



A Case for Better Articulating the Value of Expanding Higher Education

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As participation in higher education grows, we continue to hear the argument from certain corners that too many people go to university. In the United Kingdom, prime minister Rishi Sunak made the point in a statement to party members. It is a point often made by those who went to university themselves, and by those who aspire for their own children to access the benefits higher education affords.

Despite this rhetoric, the appetite for higher levels of education does not seem to diminish. The United Kingdom has one of the highest tertiary attainment rates in the OECD but is not alone in seeking to increase its share. As more countries move towards “mass” higher education systems, we have a responsibility to regularly reexamine the evidence to check that our assertions on the value of continued expansion still ring true.

Here—with a focus on the UK system—we lay out a simple argument: the expansion of higher education has been an unequivocally good thing; it has been necessary for both economic and equity reasons. However, it may be time to rethink how we measure value. The narrow view of employment outcomes and earnings does not paint the full picture. If we are to continue to make the case for expansion, we must deepen others’ understanding of the multiplicity of benefits to the individual and the wider world.

This article will still only scratch the surface of higher education’s wider value. We do not, for example, explore the impact of world-changing research and development, or the community and global cohesion our institutions foster.

Higher Levels of Education Are Good for the Individual

The OECD’s *Education at a Glance* tells us that 86 percent of adults with tertiary education are employed compared to 77 percent with upper secondary education. They are also likely to earn more than people without a degree: adults in the OECD with a bachelor degree earn on average 43 percent more than those with an upper secondary qualification. Other studies have shown that graduates enjoy nonfinancial benefits too, including better health and longer life expectancy.

Higher Levels of Education Benefit the Government Purse

It is not just the individual who benefits. In the United Kingdom, on average, the treasury makes a considerable profit on each graduate. In 2020, the Institute for Fiscal Studies found that each graduate has a lifetime exchequer return (i.e., the net they give back

Abstract

Across the world, more people are being educated to a higher level. Yet, in some mass higher education systems—including the United Kingdom—criticisms are being leveled at the expansion of higher education. To advocate for continued expansion, we must deepen our own and decision-makers’ understanding of the breadth of benefit to the individual, to the wider economy, and to equity of opportunity.

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to the taxpayer due to higher earnings, minus how much the public purse “spends” on them) of GBP 110,000 for men, and GBP 30,000 for women.

Because graduates are more likely to be employed than nongraduates, they also call less on state support—for instance, data shows that 15 years after key stage 4 (usually completed by age 16) just 2 percent of graduates receive out-of-work benefits, compared to 11 percent of nongraduates. Better health, a greater propensity to volunteer, and the intergenerational effect of graduate parents supporting children who do better at school all have a quantifiable benefit to the country.

Graduates Benefit the Wider Economy

Beyond that, it is also clear that higher rates of participation benefit the economy. Research by the United Kingdom’s department for education shows that skills and labor have been the only factor making a persistent and positive contribution to productivity in the last few years.

There is evidence that continued higher education expansion is needed to meet the needs of the evolving labor market. A recent study predicted that the United Kingdom will need more than 11 million extra graduates by 2035, and that 88 percent of new jobs will be at graduate level. This imperative to meet skill needs is not unique to the United Kingdom; there is evidence that the workforce within lower-income countries is more likely to be undereducated, so increasing educational attainment is more urgent.

But the future labor market is an unpredictable thing, especially in the age of artificial intelligence. It is a fair bet that it is the kind of transversal skills—creativity, the ability to work in teams, critical thinking, and perhaps above all, the ability to learn and adapt—that will position the graduates of today for the workplace of tomorrow.

Higher Education Expansion Drives Equitable Opportunity

Despite the evident wider benefits of higher education, the value of our system is increasingly judged solely by the perceived individual return of investment—i.e., the graduate salary premium. This is an understandable obsession. The student finance system differs across the United Kingdom, but in England it was conceived as a system in which the costs of supporting higher education were shared by the individual and the state. It was a copayment system, in which the state effectively underwrites the individual risk of going to university. It says: we want you to go to university because we need more people to be educated to a higher level. But if it does not work out, if you take a career break to have children, or take a job which pays less but may have high social value, we will pick up a bigger part of the tab. This is achieved through the combination of (recently much reduced) grants to universities to cover part of the cost, and individual loans, repaid contingent on income and eventually written-off if unpaid.

After the financial crash in 2008, the balance changed dramatically towards the individual shouldering a higher proportion of the cost. Today, the United Kingdom has one of the highest proportions of higher education funded by private households in the OECD. So, it is understandable that with the debt burden to the individual, the perceived return on investment is the focus.

The Unfinished Business of Massification

However, if the whole country benefits in a variety of ways from increased participation, is it time to think differently about using graduate premium as the primary measure of value? We should do a better job of quantifying the benefits of higher employment, better health, satisfaction, public and community service, equity of opportunity, and all of the other nonfinancial benefits of expanded participation. We should count the national economic benefits of participation and the contribution to productivity, as well as the economic benefits to the individual. Surely, a better balance of understanding the public and private benefits of expanded participation is needed.

If we do not grasp this, we risk losing the argument. We must clearly articulate why investment in higher education should be a priority, including in countries moving towards massification—not just to expand individual opportunity, but for its multiplicity of benefits. ▲

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