Staying local: understanding the value of graduate retention for social equality

September 2021

I applied [to study] here because I wanted to be close to family – my mum, sister and dad all live within half an hour. Although I didn't want to move back home, it's good to know they're there."

"[As a graduate] you might be able to earn a bit more in Manchester or London. But you can save a much higher percentage here. The cost of living is just that much better."

"I love it here, there's the city, but after a 10-minute drive you're in the middle of a field by a river."

"I worked for a local technology company, who were pretty innovative in what they're doing. I knew someone through the society I was president of. I didn't get the job because of it, but it was a connection and an in for an interview."

"I may be a little fish in a little pond – but you can do so much more in a smaller company. You can participate more. I'd rather work my way up in a small city and build my experience."

"I feel like I've got to go to London, there are just so many opportunities. Even looking at the jobs advertised – you click it, it's London, click it, of course, it's London."

"It's so much harder for someone like me, I don't have much money behind me. I can't risk a move to take on work I can't afford to live on."

"The staff I've taken on have all been from the university, and all from the graduate internship scheme. It's a great support to have as a local employer, it takes the sting out of taking on a new employee."

"There are benefits of graduates in the area and the government needs to intervene. We are going through a Fourth Revolution, accelerated by Covid, and this is changing the way we work."

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1. Foreword

The nature and role of universities has never been under greater scrutiny. With the establishment of the Longitudinal Education Outcomes dataset, together with the publication of the Augar Review in 2019, the challenge posed to our higher education system is how institutions can not only meet increased demand for wider post-18 learning, but how they deliver 'successful graduate outcomes'.

Yet how we define success has been a widely debated topic. Taken purely in economic terms, or by using graduate salary levels as a definition, risks encouraging a form of social mobility that stresses 'mobility' of students – namely to London and the South East – over the 'social' need for universities to act as anchor institutions in their local communities, providing a source of talent to help generate not only regional economic growth, but also to widen cultural horizons and improve the health and well-being of an area. It is perhaps time for the 'social' to reclaim its voice in the discussion, if we are to ensure that the contribution of universities – both economic and cultural – within their regions, is effectively recognised and rewarded.

The work of the UPP Foundation has been instrumental in helping to establish the Civic Universities Network, which is highlighting that wider, richer, role that universities must begin to play as civic institutions. Universities cannot simply be job factories, important though their role is in creating the workforce of tomorrow. To focus on graduate salary alone as a benchmark for success has the potential to create the perverse outcome of incentivising graduate mobility away from the very towns in which they were educated, and have the potential to contribute to. As this report demonstrates, many students do stay, but surely more can be done to encourage more to do so. If we want to improve regional economic growth, driven primarily through improved skills and knowledge capital, we cannot afford as a government to leave the importance of place and improving those communities 'left behind' out of the discussion. And as institutions that often take their name from the towns and cities that they represent, universities too can no longer afford to ignore the politics of place.

This report by the Bridge Group highlights the need for why we need a more inclusive, careful and more balanced understanding of how we define successful graduate outcomes. Data of course remains important, but we must start to refocus on how we measure value rather than the price of higher education. The report also

highlights the importance of retention of a graduate workforce within local communities: vital if we are to stand a chance of levelling up workforces and opportunities across the country. Universities have a critical role in helping to attract students, as the figures in this report demonstrate, yet more can be done to encourage greater retention for the future. The importance of commuter students and addressing their needs, often overlooked in salary data, will also be a key policy agenda for the future.

The Prime Minister has stated 'talent is spread evenly, opportunity is not'; this report not only demonstrates that universities have a vital role in helping to spread opportunity, but also provides detailed research into the motivations and aspirations of that talent, students and young people themselves – our future workforce – as to what are the issues and barriers that prevent them from investing in the local communities they may wish to serve. Their voice deserves to be heard if we are to succeed in understanding how we can retain their talent. The importance of understanding how to fulfil the future talent within a rapidly changing workforce, understanding what a student-centred approach should look like and what future investments will be needed to deliver this, has also been the subject of the UPP Foundation's Student Futures Commission.

None of this will be easy. If it wasn't hard, perhaps the problem would have already been solved. Yet we should now seek to recast universities' relationships with their local areas and how they can be viewed as working for, serving and servicing their local needs, not as a challenge, but one of opportunity.

This report provides greater understanding of what that opportunity can be, and for those universities who read its findings, to ask themselves, not only what more they can do for their students, but what more their students can do for their local communities? If we seek to understand the changing needs of the student experience and the graduate journey, so too we can help deliver for local communities who have the potential to be enriched further by becoming partners in that journey.

Rt Hon Chris Skidmore MP
Former Universities Minister (2018-2020), Co-Chair, All Party Group on Universities and Chair of the UPP Foundation Advisory Board

2. Executive summary

1. This report aims to understand the value of graduate retention: does staying on in the region of study after graduating contribute to graduates' success, and how do we measure that success? Alongside this primary focus on the value for individuals, particularly in terms of social mobility, we investigate the role of graduate retention in supporting business needs within regions. We also explore the role that civic universities can play in making the UK's towns and cities socially and economically prosperous. In addition, we look one step back to assess how having commuted as a student relates to staying on after graduating.

2. This research matters for individuals, universities and regional economies and communities. We show that graduates' staying on in the region of study has positive benefits for all of these. Our research starts from the premise that understanding the experiences of graduates who remain local will illustrate these benefits and point to how to support this positive cycle. There are links between our work and the government's regional levelling-up agenda. There are links with the UPP Foundation's Civic University agenda, which aims to promote ways in which universities and their communities can build mutually beneficial relationships for the public good. Our work is also relevant to research on improving the social impact of universities.[1]

3. 51% of graduates remain local to their university after graduation. As one would expect, those who had commuted to university as students were more likely to stay (76%), but 39% of those who did not commute also stayed on. Of this 39%, 41% were originally from the region, prior to their undergraduate study. Graduates who stayed in the region of their university after graduating were as likely as graduates who moved away to report that they were in paid employment and that their current activity was on track with their future plans; this holds at the national level and at the participating universities.

4. As the figure below illustrates, each of the four universities participating in this study retained a substantial proportion of their graduates in their respective regions. For each university, this was greater than the proportion of commuters,

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[1] See for example Sperlinger, Tom, et al. *Who Are Universities for? Re-Making Higher Education.* Bristol University Press, 2018.

the students most likely to stay on after graduating. While students originally from the region (prior to their undergraduate study) are also more likely to stay in the region after graduating, of the 39% of non-commuter graduates who remained in their HEI region post-graduation, 41% were not originally from this region. Universities of all tariff profiles have a significant role nationally in producing and retaining skilled and productive graduates: a role that is key in helping to level up local economies and communities.

Figure 1. Proportion of commuter students by university and proportion of graduates staying within HEI region post-graduation by university

Legend: ■ Graduates staying local ■ Commuter students
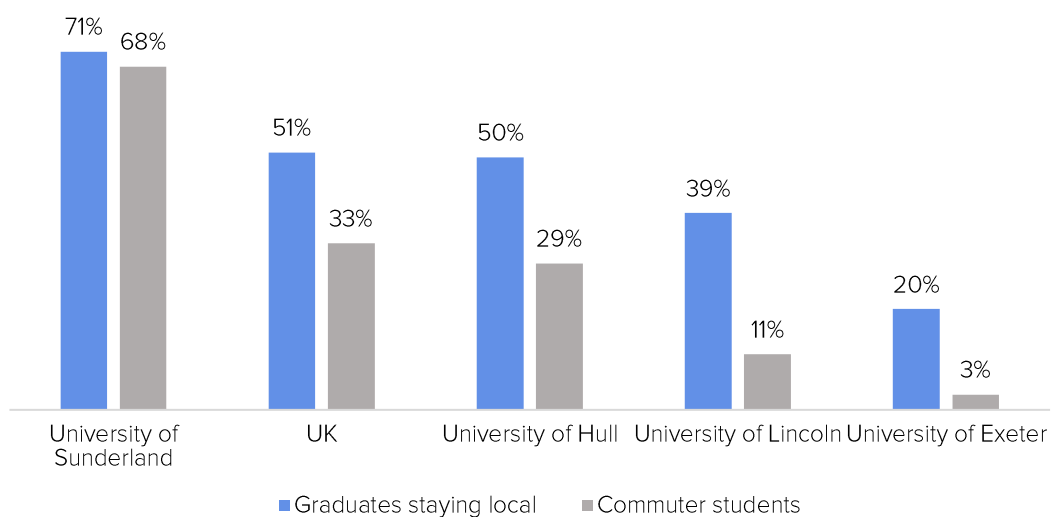
5. Our analysis has found that graduates who stay on in the region of study are more likely to be from lower socio-economic backgrounds (in terms of the Index of Multiple Deprivation (IMD)), more likely to represent the first generation of their family to attend university and more likely to be mature (25 years old and above on entry). This is driven in part by the overrepresentation of commuter students amongst those who stay on. So while this report focuses on graduates who stay on in the region of study, we also make reference to commuter students: supporting commuter students' success on course and transition to employment is likely to yield good outcomes in terms of the number of a university's graduates employed in the region.

6. Due to their diversity in terms of personal characteristics, commuter students and graduates who stay on in the region of study should be an important part of the civic university policy landscape in supporting widening participation and social mobility.

7. Commuter students, who comprise 33% of the student population, share the same characteristics as graduates who stay on; and in addition are more likely to be from a Black, Asian or other ethnic minority background. At the national level, commuter students are less likely to achieve a first or second upper class degree than their non-commuter peers, but equally likely to be in paid employment 15 months post-graduation.

8. There are, of course, other measures for graduate outcomes, with salary and the Standard Occupational Classification (SOC) being the most commonly used. But our research shows that graduates who stay in the region of study have different priorities and are thinking about success in alternative ways: ways that are not currently captured by standard performance metrics. Salary was not their primary consideration in choosing where to live and work.

9. Our interviews with graduates showed that decisions to stay local after graduating were guided by considerations of wellbeing, financial independence and health. Graduates who stayed on were pursuing social mobility through utilising their social networks to land graduate jobs and capitalising on lower living costs to save towards investing in property – a source of financial security in later life. Our interviews with graduates also highlighted their ambition to find a 'meaningful' career, and to be able to live in places and environments that appealed to them. These findings indicate that these graduates were well-rounded individuals juggling competing demands, and managing their financial, social, and physical wellbeing.

10. It is important to note that, while those from lower socio-economic backgrounds or who had studied as mature students are overrepresented amongst graduates who stay on in the region of study, the majority do not have these characteristics. For many, staying in the region of study after graduating is an active choice.

11. Some interviewees noted that the traditional narrative of geographically mobile graduates seeking to maximise their earning potential – 'moving out to move up' – advantages those from higher socio-economic backgrounds. They could not afford to undertake unpaid internships or risk not being able to cover basic living costs. A university agenda that aims to encourage social mobility should be wary of using metrics that inadvertently weight the successes of graduates from higher socio-economic backgrounds over the successes of graduates from lower-socio-economic backgrounds.

12. As noted above, graduate salary is only one measure of success. It fails to capture the broad ways in which graduates understand their own success stories. Graduate salary as a metric also under-values the powerful journeys of the graduates we interviewed who – amidst caring responsibilities, health challenges, or the absence of financial support – were able to achieve an undergraduate degree and financial independence through finding graduate work locally. In the interests of accuracy, we need to take a more inclusive and contextualised view of success.

13. Furthermore, and in line with arguments in the literature, we found a perception that the LEO salary metrics act as a disincentive for universities to support their graduates in staying on in the region. This needs to be addressed, if universities and their graduates are to increase their contribution to the levelling-up agenda.

14. Our interviews with employers further highlighted what graduate retention can mean for a local area over time. The majority of the employers interviewed were themselves graduates of their local universities and were now creating employment with their small and medium sized enterprises (SMEs). Although there were challenges to recruiting graduate talent, the employers explained how a supportive business environment and a positive pro-active relationship with the local university could or did help them to help talented graduates take the first career steps in the local area. We noted that employers' assumption that most graduates would want to move away was at odds with our finding that 51% do not; and we encourage employers to be more confident in marketing their graduate roles.

15. Why does this matter? Encouraging graduate retention has a number of benefits. Our research highlighted the contribution graduates were making to local economies – through their skills in the workplace and their spending. Keeping graduate skills in the regions thus makes an important contribution to the levelling-up agenda and to rebalancing the UK economy regionally.

16. The graduates were also active members of their communities, for example through volunteering or playing sport, or as members of churches. Although relationships between students and local communities are by no means automatically harmonious, and there is an awareness of the potential for 'town vs gown' tensions, it was clear that graduates make important social as well as economic contributions to the places where they live.

17. Furthermore, it was clear that the civic amenities and social infrastructure that a university can support – museums, galleries, and a vibrant high street – were the kinds of facilities that graduates valued having access to. These are also spaces that are important for all residents of a town or city. Hull's status as a City of Culture in 2017 appears to have had a lasting effect on how the city is perceived, and the cultural amenities available to the students, graduates and local residents that live there.

18. Validating and celebrating the experiences of students who choose to study locally, and graduates who remain in the region of study, can help challenge the predominant narrative of a geographically mobile university experience. This is important because the students and graduates that stay local – including those from lower socio-economic backgrounds, first generation university students, mature students, or those with additional health and caring responsibilities – are achieving graduate success. They are opening doors for themselves and taking on opportunities that would not be available to them, had they not attended university. Moreover, their presence across the UK can make an important contribution to rebalancing its economic geography through economic growth in the regions. And the aspects of life that they value – including social and cultural amenities – can help support the social life of towns and cities.

19. Our recommendations comprise both principles and practical actions. Our first overarching principle is to reform our view of success: the current narrative is not inclusive in terms of individuals, universities or geographies. We need to adjust our assumptions, as well as the metrics. The latter also relate to our second principle of more explicitly identifying and celebrating universities' contributions to their regions. Thirdly, we need targeted support for this, in terms of both university funding for local partnerships (including research) and government investment in levelling up local economies, to increase the supply of graduate jobs.

20. Our recommended practical actions focus on serving the needs and experiences of graduates that remain in the region of study (and therefore too students that study locally), so that this significant and under-valued group are properly supported. These recommendations include:
    > Rethinking the metrics used to measure graduate success, so that students that study and remain local are valued by universities.
    > Ensuring the right kind of advice is available to them through university careers services.

> Creating a positive business environment for SMEs based in the UK's regions who are hiring and progressing graduate talent.
> Investing in the social and cultural spaces that can help retain graduates, and in the public transport and high streets that can make life outside of London and the South East easier.

3. Policy background, current issues and literature: summary review

21. As part of our research, we reviewed key debates about universities and their graduates and how they contribute to regional economies, in the context of wider concerns about social equality. We drew upon academic and policy literature to identify issues of importance about where graduates choose to live and work and how universities act to support talent pipelines into regions. We did this with awareness of differences in regional and subregional economies and in graduates' personal circumstances, both of which have the potential to affect individual graduates' economic standing. In this section we present a summary of key points. We also integrate a wider reading list with the list of references (see appendix C).

