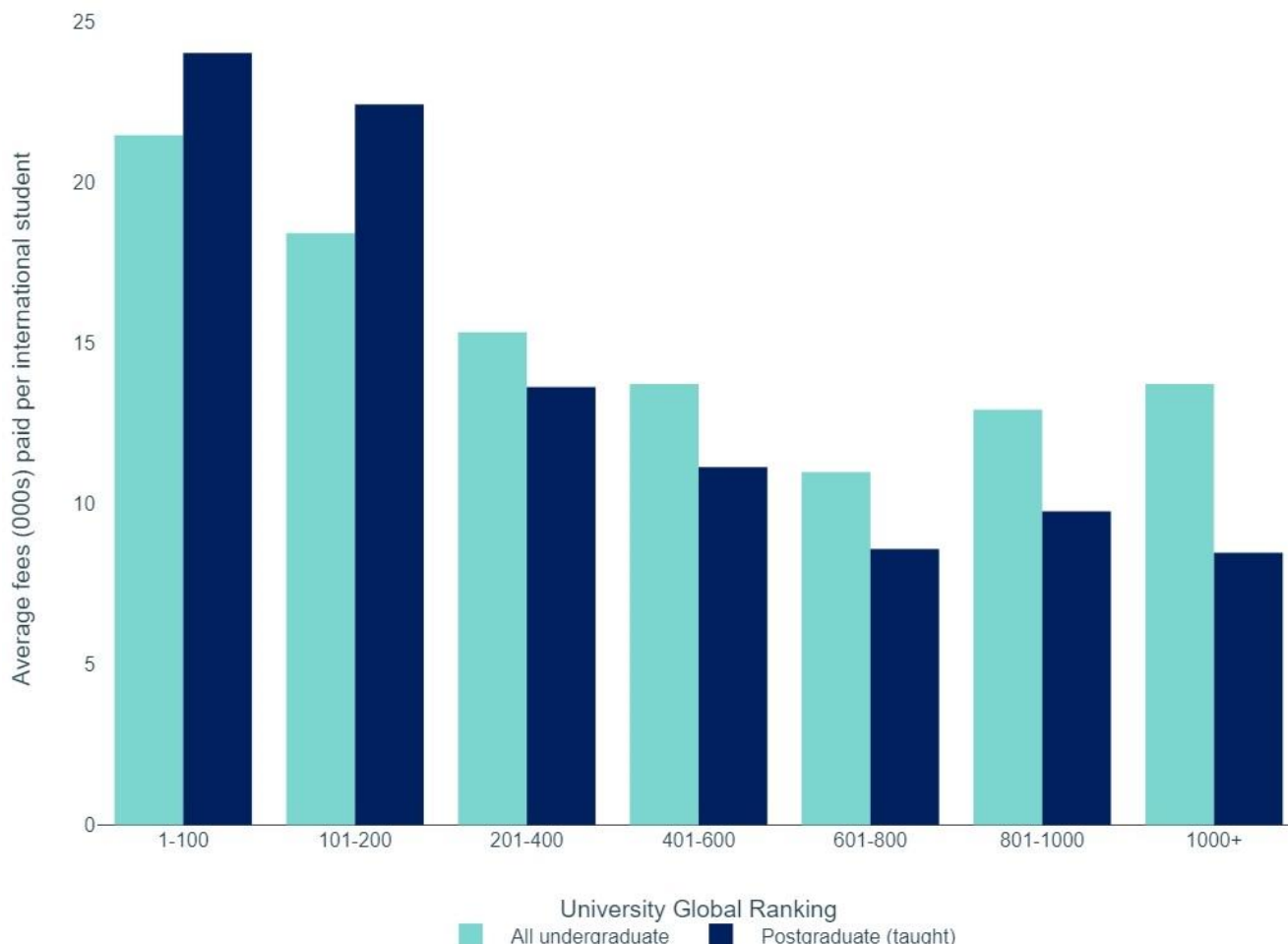
**Figure 4.11: International fees proportion of total HE income 2021-22**



Source: Higher Education Statistics Authority (HESA) fees and income data. THES ranking 2023.

As shown in Figure 4.12, average fees paid by international students are highest for higher globally ranked institutions. In the academic year 2021-22, international students studying at UK universities in the top 100 ranked universities paid £21,490 and £24,040 in average annual fees for undergraduate and postgraduate (taught) study respectively compared to the £9,250 maximum for domestic undergraduate fees. For universities ranked 1000+ average fees paid were lower, at £13,740 for undergraduate study and £8,480 for postgraduate (taught) study.

**Figure 4.12: International fees paid across differently ranked universities 2021-22**



Source: Higher Education Statistics Authority (HESA) data. THES ranking 2023.  
 Note: Academic year 2021/22.

International fees are just one part of total income. Total income is made up of many streams including teaching and research grants, donations, and investment income. International fees account for 22% of total income for those ranked in the top 100 and slightly higher at 23% of total income for the 1000+ (Figure 4.11). International fees are therefore of similar importance to income across university rankings. Reliance on international fees has been trending upwards in the past 5 years and has continued to do so since the inception of the Graduate route.

International students make a significant contribution to HE finances especially in comparison to domestic students. Universities make on average 31p for every pound spent on teaching international students, whilst domestic teaching makes an 8p loss for every pound spent, as shown in Figure 4.13. In line with higher average fees, universities with high research income (Group A – mainly the highest-ranked universities) made 78p for every pound spent on international teaching. These research-intensive universities use a substantial portion of the surplus made on international teaching to subsidise research, which accounts for a significant proportion of their activities, and on which they lose 27p for every pound spent. Group E universities (mainly the lower-ranked universities) lose 30p more than Group A for every pound spent on research, but research is a very small component of Group E universities income. These universities therefore charge much lower

premiums on teaching international students, just above what is needed to make a surplus; 6p for every pound spent and use this to subsidise the losses on domestic student teaching.

In terms of courses offered, it costs universities more per student to deliver STEM subjects than the arts, humanities and social sciences. If universities need to respond to reductions in international student fees it is more likely that they will cut activity in the subjects that cost them more to teach and make larger losses on per domestic student, though there are some offsetting grants for high-cost subjects from the Office for Students. This was also highlighted by HE sector body and mission group representatives from our roundtable discussions. Courses such as STEM would likely be less financially viable to run without international students and this could impact the availability of these courses to domestic students.

