Uni dropouts earn more than those who never go

The La Trobe study found the median annual incomes of people who had graduated from Year 12 and had started but not completed a bachelor degree were $7500 more than those who had graduated from Year 12 and not gone to university.

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The estimated one million Australians who have started but not finished a bachelor degree at university still gained financial benefit from their higher education experience, according to a new study.

“Overall, our data suggest that far from being ‘dropouts’ and ‘failures’, bachelor (degree) non-completers appear to gain some financial benefits from partially completing a bachelor-level qualification,” said Michael Luckman, a researcher at La Trobe University’s Centre for Higher Education Equality and Diversity.

Mr Luckman said the study, published in the Journal of Higher Education Policy and Management and based on Australian Bureau of Statistics data, found the median annual incomes of people who had graduated from Year
12 and had started but not completed a bachelor degree were $7500 more than those who had graduated from Year 12 and not gone to university.

He said there was a similar wage difference among people who had completed vocational education qualifications. Those who had started, but not completed, a bachelor degree earned more than those who had never attempted a degree.

Mr Luckman said the large number of university dropouts should not be viewed as a failure of public policy.

“This has important implications for the public funding of higher education,” he said.

“While it remains financially beneficial to complete a bachelor degree, the perceived losses incurred by taxpayers from non-completion do not appear to be as severe as may have been expected.”

Students who drop out of a bachelor degree are still required to pay fees for the subjects they have enrolled in and there is a cost to the federal government through course subsidies. But Mr Luckman said there were also public benefits to offset the cost to government of dropouts, such as higher taxation revenue due to their higher incomes.

His paper, co-authored with centre director Andrew Harvey, is titled The Financial and Educational Outcomes of Bachelor Degree Non-Completers.

Last year a survey by the Grattan Institute of students who dropped out found many of them had found their course interesting, they learned useful skills and they made new friends.