22. Given that the government lends students about £17 billion a year and forecasts that it will have about £560 billion of outstanding loans by the middle of the century (Bolton), it is understandably interested in graduate salaries. Whether graduates earn enough to start paying back their student loans and thus contribute towards the cost of their study is of interest to taxpayers too. However, the way that graduate salaries are used in university performance metrics has attracted some criticism. It is argued in the literature that using uncontextualized graduate salary data makes it harder to recognise accurately the employment outcomes of graduates in regions with lower average salaries. Universities whose graduates move to London to work and benefit from London salaries are advantaged in such metrics. It is argued that LEO's tax data metrics could act as a disincentive for universities to support their graduates in staying on in the region; and that an alternative measure of graduate success is needed to capture regional differences.

23. The literature also points to tensions in public policy, with higher education perceived as a provider of skill and talent for the labour market, but also as something that is paid for individually. The marketised approach to higher education does not align to labour market needs; rather the focus is on what courses students want to do. It is argued that TEF employment metrics

indirectly encourage universities to consider the labour market alignment of their courses, but are a blunt instrument.

24. It is recognised that universities face competing priorities, with, for example, internationalisation often taking precedence over civic regional missions and research being perceived to be of more value than teaching. The challenge for universities is to address the concerns of all their stakeholders. Current performance metrics and regulatory systems do not seem to prioritise regional connectedness, while salary metrics may even discourage it.

25. There is wide awareness of regional economic disparities and the government provides funding to universities for measures to help address this. While many recognise that strong regional economies are good for social equality by opening up employment opportunities, there is little focus on this or on more remote locations. However, the UPP Foundation's Civic University Commission has embraced a more expansive and inclusive conception of 'civic engagement'.

26. Loyalty to place and a yearning for belonging do feature in the literature and show that many graduates are prepared to trade off career acceleration against a desire to stay local. The trend towards studying closer to home may well be of benefit to regions.

27. But the literature also points to the benefits of moving away: working in London can accelerate the careers of those graduates able to move there. The question recurs: what can be done to help regions offer similar opportunities for graduates who want to stay local? It is important to acknowledge the differences within regions that may currently make such a goal less realistic: metropolitan areas are better placed than small towns and coastal areas, some of which have very few graduate roles. Local economies as well as communities need to be levelled up. Housing, transport and other local infrastructure can also contribute to graduate retention. Public policy interventions both nationally and regionally will continue to be necessary for regional development. However, in this report we observe that not all graduates are looking for highly paid roles in London: for many, a meaningful career and quality of life are more important than salary and a fast track to progression. Success can take different forms.

28. A year of working remotely through the Covid-19 pandemic has highlighted that mobility is not always necessary for certain jobs. While there are still significant

local disparities in broadband access, technology has enabled many people to work from home – and for some, at a significant distance from their normal place of work. We do not yet know whether these new ways of working will be part of the future 'normal'.

29. Much research on graduate retention takes one of two approaches. It may address macro-economic outcomes, presenting a compelling argument for the role of a mobile and highly educated population for economic development in regions. Alternatively, it may be more sociologically oriented and address individual and cultural issues behind people's decisions not to move away. There is inadequate research about the relationship between social mobility, region of origin and destination. There is a gap in understanding of what measures work in supporting graduates likely to contribute economically and socially to their regions to stay local. There is also a need to be met in identifying graduate outcomes metrics appropriate to this aim.

4. Remaining local to the university after graduating

Key findings

> At the national level, earlier studies indicated that graduates who remain local to the university after graduating are likely to earn less than graduates who leave the region. Our analysis of selected GOS data indicates little difference in outcomes.

> Graduates who remain local are more likely to be mature students, more likely to represent the first generation in their family to attend university and more likely to come from a lower socio-economic background than graduates who move out of their region. They are also more likely to have commuted as students.

> Key reasons for graduates' remaining local included maintaining their financial independence and supporting their health and wellbeing. This was particularly important for graduates with caring responsibilities or managing their own health or disability. in addition, the lower cost of living and access to green spaces were seen as major benefits. Interviewees wanted to make the most of the lifestyle benefits available in the local area.

> Barriers to graduates' remaining local included: a lack of employment opportunities, socio-cultural amenities and diversity.

Why this matters

30. Graduates that choose to remain local to their university after graduation are more likely to come from lower socio-economic backgrounds and more likely to represent the first generation of their family to attend university. This is driven in part by the increased likelihood of commuter students' remaining local; our analysis confirms that commuter students are also more diverse in terms of socio-economic background and age; and comprise one-third of

undergraduate students nationally.[2] Graduates who remain local to their university after graduating, along with commuter students, are a significant group for exploring what a higher education system oriented towards social and regional equality might look like.[3]

31. Graduate retention is also key in levelling up local economies. As the government's Plan for Growth notes, up to 90% of area-level disparities in wages can be explained by the distribution of highly skilled workers (Gibbons et. al. qtd. in HM Treasury). While the Plan focuses on the shortage of technical skills, graduates are also key: chapter 7 confirms that many businesses in regional areas also need graduates to grow. In chapter 8, we also outline some of the 'softer' benefits that graduates bring to communities.

Approach

32. This chapter focuses on graduates who remain local to their university after graduating, whether this is for employment or further training. We explore this first using quantitative data from the Graduate Outcomes Survey (GOS), then using qualitative data from our interviews with graduates. The quantitative analysis explores the demographic characteristics of graduates that decide to remain local; and how this varies across the participating institutions. Where appropriate, the chapter presents interview and qualitative data on commuter and non-commuter students.[4]

33. While the quantitative data draws an outline of the graduates who remained local, our interview findings fill in the picture by exploring the factors behind their decisions. We explore the proactive decisions that graduates make about where to locate themselves after university and the positive decisions they

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[2] Earlier research has also indicated the prevalence of studying relatively close to home. Michael Donnelly and Sol Gamsu found that a majority of young people study within 55 miles of home (Donnelly and Gamsu, *HOME AND AWAY: Social, Ethnic and Spatial Inequalities in Student Mobility*.). Research also suggests that while the experience of studying close to home may be different, it is not necessarily deficient (Finn and Holton).

[3] The demographic and socio-economic profile of graduates who attended university in their home region is broadly similar to that of commuter students, except in relation to ethnic background, where they are not as diverse.

[4] Further methodological information about how commuter status was calculated is included in appendix A.

make about where to live. In this chapter we focus on the immediate benefits to graduates and move on to longer-term benefits in the next chapter.

Quantitative analysis

Nationally, what are the graduate outcomes of graduates who remained local to the university?

34. Previous studies have argued that the metrics of graduate success highlighted by HESA's Longitudinal Education Outcomes data (LEO) favoured graduates who are able to move to areas where they can maximise their earning potential (Christie). The variation in graduate starting salaries across regions of England is wide, with those in London typically about £5,000 higher than in the least well-paying regions of England (Grove).[5] Graduate starting salaries in Northern Ireland and Wales are lower still. Five years after graduating, the gap between English regions broadens to about £7,000.[6] This means that, unless universities are located in areas with high graduate starting salaries, graduates that choose to remain near the university are less likely to be framed as successful with reference to salary.

35. We focused on two metrics within the Graduate Outcomes Survey (GOS; completed 15 months after graduating). Of those graduates who completed GOS, the majority were in paid work with an employer (86%). The next two most frequent responses were engaged in a course of study, training or research (6%) and doing voluntary/unpaid work for an employer (2%). When examining graduates who remained in their HEI region and their peers who did not, there was little variation, with the majority (86%) in both groups in paid employment.

36. As part of the Graduate Outcomes Survey, graduates were asked whether they felt their current activity (e.g., employment or further study) was on track with their plans for the future. Overall, four in five (81%) graduates strongly agreed or agreed that their activity was on track. When examining this by those who did and did not stay in their HEI region, there was almost no difference between

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[5] See Table 2 in section 5 below for a list by region.

[6] Salaries in London are highest, followed by the South East and the East. There is little variation across other regions (Department for Education, *Graduate Outcomes (LEO): Regional Outcomes, 2016 to 2017*).

the two groups (one percentage point). This implies that graduates do not perceive staying local post-graduation to be a barrier to their long-term plans.

37.   A similar trend was observed when comparing the universities in this study. For three of the universities, graduates who stayed in their HEI region were as likely as their peers who did not remain local to agree that their activity was on track (the differences are not significant). Notably, at the University of Hull, graduates who stayed in their HEI region (85%) were significantly more likely than graduates who did not stay in the region to say their activity was on track (75%).

Figure 2. Respondents who strongly agreed or agreed that their current activity was on track with their future plans, by university
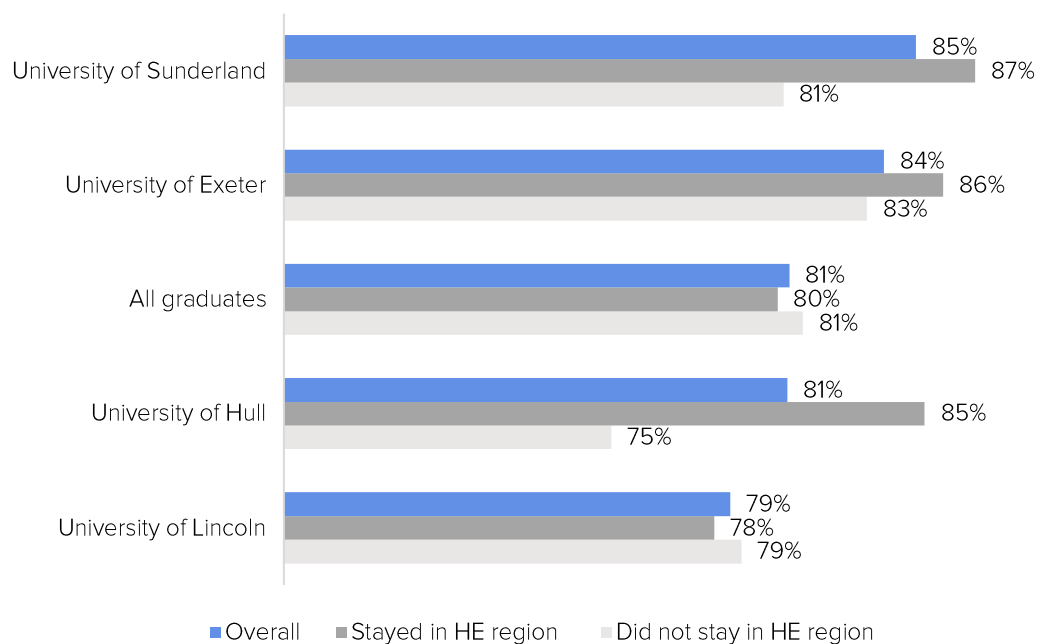
38.   This finding that graduates who stayed local are equally likely to feel that their current activity was on track with their future plans is also supported by the qualitative data. Our interviews (see below) showed graduates thinking in alternative ways about graduate success and challenging pre-existing narratives and assumptions about how to achieve it.

39.   There was also limited variation when looking at employment outcomes of commuter students. At the national level and across the four participating universities, commuter students and non-commuter students were equally likely to be in paid employment 15 months post-graduation. However, we note from a

different dataset (LEO data for 2016-17) that graduates who lived at home during study earned lower salaries.[7,8]

40. It is likely that national figures are affected by the uneven distribution of commuter students across regions. One in two university graduates in London were commuter students (51%), compared to 20% in the East Midlands and the South West. The North East, the South East, Yorkshire and the Humber; and Wales also have a proportion of commuter students below the national average. A full list of the regional breakdown of commuter and non-commuter students by region is presented in appendix A.

What proportion of graduates stay local to the university after graduating?

41. Remaining local to a university after graduation is a common outcome for many graduates in the UK (Ball et al.). Nationally, about one in two (51%) graduates remained in the region of their HEI.[9] However, and as the figure below shows, this proportion varied across our case study universities, ranging from 20% at the University of Exeter to 71% at the University of Sunderland. It is interesting to compare the proportion of commuter students by university as well; in all cases, the proportion of graduates who stay in the region is greater than the

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[7] See Table 27 in (Department for Education, *Graduate Outcomes (LEO): Employment and Earnings Outcomes of Higher Education Graduates by Subject Studied and Graduate Characteristics in 2016/17* 49).

[8] It is worth noting that there was only a slight variation in educational outcomes for commuter students too. At the national level, commuter students (73%) were slightly less likely to achieve a first or second upper class degree than non-commuter students (81%). They were more likely to achieve a second lower or third class degree (22%) than their non-commuter peers (14%). It is likely that this is driven by the overrepresentation amongst commuter students of those who are mature, from lower socio-economic backgrounds (using IMD) or from Black, Asian, Mixed or Other ethnic backgrounds. However, at the universities participating in this study, there were no differences in educational outcomes between commuter and non-commuter students. At each of the four universities, commuter students were as likely as their non-commuter peers to achieve a first or second upper class degree. This may relate to the less diverse nature of commuter students at these universities (in terms of their socio-economic and demographic characteristics). Detailed tables are in appendix A.

[9] We include in these figures only graduates who are employed and have provided valid employer location data.

proportion of students who commute. The differences for Exeter and Lincoln are particularly great: 20% cf 3% and 39% cf 11% respectively.

Figure 3. Proportion of commuter students by university and proportion of graduates staying within HEI region post-graduation by university
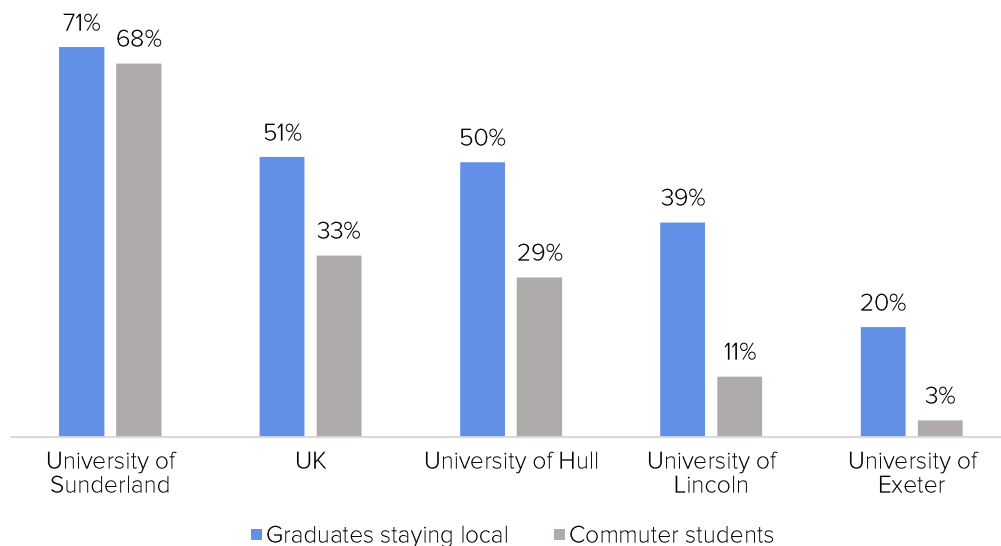
42. While around half of graduates nationally remained in their HEI region, this was not equally distributed between commuter and non-commuter students. As we would expect, a much higher proportion of graduates who were commuter students, – about three in four (76%) – remained in their HEI/home region post-graduation. However, as the figure below shows, a large proportion of graduates who were non-commuters – 39% – also remained in their region of study post-graduation. Of the 39% of non-commuter graduates who remained in their HEI region post-graduation, 41% were not originally from this region prior to their undergraduate study. This illustrates the significant role of universities nationally in producing and retaining skilled and productive graduates: a role that is key in helping to level up local economies and communities.

