STUDENTS who drop out of their tertiary course are financially better off than those who never started their post-school study.

La Trobe University's Centre for Higher Education Equity and Diversity research reveals the median incomes of Year 12 graduates who had attempted, but not completed, a bachelor degree was $7500 more than school leavers who had never enrolled at uni.

Similar wage differences were observed between vocational qualification holders who had and had not attempted further study.

Researcher Michael Luckman says the findings should dispel the notion that those who do not complete a qualification are "failures".

He says it should also encourage non-completers not to abandon study altogether, with the research showing 60 per cent of uni dropouts went on to complete a different post-secondary qualification later.

"What this shows is that it's relatively common to kind of step in and out of higher education," Luckman says.

"Our analysis shows the student life cycle is more complex than is generally assumed.

"Increasingly, we see that students are transitioning between sectors, institutions and courses."

Luckman believes the financial benefits experienced by non-completers stems from the skills and knowledge they learn during their short time at university.

"Not everyone uses their whole education," he says.

"A lot of coursework (university study) these days can be viewed as mini projects - some may have an element of work-integrated learning to them - so you can present that (to prospective employers as examples of your skillsets)."

About one million Australians have started, but not completed, a bachelor degree.

In the vocational education and training sector, it is estimated more than half of students who start a certificate I qualification or higher will not finish it. Similar completion rates are recorded for apprentices.