



Department
for Education

Ad-hoc notice

Post-16 education: earnings outcomes for level 3 achievements

England

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About this release

This publication presents experimental statistics for 16, 17 and 18 year olds that achieved level 3 qualifications in the academic year 2010/11 and their observed earnings in the 2016-17 tax year. Advanced (level 3) apprenticeships are excluded from this release; destinations and earnings outcomes for all age apprenticeships can be found in the [Outcome Based Success Measures](#).

This publication is based on the data collected as part of the Longitudinal Education Outcomes (LEO) study.

In this publication

Published alongside this statistics release are the following tables (Excel .xls):

- **Table 1: Annualised earnings in 2016-17 tax year for A level qualifications achieved in academic year 2010/11 by qualification title**
- **Table 2: Annualised earnings in 2016-17 tax year for other level 3 qualifications achieved in academic year 2010/11 by sector subject area**

Feedback

We welcome feedback on any aspect of this document and the methodology and presentation of these statistics. Please direct all comments and queries to: Rupesh.Vekaria@education.gov.uk

Introduction

Background and context

This reports presents experimental statistics on the earnings outcomes for 16, 17 and 18 year olds that achieved level 3 qualifications (A level and equivalent qualifications) in the academic year 2010/11 in England. The report links subject level achievement to observed earnings in the 2016-17 tax year using the Longitudinal Education Outcomes (LEO) study. The privacy statement explaining how personal data in this project is shared and used is published at: <https://www.gov.uk/government/publications/longitudinal-education-outcomes-study-how-we-use-and-share-data>

The LEO study links information about individuals, including:

- Personal characteristics such as age, sex and ethnicity.
- Education, including schools, further education colleges and higher education institution attended, courses taken, and qualifications achieved.
- Benefits claimed.
- Employment and income.

The analysis included in this report is exploratory - we will continue to develop the underlying data and so the methods, measures and results presented here are subject to change.

Whilst this report specifically covers earnings outcomes for learners that achieved a level 3 qualification, the following releases cover overall outcomes for each educational phase/stage:

- [Destinations of key stage 4 and key stage 5 pupils](#) showing the number of young people going into education, employment or training the year after finishing key stage 4 (after year 11) and key stage 5 (after A levels or other level 3 qualifications).
- [Outcome based success measures](#) showing the employment, earnings and learning outcomes for all age apprenticeships, all age traineeships, and adult (19+) Further Education and Skills learners.
- [Higher education graduate employment and earnings](#) showing employment and earnings of higher education graduates at different points after graduation.

Measures and coverage

Learning coverage

The estimates cover 16, 17 and 18 year olds that achieved level 3 qualifications (A level and equivalent qualifications) in the academic year 2010/11 in England. They do not

cover advanced (level 3) apprenticeships; destinations and earnings outcomes for all age apprenticeships can be found in the [Outcome Based Success Measures](#).

The statistics show subject level information sourced from Awarding organisation data and the Individualised Learner Record (ILR) database which together provide coverage of A level and other level 3 qualifications¹. A level qualifications are presented by qualification title while other level 3 qualifications are shown by Sector Subject Area.

Earnings measure

Outcomes are reported on a qualification basis; where a learner completes more than one qualification in the academic year, outcomes are reported against each qualification weighted equally between them.

The earnings estimates are based on information recorded through the Pay As You Earn (PAYE) system used to collect Income Tax and National Insurance from employment by Her Majesty's Revenue and Customs (HMRC). They show what learners actually earned post study, and include learners who may not have been employed in the same sector in which they achieved their qualifications.

The estimates only include learners that were in sustained employment² and were not in further training at a Higher Education Institution (as reported by Higher Education Statistics Agency) in the 2016-17 tax year.

This report presents the weighted **median annualised earnings** of learners. The weighted **median** is calculated by ranking all learners' annualised earnings and taking the value at which half of all learners weighted qualifications fall above and half fall below. In addition to the median, the annualised earnings for the top 25% (or **upper quartile**) and bottom 25% (or **lower quartile**) are also presented to help users understand more about how earnings are distributed.