Figure 4. Proportion of graduates staying within HEI region post-graduation by commuter status
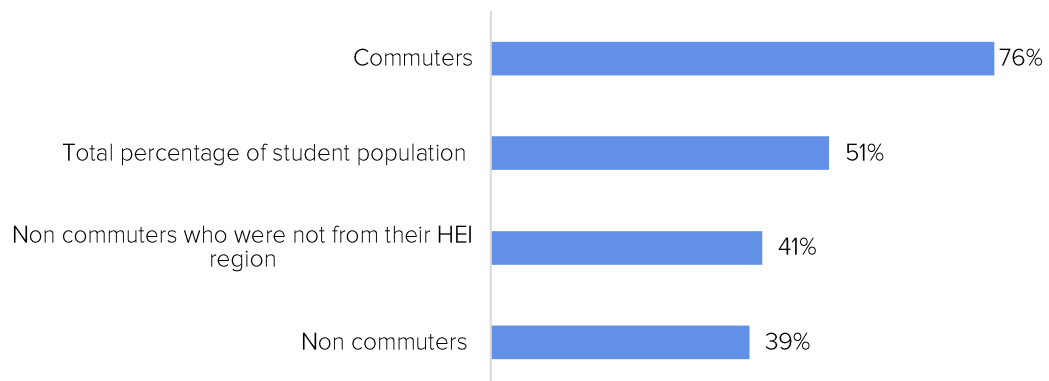
43. About one in two (51%) graduates in the UK stay within their HEI region post-graduation. This varies across regions, from over two-thirds of graduates who attended university in London subsequently staying in the London region to about one-third of graduates of East Midlands universities staying in that region upon graduation. Scotland, the North West and Wales are the only other regions with graduate retention above the national average. All other regions have graduate retention below the national average; of these, the West Midlands and Yorkshire and the Humber are closest to the national average. Data is not available for Norther Ireland.

44. The national trend illustrated in figure 4 above of commuter students being more likely to stay in their HEI region – 76% of commuter students stayed, compared to 39% of non-commuters – mirrors the patterns observed across the four universities in this study. The majority of commuter students across the four universities remained in their HEI/home region. This ranged from 63% to 83%. It is worth remembering that the number and proportion of commuter students within each university varied greatly.

45. Of those who were not commuter students, the proportion who remained in their HEI region post-graduation varied considerably. The University of Exeter had the lowest retention rate, with 19% of non-commuter students remaining in the region, while the University of Sunderland reported the highest percentage at 64%. However, if we focus on non-commuters who remained in the region of study post-graduation, then we see that at least 50% of these graduates were originally from the region of their university. This is the case nationally and at each of the four participating universities. Nevertheless, between 22% and 42% of non-commuter students staying local to the university after graduating

originally came from outside the region. This confirms that each of these four universities produces and retains skilled and productive graduates.

Table 1. Proportion of non-commuters staying local, by university

	Percentage of non-commuters who remained local	Percentage of non-commuters who remained local but were originally from outside their HEI region
University of Sunderland	64%	22%
UK	39%	41%
University of Hull	38%	35%
University of Lincoln	36%	39%
University of Exeter	19%	42%

What are the demographic characteristics of graduates who stay local?

46. At the national level, graduates who remained in the region of their HEI have a demographic and socio-economic profile similar to that of commuter students (see figures below). They were more likely to be first generation university students, from a low SEB (as measured by the IMD) and aged 25 years and over. However, there were no significant gender or ethnicity differences in the likelihood of staying local post-graduation.

47. The biggest difference between the demographic characteristics of graduates that remain local and commuter students is that for graduates there was no difference in the proportion of graduates from Black, Asian, Mixed and Other ethnic backgrounds between those who remained local and those who did not (both, 22%). In contrast, there was a difference between commuting and non-commuting students in terms of ethnic identity, with students from Black, Asian, Mixed and Other ethnic backgrounds making up 32% of commuters, compared to 18% of non-commuters.

Figure 5. Demographic and socio-economic characteristics of commuter and non-commuter students

	Commuter	Non commuter
Female	63%	56%
First generation university student	58%	39%
25 years and above	31%	8%
Black, Asian, Mixed and Other ethnicity	32%	18%
Most deprived quintile (IMD)	22%	8%
Low paritipation neighbourhood (POLAR4)	14%	9%
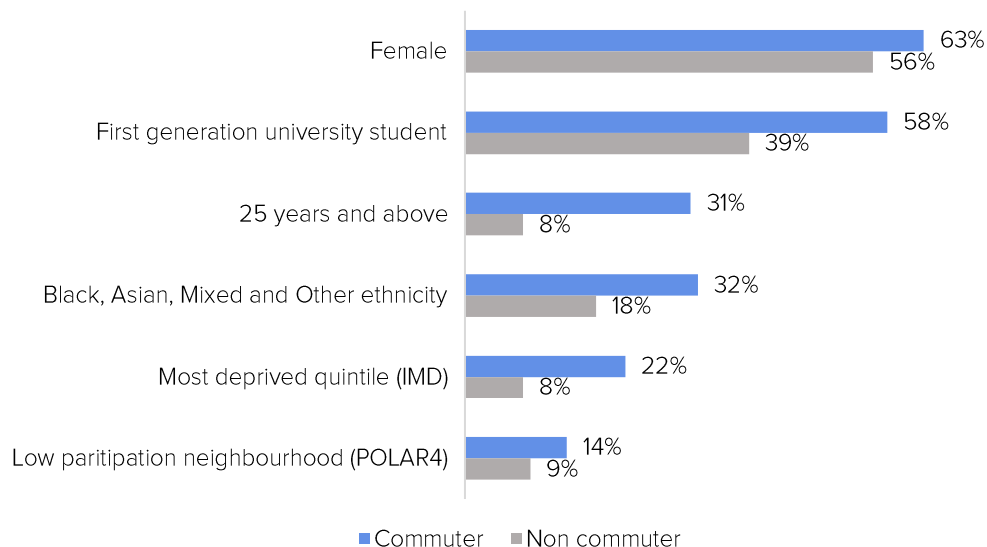
Figure 6. Demographic and socio-economic characteristics of graduates who stayed in their HEI region post-graduation

	Stayed in HEI region	Did not stay in HEI region
Female	77%	71%
First generation university students	67%	56%
25 years and above	31%	13%
Black, Asian, Mixed or Other ethnicity	22%	22%
Most deprived quintile (IMD)	16%	8%
Low participation neighbourhood (POLAR4)	13%	8%
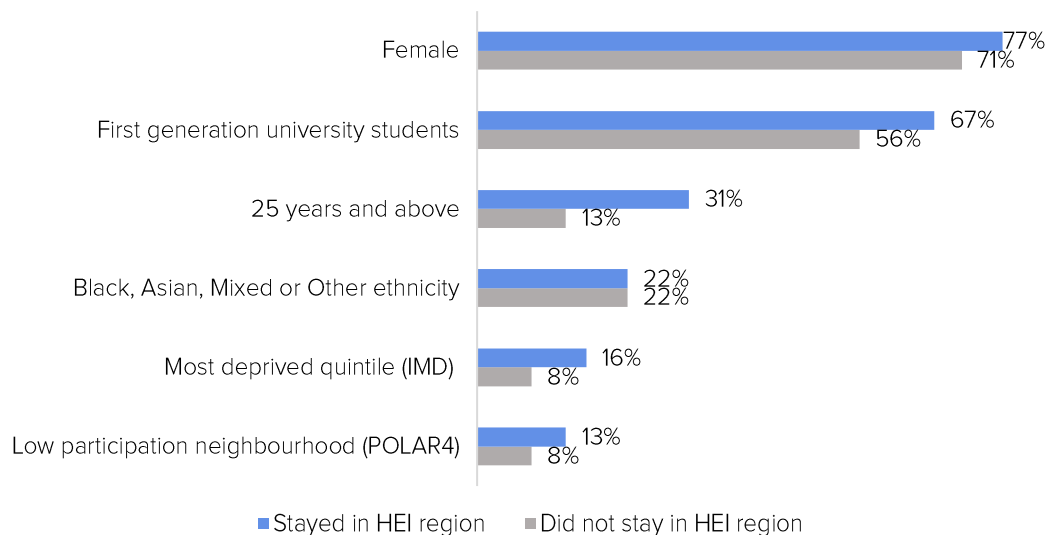
48. The following case studies for the University of Exeter and the University of Lincoln outline measures each University is taking to support graduate retention. The University of Exeter provides extensive support for student entrepreneurship and startups, while the University of Lincoln proactively networks with SMEs to place students and graduates with employers of under 50 employees. We also note Lincoln's National Centre for Food Manufacturing, which offers part-time and flexible study – which is not included in our dataset.

Case study: University of Exeter support for student entrepreneurship and startups

Students at the University of Exeter can engage with a range of extra-curricular support for entrepreneurship and startups, most of which is regionally focussed.

The eight-week **Startup Pre-Incubator Programme** includes core foundation workshops, inspirational speaker events and masterclasses; and demo events introducing students to the wider Exeter ecosystem. Students have the opportunity to pitch for Market Validation funding of up to £500 to test the viability of their idea. The next step is the **Startup Incubator programme**, designed to take students from validation to launch and to support them in building a viable and sustainable business. Participants have access to professional services, regular skills development masterclasses and 1-1 mentoring from the Startup Team. There are more demo events and potentially up to £3,500 of Startup funding. Graduates can progress to Setsquared Exeter's business support and acceleration programmes.

The University's **Exeter Entrepreneurs** events give students the opportunity to network with top entrepreneurs and employers, and develop a startup idea through skills workshops, mentoring, hackathons and pitch events.

IKEEP is a free 'intrapreneurial' online training programme that focuses on skills such as business model development, creative problem solving and team working. After completing the training, students may be considered for a fully funded project placement (70 hours over 4 weeks) working remotely, for a regional business.

The **Professional Pathways programme** is a suite of sector-specific training that includes a paid 35-hour internship at the end of the summer term. Training is delivered by industry experts, providing students with a firm grounding in the relevant sector. 95% of Pathways internships are with SME organisations based in the Southwest, with the majority in the Exeter area. Widening Participation students (WP) are overrepresented amongst those taking up these internships, comprising 55 of the 141 internships in 2020 (39%) and 59 of 131 in 2021 (45%). Overall, 97% of Exeter's WP graduates report graduate-level destinations at 15 months.

In addition, a new undergraduate pathway enables students to work towards gaining a With Proficiency In (WPI) Entrepreneurship. By completing four 15-credit **modules in entrepreneurship** during their degree, students build entrepreneurial skills, confidence, and business acumen. Enactus Exeter runs projects locally and internationally focused on making social and environmental impact.

Case study: University of Lincoln

As part of the Office for Students' Challenge Competition: Industrial strategy and skills, the University of Lincoln has been supporting local industries and authorities in **retaining skilled graduates** within the Greater Lincolnshire region.

The original focus of this project was to work with larger organisations in the region. However, Covid-19 brought additional economic challenges. Recognising the importance of SMEs in supporting the region's economy to survive the pandemic, the university's project team expanded its focus to include SMEs. The latter provide more than 95% of employment across all industries within Greater Lincolnshire.

The project team is particularly proactive now in placing students and graduates with employers of under 50 employees. Key to this is networking the two groups. The University works with nine local authorities and their support networks to widen its reach and engage with businesses. There is a media presence to give students an overview of the area and networking opportunities. In mediating graduate opportunities, the University considers people requiring differentiated support, for example those who are less mobile due to caring responsibilities.

Making student talent more easily accessible to SMEs allows local businesses to benefit from the skillsets and resources students have to offer, providing them with the opportunity to innovate and respond to potential market changes. This project aims to provide both economic renewal for the region and a wider sustainable employment opportunity for local students and graduates.

The University operates the **National Centre for Food Manufacturing** (NCFM) at its satellite campus in Holbeach, South Lincolnshire. NCFM offers part-time study for food industry employees, with part-time apprenticeships and distance-learning provision enabling flexible study for those working across a range of areas. NCFM is also committed to helping the sector innovate, and works with employers and partners towards this goal, aided by its partnership with equipment suppliers and its own specialist facilities and food factory. See https://www.lincoln.ac.uk/home/holbeach/

The University's **sponsorship of an academy trust** of local schools aims to help connect local schools with NCFM and the global food industry and create a new pipeline of talent for the sector.

Qualitative findings

Increasing accessibility

49. Our interviews with graduates helped to fill in the picture behind the numbers and highlighted the factors that affected the decisions they made about where to live.[10] These interviews explored a number of key themes. A clear finding was that studying locally, and/or remaining local after graduation was an important dimension of how accessible a university education was, and in turn, a graduate career is.

50. This theme of accessibility was clearest for interviewees who were managing additional responsibilities alongside their studies and career. These responsibilities included managing their physical and mental health needs, caring responsibilities, and family relationships. For example, one interviewee explained how their decisions about location as a student and graduate were influenced by the responsibility they felt towards their parents and siblings:

"I was so uncertain about where to go to university. But I found out that my parents were divorcing. I decided I had to stay local for my siblings. There was so much going on I felt I needed to stay. So I stayed nearby, about 15 minutes away, and travelled back home whenever I could to support my brothers – and mum and dad too actually."

51. The interviewees that were managing additional responsibilities felt as if the improved cost of living associated with staying local was a major benefit. A recent graduate that cared for their disabled partner explained how their decision about location meant they were able to afford a bungalow with garage and garden – facilities essential for their wellbeing and independence. Asked how they felt about possibilities elsewhere they reflected that:

"it's a daunting prospect even thinking about London – even Manchester or Sheffield. It's just too expensive".

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[10] For this research project we interviewed 35 graduates who had remained local to the university after graduation for employment. Ten of these had commuted as students.

52. These financial decisions about where to live clearly affected students who identified as coming from a lower socio-economic background. One graduate explained how due to their personal circumstances they had an acute need to be financially independent. Having left school and attended university, they relayed how the safety net of home was taken away:

"My mum works as a nurse, and nurses are underpaid and underappreciated. As soon as I had left the family home, the decision was taken to downsize and move into a more affordable one-bed situation. I completely understood, but it did mean there was nowhere for me to go back to. I had to be independent and self-sufficient."

53. The important point embedded in the decision making of these interviewees is that attending their local university and staying local to their university after graduation meant that they were able to access higher education, get a qualification and pursue a graduate career path – opportunities that would not have otherwise been available to them. As a graduate who talked through the challenges of living with a mental health condition reflected:

"It has made me feel like I could do more. It's a foundation for more opportunities."

Cost of living

54. The lower cost of living also attracted graduates making economic calculations. Rather than prioritising their potential income, they were keen on minimising their outgoings – and in turn achieving a higher level of disposable income.

"You might be able to earn a bit more in Manchester or London. But you can save a much higher percentage here. The cost of living is just that much better."

"My main decision for staying here were the living costs. It was felt more do-able and more comfortable."

55. The comparative advantage was not lost on the graduates we interviewed. They were keen to compare their standard of living to that of friends living in bigger, more expensive cities.

"This is a super-affordable place to live. I live in a two-bedroom flat – one's not even used. I wouldn't want to move somewhere like London and pay more rent for less house."

56. This suggests that salary itself, a standard metric of graduate success, is not uniformly relevant to individual graduates. In the next chapter, we explore the balance between salary and living costs as it relates to future plans.

Local environment and nature

57. Choosing to stay in a location is also very much about the physical geography of that location. This was most clearly articulated by a graduate that studied in the South West.

