The role of universities in social mobility in the UK: new evidence from administrative data

Abstract

Estimating university quality is important for holding universities to account and for providing information for students choosing whether, where and what to study. Improving information for students is important, as it has been shown that different university choices can have a dramatic impact on a student's prospective earnings. This paper uses the newly available Longitudinal Educational Outcomes (LEO) dataset that links administrative school, university and tax records for the population of students educated in England. We document considerable variation in the raw earnings of graduates from different universities by their late twenties, and show that once differences in student intake are adjusted for, significant differences remain. This suggests that universities can have an important influence on graduate outcomes. We highlight significant gaps in access to the best performing universities (i.e. those with the highest value-added) between those from rich and poor backgrounds, even conditional on prior attainment. We estimate that the rich-poor earnings gap would be reduced by around one-third if those gaps in access were removed. However, a structural model of sorting in higher education suggests that closing these gaps might be difficult through less direct intervention.