Annualised earnings are calculated for learners that started or left employment part way through the tax year by adjusting their recorded earnings to the equivalent earnings had they been employed for the entire tax year. The PAYE records from HMRC do not include reliable information on the hours worked in employment so it is not possible to accurately distinguish between learners in full time and part time employment. Therefore **part time earnings** are not adjusted to the full time equivalent amount.

Where there are high levels of part time employment within a group of learners, the median annualised earnings will be lower as a result. This is the case for sector subject areas like child development and wellbeing where many of the employment opportunities

¹ What qualification levels mean: <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels>

² Sustained employment: learners must be in paid employment as recorded in Pay-As-You-Earn (PAYE) records in five out of six months between October and March in 2016-17.

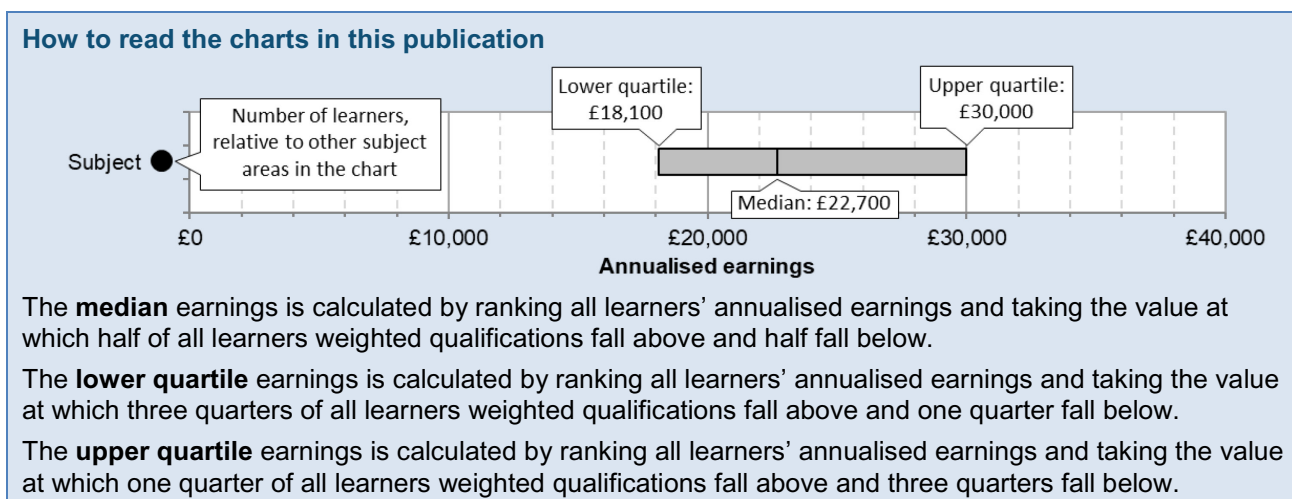
are part time. It is important to note that the number of people in part time employment may be as much due to the preferred working pattern of the learners as what is being offered by employers.

The earnings estimates do not include any income that was recorded through the **self-assessment** tax system. This means that earnings will be underreported for learners who have self-assessment income in addition to earnings from paid employment collected by the PAYE system. Learners that recorded their income entirely through the self-assessment tax system are not included in the estimates.

The results in this publication show the earnings outcomes for learners without controlling for factors such as learner demographics and other important factors. **The estimates should therefore be treated with a degree of caution as there is a large amount of unexplained variation in the data.**

Other important factors that would likely impact future earnings include the grade achieved in level 3 qualifications as well as prior attainment. Additional qualifications and subject(s) studied after achieving level 3 will have an impact on earnings outcomes as well as the time spent in employment since achieving highest qualification. For example some learners will have progressed to complete a degree level qualification in Higher Education before moving into the labour market while others will have progressed directly into employment and will therefore have spent more time developing careers. The analysis in this report allows a sufficient gap period between level 3 achievement and observing earnings for the majority of learners to have completed a degree level qualification. The sector/occupation and region of work will also cause variation in earnings. These factors have not been controlled for in the results presented below.

