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## Briefing Note: School leaver outcomes – new analysis

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	24 August 2018	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1148220
<b>Drafter:</b>	David Scott	<b>DDI:</b>	
<b>Key Contact:</b>	Shona Ramsay	<b>DDI:</b>	s 9(2)(a)
<b>Messaging seen by Communications team:</b>	Yes	<b>Round Robin:</b>	No

### Purpose of Report

The purpose of this paper is for you to:


**Note** that we have produced some new analysis on the destinations and earnings of school leavers by their school achievement. We plan to release this on our Education Counts website on 13 September.

**Note** that this analysis is one of the analytical contributions to the current review of NCEA, and that it will also contribute to our developing work on post-education outcomes.

**Note** that this Briefing will be proactively released.



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Group Manager, Tertiary Education  
Graduate Achievement, Vocations and Careers

Noted.  
  
2/9/18.

24/08/2018

## Background

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1. We have produced and analysed some new statistics on the destinations and earnings of school leavers by their school achievement. A copy of this is attached in Annex 1.
2. This analysis looks at the cohort of all students who left school in 2009 and compares their destinations and earnings over their post-school years. We have chosen the students who left in 2009 as this provides the most years of post-school follow-up that are currently available in the data. As this was during a major global economic downturn, the analysis also includes some comparisons with later cohorts.
3. The analysis extends existing data on school leavers by comparing their destinations and earnings by what level of school achievement the student left school with, and what level of tertiary qualification they gained, if any. It also extends our existing information on employment outcomes by comparing outcomes for different types of school leavers, rather than for different types of tertiary graduates.
4. The analysis provides information on the employment and future income trade-offs through students' choices about whether to go straight to work, to do further study, or to go overseas.
5. This analysis contributes to the evidence informing the current review of NCEA. We will be sharing the analysis with our Ministerial and Professional Advisory Groups, as part of the suite of the analysis and evidence products being produced to support them.
6. This analysis also contributes to our current developing work on post-education outcomes. You have been briefed recently on this (*Education outcomes framework: initial outline and planned direction of work*, METIS 1144106 refers).
7. We have also just completed analyses of the factors associated with young people participating and achieving in tertiary education. The findings from those analyses reinforce the findings below about the importance of school qualifications, while identifying what other factors matter for participation and achievement. A briefing on these analyses will be provided to you shortly.

## Key messages from the report

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- a) It is important to complete a qualification. The analysis quantifies the extent of enduring labour market disadvantage for people who leave school without any qualification.
- b) NCEA 1 still provides some benefits as a direct pathway to the labour market. Given the direct relevance to Big Opportunity 1, the NCEA Review team will be bringing this finding to the attention of the NCEA advisory groups.
- c) But NCEA 2 is better, and provides positive labour market pathways for those not wanting to continue to Year 13 or higher-level tertiary study.
- d) Gaining University Entrance (UE) is associated with noticeably improved outcomes regardless of level of further study. Those who leave school with UE and go on to get a degree will on average overtake the earnings of their NCEA 2 peers five years after leaving school, and by year seven be earning 28 percent more than them. However, the cumulative seven-year earnings of UE leavers is still behind that of their of NCEA 2 peers who went straight to work.
- e) Education has a stronger effect on employment rates than on earnings.
- f) Tertiary achievement can significantly help reduce the effects of low school achievement on employment and earnings.

## Next Steps

8. We will release this analysis (suitably reformatted for publication), on our Education Counts website on 13 September.

## Proactive Release

9. It is intended that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

**Agree / Disagree**

Annex one: Report: Post-school labour market outcomes of school-based NCEA

Proactively Released