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Advance HE – Let’s Talk Value Conference

Professor Julia Buckingham keynote – check against delivery

Good morning and thank you for inviting me to speak today.

Over the past few years, we have seen the emergence of a strong public and political narrative questioning value for money for students. Headlines talking of the “great university con” and ministers warning that low value degrees are letting down our students.

Uncomfortable though the question may be for university leaders who, after all, are deeply committed to ensuring quality and value for all our students it is a legitimate question to ask. And we, as a sector, need to work collectively to do more to address this challenge through our deeds as well as our words.

Under the new Conservative government, these concerns are not likely to go away. The party’s election manifesto made a commitment to explore ways to tackle the problem of low-quality courses. But how do we define value and whose definition are we using? Students’? The government’s and taxpayers’? Parents’ and carers’? The sector’s? The very fact that I am asking “Whose definition?” demonstrates the complexity of this issue. Value is in the eye of the beholder and it’s important we get to the heart of what matters to different stakeholders.

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Much of the recent debate has been framed very narrowly by policy makers, politicians and commentators. It has often lacked nuance, failing to look beyond salary outcomes and, crucially, it has failed to understand what motivates today's students and recent graduates and the variable job market into which they are graduating.

Those of us from universities know from speaking to current and prospective students, their families and recent graduates that salary and status are not everything for this generation. Graduate recruiters say that the questions today's applicants ask at the end of job interviews are more focused on "What is the culture like and how will you support me?" rather than "What will you pay me?" with wellbeing, personal development, diversity and civic responsibilities highly prized.

And, while they may be harder to quantify, we need to look at the broad intellectual skills a degree instils - skills that make graduates more work ready, such as critical thinking and analysis, independent thinking, the ability to interrogate the evidence, debate and challenge the views of others - all skill that help individuals to make informed decisions and solve problems.

If we are genuinely to improve how we define value and address concerns about poor value, then first we should ask what value means to those who are at the heart of the system – not politicians, not newspaper columnists, but today's students – Generation Z – and the millennials who make up our recent

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graduates. And last September that's exactly what Universities UK did.

This opinion polling by Savanta ComRes for UUK suggests that policy makers and politicians have got it wrong when it comes to understanding what motivates today's students and graduates. Students do not make their choices about career and study only based on salary – so policymakers shouldn't assume they do.

The polling found that eight in 10 of the students and recent graduates surveyed think that the government should do more to promote the many other benefits of studying at university, defining value and the benefit of a university education much more broadly than simply by future earnings alone.

Only one in three students and recent graduates say they decided to go to university to get a higher salary than they otherwise would have.

In the same poll, students and recent graduates say that they decided to go to university for a broad range of reasons, including their interest in their chosen degree subject, enjoying studying and learning and as a first step in building a career. 84% agreed that their future salary was not the only factor they considered when deciding to go to university.

The polling showed that students and graduates recognise that going to university broadens their horizons, with 86% of those surveyed agreeing that they have met people from diverse

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backgrounds and with different views to them at university. This suggests that university could play an important role in social cohesion in communities in the UK.

The poll also reveals that students value many other elements of the university experience, including:

- developing skills such as time management, social skills and teamwork
- access to academic tutors and experts and libraries
- improving levels of confidence and gaining independence
- making new friends and developing beneficial social networks
- awareness of social issues and debates

Overall, students and recent graduates are positive about the benefits of university for themselves, others and wider society. The vast majority - 84% - would recommend university to others as a worthwhile experience. Almost nine out of 10 respondents said university had given them the opportunity to think about what they want to achieve in the future and the same proportion said that university had helped them learn to be independent.

This research shows that measuring the value of university degrees by earnings potential – as the government's analysis of education outcomes currently encourages – could do a disservice to our students and recent graduates.

Recent attempts to take a more granular approach to LEO further by looking at regional earnings data is to be welcomed. This new

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and detailed data will play an important contribution to the conversation around the value of a university education – but it's still only providing partial information and framing the debate solely on salaries.

And that is because LEO is only the tip of a much bigger iceberg. While it is a useful data source, for me, LEO has some serious limitations. Relying on earnings alone, as LEO does, risks limiting opportunity and choice for graduates and the supply of skilled people across important areas of the labour market.