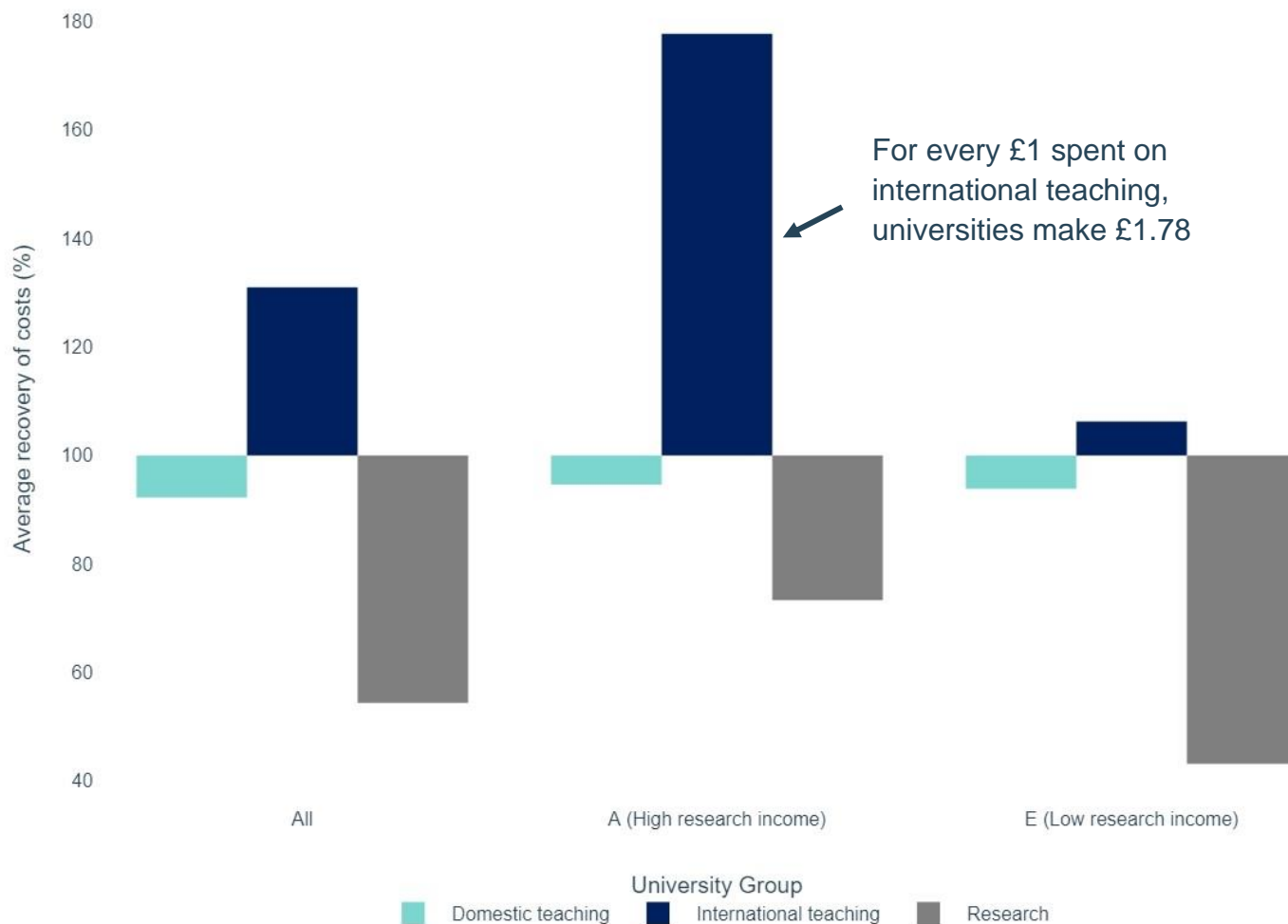
*“ ...it's certainly possible there'd be less research done. It'll certainly make it more difficult to fund research. I think the availability of courses for home students would also be affected quite substantially... particularly on the postgraduate side.”*

**HE sector body/mission group representative, roundtable discussion**

*“ ...many of these institutions have high numbers of international students, which means that the availability of that specialist education related to the accreditation is available for domestic students because it simply isn't feasible to run on the existing domestic student fee cap.”*

**HE sector body/mission group representative, roundtable discussion**

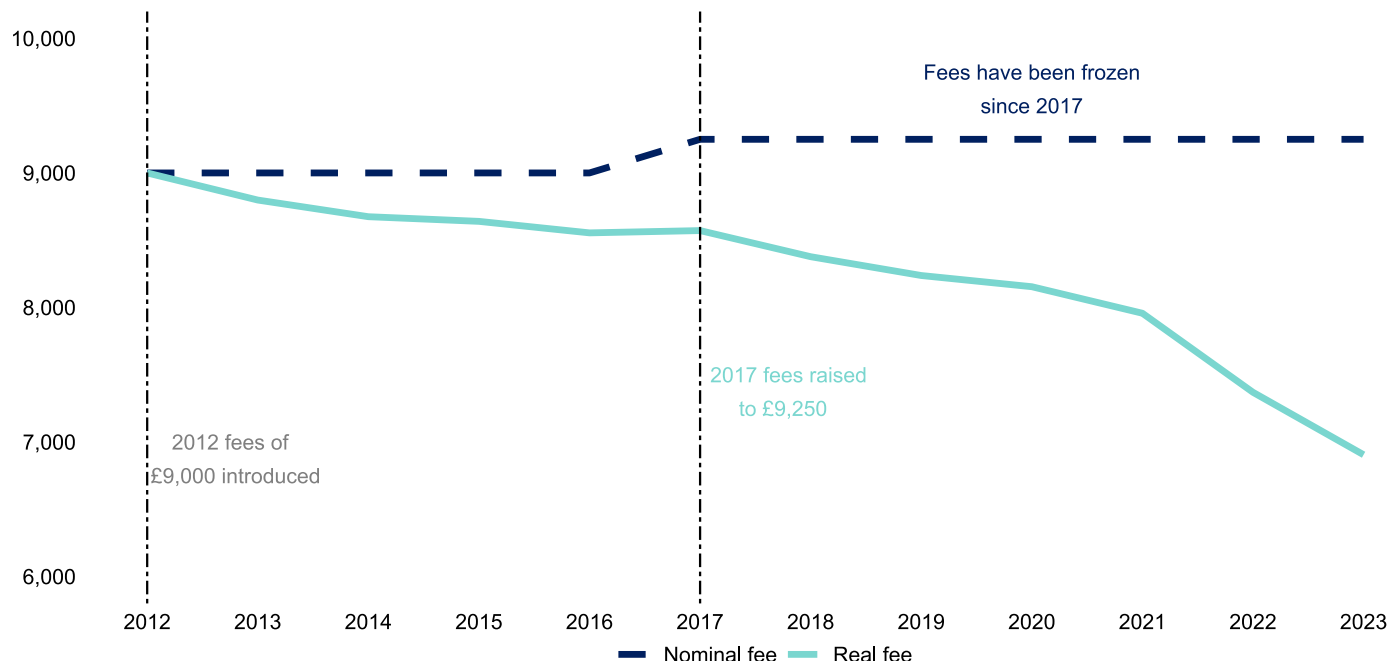
**Figure 4.13: Surplus and deficits made on HE activities 2021-22**



