

Originally published in *The Conversation* <https://theconversation.com/ideas-for-australia-degrees-are-more-necessary-than-ever-before-but-the-rewards-arent-as-great-56912>

# Ideas for Australia: Degrees are more necessary than ever before, but the rewards aren't as great

April 13, 2016 6.10am AEST

[Emmaline Bexley](#), Senior Lecturer in Higher Education, University of Melbourne



## Disclosure statement

Emmaline Bexley does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.



Is it fair to say universities are letting employers down? from [www.shutterstock.com](http://www.shutterstock.com)

*The Conversation* has asked 20 academics to examine the big ideas facing Australia for the 2016 federal election and beyond. The [20-piece series](#) will examine, among others, the state of democracy, health, education, environment, equality, freedom of speech, federation and economic reform.

---

Having a degree has become a basic prerequisite for most careers. Those without a degree are [more likely to be disadvantaged](#) in career and economic terms.

You could think of this as somewhat like mobile phone ownership. Twenty years ago, those of us without a mobile phone got by just fine – having one was a status symbol. Now, even though the phones are much, much better, having one is nothing special. And those without one will really struggle.

Yet widespread participation in higher education has implications for individuals. On the one hand, the more people who have a degree, the more this becomes a basic expectation for employers. On the other hand, the more having a degree becomes a basic expectation, the less “special” it is and the lower the premium, in terms of pay, that can be gained.

We can see this clearly in shifts in graduate starting salaries. Since the mid-1970s, median annual starting salaries for bachelor degree graduates [have deteriorated steadily](#).

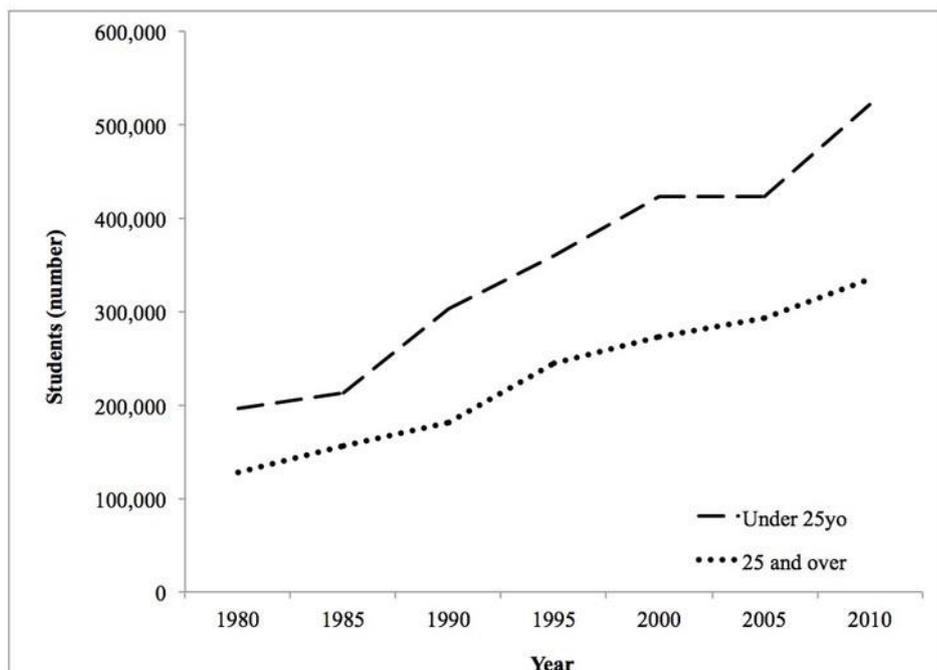
In 1977, when a minority of people completed high school, let alone went to university, graduates of engineering, education, computer science, social work, veterinary science and agricultural science all had starting salaries above male average weekly earnings (MAWE) – the long-term benchmark for salary levels in Australia.

In 2011, only graduates of dentistry, optometry and earth sciences had salaries above MAWE. Even medicine, perhaps the most sought-after degree, has taken a tumble, from a starting salary of 138.5% of MAWE in 1977 to 91.4% in 2011.

This [diminution in monetary value](#) of having a degree corresponds to steep rises in participation in higher education over the same period.

Three decades ago, only around 40% of young people completed high school (46% in 1985, for example). Today, around the same proportion complete a university degree.

The illustration below shows the remarkable increase in participation in higher education, especially by young people, over the three decades to 2010.



Higher Education Students by Broad Age Group, 1980-2010. Education Selected Statistics

## Degrees more necessary, less rewarded

What all this shows is that we are experiencing credential creep. The level of educational credential needed to stand out from the crowd has risen steeply. This is compellingly demonstrated by the steep increases in participation in the highest degree levels.

Australian universities [graduated](#) nearly 8,000 doctorates (PhDs and professional doctoral degrees) in 2013, more than double the number graduating in 1999.

Of course, higher education is about much more than the piece of paper received at the end.

Remarkably, in the face of such steep increases in participation, graduates' satisfaction with their experience at university is extremely high. It has remained high over the past decade, at [well over 90%](#). Similarly, more than half of Australia's universities rank in the prestigious [Academic Ranking of World Universities top 500](#).

Data such as this flies in the face of anecdotal concerns about a decline in the quality of higher education in Australia.

## The changing profile of university graduates

Universities today enrol an exceptionally diverse community of students, of varying social, academic and cultural backgrounds. That this has been achieved without plummeting satisfaction levels or widespread loss of institutional standings – despite static or declining public funding – is remarkable.

But these increases in participation and diversity create social tensions.

Australian tertiary education is now characterised by a lack of clear purpose. This stems from policymakers' failure to conceptualise the tertiary education landscape and the role of the institutions that comprise it, as well as the lack of any instrumental view of objectives based on need.

It has become unclear what differentiates the vocational, education and training (VET) sector from the university sector and, in turn, from private tertiary education providers. Enabling, bachelor and sometimes postgraduate-level education is available from all three kinds of institution.

Despite this, funding and [regulation of VET](#) and higher education are undertaken by state and federal governments respectively. The regulation of private, international and postgraduate coursework education has been developed ad hoc rather than planned.

The result is a series of policy and legislative artefacts formed on the hop, rather than a coherent and systematised sector serving clear societal needs.

## Degrees not regarded in the same way

Having a degree is no longer a quality status signal in itself. What counts now is what institution? What course? What extra-curricular activities?

The more ubiquitous holding a degree becomes, the more we will see status signals and classing structures strengthening their place within the higher education system, with a more nuanced differentiation of the credential as capital.

This raises important questions about social equity.

Today, young people are [pressured to go to university](#) even if they may not be particularly interested in scholarly pursuits.

Many end up in institutions or courses that are unsuited to them, despite their ability, for selection measures remain tightly correlated with social class.

Large employers (banks and the like) no longer focus their recruitment on school leavers and train them up. Now they recruit university graduates and complain that they do not have the [required skills](#). Similarly, students forgo earning while they are learning, and the sunk costs of gaining a qualification are high.

Pressing inequalities in early education and [schooling](#) that lead to inevitable inequalities at the tertiary level; credential creep that is pushing all the way to the PhD; increasing stratification in the status of institutions, disciplines and modes of study – these are the contemporary frontiers for equity in Australian tertiary education.

We need a [new conceptualisation](#) of the purpose of tertiary and higher education, of training, of skills. And it needs to be supported by policy and funding mechanisms that recognise new realities rather than perpetuating old stereotypes.

---

*You can read other articles in the series [here](#).*

*These ideas are explored at greater length in my chapter in [Student Equity in Australian Higher Education: Twenty-five years of A Fair Chance for All](#).*