



Key skills communication Level 3 - Who needs a degree?

Tuesday 11 November 2008

Source Booklet

- This booklet contains source material for the level 3 communication test, **Who needs a degree?**
 - The test questions will be based on this material
 - You must hand in this source booklet at the end of the test, along with your question paper and answer booklet
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The level 3 communication test will assess your ability to:

- select and read material to obtain the required information
- identify accurately, and compare, the lines of reasoning and main points from the text and images
- synthesise the key information in a way that is relevant to the purpose
- select and use a format and style of writing that is appropriate to the purpose and subject matter
- organise relevant information clearly and coherently
- ensure text is legible and spelling, grammar and punctuation are accurate

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Students understand the value of a degree

The stereotypes keep on piling up. If students didn't already have a reputation for being laidback and lazy, then news that many universities plan to introduce legal contracts to force undergraduates to attend lectures and tutorials would have been the icing on the cake. But new research suggests that these clichés have passed their sell-by date, and that legal agreements may say rather more about universities' fears of litigation than about current student attitudes and behaviour.

Tracking influences

Futuretrack 2005 – a survey of 15,000 students conducted by the Higher Education Careers Service Unit (HECSU) – looked at why students chose to go to university.

The survey shows that students tend to focus on what they expect to get out of a university course and are ambitious to fulfil their potential: 56% reckoned their chosen course would lead to good employment opportunities in general, with a further 19% believing it would lead to further educational possibilities.

There were some gender differences. More female applicants cited the need for a particular qualification to enter a profession, reflecting a general awareness that women have achieved a greater equality of opportunity in occupations where academic or vocational credentials are important. Men are twice as likely to choose a course because they think it will lead to good employment opportunities in general.

Not that the survey is all good news, least of all for the Government's ambitions to widen



Graduates celebrate their success

participation in higher education. The numbers entering university may have risen significantly over the past 20 years, but Futuretrack 2005 reveals what many had already suspected – that the increase has largely been down to more middle-class students, especially women, entering higher education, rather than those from less advantaged socio-economic backgrounds.

The difference is not one of ability but of expectations. Those from middle-class backgrounds were far more likely to be encouraged by parents and teachers to go to university, with 40% of this group citing, "it is normal for someone like me to go to university," as their prime motivation, compared with just 25% of those from a working-class background.

Conversely, the more obstacles a student appears to face, the more likely they are to look on higher education as a means to fulfilling their potential and developing their career.

One applicant from a traditional working-class background who was planning to study psychology at a new university said her main reason had been "to change the loop that everyone gets stuck in from my area; they end up teen mums or working in deadbeat jobs. I knew I was better than that and didn't want to end up like my parents. I wanted to change the mould, and have a better future to look forward to."

However, she is not typical and Mike Hill, HECSU's chief executive, acknowledges that the system needs to be improved. "Despite a lot of work being undertaken by higher education institutions to attract students from a wider demographic, there is clearly still a long way to go," he says. "It remains an uphill struggle for many students who have to rely on their own motivation, with little encouragement from teachers, careers advisers and parents."

Predictably, one of the main stumbling blocks was money. Those from working-class backgrounds were more likely to expect to have significant debts at the end of their courses than those who were more socially advantaged.

It's not all bad news for universities, though, as there is a general recognition that times and economics have changed, and that £3,000 a year is a reasonable price to pay.

"I'm not that worried about my student debt," says Andrew Clewer, who is about to start

the second year of a business studies degree. "I knew what I was letting myself in for, and it seemed like a reasonable investment. I don't expect to find paying off my loans unmanageable."

The researchers believe this attitude reflects a good understanding of the reality of the situation. "Graduates do consistently earn significantly more than those who start work straight from school and, in many cases, a degree is a required qualification to enter a profession. So it makes perfect economic sense for students to be willing to take on a certain level of debt in anticipation of future earnings."

Futuretrack 2005 shows that students still make their choices on the basis of personal growth as much as greed. While 95% of applicants agreed that a higher education qualification is a good investment, the same percentage said education was valuable in its own right and not just as a preparation for employment.

"Our research shows that the main reason people choose a course is because they are interested in the subject. They understand the financial implications of that decision."

Clewer's experience backs this up. "I didn't choose business studies because I had a career mapped out," he says. "I chose it because I was interested."

Source: Adapted from *Students set sail on choppy waters*, The Guardian, 19 September 2006.



The value of a degree and the demand for graduates

Introduction

Defining a graduate job was never easy and has become progressively more difficult as higher education has expanded to include an increasingly diverse range of courses and students. Jobs for which a degree is required offer higher earnings, on average, than those which do not, although pay is not necessarily a reliable indicator of effort, productivity or social value.

The growth of graduate earnings

Information compiled from employment surveys indicates that the graduate earnings premium – the difference in earnings associated with a degree – exists because earnings grow more rapidly in the first ten years of employment for graduates compared with non-graduates.

To obtain a clearer picture, we compared the rate at which graduate earnings grew from the mid 1980s, when only one in eight young people went on to higher education and obtained a degree, to that in 1995 when almost one in three did so. We expected that the major expansion of higher education in the 1990s would impact upon the rate of growth of graduate earnings and result in lower average graduate earnings.

