

The economic role of Further Education

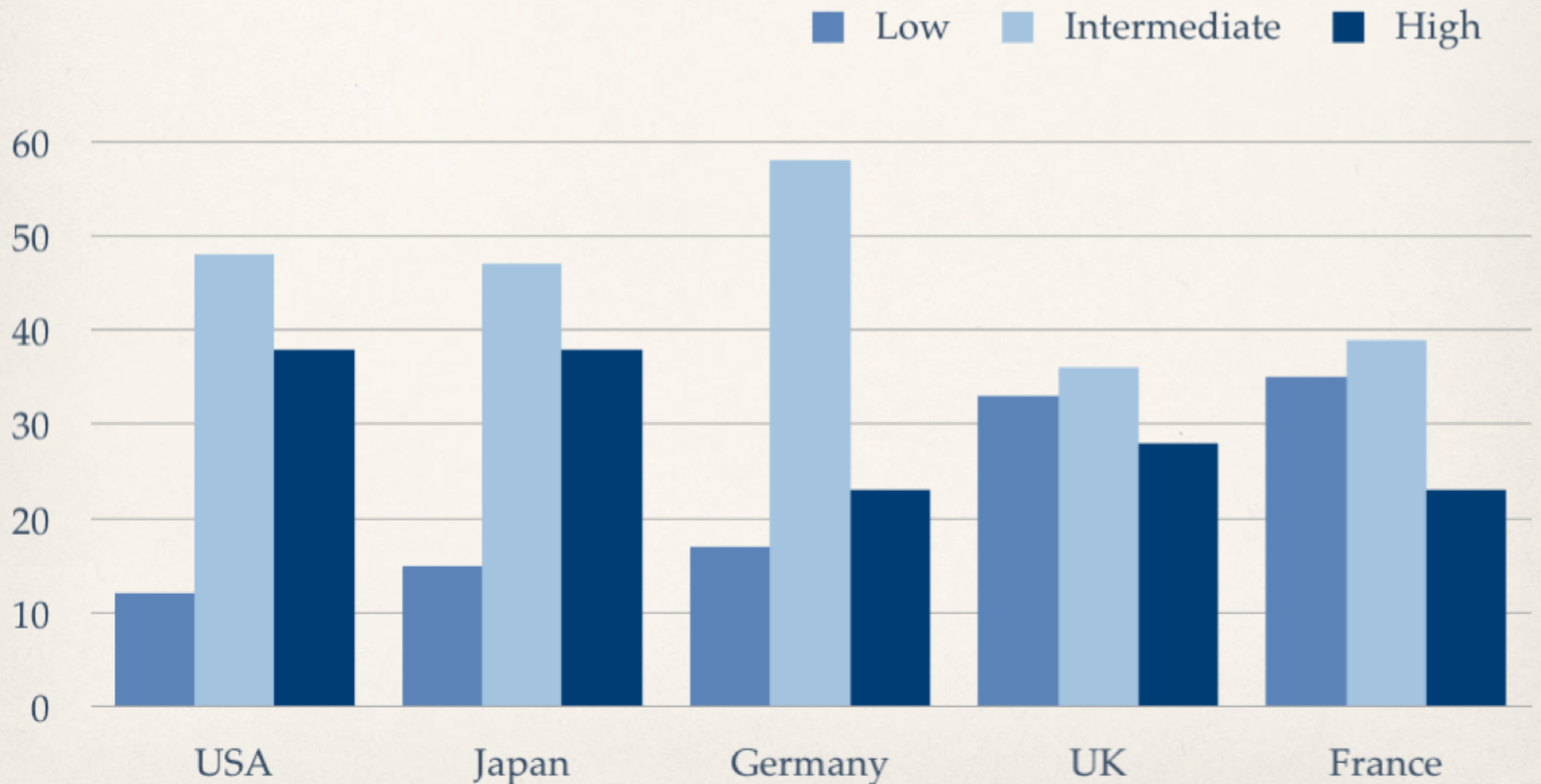
Anna Vignoles

Institute of Education

The case for FE

- ❖ Further Education plays a critical role in our education system
- ❖ Around 30% of those who remain in full time education post-16 now undertake their study within an FE college.
- ❖ FE is more than just about school leavers...3.5m learners
- ❖ Technological change has been skill biased
- ❖ We require FE to produce the skills we need to compete globally

Proportion of the Working Age Population with Different Levels of Qualification by Country



The case for FE

- ❖ Education is not the great leveller that people once hoped it would be
 - ◆ Achievement gaps between socio-economically advantaged and disadvantaged children emerge very early
 - ◆ Parents' level of cognitive skill and education are strong predictors of their child's skill and education
- ❖ SES gap in achievement does not increase post 16 and FE potentially provides key access route for poor students

FE provides access

- ❖ Amongst school leavers, those enrolling in FE are:
 - ◆ less advantaged/ lower achieving pupils
 - ◆ from less advantaged schools
 - ◆ having 5 GCSEs A*-C increases the probability of a student remaining in full time education (by 9 percentage points) but reduces chance of enrolling in FE (by around 21 percentage points)

Measuring success

- ❖ Crucial that we have robust quantitative evidence on the effectiveness of Further Education provision
- ❖ Need to know about the outcomes of FE students
 - ◆ Academic
 - ◆ Non cognitive
 - ◆ Economic
- ❖ FE sector is likely to face further pressure to improve accountability and measure the economic outcomes of FE students

Evidence on FE effectiveness

- ❖ The impact of different types of post-16 provision on pupil attainment overall is limited
 - ◆ Morris et al, 1999; Owen and Fletcher, 2006; Schagen et al., 2006
- ❖ We have found however, that those attending FE college are less likely to go to university, even allowing for their prior achievement
- ❖ More research needed here to judge the true value added of FE

Evidence on wage benefits of FE qualifications

- ❖ Academic level 2 qualifications yield sizable returns
- ❖ Some traditional level 2 vocational qualifications do yield sizeable wage returns
 - ◆ 13% for a BTEC First or General Diploma
 - ◆ 5-7% for a City and Guilds Craft qualification
- ❖ Wage returns to NVQs are negligible at levels 1 and 2

Learning lessons

- ❖ We can learn a lot from the school system about accountability systems
- ❖ Recognise the limitations of the league table approach and the use of quantitative targets
- ❖ Need to acknowledge the potential distortionary effects these have
- ❖ Better incentive systems for FE