"I love the South West. I love the landscape and the geography of the place. It's a beautiful little corner of the world … It would be difficult to pull myself away from the sea now."

58. For this graduate it was not only the pull of the local environment, but the push of the 'big city' that affected their decision to stay local.

"To be honest the applications I made to London jobs were a bit half-hearted. I didn't really want to move to the big city. It's such a massive thing, and I just could not see myself living there. I'm not a city boy at all. I prefer the slower pace of life I've got now."

59. This was a recurring theme across the interviews. Graduates were pulled to places with pleasant environments:

"It's great being so close to the sea. It's dead easy to get out of the city for a weekend and go climbing."

60. When looking at why graduates live in certain locations, it is important to consider their personal desires and preferences, their priorities and their wellbeing. For some, access to natural landscapes in the North, Midlands and South West outweighed their sense that London and the South East might offer better economic opportunities.

Barriers to staying local

61. Although many graduates would choose to stay local if they could, there were many barriers to them realising that ambition.

62. There was a perception amongst interviewees that their local area had fewer employment opportunities than major cities like London and Manchester. They shared their frustrations about the focus on London in the graduate job market, and how that is where many job ads direct them.

"I feel like I've got to go to London, there are just so many opportunities. Even looking at the jobs advertised – you click it, it's London, click it, of course, it's London."

63. The imbalance of job opportunities was at the forefront of graduates' minds. Even if they had expressed a desire to stay in the local area, the pull of larger cities was felt quite strongly. This extended to the sense that larger cities could offer a better quality of life:

"I want to live in a bigger city. They have better facilities. I want to be able to easily go to the gym or pool, or get Ocado delivered. And I don't want to have to drive to get to the vets."

64. These aspects of city life make some places more attractive to live, and others less so. Even if these perceptions are not entirely matched by the reality, the perception that certain cities in the UK offer a better standard of living can influence the decisions graduates are making about where to live.

65. Although some of these amenities may be seen as 'nice to haves', a notable factor that was affecting graduates' perception of place and decision-making was a lack of ethnic diversity in some locations. Graduates from Black, Asian and culturally diverse backgrounds mentioned the challenges that living in predominantly White communities can present.

"It was really challenging living in [name of county]. I identify as a BAME individual and diversity is minimal here. You are surrounded by people who don't look like you, that you can't connect with, that don't understand your daily experiences, that don't understand microaggressions and discrimination."

66. There is only so much that universities can do to influence the culture of their surrounding area. However, it was clear that for a critical minority of students, the perceived hostility and isolation that comes from living in a predominantly White town and city as someone from a Black, Asian or culturally diverse background was a barrier.

67. In summary, this section has explored some of the reasons that graduates identify for choosing to stay in the region of their alma mater after graduating. Students make strong positive decisions in relation to accessibility, family, the cost of living, quality of life and the local environment. This highlights the multi-dimensionality of their lives, with many of them balancing competing needs and desires.

68. The following case study, provided by the Open University, provides an example of a response to local interest in training to be a nurse and local demand for trained nurses, in the context of limited outward and inward mobility.

Case study: Open University nursing education on the Isle of Wight

The Open University's provision of nursing education on the Isle of Wight enables Islanders to qualify as nurses, while also remaining within their communities and maintaining existing working and caring responsibilities. Many of them would not have been able to qualify via other routes.

Working in partnership with the OU, the Isle of Wight NHS Foundation Trust has adopted a 'grow your own' model as part of its strategy to address shortages in its nursing workforce. The Island's NHS Trust had a deficit of 120 registered nurses, a large number for a small Trust. The Trust is using its apprenticeship levy to support cohorts for Registered Nurse Degree Apprentices and Nursing Associate Higher Apprentices.

Previously, Islanders had to move to the mainland to train as nurses and many did not return after graduating, making nursing vacancies hard to fill. The Open University has been able to address this geographical barrier by bringing the university to the apprentice, removing the need for Islanders to move away. The OU nursing programme, in partnership with the Isle of Wight Trust, currently has 91 apprentices enrolled.

The Trust recruits to the OU's apprenticeship programmes from the local community. The OU requires only the minimum entry requirements set by the nursing and apprenticeship regulators, thus supporting the admission of individuals with the potential to become good nurses.

Given the deficit of nurses, graduate retention from this joint programme is crucial to the future of health care provision on the Island. Indications so far are very positive: of the first cohort of 15 registered nursing degree apprentices who started their studies in September 2018, 14 stayed on the Island to work as nurses, giving a retention rate of over 93%.

This is slightly higher than the average of 92% local retention for the OU's nursing programmes nationally. It is likely that the OU's flexible access and teaching model contribute significantly to this very high retention: recruiting apprentices from the local community and with strong ties to the local area means that they are more likely to remain on the Island once qualified and continue working for the Trust.

5. Future plans and social mobility

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Key findings

> The graduates we spoke with made rational economic decisions to stay local so they can afford to invest in their future, whether that is by buying a home or embarking on a postgraduate degree. They are utilising the social capital and professional connections that they built up over their degree to get a foothold in a highly competitive graduate employment market.

> For many of these graduates, pursuing a meaningful career is more important than the salary attached, particularly when the career enables them to contribute to a place they care about. This challenges the assumption that salary is the key indicator of graduate success.

> The standard narrative of social mobility is seen as advantaging those from higher socio-economic background. The graduates interviewed here, who are just starting out in their careers, are thinking in new ways about graduate success and were carving out opportunities for themselves. They are collectively constructing a broader narrative of social mobility.

> We need to recognise this broader concept of success and find ways to measure it.

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Approach

69. This chapter focuses on how graduates' decisions to stay close to their university after graduating support their longer-term plans. We include both quantitative and qualitative data throughout.

70. We look first at the impact of staying local after graduating on 'getting ahead' in terms of financial investment and accessing graduate jobs. We then focus on the nature of those jobs and on the relative importance of pursuing a

meaningful career and being paid a high salary. How do these graduates define success? Is this in line with how we measure it?

71. We note research suggesting that graduates able to move further afield for a graduate job are likely to earn more than their peers (Kidd, O'Leary and Sloane, 2017). The Social Mobility Commission (2019) has highlighted concerns about this, finding that those that are able to migrate are likely to be from higher socio-economic backgrounds — and concluding 'Clearly, moving out is too often necessary to move up'. We assess whether this is always accurate.

Planning to get ahead

72. As already noted in the previous section, graduates who stayed local to the university were as likely as those who moved away to feel that their current activity (e.g., employment or further study) was on track with their plans for the future. This was the case nationally and at each of the four participating universities, implying that graduates do not perceive staying local post-graduation to be a barrier to their long-term plans.

73. This finding is also supported by the qualitative data. Our interviews showed graduates thinking in alternate ways about graduate success and challenging pre-existing narratives and assumptions about how to achieve it.

Reducing living costs as an investment

74. In the previous chapter we noted that the lower living costs of staying close to the university after graduating meant graduates could afford a better standard of accommodation and/or had more disposable income. For many, this influenced their decision to stay. Importantly too, some graduates talked about these living costs not in terms of having more money to spend, but about having more money to save and invest in their future.

"I like living here, I can save. My plan is to base myself here for two years, earn enough to do a masters then take on that postgraduate qualification."

75. In particular, the prospect of gaining a foothold on the property ladder was highly appealing.

"We want to buy a house. And we've worked out if we stay in our current jobs for a while we can buy in a nearby location."

"I was the first from my family to go to university. Staying local has meant I've been able to build up some money behind me and hopefully buy my own house."

"There's significant financial benefits to staying here. Not only can I contribute to my family, but because it's so much cheaper than moving to the capital, I'm now in a place where I'll be able to invest in property in not too long."

76. The long-term economic benefit of investing in property is not an obvious measure of social mobility or the benefit of a university education. However, these graduates were thinking in clear terms about their future financial security and the significance of being able to own their own home.

77. Interviewees' comments echo findings from research by PWC about people's views of social mobility (PWC, *Driving Social Mobility*). The majority of those polled (all age groups) say "social mobility is best demonstrated by an improved living standards — predominately by maintaining a good standard of living, through home ownership and by having enough disposable income". While those in the 18-24 age bracket were likely to see improved living standards and salary as equally important, women and those who had received Free School Meals prioritised improved living standards (41% and 39% respectively) over salary (28% and 31%).

78. While graduate salaries vary by region (Department for Education, *Graduate Outcomes (LEO): Regional Outcomes, 2016 to 2017*), so too do house prices. Using HESA's graduate outcome data, and the UK House Price Index, the table below explores the ratio between average starting salary by region, and UK house price by region (Grove).[11] It shows that despite London and the South East boasting the highest average graduate starting salaries, they come bottom in terms of house price affordability.[12] The North East comes out on top. We note that 'affordability' is still relative, with housing ownership even in the North East likely to require significant savings and thus to be initially unattainable for recent graduates without private financial support.

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[11] In addition, Charlie Ball presents cost of living relative to salary in specific cities (Ball, *Skills Shortages in the UK*).

[12] Average house price divided by average starting salary.

Table 2. Ratio of housing affordability

Region	Average graduate starting salary	Average house price	Ratio of housing affordability
North East	£23,014	£140,248	6.1
Northern Ireland	£21,645	£143,205	6.6
Scotland	£24,151	£165,703	6.9
North West	£22,537	£180,280	8.0
Yorkshire and The Humber	£22,528	£180,856	8.0
Wales	£22,270	£180,229	8.1
East Midlands	£22,828	£208,662	9.1
West Midlands	£23,117	£213,974	9.3
South West	£23,095	£278,391	12.1
East of England	£24,076	£302,624	12.6
South East	£24,254	£342,271	14.1
London	£27,256	£513,997	18.9

79. The figures in this table justify the decision of the graduates we spoke to who had chosen to stay local to their university because they saw it as a way to take their first steps on the property ladder. It is unclear what the long-term effects of this would be in terms of social mobility. However, being able to save towards a financial asset could well leave these graduates in a stronger financial position in later life than their counterparts who moved to London and the South East.

Utilising social capital and professional networks

80. Staying local was also justified in terms of maximising a graduate's social capital. Through references to networks of friends, colleagues and university staff (in administration and teaching), the graduates interviewed were keen to highlight how the social and professional connections they had made during their time at university were an advantage in deciding to remain near their university after graduating.

81. In part this was about learning about opportunities and job openings:

"I worked for a local technology company, who were pretty innovative in what they're doing. I knew someone through the society I was president of. I didn't get the job because of it, but it was a connection and an in for an interview. "

"My plan is to take on a PhD at some point, so for now I'm just taking on the work I can. I did some temp work for the university and wanted to stay on. They knew that and kept me updated about upcoming roles. Because I graduated here and was employed here, they know me – once you're in the system it's easier to find something else."

82. Several of the graduates interviewed had undertaken a project as part of their degree programme that involved engagement with local businesses, while one graduate interviewed is now employed by the university to co-ordinate these kinds of projects for current students. The scheme is funded by the Office for Students, and helps students engage with local businesses, through setting industry challenges.

"It's an incredibly fulfilling role. On the most part universities can't do too much of this, but it's a win-win situation. Businesses benefit directly through the project and indirectly through connecting with students, and the students benefit because they're getting experience they desperately need. You can't have too much of this going on!"

83. This is one example of a university taking a direct interest in matching the skills their students have with the needs of local businesses. As the co-ordinator went on to explain, even though the scheme is in its first year, they have already had two permanent full-time hires as a result. Replicated at scale, this kind of initiative could compound the impact that universities and graduates could have on the economies of the places they are located.

84. Others emphasised the social capital they had built in the local area. This came through in their reflections about the work experience and internships that they had taken on. There was a sense that the social capital they had built may benefit them going forward, and in turn would mean they were more inclined to remain in the local area.

"In the long run I think it will pay off. If I didn't have the opportunity with the marketing company, or the NHS, then I don't know what I'd be doing. I built up a lot of skills and connections that I'll carry with me for the rest of my life."

"I wasn't sure what I wanted to do, so I picked up this internship that the university had organised. Looking through I picked the one I wanted to go for – and it's been great. I didn't know this was a career option. I will definitely follow up with opportunities afterwards. All of the people on my team have been so helpful."

85. There was a sense that these contacts, opportunities and connections that had already benefitted the graduates, or may benefit the graduate in the near future, were worth staying local for. For some this was articulated through comparisons with moving to a place where they would not know anybody.

"To be honest it would be a little scary moving to a bigger city now. Not knowing anyone. At least here I feel like I've got my foot in the door."

"It just wouldn't make sense to move somewhere else now – especially somewhere I had no professional connections."

86. These reflections around the effect of having social capital in the local area suggest that these graduates are thinking in different ways about how to get ahead. In part this may be due to the fact that when the graduate job market is perceived as being particularly competitive, as it is through Covid-19, graduates seize on every comparative advantage. For graduates that have worked hard to build connections in the local area – with their university, with employers, and with the careers service – there is a reluctance to waste that social capital.

87. It is difficult to evaluate the strength of the 'tactical advantage' of social connections built up in a local area in getting a good job. However, the way these graduates were relaying their decision-making process, and the advantages that their connections have made to them so far, presented a compelling case against 'moving out to move up'. Their comments echoed a finding of PWC research that 83% of those polled cited local employment opportunities as the secret to career progression (PWC, *Driving Social Mobility*).

Staying local for a 'meaningful' career

88. A clear theme that emerged was that the graduates who had stayed local were thinking about success in much broader terms than maximising their earning potential. Above and beyond wanting to secure 'any job', there was a desire to build a career that had social impact. For these graduates, success was not going to be reduced to their salary, but was about how they would be able to utilise their skills and experience for the social good.

89. These ambitions came with an understanding that they may not be choosing the most lucrative career, but they were choosing a career with 'a purpose'. For

example, one graduate talked about a potential move which would lead to 'good jobs and a good wage' but on balance they wanted to stay in place:

"I love where I live, and I want to help people here. There's a lot of poverty in the North East, homelessness too. I hold these matters close to my heart. The area just hasn't recovered from when all of the industry was taken away."

90. For other graduates, the relationship to place was less clear-cut. They wanted to apply the skills they had developed at university – and in the local area – further afield. One graduate reflected on their experiences working at a local museum, noting that this had shifted their career ambitions:

"I worked at a local pawn shop, but then found work at the museum. They had shifted their focus onto climate issues. I'd studied social sciences at university and through my work at the museum I learnt about the massive impact climate change will have on poorer communities. [...]
I now want to work in environmental disaster zones, helping those in acute need. My Mum's not too keen with this plan though! I'm sure she'll come to terms with it."

91. For others, the focus of their desired career was work that had 'meaning' or was 'purposeful'. The sense of meaning had multiple dimensions. For some it was about the impact it could have for other people.

"I struggled significantly with my mental health while at uni. I had to move back home for a short while. It's one of the main reasons I switched to studying psychology. If I could somehow find a way to work in that field, it would mean a lot. Hopefully I can get into mental health nursing."

"My plans are for a future in medicine, via postgrad to become a doctor. The graduate market doesn't really suit ethical decisions or choices. It's very depressing. That's the attraction of medicine, it's a safe employable job, where I can make a difference."

"It would be great to get into research. I volunteered at a care home during my degree. I became aware how important loneliness and isolation can be. Research that directly goes onto fighting for change – would love to be doing that kind of thing."