Source: TRAC data. THES ranking 2023.  
 Note: Academic year 2021/22.

As shown in Figure 4.14, domestic undergraduate fees for UK students in England have been frozen at £9,250 since 2017 and will continue to be for the [academic year 2024/25](#). As a result of recent high inflation, the real value of the fee has eroded significantly since the Graduate route was introduced. In 2015 the intention was to allow tuition fees to rise with inflation. The fees charged vary across the countries of the UK, in Wales the maximum possible is £9,000, while in Scotland, Scottish students face no fees and Northern Irish students studying in Northern Ireland have their fees significantly reduced. However, in the Devolved Administrations that have different domestic fee structures, teaching grants have also not risen in line with inflation, so the same pressures have emerged.

**Figure 4.14: Real value of domestic undergraduate fees in England**

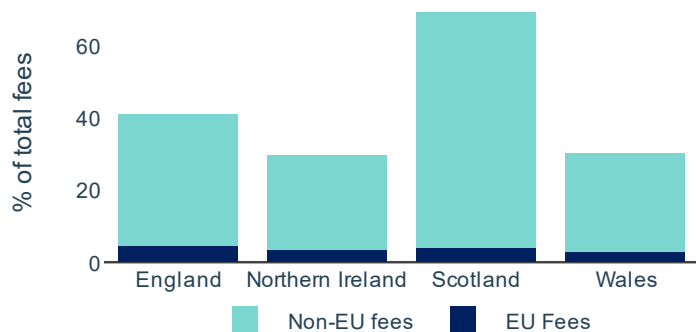


Source: Office for National Statistics (ONS), [CPIH annual rate: all items 2015=100 - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/cpi/cpi-annual-rate-all-items-2015=100).

Note: Fees set with a maximum of £9,000 in 2012, most providers set fees at the maximum. From 2017 maximum raised to £9,250 and frozen since then.

Figures 4.15 and 4.16 display the importance of international student fees to university finances, in terms of fees and income, across the nations of the UK (academic year 2021-22). Non-EU fees remain the majority contributor to international fees for all countries. The proportion of total fees and total income made up by international fees is lowest for Wales regarding fees and Northern Ireland regarding income, and highest for Scotland in both cases. There is slightly less country variation when looking at the percentage of total income (Figure 4.16) as Scotland’s income also includes the funding grant from the Scottish Government.

**Figure 4.15: International fees proportion of total HE fees 2021-22**



Source: Higher Education Statistics Authority (HESA) fees data.

Note: Countries are defined as the country the Higher Education provider is based in. This does not take into account campuses or other factors.

**Figure 4.16: International fees proportion of total HE income 2021-22**



Source: Higher Education and Statistics Authority (HESA) fees and income data.

Note: Countries are defined as the country the Higher Education provider is based in. This does not take into account campuses or other factors.

## Potential implications of further changes to the route

Actual changes and the perception that further changes may be made to the Graduate route could deter potential students from studying in the UK. As discussed earlier in the report, we heard from stakeholders that recent policy changes or the perception that more was to come had made the UK seem to some prospective students as becoming a less welcoming country. Given the competitive and global nature of the market, prospective students may simply choose to study elsewhere. This may have the effect of reduced international student enrolments, which we were told by stakeholders could mean that institutions have to reduce staff numbers, reduce courses available, reduce research activities and other non-core activities.

*"...it influenced them [international students] just on the fact that the UK didn't seem to be such a welcoming country as it used to be."*

**University, roundtable discussion**

*"I think we would just strip back to core business... we'd withdraw our support for business start-ups and the other work we do with businesses and just go back to core student education... we'd think about how we are dealing with sustainability, cut that way down, I think we probably wouldn't meet our carbon targets given that."*

**University, roundtable discussion**

Stakeholders felt that after a prolonged period of the UK not having a post-study work route, the Graduate route was still in its relative infancy, and that a period of stability was required.

*"...to create that uncertainty now is going to have a massive, massive effect where... the global offerings are far better known than the UK one at the moment. We need that stability."*

**Pathway provider, roundtable discussion**

Awareness of the proposed changes to the salary thresholds on the Skilled Worker visa was strong amongst Graduate visa holders who were interviewed, but it was generally felt that the changes did not or were unlikely to impact them immediately. They would still come to the UK to study even if the salary threshold for sponsorship had already increased. However, some felt that if the Graduate route was not in place, the move from education to Skilled Worker route would be too large.

*"If the Graduate visa wasn't in place, and if it was the case of, like, I have to find a sponsored job with a 38k salary, I feel like it would have made an impact on my decision. I would definitely have to think twice about it, or I would maybe think about how I can invest less."*

**Indian Graduate visa holder, research interview**

Whilst the government can change policy objectives for the Graduate route, these insights and the broader analysis presented in this chapter suggest that there would be a risk that restrictive changes to the route in the immediate term could detract from its effectiveness in achieving the government's original objective to "maintain and improve the UK's standing as a world-leading provider of international higher education".