And the current reliance on LEO ignores some of the inherent issues with its scope, coverage and methodology. For example, the LEO methodology doesn't account for whether a graduate is in full or part-time work. The latest attempts to account for regions outside of London still doesn't take into the variation in the regional jobs market and local economies in which a graduate lives and works. Universities operating in areas with challenging local economic conditions, where average salaries are lower, could appear to produce graduates with below average employment outcomes even if their graduates earn substantially higher than the regional average. And as while my own university is a London institution, there are variations within the so-called London market – Uxbridge is different from Bloomsbury.

LEO data is impacted by external economic activity such as the financial crisis and the subsequent recession and a period of poor wage growth. This limits its ability to accurately predict the future earnings of current university entrants. And comparisons over time

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become less meaningful as the data is not currently adjusted for inflation.

Most of the earnings and employment figures released so far have excluded graduates who are self-employed in the relevant tax year. This has more of an impact on arts graduates, and therefore arts-focused institutions, as a larger than average proportion of their graduates are self-employed. Focusing on measuring value from earnings via the LEO data would reflect more negatively on institutions producing entrepreneurial graduates who take risks and create start-ups.

And in an era where our graduates are increasingly global, the LEO data excludes those who moved out of the UK after graduation for either work or study, as well as those who have voluntarily left the labour force.

And by focusing on earnings alone, what message are we sending to our young people when they hear that the value of their university education and what they do with it is judged solely on the money they earn when they graduate? Or people who take career breaks to raise children or volunteer to address urgent social and cultural challenges.

Do we really want to communicate to our nursing, allied health and social care students or our trainee teachers that their degree holds less value simply because they earn less than other graduates? Or that a degree in the creative arts – a sector which generates more than £100 billion a year to the UK economy and accounts for

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1 in 11 jobs – is held in lower esteem? Such messaging which causes graduates to dismiss career opportunities in sectors and regions where their skills are much-needed but the salaries are lower would be a travesty for the nation when we need a highly-skilled workforce.

And there is another critical issue – student choice. Many graduates may be very satisfied with their educational choices and careers, despite having lower earnings. Using LEO, a snapshot of a graduate's earnings at a point in their life when their salary is unlikely to have peaked - to define value, and underpin funding decisions would restrict opportunity and choice available for those who do not regard salary to be the sole determinant of a good outcome from their university experience.

Graduate earnings are one – but not the only - component in measuring value. In the case of assessing value to the taxpayer, we must measure broader impacts on the economy and society. We know we have a strong story to tell – but we must back this up with the evidence and go as far as we can in terms of quantifying these elements of value, however challenging that may be. We must also address, head-on, the issue of where some university courses lead to earnings below that of non-graduates – what value to the taxpayer is there from subsidising these courses?

So these are the questions, the negative messaging from government and media, that efforts by the sector to date have failed to address. So what are we going to do about it now?

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Universities UK is rising to these challenges. We are identifying the areas, underpinned by quantitative measures, that should be assessed to measure the broader value of courses.

By digging deeper and adopting a wider framework for measuring value – one which could be used by universities and government alike - we could gain greater insights into the contribution to the economy and society beyond earnings outcomes alone. Insights such as:

- What proportion of graduates from a course work in essential public services such as the NHS and in teaching – and how many do we need going forward?
- How many graduates alleviate skills shortages by working in regions with relatively lower growth?
- How likely are they to work at the cutting edge of technology and innovation?
- And how likely are they to be entrepreneurial and be business owners?

We should also ask questions such as:

How likely are graduates to enrich the culture of the UK through their occupations?

How many will take action on environmental and societal challenges and make a difference?

How many are from deprived socio-economic backgrounds?

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And what wider benefits are there to individuals' life satisfaction, their contribution to their community and their personal health?

A wider framework of value indicators would enable the sector - and others - to assess the impact of specific courses, particularly where reservations exist around how outcomes differ to those for an individual did not go to university at all. UUK is committed to building such a framework which could help inform government and the wider debate and it could also be used as contextual information by institutions when they're reviewing their portfolio of courses.

Developing such a framework would be a significant step in the right direction. But if we are going to be successful in changing perceptions, there are additional things we should pay close attention to otherwise we may risk winning the battle but losing the war when it comes to increasing understanding the value of higher education.