However, our findings indicate there was little appreciable change in the rate of growth of the earnings in the first six to seven years of a graduate's career. For male graduates, the real rate of growth of their earnings in this early part of their careers was, on average, as good in 1995 as it was in the 1980s. For women graduates, although average salaries remained lower than those for men, the rate of earnings growth for women was higher in 1995 than in the 1980s.

This evidence is thus not consistent with the view that the move from an elite to a mass higher education system has been accompanied by a widespread movement of graduates into lower paid jobs with poor career development prospects.

Factors influencing earnings growth

We studied a range of factors which could have contributed to changes in the rate of growth of earnings. The results showed that:

- the type of university attended does not appear to have a separate influence on the rate of growth of graduate earnings in either period, apart from for graduates from some of the former polytechnics and colleges of higher education
- a poor degree result does associate with a lower subsequent rate of growth of earnings, especially for men
- further post-graduate qualifications do not necessarily enhance earnings growth
- attendance at a fee-paying school prior to university increases the annual rate of growth of earnings after graduation
- not surprisingly, subjects studied have a major impact on earnings growth. Compared with the social sciences, for example, arts, humanities and languages graduates have lower growth rates of earning.

Graduates' satisfaction with career development

A significant proportion of graduates, in the mid 1980s and in 1995, took some time to access employment that made use of their graduate skills and knowledge. However, seven years on over three-quarters of the 1995 sample were in jobs that they regarded as related to their long-term career plans and 69% were in jobs that they regarded as appropriate for people with their skills and qualifications. Also, 73% were satisfied or very satisfied with their current jobs and 85% were satisfied or very satisfied with the way their career had developed so far.

Thus, the value of a degree, considered here narrowly in terms of the addition to earnings associated with higher education, still appears to be a good financial investment for most graduates and this has persisted despite a very significant increase in the supply of graduates in the 1990s. Equally importantly, perhaps, it appears that most students indicated that their degrees had enabled them to obtain employment and develop careers which they regarded as, at the very least, satisfactory. This is an important reminder that not all graduates have the same expectations and that financial returns are not the only reward associated with higher education, for either individuals or society more widely.

Source: Adapted from Graduate Prospects careers website, Autumn 2004.

Useless? To a degree

Who needs a degree? Apart from the obvious albatross of a £20,000 overdraft after three extra years studying and the inevitable, embarrassing purchase of a Che Guevara T-shirt, doesn't the evidence point to university being more trouble than it's worth these days? Why not just leave school and get a job?



While this argument may send a shiver down many a middle-class parent's spine, it seems to be gaining momentum among young people and employers. The number of graduates is increasing at a faster rate than the economy. Research shows that three years after finishing their studies, 40 per cent of recent graduates are in jobs that don't require a degree. Drop-out rates for some courses are more than a third.

In America, many top-paying occupations – in, for example, law enforcement, construction, administration and transport – don't demand candidates who have been to university. A similar picture is emerging in Britain. As the Government pushes towards its target of 50 per cent of school-leavers going into higher education, a recent study of more than 28 million UK jobs found that only 32 per cent were

“knowledge based” – ie, traditionally requiring a degree.

Some experts believe that Government forecasts indicating that 80 per cent of the jobs created by 2010 will need a degree are overblown. Anyway, when there are roofers and plumbers earning £1,000 a week, why are we so preoccupied with paper qualifications?

Philip Green, head of the Arcadia retail group, left school at 15 with no qualifications and says he is far less bothered about whether a potential employee has a degree than he is about their initiative, common sense and hunger to do the job. Many young people, he says, drift into university because they are unsure of what else to do, or because they don't want to disappoint their parents, and that there is a “lack of open discussion” about the alternatives. The result is that many are disappointed and lose out financially.

Linda Graham runs the graduate programme at Marks & Spencer, but she says: “We are just as focused on encouraging people who did not go to university to make their way up into senior roles. Our careers framework ensures that people with the right qualities and skills can progress from customer assistant right through to store manager and beyond.”

Many young people look at self-made millionaires such as Jamie Oliver, Richard Branson and Gordon Ramsay, none of whom went to university, and question the point of studying for three years. But, aside from entrepreneurs, employment experts say that there is not enough emphasis on the fact that

young people can get perfectly good careers by training in ordinary jobs, earning while they learn.

Some even feel that the degree is losing its currency as a trump card in the route to higher earnings. Now that there are degrees in golf-course management, contemporary circus and stand-up comedy, there is a fear that they are increasingly regarded as ten-a-penny and that only degrees from the traditional, prestige universities carry any weight. Lloyd Dorfman, executive chairman and founder of the foreign exchange company Travelex, believes that although university is a “life widening” experience for young people, it is not always particularly relevant to employers. “We are looking for people who give us a sense of commitment, who are conscientious and caring, and who are looking to make a contribution. Going to

university doesn’t necessarily give you those qualities. More and more people are going to university now, and I am not sure that kids are convinced that a degree is a route to a job in the same way it once was.”

Katja Hall, of the Confederation of British Industry (CBI), says that demand from employers for higher skills is growing, especially to A-level and above, and that a recent report predicts that by 2020, 42 per cent of jobs will be filled by people with degrees. But she adds: “In terms of degrees, employers are more concerned with quality not quantity, and especially the lack of generic skills. Our Employment Trends Survey found that 20 per cent of employers were dissatisfied with the communication, team-working, problem-solving and IT skills of graduates.”

Source: The Times, 16 March 2006 and CSL CartoonStock, 2006.

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