However, in the limited time we have had to conduct this review, we have not estimated the magnitude of any potentially restrictive changes to the Graduate route that might be considered.

## Net migration and recent policy announcements

In [December 2023](#) the Home Secretary announced a ‘five-point plan’ to reduce net migration. As well as announcing the review of the Graduate route, this included social care workers no longer being able to bring dependants on their visa, increasing the salary thresholds for a Skilled Worker visa, an ‘Immigration Salary List’ replacing the Shortage Occupation List, and an increase in the minimum income requirement. This package of changes followed the announcement in May 2023 that limited students bringing dependants other than for those studying on postgraduate research programs. Whilst this review is focused only on the Graduate route, visa routes do not operate in isolation, with the student dependant changes and the increase to salary thresholds in particular potentially impacting entry into and progression from the Graduate route.

Changes to government immigration policy are also only part of the picture, with wider UK and global factors both pushing and pulling international students into the sector. In recent years the UK’s relative openness after the COVID-19 pandemic compared to some key competitors helped draw students to the UK. The funding challenges of the HE sector have also meant that HE providers are motivated to attract international students. Conversely, the recent depreciation of the Nigerian Naira dramatically increased the cost of the UK HE system to a key market.

The full impact of these changes will take time to unfold as individuals progress through the system, but [Home Office data](#) show that there were 26,200 (80%) fewer student dependant visa applications, and 5,900 (15%) fewer main applicants applications made from January to March 2024 compared to the same period in 2023. The student dependant changes will decrease the number of dependants accompanying Graduate route main applicants, as well as a potential decrease in main applicant numbers, and this will be reflected quite rapidly in the figures as most are on 1-year courses. Given the dependant change was only implemented in January 2024, we will however need to wait until September 2024 to get a clearer picture of the impact of these changes.

It is difficult to estimate the full impact of the Graduate route on net migration due to the number of factors that influence totals as we outlined in our [2023 Annual Report net migration chapter](#), including uncertainty around behavioural responses to large policy changes. However, we can approximate using historic trends for those who progress to work routes (considered longer term migration routes). These estimates should not be used as a projection of future migration as the behaviour and choices of past cohorts may be different to future Graduate route cohorts. They should be interpreted as an indication of the order of magnitude of how many international students progress on to the Graduate route, and then on to work routes.

Figure 4.17 shows the potential flow of international students on to the Graduate route, and then on to work routes. Of the 350,000 main applicant international students and approximately 110,000 dependants who finished their course in 2023, an estimated 150,000 (32%) progressed on to the Graduate route. Based on the experience of the Graduate route cohort who started in July 2021 to December 2021 46% of those on the Graduate route continued on to work routes. Applied to the 2023 figures, this would imply that around 70,000 Graduate visa holders may continue on to work routes in the longer term if the shares moving to different



routes remain as they were in the past (although this may not be the case due to new salary thresholds, as discussed further below). This represents 15% of the main applicant international students who were expected to graduate in 2023 and their dependants. This flow is displayed in Figure 4.17. It is important to note that those who do not flow directly on to the Graduate route may still enter other routes. Approximately 18% of international students switched directly into work routes in 2023.

**Figure 4.17: The Graduate route journey of international students**



Source: Home Office Management information.

Note: Flow of international students into Graduate route based on 2023 cohort. Flow of Graduate route into work routes based on July 2021 to December 2021 cohort. The flow not entering the Graduate route may remain in the UK if they switch directly to another route, or they may leave the UK.

Using the flows presented in Figure 4.17 above, we can examine the potential impact of recent policy changes. Figure 4.18 illustrates the potential impact of the recent rules changes to student dependants and the Skilled Worker route general threshold. It does not account for changes to care worker dependants or other policy changes, which we expect would have less impact on the Graduate route. This illustration is based on assumptions and is not a forecast of what may happen. Approximately 24% of international Student visa holders expected to finish in 2023 are dependants. Rules changes announced in May 2023 mean that future cohorts of postgraduates will not be able to bring dependants, other than those who study on postgraduate research programs. Additionally, both the changes in this rule, and the increase in general thresholds will affect the demand by international students to study in the UK. This will mostly affect postgraduate taught students who are impacted by the rules change in dependants. Indicative data from Enrolly (discussed earlier in the Chapter) on postgraduate taught students, shows that deposits for the September 2024 cohort are down 63% compared to the same time last year. In contrast, UCAS shows that international applications for