One such area is what we collectively do to inform students what their fees are being spent on.

A recent report by HEPI showed around three quarters of students feel their university does not provide enough information on its spending. This must be addressed.

Efforts are already underway to do so. Universities UK recently published new materials to support and encourage universities to

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present income and spending in a much clearer way, including how this benefits students and what to cover in a 'value for money statement'.

We know there are examples of good practice but there is room for improvement and greater consistency. A lack of easily accessible information on university spending could lead to ongoing misperceptions that fees are solely spent on direct costs of teaching which in turn can influence student perceptions of value for money. There is little doubt that better information and clearer explanations of university spending will benefit students *and* the sector.

The findings of the polling for UUK by Savanta ComRes last year also suggested a need for greater investment in other student information – from better careers advice in schools and colleges, through to clearer, more accessible financial guidance.

Students and recent graduates said the top three areas they wish they had known more about before applying to university included:

- better career information to help in their choice of subject; schools often face funding and service challenges when it comes to offering high quality and diverse career options to students, which is particularly important as a route to support social mobility
- career experiences – not just salaries – of past graduates in their subject and institution and
- information on the cost of living while studying

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This suggests that alongside better financial information about how universities spend their income, improved information for students on career choices and outcomes and cost of living will also help students obtain the most value from their experience.

And if we are going to improve wider perceptions of the value of higher education, we need to become better at communicating our broader value to everyone – whether they have been to university or not.

Just over a year ago UUK launched MadeAtUni, a UK-wide campaign to tell a positive story about the impact of universities on society and individuals' every-day lives.

This campaign evolved from detailed public opinion polling and focus groups which found that there is considerable nascent pride in the UK's universities. The general public think we have some of the best universities in the world, and that the people in them will help us tackle some of the biggest challenges of our generation. Nearly eight in 10 of the public are positive or neutral about universities, but we found that positive sentiment increases by 13 percentage points once people hear more about university research, volunteering and work to support business and communities.

These are figures to be proud of. But it also tells a tale that

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despite the news releases, blog posts and TV and radio appearance by university academics, the message isn't really getting through.

Our research also found there is limited understanding of what universities contribute beyond teaching students. Forty percent of the public feel they are not informed to any extent about the impact of universities on their local community. That struck many vice-chancellors as surprising given the civic role many universities play, from job shops, sport clubs, school sponsorship, public events and more. But again, we need to ask ourselves are we talking the public about the things that matter to them, rather than what matters to us.

The MadeAtUni campaign seeks to rectify this.

The two phases of the campaign have already showcased many bold and quirky examples of the ways in which the people at the heart of our universities are progressing ideas, research and initiatives that benefit the lives of everyone. So far, the campaign has reached an impressive 46 million people. But just because the message has carried, it doesn't mean it has hit home.

We need to get better at telling our stories and telling them in ways that truly connect with people the length and breadth of the UK – not people like us.

The new government will seek to strengthen the civic role of the UK's universities and this will present further opportunities to

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demonstrate our value to our local and regional communities. Our universities are absolutely integral to towns and cities, but we must not take their interest in and support for their local university for granted.

My rallying call to the sector is that we must work collectively to address concerns around value. Where there is legitimate criticism of the sector, we must respond to it. A failure to do so risks regulatory action, damage to our reputation, the potential of differentiated funding or a poor outcome in future spending reviews.

We must present a compelling case for adopting broader definitions of value and help government to identify what these broader themes might be.

We must listen and take notice of what students, graduates and society really value about the university experience and consider how we can ensure prospective students have access to the information they want to inform their future decisions.

And we must step up our efforts to promote the widespread and long-lasting good that we do – in ways that connect with people whether they have experience of higher education or not. Whether their closest university is 50 metres away or 50 miles.

If we can make progress in these three areas, then we will be on a much more positive footing.

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I want to end by quoting another vice-chancellor, Dame Nancy Rothwell of the University of Manchester, a university with a proud reputation for serving the people of its city as well as being a world-leading research institution. In a 2016 blog on the need for a broader definition of value, Nancy said: "Going to university should teach you to make a life, not just a living". I could not agree more, and I hope that you will join me in making the case to government that we need to look beyond an individual's P60 and think about the total package which is enriching their life and that of the people and community around them.

Thank you.