The earnings estimates are rounded to the nearest £100 and qualifications/subject areas which have less than 30 achievements are suppressed.

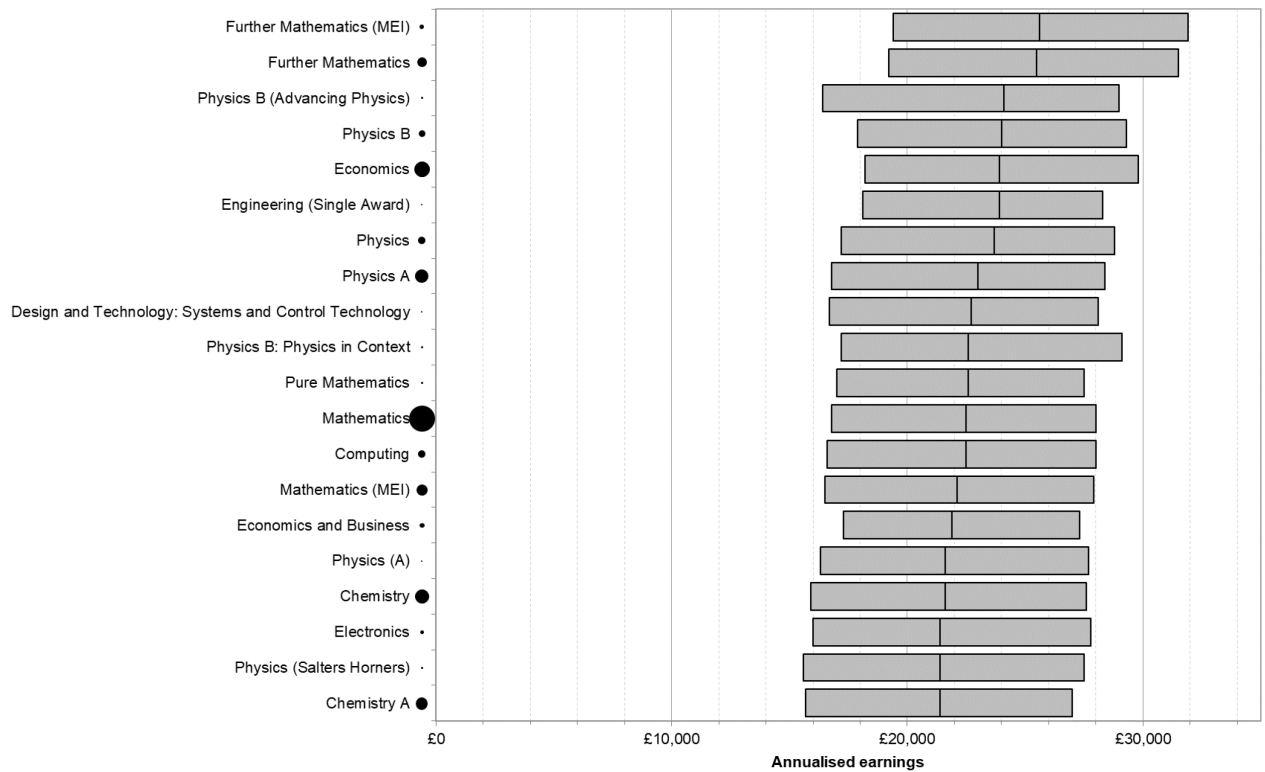


Earnings outcomes

Variations can be seen in median annualised earnings across qualifications and sector subject areas. Earnings outcomes for A level qualifications were highest in Further