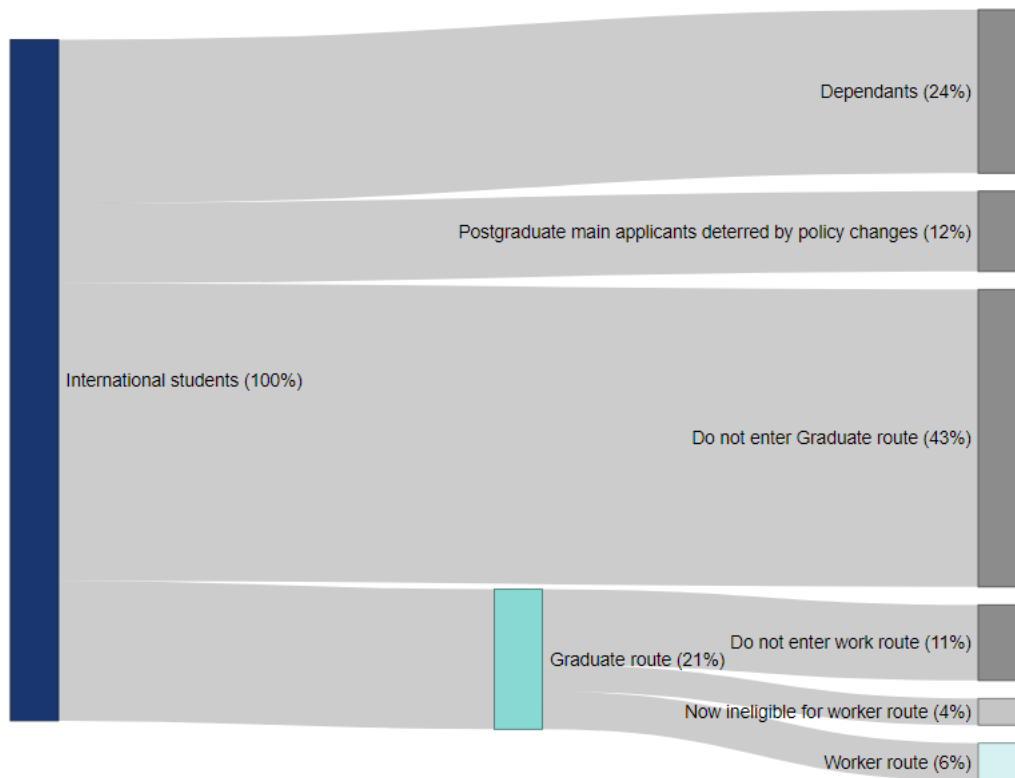
undergraduate study are 0.7% higher for 2024 than the previous year. Not all of the decline in postgraduate students will be due to the policy changes. There are country-specific effects, and our competitor markets are bouncing back following the late easing of COVID-19 restrictions. To illustrate potential impacts, we remove dependants and by applying a 20% decline to the cohort of postgraduate international students, this could reduce the overall cohort of international students and their dependants by around a third<sup>9</sup>. This is not a projection of future migration flows or an estimate of the impact of the behavioural response to the dependant policy change, but an illustrative example. Of the remaining cohort of international students, we continue to assume that 32% will progress on to the Graduate route. Given the significant increase in the general salary threshold for the Skilled Worker route in April 2024 (from £20,960 to £30,960 with the new entrant discount), we would expect lower proportions of future Graduate visa holders to progress on to work routes. Of the Graduate visa holders who started the route between July 2021 to December 2021 and switched into the Skilled Worker route, approximately 40% would not have met the new salary thresholds<sup>10</sup>. With these changes applied to the 2023 cohort, approximately 26,000 would have entered work routes from the Graduate route, the new flow is represented in Figure 4.18.

---

<sup>9</sup> Calculation is based on removing all dependants who were expected to finish their course in 2023. Then removing 20% of postgraduate main applicants. These groups in combination account for 36% of all main applicants and dependants who were expected to finish their course in 2023. This is not a projection of future migration flows, but an illustrative example based on the above assumptions outline above on the effect of the policy change on historic statistics.

<sup>10</sup> It is worth noting under the new immigration salary rules, an international student would only need to be paid £23,200 to be on the Skilled Worker route if they became a care worker given the lower salary thresholds for health and social care occupations, so we may see an increase in the proportion of Graduate visa holders moving into care occupations on the Skilled Worker route given the limited increase in salary threshold of care occupations compared to other occupations.

**Figure 4.18: The Graduate route journey after recent policy changes**



Source: Home Office Management information.

Note: Flow of international students into Graduate route based on 2023 cohort. Proportion of dependants based on 2022 dependency ratio. Deterrence of policy change based on Enrolly early indications of demand. Flow of Graduate route into work routes based on July 2021 to December 2021 cohort, and effect of threshold based on that cohorts occupations and earnings when entering the route.

In summary, the recent immigration policy changes will directly impact the demand for the Graduate route, and thereafter progression onto longer term work routes. The flows in Figures 4.17 and 4.18 demonstrates that the impacts of these policy changes alone could be very large. For the cohort of international students who finished in 2023, we might have expected around 70,000 to have ultimately progressed onto work routes. Under the policy changes already introduced, this could reduce to around 26,000.

## Summary

There is a global market for higher education and prospective international students consider a range of factors in deciding where to study. Evidence shows that the post-study work offer is an important factor in these decisions, particularly for certain nationalities. Some key competitor countries currently have a more generous post-study work offer than the UK, with the exception of the US. The number of international students in the UK grew significantly once the Graduate route was introduced, increasing the UK's market share of international students, but it is difficult to disentangle this from the effects of the UK easing COVID-19 restrictions earlier than competitor countries. Given the decrease in the real value of domestic tuition fees and teaching grants for universities across the UK nations in recent years, they are becoming increasingly reliant on international student fee income to cross-subsidise the teaching of domestic students and research.

The recent restrictions on student dependants which came into force in January 2024 appear to be reducing the number of international students, though the full extent will not be known until later in the year. The government have already made policy changes which will directly impact the number of international students who come to the UK. These will initially reduce immigration and mean that of those who do come to the UK to study, fewer will progress into work routes via the Graduate route and will instead likely return to their home countries. Overall, these changes will decrease net migration and it is important that the government understand the impact of this before making further changes.

# Conclusion

We fully support the practice of government regularly reviewing the effectiveness of immigration routes against their intended objectives, particularly in the case of new routes such as the Graduate route. However, in seeking to answer the questions posed by the Home Secretary in our [commissioning letter](#) we were limited by a compressed timeline and in some areas the lack of data.

As the evidence on the Graduate route builds, as the route further embeds, we expect to update our views based on that evidence – as we have done in relation to our 2018 Student route review. For these reasons, and in line with our response to the Home Secretary’s commissioning letter, we have not outlined the range of policy options open to the government in relation to the Graduate route. Instead, we have provided three broad sets of recommendations on the future of the Graduate route; on the issue of international recruitment agents; and on data sharing, monitoring and evaluation.

The impacts of migration cut across many policy areas, as does the [International Education Strategy](#) – yet it is unclear whether the latter’s ambitions are shared across government. The expansion of international student numbers in line with this strategy has clear implications for public services and housing at a local level, but this is not mentioned within the International Education Strategy, and it appears that there was a lack of coordination across government on planning for these implications. During this review, we encountered examples of good practice for integrated planning at a local level between universities, local authorities and other stakeholders across education, housing, and public services. However, we are concerned that there is no clear requirement for such integrated planning.

Changes to migration policy should be devised with consideration for the likelihood of wider impacts and trade-offs across policy areas. In the case of this review, the tightening or loosening of the Graduate route will have consequences for the financial wellbeing of Higher Education (HE) providers. We have sought to consider such trade-offs in our recommendations.

Taking in order each question posed to us by the Home Secretary, a summary of our answers follows.