92. For others, the sense of meaning came from being able to apply the skills they had developed at university, and not go into a 'generic' graduate job.

"Loads of places want tech people. I really enjoyed programming on my course, but I want to develop that skill in a creative way – ideally in the video game industry. I know that's hard, but I want to put in the work."

"I'd like to make a career as a writer. I've had a few short stories published. But it's a tough one – it's competitive and there's not much money. But I've got friends in traditional grad schemes at the big four, and they're working obscene hours. That wouldn't make me happy. And I wouldn't have any time for writing."

93. Some graduates talked about opportunities and ambitions through comparisons with alternative career paths they may have had, if they had not studied at university. Here the experience of social mobility is as much to do with being able to pursue a career with impact or creativity, as with maximising income.

"I don't know where I'd be now [if I hadn't been to university], probably back in retail! Friends I have that don't have a degree, now earn more money than I do – my sister for example carried on in retail and is now an area manager. But I now have so many options I didn't consider before, I don't regret it at all."

94. Hearing these graduates talk about the opportunities created in areas close to their university highlighted the breadth of ways in which success can be measured and evaluated, and the sense of agency a degree can provide. It also underscores the idea that income is not the sole metric of success for many graduates. Graduates want to be able to apply their skills, experience, and knowledge in fields they are interested in and passionate about. They regard achieving that ambition as a career success, even if their choices do not attract large salaries.

Choice of subject

95. There were some differences in the most popular subject areas amongst graduates who remained in their HEI region post-graduation and those who did not. The most popular subject areas amongst graduates who stayed in their HEI region were subjects allied to medicine; business and administrative studies; and social studies. Graduates who moved away were most likely to have studied business and administrative studies; social studies; and biological sciences. These trends reflect the popularity of these subject areas: business and administrative studies produced the largest number of graduates overall

(2017-2018), while subjects allied to medicine – in second place overall – produced the largest number of female graduates.

96. Nursing students are disproportionately likely to be mature and/or female; and this helps drive nursing graduates' being more likely than business studies graduates to be commuter students and to stay in their HEI region post-graduation. In addition, graduate recruitment and employment in nursing are influenced by course location, in that integrated placements with local healthcare providers may facilitate subsequent employment opportunities. Moreover, the opportunities and demand for health professionals are linked heavily to geography and may bring additional financial incentives and rewards. See appendix B for further analysis.

Changing narratives of social mobility

The standard narrative as exclusionary

97. The sections above about the ways that graduates were making progress in their careers while staying local to their university suggest that the standard narrative of social mobility did not feel appropriate to them. In that narrative, the expectation in the background is that graduates will move to a bigger city for a professional job. Some of the graduates we interviewed felt that this narrative was less accessible to those from lower socio-economic backgrounds.

98. Some highlighted the challenges of needing to take on unpaid work experience. This included stories about the expectations that a law firm had to work for free for six weeks to demonstrate that they were "committed". Others highlighted the limited compensation some organisations were offering:

"I did consider taking on some graduate work experience. But yet again, I can't afford to move there right now. All they were offering was £5 expenses for lunch – what was I meant to do with that? There was one position I applied to that offered travel expenses for zones 1-2, but that was it."

99. These graduates perceived that these opportunities were much more accessible to those coming from higher socio-economic backgrounds.

"It's so much harder for someone like me, I don't have much money behind me. I can't risk a move to take on work I can't afford to live on."

"There are some opportunities here. And I will apply as they come up. It just feels much harder if you don't come from a wealthy background."

100. Having money behind you can make the transitions after university that much easier. As discussed in the previous chapter, many of the graduates we spoke with needed to maintain their own financial independence – and this was shaping the opportunities they have been able to take on.

"You need support. It's impossible to live and rent a flat on your own – especially down South."

101. That some professions and industries are easier to access for those from higher socio-economic backgrounds and/or in certain regions is well known. For example, the Bridge Group's 2020 report on socio-economic diversity in the arts highlights the prevalence of unpaid internships and the uneven geographic spread of opportunities. Moving across the country for unpaid or short-term work poses a significant challenge to those without the 'bank of Mum and Dad' behind them. Graduates that are geographically mobile are more likely to come from higher socio-economic backgrounds. Recent research by the Social Mobility Commission (2021) also highlights regional disparities, noting that "People in the South East are twice as likely to say they have good opportunities than people in the North East of England".

Recognising a broader narrative

102. The graduates we spoke with – who are all based in regions beyond London and the South East – are collectively constructing a broader narrative of social mobility. They are making rational economic decisions to stay local so they can afford to invest in their future, whether that is by buying a home or embarking on a postgraduate degree. They are utilising the social capital and professional connections that they built up over their degree to get a foothold in a graduate employment market constrained by Covid. For many of these graduates, pursuing a meaningful career is more important than the salary attached, particularly when it enables them to contribute to a place they care about.

103. Some graduates explicitly challenged the narrative that it is necessary to move to London to succeed.

"People feel this need to go and get a job in a big city and work in a massive firm. But local companies offer a lot more training and development. I might go to London or Manchester eventually, but it's better for me local."

"I may be a little fish in a little pond – but you can do so much more in a smaller company. You can participate more. I'd rather work my way up in a small city and build my experience."

104. For these graduates, who have proactively stayed near university after graduating in order to be successful, the standard narrative of moving away to a large city to achieve social mobility is neither appropriate nor relevant. It is time to change the narrative. If not, our current concept of a 'successful' graduate – one who moves to a large city and takes on a professional career – will continue to focus on those who are the most likely to be geographically mobile: those from higher socio-economic backgrounds.

105. We also need to broaden the way 'success' for graduates is measured and recognised – and to do so in a way that is accessible. We recognise the difficulty of making complex and changing metrics into yardsticks. For example, the OfS, TEF and the three main university league tables do use the SOC classification of skills from GOS (or its DLHE predecessor) in compiling performance indicators and rankings respectively – but salary also contributes to TEF and is widely reported in the public domain, particularly in comparing one university or course with another. And indeed, prospective students (and their families) want to know how much they are likely to earn in return for their substantial investment; while the government is rightly concerned with monitoring what proportion of student loans is being repaid.

106. The higher education sector needs to proactively address the information gap: to explain that salary is not necessarily an appropriate or sufficient measure on its own, to highlight and explain other relevant GOS metrics. And to acknowledge the rich range of successes their graduates achieve.

6. Employability, innovation, entrepreneurship

Key findings

> All the employers we interviewed were themselves graduates of the local university and many had been attracted to stay by its support for start-ups (as well as some of the factors mentioned by the graduates). However, their ongoing links with the university varied considerably. A graduate internship scheme at one university emerged as very effective.

> Employers without access to that scheme would like better links with their local university to recruit graduates. Some felt that graduates were not sufficiently aware of what working in a small business was like and may not consider small local firms as offering a viable career option. This has implications for universities in terms of their messaging to students and provision of work experience opportunities.

> Employers interviewed felt that graduates were more likely to move away to London or another large city than remain in the region, in order to earn more and find career progression opportunities. While employers saw this as a bad thing for the local economy, they also generally regarded it as the route to social mobility. These views are contradicted by our data from interviews and on graduate outcomes.

> They also spoke of the change to working patterns as a result of the Covid-19 pandemic and perceived the shift to remote and flexible working as positive for the regions, enabling talent to remain in the area.

107. The Industrial Strategy (IS), initiated in 2017, set out policies that placed research and innovation at the heart of economic growth across the UK, including increasing research and development funding and investing £725m in innovation programmes. Crucially, it called for the public and private sectors to work closely with universities, breaking down barriers between business sectors and universities. While the IS transitioned in March 2021 into the new Plan for Growth and related strategies, the IS supported a range of developments relevant to this report. We outline some of these below.

Universities, the Industrial Strategy and related developments: overview

Universities were accorded a vital role in the Industrial Strategy (IS), through building research and innovation excellence across the UK, place-based development and collaborative working. The Strategy envisaged local solutions, often built around universities and skilled labour.

Research England reports that "The Government provided an additional £40 million from 2017-18 from the National Productivity Investment Fund (NPIF) to support university knowledge exchange (KE) to deliver the Industrial Strategy (IS). [Research England] allocated this through Higher Education Innovation Funding (HEIF) as £25 million recurrent, and £15 million nonrecurrent, formula funding. A further £25 million from NPIF was allocated as recurrent formula HEIF from 2018-19 (so moving to £50 million per annum total IS uplift)." (Research England 2019). Universities used IS uplift allocations, through HEIF, to support initiatives to strengthen local labour markets. Many of these initiatives relate to local skills and employment needs.

The OFS Challenge competition 'Industrial strategy and skills – support for local students and graduates' has funded 16 projects across England designed to support the employment outcomes of graduates who want to work in their home region. The competition has been designed to foster social mobility and contribute to regional economic prosperity. It builds on earlier successful projects, such as RISE in Sheffield, which sought to bring universities closer to the local labour market, for the benefit of students and employers.

UKRI's Strength in Places Fund (SIPF) continues to invest in research and innovation projects that aim to drive economic growth in specific areas of the UK. The first wave of funding has invested £186 million via consortia of research organisations, businesses and local leadership.

The UPP Foundation has undertaken work to bolster the civic missions of universities and strengthen their role as anchor institutions in their regions (UPP Foundation, 2019). This involves social, cultural and economic investment in the locality of the institution and beyond.

In response to the Covid-19 crisis, Universities UK has recommended giving priority to a regionally-focussed approach to graduate internships to facilitate economic recovery (Universities UK 2020).

Context

108. We acknowledge that there is a broader economic context to a discussion of graduate employment in the regions: some rural and coastal areas have few employers with graduate-level opportunities. Such areas need targeted support as part of the levelling-up agenda, to increase the supply of graduate jobs. While the government's Plan for Growth includes a strong focus on levelling up local economies by driving productivity, it emphasises an increase in the supply of technical skills via further education as a vehicle to achieve this. We recommend that the Plan for Growth more explicitly acknowledge the benefits that universities and their graduates bring to regions; and direct funding to support the creation of university links and graduate roles across regions – not just in the one 'globally competitive city' per region designated by the Plan.

109. Our interview evidence indicates that, in practice, achieving an alignment between education and industry – given the diversity of sectors – is challenging and universities could do more to be responsive to local skills needs and the practices of small businesses.

110. Our interviews with employers provided evidence of the perceived benefits to local employers of having strong links with universities, particularly start-ups. University investment in innovation and entrepreneurship is crucial for the local economy and provides an important way of retaining graduate talent. As our case study with the University of Exeter shows, nurturing start-ups is particularly important in coastal and rural areas, like the South West, where micro-businesses play a pivotal role in the economy.

111. But while the Industrial Strategy created a policy landscape that was supportive of universities fostering innovation, start-ups and entrepreneurs, it could be at odds with other policy priorities that place greater emphasis on outcomes metrics focused on earnings 18 months from graduation. Graduates who establish their own businesses often receive low pay until they enter a growth phase two or three years following graduation. The Plan for Growth's Levelling Up Fund and focus on supporting productivity growth through high-quality technical skills and training are laudable, but the Plan does not harness the contribution of universities to levelling up as fully as this report indicates would be helpful.

112. In the 2000s, universities were intensely focused on inequalities in access, but attention widened over the last decade to address inequalities in outcomes.

The 2012 increase in fees to £9,000 a year emphasised the need to ensure good returns for all students in terms of both attainment and employment outcomes, and this was reflected in the metrics of regulatory frameworks and bodies, such as the Office for Students (OfS). This means that universities devote considerable time, resource and expertise to developing students' employability skills. This includes supporting students with career thinking and planning, exposing them to diverse career options and experiences, and developing networking skills. Our interviews with both graduates and employers exposed the importance of this work and also its localised nature, in terms of understanding regional labour markets and the differences between them.

113. Graduates make their career decisions in the context of multiple competing challenges around housing, family and social networks, finances and mobility. Employers are deeply aware of these pressures and recounted their own challenges with negotiating a career path locally.

114. We undertook 11 interviews with employers with strong links with the careers service at three of the participating universities. The majority of the employers represented Small and Medium Enterprises (SMEs). Overall, it was difficult to recruit employers to participate in interviews during the pandemic, so the voices expressed here are not necessarily representative, but offer insight into the relationship between employers and their local university and the impact of place on graduate attraction and retention. The conversations were held in the context of the Covid-19 pandemic and its effect on the local and national labour market.

University support for SMEs

115. The majority of interview participants were graduates of the local university and had made active choices to start their own businesses in the area. Some of the factors contributing to this choice included: benefits of networks established at the university; funding and support for start-ups provided by the university; affordable housing and business costs; and perceived high quality of life associated with living in a regional community.

116. While start-ups had benefitted from reduced office costs through their connections with the local university, and access to networks, there were mixed views about the type and value of the support they received to facilitate

business growth. For instance, one participant spoke of the university's rigid criteria to access start-up benefits and perceived 'red tape' to hinder rather than catalyse development.

117. Once established, several SME employers spoke of funding provided by the local university to employ a graduate from the institution. This ensured that strong links were maintained, which were particularly valued, given that the small size of the businesses meant they were unable to participate in careers fairs or outreach events on campus.

118. Other employers, with links to a different university, spoke highly of a graduate internship scheme. Part funded by the European Regional Development Fund, this project provides support to employers taking on graduates. This includes support with recruitment, CV-screening, shortlisting, and a modest salary contribution (£500 a month over a nine-month period).

"The staff I've taken on have all been from the university, and all from the graduate internship scheme. It's a great support to have as a local employer, it takes the sting out of taking on a new employee."

"The university helped put up the job ad, edited the spec, and screened candidates – giving us a shortlist of recruits. They did a fantastic job of presenting us with really good, really realistic candidates."

119. Key for the employers was not only the direct financial contribution, but the indirect financial contribution through time saved on screening recruits and shortlisting the best individuals. There was a sense that this scheme helped reduce risk – particularly for small businesses looking to take on their first staff.

120. A further contribution identified by the employers was access to office space. This included modern buildings with high-spec finishing that was available to graduates and alumni. Some employers were so impressed with the space that they like to host clients there:

"The space is excellent, we will bring clients here because it's a nice space for a meeting and looks pretty cool – helps give a good impression."

121. This support from universities makes it easier for businesses to establish themselves and grow. This is critical, given the challenging economic context in which many of these businesses are operating. One of the universities was

widely perceived as a local 'anchor', offering support and guidance for local businesses.

122. The extent of external support for businesses, beyond the university, varied significantly by geographic location. In some areas, there was little sense of engagement or interaction with the Local Enterprise Partnership, or of any other local business support beyond personal networks. This underscores the vital role that universities play in those areas. Employers linked with one university were more fortunate in that the university's positive relationships with local employers were enhanced by the local council, which is pro-active in supporting local businesses and creating connections between businesses and the university – telling employers about the opportunities available.

123. Employers linked with this university spoke highly of the relationships they had developed with both the council and the university. In return, they were pro-active participants at open days and careers fairs, being a visible presence on campus. They were also more than happy to participate in our research. These employers may or may not be representative of their peers in SMEs in that region, but they do indicate what positive engagement with the local university is able to achieve – and the wider benefits of that.

"There's a lot of deprivation in [this region] – there's been years of under-investment. But it feels like there are more opportunities now. There's a whole culture around the generation of business and bringing jobs back to the [region], helped by the infrastructure investments. And institutions like the University [...] are drawing more students and more graduates in. The attitude is – better times are ahead. A lot of work to do, but things are getting better."

