

## Universities New Zealand - Media Release

13 July 2016

### Study confirms value of a university education

Universities New Zealand has welcomed the findings of a new study of university graduates which confirms the value of a New Zealand university degree in preparing students for their lives and careers as well as the benefit to the community.

The independent study, initiated by New Zealand's eight universities under the umbrella of Universities New Zealand, was carried out just two years after the graduates finished university. It found they were highly satisfied with their lives, already earning around the national median income after only two years in the workforce, and that just 2.7% were unemployed.

The findings come from the Graduate Longitudinal Study New Zealand (GLSNZ) - a survey of nearly 9000 students from all eight New Zealand universities who graduated in 2011. The students were first surveyed in 2011 and were then resurveyed again two years later. It is intended that the students will be surveyed again at least twice more to cover the first ten years of their lives following graduation.

Chris Whelan, Executive Director of Universities New Zealand, says the Graduate Longitudinal Study New Zealand is thought to be the most comprehensive study of graduate outcomes in the world.

"This study is important because it helps us to understand the impact of a university education by tracking and exploring how our graduates fare. Not only does it look at their careers and employment, which are important measures of success, but it also takes a more holistic look at their lifestyle, development, health and well-being.

"The data show that graduates are good citizens who make a tangible contribution to New Zealand economically. The vast majority are employed, pay taxes, are repaying their loans, and are healthy. They also make an important social contribution to New Zealand through involvement in their communities. And they are more likely to get out there and vote.

"In short, these new results confirm that a degree doesn't just benefit the individual. It also benefits their community and the country.

"Universities recognised the need for government, students and their families to have good evidence about the benefits of a university education. The results are also important to universities as they continually adjust their qualifications to meet the needs of students and employers."

Key findings of the survey include:

- Two years after graduation, almost 80% of the graduates said that getting a degree had been worth the effort, time and cost involved.
- After just two years in the workforce, their median income was \$40-50,000 per annum; this compared well with the median income of all those in paid employment of \$44,668pa, and with those in the 25 to 29 age group of \$37,440pa, as at 2014.
- Though three-quarters had taken out a student loan, the median loan debt was relatively low at \$10-15,000.
- The graduates had high degree completion rates - 97% completed the qualification they were studying towards in 2011, and others were still on track to complete it.
- Graduates ranked the benefits of a university education in the following order: personal development, obtaining employment, and career development.
- Only 2.7% of graduates were unemployed, compared with a national average of 5.7% in 2014. 81% were in employment with the remainder being either enrolled in further tertiary study, travelling or living overseas, parenting/caregiving, or they were international students who had returned home.
- 71% said their knowledge and skills were well utilised in their work.
- 64% were satisfied or very satisfied with their current work; 72% said they would probably or definitely continue this work for the next 3 years.
- 89% described their health as good or better (ie 28.4% good; 40% very good; and 20.6% excellent).
- Over half were active in their communities through a sports group, hobby or leisure club and 34% belonged to a charitable organisation or group.
- 84% voted in the national elections, compared with a national average of 77.9%.

Overall graduates expressed high levels of satisfaction with their lives following university, and expected to be even more satisfied with their lives in 10 years' time.

Chris Whelan says, "The results are very positive given that the graduates are just two years out from university, are still establishing their careers and lives, and, in many cases, are still paying off student loans."

He says the study confirms other research released earlier this year, which shows that a degree is a good investment. "A typical graduate earns around \$1.6 million more over their working life than a non-graduate. This figure is much higher for a medical doctor (\$4m), professional engineer (\$3m) and information technology graduate (\$2m).

The study has been carried out by the University of Otago's National Centre for Lifecourse Research. It was initially led by Professor Richie Poulton, who also led the world-renowned Dunedin Multidisciplinary Study.

Chris Whelan adds, "Given the large size of the cohort, and depth and breadth of the survey, we expect the results will be of interest across a range of other sectors, including health, workforce planning, and immigration. Sector briefings will be held later in the year."

Further in-depth analysis will also be published on labour market outcomes; ethnicity and tertiary success focusing on Māori and Pasifika students; experiences of international students; and the social benefits associated with university study.

The Baseline and Follow-up reports and summaries are on the GLSNZ website at [www.glsnz.org.nz](http://www.glsnz.org.nz) and Universities New Zealand website at <http://www.universitiesnz.ac.nz/node/889>.

This follow-up study and future work is funded by Universities New Zealand.

**For more information, contact:**

- Hazel Dobbie, Communications Manager, Universities New Zealand, 027 838 2313, [hazel.dobbie@universitiesnz.ac.nz](mailto:hazel.dobbie@universitiesnz.ac.nz), or
- Dr Karen Tustin, GLSNZ Director, National Centre for Lifecourse Research, Tel 03 479 5089, [enquiries@glsnz.org.nz](mailto:enquiries@glsnz.org.nz), [www.glsnz.org.nz](http://www.glsnz.org.nz)