## **1. Is there any evidence of abuse of the route, including the route not being fit for purpose?**

We have not found evidence of widespread abuse specifically for the Graduate route. The risks of abuse are relatively low due to the limited number of conditions the route imposes. We have not been able to assess the risk of overstaying due to a lack of data on this from the Home Office. We are concerned about potential exploitation of both Student and Graduate visa holders due to poor practices by certain agents and sub-agents who recruit students onto courses and may be mis-selling UK higher education, but this is a separate issue from abuse of the rules of the Graduate route. Whilst we have not been able to establish scale, the issue of exploitation of route users was raised by student representatives, sector bodies, and in several interviews that we commissioned with Graduate visa holders.

## **2. Who is using the route and from what universities did they graduate from?**

114,000 Graduate route visas were granted for main applicants in 2023 with a further 30,000 granted for dependants. The use of the Graduate route is concentrated among 4 nationalities. The top 4 - India, Nigeria, China and Pakistan - account for 70% of all Graduate visas with India accounting for over 40%.

The majority of those on the Graduate route completed postgraduate taught courses. 91% of Graduate visa holders in 2023 had completed a postgraduate taught course. Most of the growth since the Graduate route's introduction is from non-Russell Group universities' postgraduate courses which account for 66% of all Graduate visas. This is the same group that has driven the growth in the number of Student visas in recent years.

### **3. What are the demographics and trends for students accessing a Study visa and subsequently accessing the UK labour market by means of the Graduate route?**

The age profile of those on the Graduate route is changing. Since 2021, the proportion of main applicants aged over 25 has increased by approximately 15 percentage points to 54% in 2023. This has coincided with an increase in the dependant ratio for the Graduate route and an increase in share of dependants that are children. However, this was before the introduction of the dependant rule change. Early evidence suggests the dependant rule change is already having an effect with the number of dependant applications falling by 80% when comparing Q1 2024 with Q1 2023. It will be necessary to await the usual peak in Student visa data at the start of the next academic year in September 2024 to see the full effect of the policy.

### **4. What work do Graduate visa holders do during and after their time on the route and are they contributing to the economy?**

Based on the available data, it appears that Graduate visa holders are initially overrepresented in lower-paid work (below the Skilled Worker route threshold for health and care occupations), but that their outcomes improve over time. After a year on route their earnings are not dissimilar to a domestic graduates 15 months after they have graduated. Among the first cohort of Graduate visa holders, around half moved on to Skilled Worker visas, primarily into skilled roles. Graduate visa holders who move into the Skilled Worker route have earnings and work in occupations which are comparable to domestic UK graduates. We expect the impact on public finances of Graduate visa holders on the route to be small but positive, as most appear to work, are young and have no recourse to public funds. We were unable to access data which would allow us to look at the employment outcomes of dependants on the Graduate route and therefore it is not possible to assess their economic impact.

### **5. Is the Graduate Route undermining the integrity of and quality of the UK higher education system? Is the Graduate Route supporting the UK to attract the brightest and best, contributing to economic growth and benefitting British higher education and soft power?**

We conclude that the Graduate route is not undermining the integrity of and quality of the UK higher education system. Under the current funding models for higher education across the UK, the Graduate route is helping universities to expand the range of courses offered while making up for financial losses on domestic students and research. It has also contributed to diversifying the range of universities (and thus domestic students) that benefit from the financial contribution international students make. The potential poor practice by some agents recruiting international students does risk undermining the integrity of higher education in the UK, as set out in the abuse section.

We were unable to identify a meaningful definition of 'brightest and best' to use in this commission and cannot comment on the performance of the route against this objective. As previously expressed in our [2018 Student route review](#), we expect those who remain in the UK long term to make positive net contributions to public finances and the economy. We are unable to measure the impact on soft power in any meaningful way.

We would expect a positive effect, though it is not possible to estimate the scale of this effect and its potential impact relative to wider government levers to boost soft power.

## Recommendations

### The future of the Graduate route

When the Graduate route was introduced in 2021, the government set objectives to ensure UK HE providers could attract talented students, maintain the UK's international standing in higher education and enable employers to recruit skilled graduates. The commissioning letter for this review also highlighted the link between the ambitions of the Graduate route and the International Education Strategy. The International Education Strategy includes a target to have 600,000 international students studying in the UK by 2030 and this target has been met ahead of time. Whilst we cannot precisely estimate the contribution of the Graduate route in meeting this International Education Strategy target, our review indicates it has played a major role. Based on our analysis, the Graduate route is broadly achieving its objectives and supporting the International Education Strategy. **We recommend retaining the Graduate route in its current form.** In making this recommendation, our key considerations follow.

**The government's concerns about misuse of the route and its aim to reduce net migration:** The restrictions on dependants on the Student route only came into force in January 2024. This change of policy on the Student route is in effect a restriction to the Graduate route, as dependants are only eligible for the Graduate route if they have been dependants on the Student route. **Early indications show that this change will reduce the number of international students coming to study in the UK later this year, though it is not yet possible to assess the full impact given its recent implementation.** In time, this change should reduce the numbers of both main applicants and dependants on the Graduate route as the student cohorts move into the route. We also expect the share of people moving from the Graduate route to long-term work visas in the UK to decline due to significant increases in salary thresholds on the Skilled Worker route. It is possible that this could potentially disproportionately affect some groups of international students and we would expect that the Home Office would have considered this whilst conducting an Equalities Impact Assessment before changes were made to the route.

**The impact of closing or further restricting the route on the higher education sector:** Under the current higher education funding model, closure or additional restrictions could put many universities at financial risk. There has been a substantial fall in the real value of domestic fees since their introduction and many HE providers are becoming increasingly reliant on international student fees as the business model to fund increasing losses on domestic student provision (driven primarily by inflation) and research. If the government were to prioritise different objectives and restrict the route significantly, it should only do so once the full impact of the change to the dependants rules on the Student route and therefore the Graduate route can be seen and once it has addressed the current HE funding model which is driving the dependence on international student fees.

**The government's levelling up agenda:** Based on where the expansion of student numbers has occurred and the reliance of regional economies upon universities, a decrease in international student numbers due to the

restriction or closure of the Graduate route could disproportionately impact local and regional economies outside London and the South East.