124. Given that 34% of graduates nationally are employed by SMEs (HESA qtd in Greaves, Labour market myths), there is a role for national and local government in supporting SMEs that require graduates and in supporting graduate recruitment.

125. We present below examples of regionally-focussed programmes run by the University of Sunderland and the University of Hull.

Case study: University of Sunderland's Graduate Internship Programme

The University of Sunderland's Graduate Internship Scheme aims to provide regional SMEs with a cost-effective approach to recruiting graduates for a 12-month period. It targets SMEs in the North East LEP area (excluding County Durham).

Part-funded by the European Regional Development Fund (ERDF), the University's Graduate Internship team work closely with organisations to ensure the recruitment process runs smoothly. The team can support role development, sourcing the graduate, the recruitment and selection process, as well as being a point of contact for the organisation.

Overall the project will place 230 graduates into regional SMEs. Following assessment by the Internships team, if eligible and accepted onto the scheme, the organisation will receive funding towards the graduate's salary. The company will pay a minimum salary of £18,000 per annum to their successful graduate and the scheme will offer £500 a month in subsidy over a nine-month period towards the graduate's salary totalling £4,500.

Case study: University of Hull internships and SME support in the Humber

The **Humber Internship Programme** (HIP) is a new project, led and managed by the University of Hull and supported by grant funding from the England European Social Fund (ESF) as part of the European Structural and Investment Funds Growth Programme 2014-2020. HIP has the explicit aim of supporting Humber-based Small and Medium Enterprises (SMEs), to recruit, train and retain the skilled employees they need to enable them to innovate and grow.

The Humber Internship Programme (HIP) is set to run from spring 2021 until June 2023. HIP will support up to 200 Humber-based residents in undertaking supported internships in SMEs. Such businesses make up over 85% of the Humber economy, so are a driving force in the region.

A dedicated team will engage with SMEs across the region to match their growth needs with ambitious, job-focused interns. Aspiring interns may be undergraduates at the University of Hull or graduates of any university now resident in the Humber region; they receive support for the application process and in preparing for their internship.

HIP is operationally connected to the University's well-established **SparkFund** programme, which provides grants for innovation, research and development to Humber-based SMEs. SparkFund has supported over 130 SMEs in applying for funding since its launch in 2017. The University estimates that the grants awarded will generate 160 new jobs.

The University's **Hull Internship Programme** offers internships full-time or part-time, to students or graduates. Launched in 2012, it now supports over 100 internships annually, most of them with SMEs from the Hull and Humber region. The Programme allows employers to explore an individual's suitability for a long-term role or recruit an intern for a specific short-term project. Internships are eight to 12 weeks in duration, taking place over the summer vacation or to suit the employer's needs.

Recruitment issues

126. Discussing support from universities prompted some employers to reflect on the wider challenges facing SMEs regarding communicating with students.

"More visibility [of the university] is needed in the local business community and increased understanding of what the local skills challenges are. It would be helpful if the university could tell local businesses how they could get in front of students and become more visible."

127. Without hesitation, all employers felt strongly that graduate retention should be a key area of focus for the local university because of its benefit to the local economy.

"Graduate retention should be a priority for the university and would help to grow the city and the economy of the county."

"There are benefits of graduates in the area and the government needs to intervene. We are going through a Fourth Revolution, accelerated by Covid, and this is changing the way we work."

128. But some felt that universities were too focused on promoting employment in large firms to their students and graduates to consider the needs and interests of small local employers. Consequently, when combined with the limited capacity for SMEs to undertake attraction activities on campus, employers were concerned that insufficient attention was given to preparing students for roles in small firms. Additionally, one employer spoke of the potential merit of universities offering 'pastoral' support to students to help them think through lifestyle issues related to living and working in a more remote and rural place.

129. Separately from communication issues, several employers spoke of a gap between the skills needs of local firms and the education provided by the university. *"The world of work doesn't align with what education provides."* For firms related to the tech sector, this gap was especially pronounced. One employer spoke of the local university placing too much emphasis on academic study, rather than the application of knowledge in the industry.

130. In order to address this perceived gap, they felt that the local university should engage more with small employers in the area and acquire a better sense of

their skills needs along with the values and behaviours they require amongst their employees.

Factors deterring graduates from staying local

"It's not a skills challenge but an area challenge."

131. Employers recognised that young graduates may be deterred from remaining in the region of the local university because of its reputation as a 'backwater', at a distance from London and other large cities and predominantly rural and coastal [both Lincoln and Exeter]. Some saw the issue as cultural and attitudinal, rather than rooted in the reality of available jobs and opportunities.

"Students naturally want to move to the bright lights and it's where they perceive the scale of opportunity."

132. However, some other employers reflected on the challenge of competing for talent in the tech sector while being located regionally.

"It's a struggle operating in the tech sector here. For one, the tech graduates are so hard to get – they just want to work for the top firms, your googles and microsofts. Even at interview I'll have recruits saying that they want to go work for IBM in six months to a year."

133. In addition to this, employers were mindful of the lower wages in their regions in comparison to London. They recognised that the capital was very attractive to graduates looking to accelerate their careers and earn money quickly. But some employers also felt that the draw of high incomes in the capital was perhaps misleading, given the high cost of living there.

134. We observed a disconnect between employers' sense of the region's economic prospects and their view of graduates' perceptions of career opportunities there. Employers therefore felt that their local university could do more to expose students to local employment options and also better support their decision-making by highlighting quality of life factors, such as housing costs and disposable income.

135. But there was also a notable tension amongst nearly all employers regarding their commitment to graduate retention in the area: on the one hand, they

perceived skilled jobs to be available and regarded the retention and attraction of graduates as important to the local economy. But on the other hand, they spoke of the need for graduates to move to London or another large city for their career progression. Speaking candidly about social mobility, they observed the paradox that for the region, the best thing is for graduates to remain, but for an individual's social mobility, the best thing is for them to leave. This view is at odds with the quantitative findings of this report that graduates who stay in their region of study are in fact equally likely to be employed and in roles that are on track with their future plans; and with the financial and career benefits of staying on which graduates described in our interviews.

136. Some employers felt that the flow of 'the best graduates' to London meant that there was potentially a smaller supply of talent and less competition in the region. They recognised that there may be more limited progression opportunities in a small firm than in a head office in London. However, several employers also noted the potential to gain diverse experience and undertake more varied work in a small firm – and felt that students and graduates should be made more aware of this.

"If people weren't sold the narrative that money is the thing, they could be part of a culture, be part of something. There is so much more chance for skills development in a small company – which is valuable."

137. There is a role for university careers services in enhancing the information and advice they provide to acknowledge these benefits of working in SMEs. They should also ensure that students and graduates are aware of the availability of national roles in the regional offices and hubs of larger employers, enabling significant career progression outside of London and the South East.

138. In this context, the case study from PwC below illuminates the important role to be played by large graduate employers in ensuring that opportunities for graduates and progression to senior roles are dispersed across the country.

Case study: PwC's expanding regional presence

Since 2016, PwC's out-of-London headcount has increased by over 2,000 due its investment in its regional presence – particularly in its hubs in Leeds, Manchester, Reading, Belfast and Birmingham. Now, 44% of the firm's UK staff are in offices outside London, up from 36% in June 2016. This is set to increase further, with 60% of the 2020 graduate intake recruited to regional offices, up from 50% in 2015. PwC now has 20 offices across the UK.

These include the Assurance Centre in Bradford, which opened in 2019 to address business objectives and develop skills and boost employability in the area. By working with the local area and schools to attract and train talent, the centre is supporting social mobility locally. Currently, 170 staff are based in the Bradford office, with growth planned over the next two years.

PwC's increased regional presence has facilitated greater diversity at the firm. This is particularly true in the Bradford office, where the proportion of Bradford-based staff who had received Free School Meals at school or whose parents' occupation indicated a low socio-economic background is higher than in other offices. PwC is now looking to apply learnings in inclusion from Bradford to other regions.

In addition to the graduate entry route (for the ACA pathway a Level 7 apprenticeship), PwC runs a range of apprenticeships at most of its UK offices at Level 4 and Level 6. These include study towards either a professional qualification, such as the ACA (Chartered Accountancy qualification); or a university degree, like the Technology, Accountancy and Business Management Flying Start programmes.

PwC is increasing opportunities for promotion and progression at regional offices, with senior and/or national roles formerly located in London now available elsewhere. This trend is likely to continue to increase post-Covid.

PWC runs extensive outreach work with schools and universities, targeting regional universities and schools in social mobility coldspots, and looking beyond Russell Group universities. Due to Covid-19, PwC reconfigured much outreach to a digital format, including its in-person work experience for undergraduates and school students. Removing the need to commute to an office location allowed the firm to reach a more diverse group of students from further afield, including for example coastal towns. PwC therefore intends to continue digital provision post-Covid, alongside other formats.

139. Some employers felt that tensions between local residents and university students might deter graduates from remaining in the local area. One participant spoke of the town feeling 'segregated' from the university, while another commented that some locals were not very welcoming towards students. A factor contributing to this tension was perceived to be the private housing rental market. The purchasing or building of accommodation for student rental was seen to restrict the number of properties available to rent for the wider local community. Consequently, several participants said that they did not regard the university as having a civic presence.

Impact of Covid-19

"But there has been a paradigm shift and more thought is given to the value added and quality of life."

140. Employers reflected on the way that Covid-19 may have changed graduates' priorities and behaviours relating to their careers, with quality of life factors becoming more prominent. For instance, the majority felt that graduates may be more likely to live in the regions, with more affordable housing and accessible green spaces, and less likely to move to London.

141. They also spoke of the change to working patterns as a result of the pandemic and perceived the shift to remote and flexible working as positive for the regions, enabling talent to remain in the area and use local shops and services.

142. However, one employer felt that Covid-19 had worsened existing tensions between local residents and students, with residents blaming students for spreading infection.

7. Building inclusive economies and cultures

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Key findings

> The graduates we interviewed contribute their higher-level skills to benefit local businesses. For a university, retaining graduates is one aspect of contributing to the local economy.

> Graduates continue to enjoy the local independent businesses, cafés etc they had enjoyed as students. They now have more disposable income and are willing to spend their money in a vibrant high street.

> The graduates we interviewed were aware of town-gown issues in the towns and cities where they lived, for example relating to pressure on housing and late-night noise. This had not deterred them from staying.

> Graduates were full and rounded members of the local community and for some, their involvement in it as students had encouraged them to stay in the area. This involvement has benefits for local community organisations, sports groups etc, in terms of gaining active participants, as well as for the graduates, by enhancing their social and emotional wellbeing.

> Graduates are interested in the cultural scene of where they lived. Those who had observed the impact of Hull's being awarded the title UK City of Culture in 2017 noted the broader positive impact on the city, including on infrastructure. More generally, graduates see infrastructure such as good public transport facilities and office space as important.

> Universities have a key role to play in supporting civic cultural life and other civic venues and facilities. Helping to develop an inclusive economy and culture is likely to assist in retaining graduates.

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Context

143. Much of the literature on the social mobility of graduates focuses on them primarily as economic actors: the income they earn and the jobs they take. However, graduates are much more than employees. Through our interviews it became clear that graduates were active participants in the places that they live, contributing to the local economy more broadly and to community life and culture.

144. This section draws together graduates' comments illustrating these broader contributions. It also explores some of the aspects of an economy, community life and civic culture that graduates find attractive and how they benefit. It highlights the role that universities can play in making the towns and cities where they are located appealing places to live.

145. Some of what we observed is reflected in the concept of the civic university, promoted by the UPP Foundation Civic University Commission. Civic universities aim to prioritise the positive social and economic impact they have on the towns and cities in which they are located, and on the communities that live around them (UPP Foundation). Institutional actions universities can take include developing civic university agreements, measuring success, funding civic action and sharing best practice.

146. It became evident to us that the role a university's graduates have on the local area is missing from the civic university approach and needs to be recognised. Retaining skilled graduates to work locally and contribute to economic growth is important and measurable. In principle, we can also track the impact of a university education (in terms of graduate outcomes) on the local students who stayed on, focusing particularly on those from more diverse or less advantaged backgrounds. Harder to quantify is the mutually supportive social relationship between graduates and local communities.

A skilled workforce

147. In the previous chapter, employers lamented the difficulty of recruiting graduates to small and medium sized enterprises (SMEs). However, our discussions with graduates about their decisions to stay in the area indicated an openness to working in SMEs and many were now applying their skills in SMEs and in micro-enterprises too. They had positive stories to tell.

"I'm currently working in a 3D printing lab … we've expanded the lab recently and have been printing face masks for the NHS – it's been an interesting job! "

"I'm in marketing at the minute. Just started out. I run social media accounts for clients, help them with their blog posts and design stuff on photoshop."

"I'm in a local IT business. Can't complain about the stability or the progress. In the last year I've done a lot of work with local clients setting up software and their online profiles."

148. These few examples represent the kind of skilled work that graduates can end up doing after university. Applying higher level skills to the benefit of local businesses makes a significant contribution to the local area. Over the last year, many of the graduates had transitioned their work to supporting local businesses in responding and adapting to Covid-19. This was also the focus for some of those who had taken on paid internships at a university, providing assistance to teaching staff in transitioning to digital delivery of course content. In this report we have noted various university-led schemes to facilitate local work experience for students and to support local employers in recruiting graduates and we are aware that there are many other such schemes at other universities. We observe that there is a strong argument for continuing and expanding such schemes.

149. Alongside graduates' professional contributions, there are a number of other ways in which they support the local economy and additionally the local community. We observed that the support is mutual: there is a virtuous circle.

Supporting the local high street

150. When encouraged to think about the contribution graduates were making to the local area, one of the consistent themes was the way that graduates appreciated – and supported – a vibrant high street. While the larger numbers of undergraduates are probably the catalyst for developments, it is likely that graduates help to boost custom, especially out of term-time.

"I grew up in the area so have seen the place change over time. It's a big difference now to even a few years ago. The main street – where most of the students live – it's much nicer with local independent businesses, cafés, bars, all sorts."

"The nicest streets in the area are right by the university. Cute cafés are all nearby – the board game café is one of my favourites."

[...] it's nice having a bookshop on the high street, I used to go in there even when I wasn't working."

151. Although it is difficult to verify the direct impact graduates were having on the high street, these reflections suggest that at a minimum the graduates perceived the shops and services they were using as supported by other graduates and students. In more general terms, interviewees commented on how students help to create a 'buzz', make somewhere more 'vibrant', or increase the 'liveliness' of a city. And while the graduates we interviewed were no longer students themselves, the lively student life on the high street had helped attract them to stay. A thriving high street is of course also important for local businesses and other residents[13] – even if not all of them share the same tastes.

The potential for conflict

152. We acknowledge that local residents are unlikely to see a university's contribution to the local area as wholly positive or wholly building an inclusive culture. Some of the employers we interviewed were aware of tensions and suggested that these might deter graduates from staying on. The graduates we interviewed did indeed report town-gown issues in the towns and cities where they lived, for example, the pressure students put on housing and the negative impact of late-night noise on local residents. They were aware that many of the amenities they themselves enjoyed – the bars, cafes, and nightlife in general – were primarily businesses for students, even if they offered at least some employment for locals. Some employers and graduates noted racial tensions. But while the graduates we interviewed recognised the potential for conflict, for most, it had not deterred them from staying on. This may be due in part to their broader range of contacts with the area: as noted below, they were also

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[13] Recognising the civic importance of keeping a prominent central building occupied and maintaining footfall in the city centre, the University of Gloucester stepped in to acquire the former Debenhams building. It is envisaged that the ground floor will be used for public-facing services. ('Gloucester's Glimmer of Hope for the High Street').

attracted by local sports and arts facilities; and community life – all likely to be more widely inclusive of local residents.

