Social Inequality in Graduates’ Labour Market Outcomes

Family of Origin, Field of Study and Career Progression

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11th Interdisciplinary Ph.D. Workshop
"Perspectives on (Un-) Employment"

Institute for Employment Research (IAB), Jan 17-19, 2019
• Many studies have shown that social origin affects child’s occupational position over and above educational attainment

→ Does this also hold true for the highest educated, i.e. for degree holders?

• First study: Comparing Germany and the UK (Jacob, Klein and Iannelli 2015)
• Second study: UK graduates only (Jacob & Klein, work in progress)
  → slides not included in online-version
Study 1: Research questions

1. Do parents affect job opportunities of graduates?
2. If so: Are there differences between Germany and the UK in this respect?
Hypotheses

(1) Social inequalities among graduates in labour market outcomes are higher in the UK than in Germany

(2) Social inequalities in labour market outcomes are to some extent explained by “qualitative” differences (HE institution, field of study) in both countries, more so in the UK than in Germany

(3) Taking qualitative differences into account, the remaining effect is expected to be larger in the UK than in Germany

(4) Country differences in the gross and net effect of social origin become smaller or disappear five years after graduation
Data and variables

• Data: Reflex survey (http://www.reflexproject.org)
  – Tertiary graduates in 1999/2000, followed five years after graduation
  – 13 countries, including the UK and Germany

• Outcome: Access to upper-middle class (i.e. higher-grade professionals, administrators, and officials; managers in large industrial establishments; large proprietors)

• Social origin: parental education (both parents with a degree, one parent with a degree vs. no parents with a degree)

• “Qualitative” differences: HE institution and field of study
### Table 1: Social origin and graduation rates by country

<table>
<thead>
<tr>
<th>Graduates 2000/2001</th>
<th>Germany (%)</th>
<th>UK (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents with no degree</td>
<td>32</td>
<td>55</td>
</tr>
<tr>
<td>Both parents with degree</td>
<td>32</td>
<td>22</td>
</tr>
<tr>
<td>Number of cases</td>
<td>1548</td>
<td>1155</td>
</tr>
</tbody>
</table>

*Source: Reflex Survey*

Graduates from lower educated families are more frequently observed in the UK (55%) than in Germany (32%).
Table 2: Graduates and access to upper-middle class occupations in the early occupational career by country

<table>
<thead>
<tr>
<th>Upper-middle class occupations</th>
<th>Germany (%)</th>
<th>UK (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First job</td>
<td>31</td>
<td>25</td>
</tr>
<tr>
<td>Five years after graduation</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Number of cases</td>
<td>1548</td>
<td>1155</td>
</tr>
</tbody>
</table>

Source: Reflex Survey

UK graduates achieve upper-middle class occupations in their first job less frequently (25%) than German graduates (31%).

They catch up five years after graduation (31% vs. 32%)
Results (III)

**Figure 1** Percentage point difference in the probability of attaining upper-middle class occupations in the first job between graduates with ‘both parents with degree’ and graduates with ‘no parents with degree’

The effect of parental education on attaining top-level occupations persists in the UK after controlling for qualitative education differences.
Results (IV)

**Figure 2** Percentage point difference in the probability of attaining upper-middle class occupations five years after graduation between graduates with ‘both parents with degree’ and graduates with ‘no parents with degree’

In contrast to the first job, no significant effect of parental education on attaining top-level occupations remains in the UK when graduates move on in their working career.
Preliminary results of study 2:

- Ten years after labour market entry, having a degree equalises labour market outcomes also in the UK.
- Different inequality patterns of career progression by field of study:
  - No social differences in STEM fields and in Arts and Humanities.
  - In social sciences, medicine and law: working class offspring start with lower occupational prestige but catch up later.
For further details see:


https://doi.org/10.1093/esr/jcv006