For these reasons, our recommendation is to retain the Graduate route in its current form. However, we do suggest that greater collaboration between government and the HE sector could be fostered to support the government's desired labour market objectives for the route. International graduates provide a potential pool of underutilised labour and could be better integrated into priority occupations and sectors. Universities benefit from the Graduate route, and they could further support the integration of international graduates into work and do more to raise awareness of the route among employers.

### **International Recruitment Agents and the Agent Quality Framework (AQF)**

It is important to protect international students from abuse and exploitation and to ensure that UK HE and our available study routes are being represented accurately by international recruitment agents. While we recognise the valuable role that many agents play in supporting international students and HE providers, we have heard from student representatives and Graduate visa holders about poor practice amongst some agents and sub-agents, such as providing misleading information about UK HE to prospective students. There is limited transparency around the extent to which universities are using agents. **We recommend that universities should be required to publish data on their spend on international recruitment agents and the number of students recruited through agents annually as a starting point to improving disclosure.**

Whilst we welcome the voluntary Agent Quality Framework (AQF) to control for the quality of agents going forward, the current lack of a mandatory data sharing framework makes it difficult to understand which agents are working in the best interests of UK HE and students and the scale of poor practices. Based on experience of voluntary schemes within the immigration system, there is insufficient evidence that this voluntary code will prove effective against deliberate poor practice. **We recommend that the government establishes a mandatory registration system for international recruitment agents and subagents which encompasses the quality controls in the voluntary AQF, consulting with the Devolved Administrations to ensure UK-wide coverage.** Where agents and subagents are shown to have engaged in non-compliance, they should be removed from the system. We also recommend that a new data sharing framework encompassing key parties including universities, the British Council, and UK Visas and Immigration (UKVI), should be established to monitor agent and subagent practices effectively. This could include a requirement for universities to submit which agent has been used in an application for a Certificate for Acceptance of Study, allowing UKVI to collect comprehensive data on agents.

Given our compressed timelines for this review, it would be wrong to suggest we have received comprehensive evidence to evaluate all possible options for addressing these concerns about agents. We recognise the work of the sector, the Department for Education, and UKVI in this area, and we expect this broad recommendation to support existing efforts to address the matter in a rigorous way.

### **Recommendations on data and monitoring**

We are grateful to Home Office analysts who provided us with the data requested for this review and we are pleased that significant progress has been made on the matching of visa data to HMRC data to enable us to answer critical questions on earnings of migrants. However, the introduction of the Graduate route in 2021



was a major policy change and we find it extraordinary that the government appeared to have very limited plans for data collection, monitoring and evaluation when the route was launched. Until this review, there was for example no data readily available looking at what universities those on the Graduate route had attended. In future, **we recommend that the government should only open new migration routes or make significant policy changes when it has a clear plan for how it will collect and monitor data to assess the effectiveness of the route against its objectives and understand wider impacts.** This includes prioritising more regular use of matched datasets which can capture a fuller picture of impacts and trends, supplemented by surveys to understand motivations and information not already captured in administrative data.

**We also recommend that the Home Office introduces a requirement for universities to provide confirmation of the course outcome (e.g. class of degree) on the Student route, in addition to confirmation that a course has been successfully completed which is currently required.** This should be part of the process for international students applying for the Graduate route, and that the data are collected in a way that will enable statistical analysis. This will enable an understanding of whether the government's objective of retaining talented students has been achieved.

We have also come across significant issues on the misunderstanding or mislabelling of Home Office data, including data that was referenced in the commissioning letter on the number of those who were supposedly switching from the Graduate route into care work on the Skilled Worker route. This data in fact represents those switching directly from the Student route to the Skilled Worker route. We have also faced similar issues in previous analysis of the new entrant discount on the Skilled Worker route with unclear labelling of Home Office data. **We recommend the Home Office undertakes a review of the data variables used for analytical purposes across the largest visa routes (including the Skilled Worker route, Student route and Graduate route) to develop a clear definition of what these data represent, and the quality of each variable collected.** This should draw on analytical, policy and operational expertise to develop a common understanding. This exercise would reduce the risk of incorrect analysis in future and improve the quality of analysis available. It is crucial that extensions data should include data on the visa holder's previous immigration status, regardless of what that status was, in a format that can be extracted for statistical analysis.

We recommend that the government explore and make further use of the HO/HMRC matched data. Across all immigration routes, the matched HO/HMRC data is a key part of our evidence base, which we will utilise in our reports over the next year. Data which follows the migrant journey over time linking between visas and HM Revenue & Customs (HMRC) earnings data is useful for analysing long term migrant progression and impact over time. Specifically for the Graduate route, although dependants will be more limited on the route in the long-term, as some dependants will still remain on the route over the coming years, the government should consider better data collection on this group.

# Annex 1: HE in the Devolved Nations

There are differences in how higher education (HE) providers are funded to teach domestic students across the UK. For Northern Ireland, Scotland and Wales, education is a fully devolved matter, with migration a reserved matter. Whilst there are many similarities across the UK, there are some differences as HE providers are regulated and funded by different administrations.

Fees for domestic students vary across the Devolved Nations. Wales will raise its fees in September 2024 from £9000 to be on a par with England, charging the maximum (capped) fee of £9,250. Northern Ireland's fees are £4750, and Scotland does not charge fees to 'home' students. In the introduction to our report, we set out how we gathered evidence and consulted with stakeholders. This included ensuring we undertook research with graduates from universities across the 4 nations, and that our stakeholder consultations reflected representation from across the UK. In this Annex some of the contextual differences we have considered as part of our review are highlighted.

We recognise there are varying levels of reliance on international student fees across the UK. We also acknowledge the Devolved Administrations have different strategic ambitions for both higher education and migration compared to the UK government. For this review, we find that HE providers across the UK are reliant upon international student fees in the same way and on this basis our recommendations apply to the whole of the UK. We acknowledge that our recommendations on regulating international agents will require coordination across the UK government and Devolved Administrations and encourage cooperation on this matter.