153. The civic university network should be prepared to engage with and seek ways to mitigate these kinds of tensions and conflicts. With a commitment to civic impact, there is scope for facilitating public engagement, inclusive economic change, and positive social impact.

Being part of the community

154. In talking through the relationship the graduates had with place, it became clear that they were making contributions to community life. This highlighted a further theme: that beyond the economic impact graduates can have on an area, they can also have a positive social impact.

155. The clearest contribution to the public good was through the volunteering that many of the graduates were engaged in, during and after their studies.

"I volunteered at a care home – it was to overcome the isolation that some of the residents experience because they didn't get any visitors. I've kept in touch with some during Covid too."

"I really liked helping out at the community garden. It was a really innovative project that was linked up with a health charity – it helped people maintain wellbeing and they even did needle exchanges too."

156. Even if only some graduates were engaged in explicitly philanthropic work, many others were involved in the social life of their local areas in other ways.

157. Some were committed to their local church, regularly attending for worship and taking part in the choir. Others were committed to a local sports team. One graduate told of how they had started playing for an amateur football team while at university, and one of their primary motivations for staying local was so that they could carry on playing in the team and maintain the friendships they had made. Another graduate reflected on how being a skateboarder had helped them become part of the city:

"If I didn't have my hobbies, I don't think I would have integrated so well. The skate community was great, I don't know what I'd do if it wasn't for the skateparks. I feel like that made me truly part of the city and helped me feel at home."

158. This suggests another reason for recognising graduates' social impact on place: it is often two-way. Volunteering, playing sport and making friends all have a positive impact on the graduate as well. The 21st century has been called 'the lonely century' – with social isolation, loneliness and mental health becoming increasingly serious societal problems (Heertz). Some of the graduates we interviewed placed a clear value on the social infrastructure available in a town or city – the spaces and places that facilitate social connection (Klinenberg; Latham and Layton) – and on the friends and relationships that they were able to maintain in the local area. Although these may not have a direct bearing on social mobility, they do affect the overall wellbeing of the graduate.

Universities as civic investors

159. The discussions with graduates highlighted a number of contributions that universities can make to civic life. These contributions emerged through discussions of the aspects of a place that the graduates value and the impact a university has on a local area. Graduates were quick to recognise the way that universities can support cultural spaces and civic amenities.

"The aquarium is one of the main reasons I decided to stay. I want to get into environmental activism and it's great being able to go and learn about the fish. And the university sponsors it – they do a lot of joint projects with the aquarium."

160. Aquariums are not cheap places to keep open. Having investment from a university can help bridge funding gaps and can provide a university with a valuable research facility. For graduates, other residents and visitors, it can be an asset, a point of interest in the town or city.

161. The same is true of museums and art galleries. Although only mentioned in passing – "as something to do at the weekend" – graduates were interested in the cultural scenes of the places they had decided to live. This was most clearly articulated by graduates who had observed the impact of Hull being awarded the title UK City of Culture in 2017 – for which the University of Hull was a principal partner. One graduate who had grown up in the area and who now

worked in the city talked about the long-term impact of Hull's being put on the UK arts and cultural map:

"There was a lot [of] change. Businesses grew, physical infrastructure was improved, and there's still some events. It really helped the image of the place. There were parts that were really run down – like the fruit market. And it's all been invested in. There's now space for culture there. It's a big thing."

162. Others talked about how much the physical landscape of the city felt like it changed.

"Hull was a little bit run-down before that. But then the investment came with it, did up roads, built bridges, shopping centres and offices. It was a lot."

"Hull is on the up. Four / five years ago, it felt like a worse place. Things are getting better now. There's enthusiasm and commitment. It helps having the festivals, the exhibitions, the live music and art."

163. Although none of the graduates could definitively identify the contribution the university had made, they recognised that the university was a pivotal partner in the festival. As the Hull City of Culture evaluation report makes clear, there is scope to have a positive impact on attitudes and behaviours, bring in visitors, create artistic space and attract investment (Hull UK City of Culture 2017).

164. Not every city in the UK can become the official 'City of Culture', but there are nevertheless wider lessons to be learned. The University of Sunderland, for example, is a founding partner of Sunderland Culture, along with the City Council and the private sector-led Music, Arts and Culture (MAC) Trust. Already, Sunderland Culture has had a transformational impact on the range and scope of arts-related activities now taking place in the city, bringing benefits to current students and future graduates who remain local. Other universities can reflect on what smaller-scale arts and cultural partnerships they can develop in their own cities.

165. Many universities nationally already invest considerably in presenting a public-facing dimension to their teaching activity and research interests, for example in university-owned facilities for the creative and performing arts; marine biology, astronomy and other science; engineering and technology. Many also support external venues as part of their civic contributions. It was evident from the

graduates we interviewed that the civic spaces – the creation of which universities had supported – had also attracted them.

166. Beyond arts, culture and other civic spaces, universities can play a key role in supporting the physical infrastructure of towns and cities (for example, through advocating new transport lines and subsidising bus services). While local residents and communities are key beneficiaries, improvements to the local environment also help to retain graduates. Reflecting on the aspects of their towns and cities the graduates felt were important, transport was a significant feature. "Improving train and bus stations", "having regular and consistent public transport", office space and cultural venues – were all mentioned by the graduates as positives.

8. Conclusions

Summary

167. This report confirms the prevalence of staying on in the region of study after graduating – by 51% of graduates – and clearly describes the benefits. Those who had commuted to university as students comprise a significant proportion of those who stay on, as do those originally from the region, if to a lesser extent. However, a substantial proportion of those from other regions also stay on. Remaining in the region of study after graduating contributes higher-level skills to the local economy, alleviates specific recruitment shortages and allows graduates to make broader 'softer' contributions to the community. While staying on tends to yield lower salaries, it can also give access to lower housing costs. Graduates staying on in the region of study make rational decisions, factoring in the benefits of existing networks to help them find graduate jobs and of having more disposable income. Many also rely on staying on to manage family responsibilities or their own health and wellbeing.

168. While there are areas where few employers offer graduate-level jobs, and out of which graduates may indeed need to move to find appropriate employment, they may not need to move far. HESA data on graduate outcomes confirms that overall, graduates staying in their region of study are equally likely to be employed and to be on track with their plans for the future.

169. We found that the assumption that graduates will 'move out, in order to move up' relies on graduates' being free and willing to move to a big city in pursuit of the highest salary. The standard narrative about the need for geographic mobility in order to achieve social mobility is ironic, since it advantages students from higher socio-economic backgrounds and those without additional caring responsibilities for themselves and others.

Constraints on graduate retention

170. The regional imbalance of the UK economy underlies some graduates' decisions to move away: many of the best-paying graduate jobs are in London. And as noted, in some local areas there are relatively few graduate-level roles, or there may be disincentives to stay on in the form of, for example, poor

infrastructure or transport, less developed civic amenities, health services, or underperforming schools.

171. After graduating, the assumption that graduates will 'move out, in order to move up' can influence their behaviour and reduce some local employers' confidence in marketing their graduate openings.

172. The lack of contextualisation of graduate salary for region of residence is also a constraint. This relates to salary data from both GOS and LEO, as reported by HESA. Since graduate salaries are lower in most regional areas, this performance indicator disadvantages regional universities with high graduate retention and rewards those whose graduates move to higher-paying roles elsewhere, particularly London. As others have pointed out, lower regional salaries therefore have the potential to disincentivise university careers services from highlighting and supporting local opportunities (see for example: Day et al.; Christie) – and indeed, this point arose in some of our background discussions with universities. The employers we interviewed all said that universities prioritise graduate recruitment to large firms over SMEs. This disincentive would negatively impact local and regional economies, local communities and graduate well-being. Other measures of graduate outcomes can be difficult to understand and are less commonly used in public discussion.

Principles for change

173. Urgent action is required to replace assumptions with facts and to support and attach greater value to graduates who choose to remain local and the commuter students who swell their numbers. This will help those from lower socio-economic backgrounds, as well as supporting regional growth, thus helping to balance the economy nationally. It complements the post-Covid reassessment of our priorities.

174. Our recommendations seek to support and broaden graduates' choices, not to direct them. Half of graduates choose to move away from the region of university study, but half choose not to. This report shows that the latter are equally successful in terms of being employed – and being employed in roles that match their career plans. Our aim is to change how we see success, so that our yardsticks are appropriate to both groups of graduates and are no longer a disincentive to universities' supporting those who stay in the region.

175. We note that universities across the tariff range can and do contribute to graduate retention in the region. The Universities of Exeter and Sunderland, with contrasting institutional profiles and contrasting proportions of commuter students (3% and 68% respectively), each achieve substantial levels of regional retention (20% and 71%). While levels will continue to vary across universities, reflecting their different circumstances, all universities outside London should seek to grow their regional retention.

176. The recommendations for measuring impact focus on two key themes: changing our view and definitions of graduate success; and identifying and celebrating universities' contribution to levelling-up in their regions. We also make recommendations to facilitate the regional retention of graduates, such as how universities can help to match graduate skills with business needs.

177. This is particularly important after the experiences of lockdown: PWC predicts that London's population will decline for the first time in the 21st century and notes that the pandemic has changed the way we view cities (PWC, 'UK Economic Update - January 2021'), while 15% of respondents to a survey from the London Assembly want to leave the city as a result of the pandemic.[14] A number of recent publications reassess priorities and approaches; these include for example a new report by the Resolution Foundation and the LSE Centre for Economic Performance, which urges a wider perspective and notes the role of home working:

The UK now faces a decade of change, as the aftermath of Covid-19 and ongoing technological progress come together with Brexit and the Net Zero transition (Torsten et al. 6). [...]
A move to greater home working [...] could spread well-paid jobs geographically, aiding efforts to level up less affluent parts of the UK (Torsten et al. 25)

178. As a result of the pandemic restrictions, UK businesses have already done much to support working from home:

In the period from late March to late July 2020, over 60% of firms adopted new digital technologies and management practices; and around a third invested in new digital capabilities. [...]

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[14] Survey conducted 15 February – 11 March 2021 (London Assembly).

These process [...] innovations are generally considered to have had a positive impact on performance, and businesses expect to maintain them post-crisis. (Capucine and Valero, sec. Summary)

179. No single recommendation will 'fix' the graduate job market and address regional economic disparities. However, thinking differently about the advice and opportunities available to graduates, the important role of SMEs in driving regional growth and how universities are evaluated can all make an important difference to the economic health of towns and cities across the UK. The regulators of the higher education system need to re-evaluate their incentives and diversify their concepts of university success.

180. Our research points to the potential for a virtuous circle: if a positive environment is created for graduates to stay local, they will – thus keeping their skills and spending in the regions. This is likely to support further economic growth there, helping to rebalance the economy.

181. Students are desperate to find good work. And local businesses are eager to find the best talent for their organisations. Students also want meaningful work that allows for a healthy work-life balance and allows them to juggle financial and social responsibilities. Our evidence suggests that graduates have a positive relationship to place and will stay local if there are the opportunities to do so. Civic universities are well-placed to intervene in this landscape.

9. Recommendations for measuring impact

Our recommendations comprise both principles and practical actions. Our first overarching principle is to reform our view and definitions of success: while government and taxpayers have a legitimate interest in graduate salaries, the current narrative is not inclusive in terms of individuals, universities or geographies. Broadening the graduate outcomes metrics we use will help to reshape our assumptions as well. It will also provide a more accurate set of information to inform student choice and remove the current disincentive for universities to encourage graduate retention in the region. Our second overarching principle is to identify and celebrate universities' contribution to levelling up their region, currently under-utilised in the government's Plan for Growth.

I. Change our view and definitions of success for both individuals and universities

A. To remove the disincentive for universities to encourage the regional retention of graduates, identify graduates who stay on in the region of study and contextualise their salary.

1. Utilise in open data the capacity to identify and disaggregate graduates who stay in the region of the university they attended
    a. Utilise the fields in GOS and LEO for the postcode of the employer and/or the current residence of the graduate (HESA)

2. Adjust reporting metrics to reduce the impact of regional variation in salaries[15]

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[15] We note HESA's proactive decision not to control for regional location, even though their analysis suggests that "region has a large and significant effect on earnings". (Department for Education, *Graduate Outcomes (LEO): Regional Outcomes, 2016 to 2017*). This decision is based on there being a number of possible variables, only some of which can be observed. In our view, controlling

    a. Create a new measure of location-adjusted salary, referencing average regional salaries (HESA)

    b. Use the new LEO measure of location-adjusted salary to replace the current LEO salary measure in TEF and other sector-wide assessments of quality (HESA)

    c. Review the current use of GOS and LEO salary measures to assess where else it is appropriate and useful to use the raw measure, the location-adjusted measure or both. (HESA in consultation with UUK)

    d. Standardly include both salary measures in public-facing sources of information about graduate outcomes (league table compilers and information sites comparing universities)

B. To reflect the fact that salary alone does not determine graduates' career decisions, assess the career satisfaction and quality of life of graduates who stay in the region of study, compared to those who move away

3.   Report on the GOS question asking whether graduates feel their current activity (e.g., employment or further study) is on track with their plans for the future

4.   Augment this question with questions about their satisfaction with their current activity and with their current quality of life (HESA to consult with the HE sector)

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at least for region is better than controlling for no factors, given the disincentive to regional retention that omitting the control creates.

A report published in June 2021 by the Office for Students presents a new method for contextualising graduate outcomes in different parts of the UK (Office for Students).

II. Identify and celebrate universities' contribution to levelling up their region

A. Adding graduate skills to level up regional economies

5. Create new metrics to recognise the employment outcomes of graduates retained in the region:
    b. Graduates employed in the region of the HEI as a proportion of all graduates who stay in the region of the HEI (HESA)
    c. Graduate start-ups located in the region of the HEI (see too below) (HESA)

B. Educating local people to achieve social mobility and level up local communities

6. Recognise the contribution that commuter students make to the diversity of the undergraduate body
    a. Identify commuter students more accurately
        i. Agree an operational definition(s) of commuter students, such as students having the same domicile and term-time postcode, which can be applied and followed by all HEIs. If necessary, agree a small number of possible definitions, to reflect HEIs' varying circumstances. (OfS, UUK and HESA to consult with the HE sector)
        ii. Standardise the use of the campus location variable in HESA across universities. (HESA)

    b. Report the contribution that commuter students make to the diversity of the undergraduate body
        i. Build in the capacity to disaggregate HESA widening participation performance indicators for under-represented groups by commuter and non-commuter students (HESA)
        ii. Ask universities to consider the relative size and diversity of commuter and non-commuter students within their Access and Participation plans, tailoring and targeting support as required (OfS)

7. Identify and address gaps in student experience, non-continuation and outcomes between commuter and non-commuter students
    a. Identify gaps in student experience, non-continuation and outcomes
        i. Build in the capacity to disaggregate HESA performance indicators for non-continuation, attainment and progression; and TEF indicators for student experience; by commuter and non-commuter students (Department for Education, HESA and OfS)

    b. Ask universities to address any gaps in student outcomes
        ii. Incorporate within guidance for Access and Participation plans (OfS)

C. Connecting businesses and community to opportunity

8. Where required, introduce fields in reporting templates for Business and Community Interaction to capture the location of the interaction (region of HE provider/other) and build the option into online tables of disaggregating interaction located in the region of the HE provider (HESA)

9. Review HESA data on business and community interaction to consider how this data might be used as part of assessing regional impact. (Civic University Network)

    Building on the themes arising in this report, we recommend for example:[16]
    a. Intellectual property: Spin-off activities by HE provider (spin-offs, start-ups and social enterprises)
    b. Designated public events by HE provider (attendance at free performances and exhibitions)
    c. Continuing Professional Development (CPD) and Continuing Education (CE) courses for business and the community by HE provider
    d. Income from regeneration and development programmes by HE provider

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[16] We note that the *Times Higher Education* Impact Rankings measuring global universities' success in delivering the United Nations' Sustainable Development Goals use some of these metrics (for example for goal 11: sustainable cities and communities), but without an overt regional focus. The THE Impact Rankings include additional metrics that the Civic University Network may wish to consider (see: Times Higher Education).