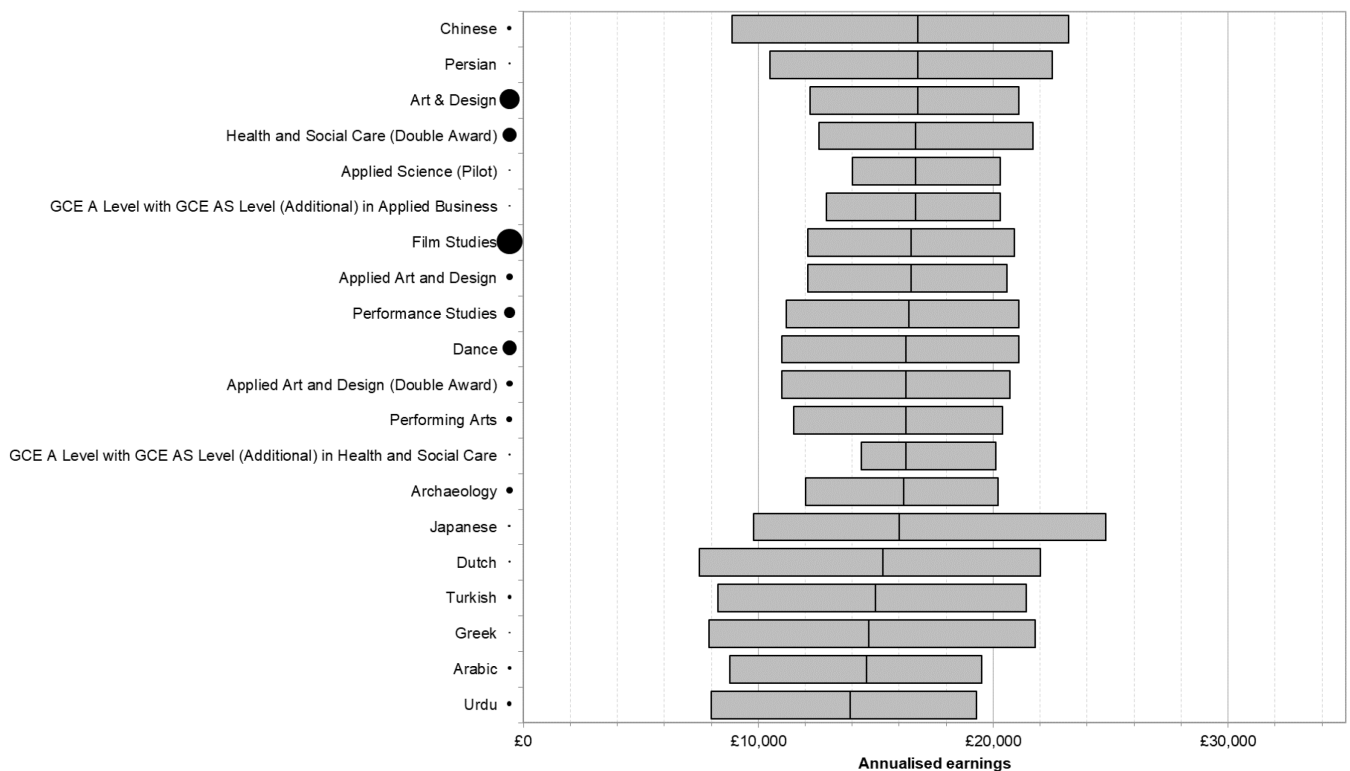
Mathematics and Physics qualifications (Figure 1a) and lowest in Urdu, Arabic, Greek and Turkish language qualifications (Figure 1b).

Figure 1a: Annualised earnings in 2016-17 tax year for A level qualifications achieved in academic year 2010/11 by qualification title – Top 20 qualifications



Source: Longitudinal Education Outcomes (LEO) Study

Figure 1b: Annualised earnings in 2016-17 tax year for A level qualifications achieved in academic year 2010/11 by qualification title – Bottom 20 qualifications



Source: Longitudinal Education Outcomes (LEO) Study

For other level 3 qualifications earnings outcomes were highest in the Economics, Engineering and Architecture sector subject areas and lowest in Child Development and Well Being, Service Enterprises and Direct Learning Support (Figure 2).

Figure 2: Annualised earnings in 2016-17 tax year for other level 3 qualifications achieved in academic year 2010/11 by sector subject area



Source: Longitudinal Education Outcomes (LEO) Study

Please note: The earnings outcomes in this release are presented as raw figures. They do not seek to control for differences in learner characteristics that may influence outcomes over time or across different populations.



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