## Northern Ireland

The devolution settlement that followed the 1998 Good Friday Agreement gave legislative powers to Northern Ireland (NI) over certain areas, including HE. Unlike other parts of the UK, NI has no Higher Education Funding Council. The NI Department for the Economy fulfils the roles of both a government department, funding council (including research) and regulator. Domestic NI students pay £4750 per year, however NI's perennial issue of outbound migration of domestic students persists. The Department for the Economy's cap – the Maximum Aggregate Student Number (MaSN), introduced in 1994 as a way of controlling the cost to government of HE – on domestic student numbers remains in place and means more students want to enter HE than there are places. This in turn requires students to make applications to HE providers outside of NI. Ongoing tracking of whom out of the 'reluctant' leavers and 'determined leavers' opts to return to NI after graduation is therefore required to understand the full impact on local labour market supply.

## Scotland

Scotland was granted devolved powers in 1998, and these included education and research. For example, the quality of Scottish HE is regulated by the Scottish Funding Council. Another distinction from the other 3 constituent nations, is that after an initial experiment with a 'graduate endowment' payment Scotland abolished all fees in 2008. Technically, Scottish Universities charge domestic students a tuition fee of £1,820 per year. However, the Student Awards Agency Scotland, pays these fees on behalf of undergraduate students. It should be noted, though, that students from the rest of the UK pay full fees up to £9,250. The

Scottish funding model means that Scottish universities are unable to raise tuition fees for domestic students and rely on public funding from government. The sector indicates that they are even more reliant upon international student fees, than their counterparts in other parts of the UK, to subsidise both domestic students and research costs for this reason. The Scottish Government launched its own [International Education Strategy](#) in February 2024.

## **Wales**

Wales compared to the other Devolved Nations has taken a longer path to devolved powers, with the Welsh Assembly – the Senedd – first gaining legislative powers in 2006. The Tertiary Education and Research (Wales) Act 2022 created a new Commission for Tertiary Education and Research with regulatory responsibility for funding tertiary education and research. The establishment of the Commission brings together responsibility for overseeing Wales’s HE & FE, school sixth forms, apprenticeships and research and innovation in one place. In terms of revenue raised from student fees, since devolution, high cross-border movement of students between Wales and England has at times lead to an alignment of fees – Wales will match England’s £9,250 from September this year – although between 2018 and 2024 Wales had a lower fee.

## Annex 2: List of formal engagements

The following is a record of formal engagements conducted by the Migration Advisory Committee (MAC) during March and April 2024, in the lead up to the publication of this report. Detailed are meetings between the Chair and Ministers, as well as the attendees to our consultative roundtables with the sector.

**Table A.1: Ministerial engagements for Graduate route review**

Date	Event	Attendees
25 <sup>th</sup> March 2024	Meeting with James Cleverly MP, Secretary of State for the Home Department, UK Government	Professor Brian Bell (Chair) & Secretariat Members
27 <sup>th</sup> March 2024	Meeting with Graeme Dey MSP, Minister for HE & FE, Scottish Government	Professor Brian Bell (Chair) & Secretariat Members
27 <sup>th</sup> March 2024	Meeting with Gillian Keegan MP, Secretary of State for Education, UK Government	Professor Brian Bell (Chair) & Secretariat Members
22 <sup>nd</sup> April 2024	Meeting with Lynne Neagle MS, Cabinet Secretary for Education, Welsh Government	Professor Brian Bell (Chair) & Secretariat Members
23 <sup>rd</sup> April 2024	Meeting with Conor Murphy MLA, Minister for the Economy, Northern Ireland Executive	Professor Brian Bell (Chair) & Secretariat Members

The MAC had regular engagements with Sir Steve Smith, the government’s International Education Champion, as part of this review. The MAC Secretariat also held meetings with cross-Whitehall and Devolved Nations colleagues, as well as Higher Education sector representatives.

Below is a full list of attendees for our four consultative roundtables with key stakeholders:

- ApplyBoard
- Association of Colleges
- British Council
- BUILA (British Universities International Liaison Association)
- Cambridge Education Group
- Cranfield University
- De Montford University
- Guild HE
- Independent Higher Education
- Indian National Students Association (UK)
- Indian Students in the UK
- INTO
- Kaplan
- MillionPlus
- Navitas
- Nigerian Students Society at Glasgow Caledonian University
- Northern Ireland Tertiary Education Leaders Forum
- National Union of Students UK (NUS)
- Oxford International
- Russell Group
- Sheffield Hallam University
- Study Group
- Swansea University

- UKCISA (UK Council for International Student Affairs)
- UK Nigerian Students Association
- Ulster University
- Universities Scotland
- Universities UK
- Universities Wales
- University Alliance
- University of Birmingham
- University of Dundee
- University of Portsmouth
- University of St Andrews
- University of the Arts London

# Annex 3: Statement on Conflicts of Interest

Committee members are appointed to the Migration Advisory Committee (MAC) on an individual basis, not as representatives of any organisation or institution. For this rapid review in particular the MAC recognises that, outside of their role on the Committee, each member is currently a paid employee of a UK University. These same employing universities derive significant fee-based income from the recruitment and retention of international students. In the authoring and publication of this review the MAC has carefully considered Committee members actual or perceived conflicts of interest. We are committed to maintaining public trust and confidence and the following is a brief summary of the actions we take to manage conflicts of interest should they arise:

- Members are required (from the time of their appointment) to be fully cognisant of their role sitting on the Committee of an independent, not-statutory, non-time limited, non-departmental public body. The MAC's framework clearly sets out that Committee members are tasked to deliver independent and evidence-based advice to the UK government on matters relating to migration.
- All members have agreed (from the time of their appointment) to adhere to the principles and values of public service. These principles are Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership
- All members at the time of appointment are required to declare any actual or perceived conflicts of interest and update them with any relevant changes in a timely manner.
- All members have signed up to a Framework document that requires 'declaration' during MAC related activities if they are speaking on any topic from an institutional point of view rather than a personal view.

Current committee members are:

- Chair, Professor Brian Bell (Professor of Economics & Head of Department, King's College London)
- Professor Dina Kiwan (Professor of Comparative Education, University of Birmingham)
- Professor Sergi Pardos-Prado (Professor of Comparative Politics, University of Glasgow)
- Dr Madeleine Sumption (Director of the Migration Observatory, University of Oxford)
- Professor Jo Swaffield (Professor of Economics and Dean of the Faculty of Social Sciences, University of Southampton)

Further details about our Committee Members' declaration of interests and our governance can be found by clicking [here](#).