Uni dropouts earn more than those who never attempt a degree, research finds

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Picking a degree is hard, and we don't always get it right the first time around. There's a lot of you who drop out because you aren't all that into what you're studying, or because you can no longer spend the time or money at uni.

The Federal Department of Education has found the number of people who complete their Bachelor’s degree is around 64 per cent. And the sense of failure that comes from dropping out can be pretty acute.

But new research out from La Trobe University has found that people who attempt an undergraduate degree but don't finish it still come out ahead.

Researchers found that Year 12 graduates who dropped out of their degrees earned $7,500 more, on average, than people who never enrolled in the first place. People who had a vocational education and training (VET) qualification before they dropped out of uni earned around $8,000 more than people who never enrolled.

"The median salaries of Bachelor non-completers tended to be substantially higher than those who had never attempted a Bachelor’s before," La Trobe researcher Michael Luckman told Hack.

But uni graduates still came out on top.

‘Incomes [for non-completers] were still lower than those who were able to go on and complete their degree.’

The study is based on data from nearly 28,000 households who undertook the Australian Bureau of Statistics' annual survey.

Most go on to study again

Michael acknowledged that not everyone dropped out of a course because they didn't like it.

"Sometimes the reasons for withdrawal are beyond the control of students. But sometimes these factors are only temporary, like you have to care for a loved one or go back [to work] to earn some money," he said.

For the majority of people, dropping out of tertiary education is itself temporary, according to the research.

"About 28.4 per cent of people that started but didn't complete a Bachelor degree will end up obtaining some form of a higher education qualification like a Bachelor or postgraduate qualification, and around 30.6 per cent will go on to obtain a VET qualification," Michael said.

In April, the Grattan Institute found that there are certain predictable factors that contribute to a person dropping out of uni, including their age, whether or not they're studying full-time or part-time, and what their ATAR score was before they started their course.