10. Recommendations to facilitate the regional retention of graduates

We make the following recommendations, aware of constraints in local economies and in government funding: some rural and coastal areas have few employers with graduate-level opportunities; much current and recent activity to connect universities with business has been initiated with European funding. We need targeted support for the regional retention of graduates, in terms of both university funding for local partnerships (including research) and government investment in levelling up local economies, to increase the supply of graduate jobs. We recommend that the government's Plan for Growth address this. However, there are some immediate actions that others can take.

Universities

10. University careers services, supported by Prospects and AGCAS: enhance information provision to support informed choices post-graduation, to include:
    a. Accurate information about the cost of living across regions, highlighting the relationship between housing costs and salary
    b. Case studies of graduates working in local SMEs, outlining advantages and disadvantages

11. Local work exposure for students: continue and expand opportunities for placements, projects and other forms of work exposure with local employers, particularly with SMEs and social enterprises, or volunteering with community groups. This can include:
    d. Opportunities built into the curriculum
    e. Extra-curricular opportunities, for example through student societies and university-funded schemes
    f. Encourage a local focus for postgraduate research, where appropriate, and/or encourage a focus on community engagement[17] as part of public engagement requirements

12. Pro-actively support the recruitment of graduates by local SMEs

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[17] This has been suggested by Sperlinger et al.

g. Build/enhance local networks to engage with local SMEs, social enterprises and community organisations as comprehensively as possible

h. Broker local SME representation at university careers fairs; run events tailored to local employers

i. Minimise the administrative burden for local SMEs applying for internship schemes and similar, with the aim of ensuring it is proportionate to the capacity of target employers to complete it

13. Pro-actively support student and graduate start-ups and social enterprises through for example providing mentoring, training, seed funding and incubator office space; and brokering local networking

14. Invest in the high street and in civic amenities and activities: graduates, like other residents and potential investors, value attractive places to live

Employers

15. SMEs near universities in regional locations should feel confident in marketing the attractiveness of their graduate employment opportunities, in terms of both building a career and access to a better quality of life.

16. Where possible, larger employers should seek to decentralise operations by building up regional offices and developing progression opportunities within them.

17. Where possible, employers should continue to allow home-based and flexible working for employees, including at entry level, to facilitate the retention of graduates outside major cities.

Office for Students

18. OfS should recognise commuter students as a further characteristic in reporting on differences in student outcomes and ask universities to take action to narrow significant gaps.

19. OfS should review its approach to performance indicators for graduate outcomes to encompass broader measures of quality of life than salary alone.[18]

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[18] This would support more fully Objective 3 of the OfS's four strategic aims: 'All students, from all backgrounds, are able to progress into employment, further study, and fulfilling lives […].'

Acknowledgments

Appendices

Appendix A: Demographic characteristics of commuters and non-commuters at case-study universities

20. In this section we present the more detailed data behind the summaries in chapter 4. We also outline the methodology for collecting the data and associated issues and caveats.

Table 3. Percentage of commuters and non-commuters, by region

	Percentage of commuters	Percentage of non-commuters
East Midlands	20%	78%
East of England	35%	65%
London	51%	49%
North East	30%	70%
North West	37%	63%
South East	22%	78%
South West	20%	80%
West Midlands	41%	59%
Yorkshire and the Humber	26%	73%
Northern Ireland	55%	45%
Scotland	46%	54%
Wales	29%	71%
N	217940	

Table 4. Characteristics of commuters and non-commuters, University of Lincoln

University of Lincoln		
	Percentage of commuters	Percentage of non-commuters
Female	71%	57%
25 years and above	47%	4%
White^	91%	91%
First generation university student	64%	55%
Low participation neighbourhood (POLAR4)	25%	17%
Most deprived quintile (IMD)	12%	10%
Total percentage of student population	11%	89%
N	210	1730
^ Figures for Black, Asian, Mixed and Other ethnic backgrounds are supressed due to small sample size		

Table 5. Characteristics of commuters and non-commuters, University of Sunderland

University of Sunderland		
	Percentage of commuters	Percentage of non-commuters
Female	59%	58%
25 years and above	43%	18%
Black, Asian, Mixed or Other ethnicity	27%	15%
First generation university student	66%	58%
Low participation neighbourhood (POLAR4)	20%	22%
Most deprived quintile (IMD)	28%	24%
Total percentage of student population	68%	32%
N	850	395

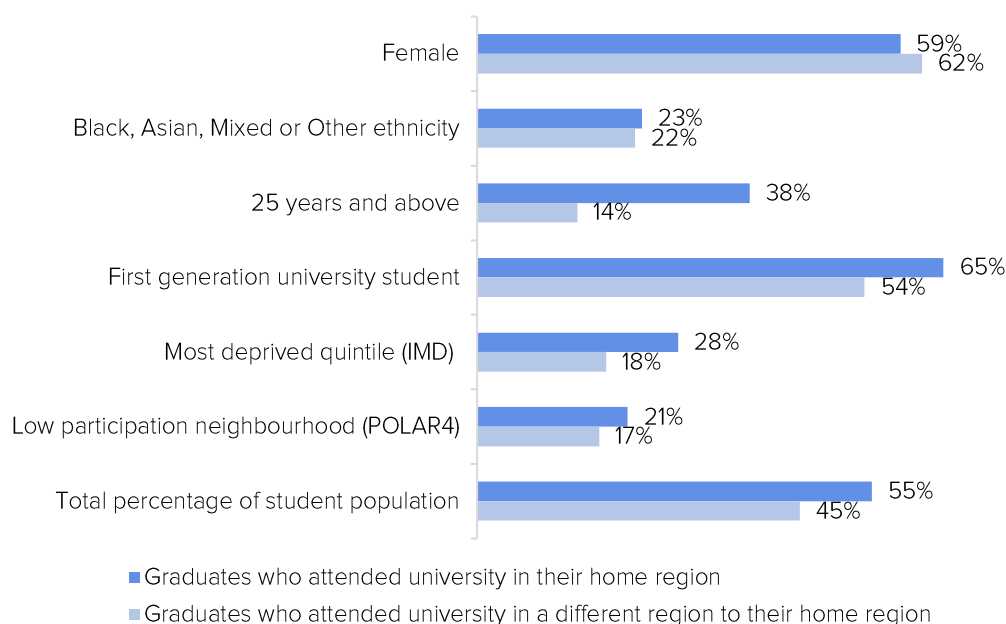Table 6. Characteristics of commuters and non-commuters, University of Exeter

University of Exeter		
	Percentage of commuters	Percentage of non-commuters
Female	49%	55%
25 years and above	*	*
White^	96%	91%
First generation university student	55%	29%
Low participation neighbourhood (POLAR4)	*	*
Most deprived quintile (IMD)	*	*
Total percentage of student population	3%	97%
N	100	2770
* Figures supressed due to small sample size		
^ Figures for Black, Asian, Mixed and Other ethnic backgrounds are supressed due to small sample size		

Table 7. Characteristics of commuters and non-commuters, University of Hull

University of Hull		
	Percentage of commuters	Percentage of non-commuters
Female	70%	44%
25 years and above	42%	9%
Black, Asian, Mixed or Other ethnicity	8%	12%
First generation university student	65%	43%
Low participation neighbourhood (POLAR4)	29%	13%
Most deprived quintile (IMD)	26%	13%
Total percentage of student population	29%	71%
N	565	1375

21. Broadening the focus to look at graduates who attended university in their home region and their peers who did not, we find that their demographic and socio-economic profile has some similarities to that of commuter students. Graduates nationally who attended university in their home region were more likely to be mature students, first generation university students and from the most deprived quintile of the IMD.

Figure 7. Demographic and socio-economic characteristics of graduates who attended university in their home region

- Female — 59% / 62%
- Black, Asian, Mixed or Other ethnicity — 23% / 22%
- 25 years and above — 38% / 14%
- First generation university student — 65% / 54%
- Most deprived quintile (IMD) — 28% / 18%
- Low participation neighbourhood (POLAR4) — 21% / 17%
- Total percentage of student population — 55% / 45%

■ Graduates who attended university in their home region
■ Graduates who attended university in a different region to their home region

Methodology

Sources

22. Secondary data analysis was undertaken using data from the Higher Education Statistics Agency (HESA), which supplied data on the demographics of full-time students, their undergraduate degree outcomes and responses to the Graduate Outcomes Survey.[19] The most recently available Graduate Outcomes Survey (GOS) data was used, with graduates completing this survey 15 months post-graduation in 2017-18. Data was available for 189,890 graduates, with

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[19] Further information about the survey can be found at: https://www.hesa.ac.uk/data-and-analysis/graduates.

varying degrees of missing data between questions and variables; where high rates of missing data occur, these are highlighted in the report and in this appendix.

23. Socio-economic background was assessed using measures of whether graduates
    > had been a first generation university student
    > had a home address during study in a low participation neighbourhood, as measured by the Participation of Local Areas data (POLAR4 and POLAR3) [20]
    > had a home address during study in the most deprived quintile, as measured by the Index of Multiple Deprivation.[21]

24. We identified graduates who remained in the region of study by looking at graduates who are employed and have provided valid employer location data.

Commuter students

25. Commuter students were defined as students who had the same domicile and term-time postcode.[22]

26. Given the lack of a standardised operational definition for commuter students in the literature, we undertook preliminary analyses exploring a range of options. When defining commuter students as those who had the same domicile and term-time postcode and who travelled less than 15 miles to their university, the sample size dropped considerably. Furthermore, we were unable to establish from the data whether students were based at satellite campuses and how often they were required to be on campus. Both of these factors are likely to have some impact on decisions about where students live during term-time.

27. In view of these limitations, the final analysis on commuter students was based on having similar postcodes during and outside term times. The national trends

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[20] Not available for Scotland.

[21] Home addresses in England only.

[22] This approach has also been taken by Donnely and Gamsu (Donnelly and Gamsu, 'Regional Structures of Feeling? A Spatially and Socially Differentiated Analysis of UK Student Im/Mobility.').

on commuter students and graduates staying local excluded data from the Open University as the institution is based on distance learning.

28. Where comparisons are made regarding students' and graduates' home region, it should be noted that for those living near regional boundaries, and for universities located there, their movements are not fully captured. There are universities (for example and included in this report, Lincoln and Hull) which will be drawing commuter students from at least two regions.

Index of multiple deprivation

29. The index of multiple deprivation (IMD) data in the study was based on the IMD deciles published in 2019. In order to link the IMD data with the HESA data, we used the Office of National Statistics' Geoconverter tool to match students' partial postcodes (domicile address) to their corresponding IMD decile.

30. Each partial postcode corresponds to multiple full postcodes with a different IMD decile (e.g. the partial postcode L401 is linked to 125 different full postcodes). For each partial postcode, we derived the median IMD decile from its corresponding full postcodes. When the derived median IMD decile is not a whole number (e.g. 1.5), it is rounded up.

31. The IMD is for English postcodes only, which means students/graduates from other parts of the UK do not have an IMD score or decile. Certain postcodes in England which border other areas do not have a score (i.e. certain parts of Chester and Northumberland). We also note the limitation of using partial postcodes to derive IMD scores and therefore, have used a combination of IMD deciles, POLAR and parental education as proxies for socio-economic background.

Issue of multiple campuses

32. Many universities have more than one campus, some of which can be a significant geographical distance or even in another region of the UK entirely. While there is a campus location variable within HESA data, the definition and use of this variable is specific to individual universities. This adds a layer of complexity when using geographic data and trying to define commuter students and those who remain local post-graduation (as the default for

deriving 'commuting distance to HEI' variables is in relation to the location of the main campus).

33. Of the specific universities we focus on in this report, two have campuses that are a significant distance from the main campus. The University of Sunderland, which is located in the North East of England, has a second campus located in London. Overall, 14% of students at the University of Sunderland were commuter students in the London area (same home and term-time postcode in the Greater London region).

34. Sunderland has a higher proportion of commuter students and those remaining in their HEI region post-graduation relative to the other universities in this study. This finding is further strengthened when we account for those located in London (we assume those with a term-time London postcode are studying at the London campus). Of those with a term-time address in London, nearly all of these have the same home address or are already based in London. This is similar to students studying on the main campus, where the majority have the same home and term-time postcodes or are already based in the North East region.

35. This pattern continues when we look at graduate outcomes and who remains in their HEI region. Most graduates in London who have the same home and term-time postcodes (84%) remained in London post-graduation. Under the current definition of graduate retention, we matched graduates' region (where they are currently employed/living) with the region of their HEI, which in the case of Sunderland would be the North East. By this definition, the sub-group of London based Sunderland University graduates would not be considered as remaining in their HEI region despite having lived, studied, and now working in the same region (London).

36. Given the relatively small sample of graduates based in the London campus, we were unable to examine any potential demographic differences between students based in the London and main campus at the University of Sunderland. However, the general observation is that they are not too dissimilar.

37. The University of Exeter is another example of a university which has additional campuses which are a significant distance from the main campus. While still in the same region (South West), the main campus is in Exeter while the Penryn campus is in Cornwall (nearly 100 miles away). Unlike the University of

Sunderland, the demographic of students at the University of Exeter who were already based in the South West differed from the majority who came from outside the region to study. Upon graduation, although the majority remain in the South West, a large proportion also leave the region.

38. When analysing commuter students based on having the same home and term-time postcode, we identify 97 students, compared to when we look at those who have the same home and term-time region (South West) (N= 673). This suggests that while most students are not staying at home to study at Exeter, the University is drawing a larger proportion (23%) of students from the region than initially thought (3%). This might not be attributable to having geographically distant campuses, but having a presence in Cornwall may have a positive influence on the University's appeal to regional students.

Missing data

39. Throughout the analysis, we aimed to include as much data as possible and therefore included students and graduates who had partial responses and incomplete data. Where data was incomplete or unknown, that individual was excluded from any analysis that required that specific information, but included when data was available.

40. For graduate outcomes, one of our key outcome indicators was whether graduates stayed 'local' in their HEI region. There was a relatively high proportion of missing data (38%) on employment region in which the location of graduates' employment was unknown, or a generic 'England' label was provided. A further 2% (N=4,045) were now living outside the UK while a small number of graduates (n=115) had also moved to one of the UK Islands. It should be noted that in the case of Scotland and Wales, only country-level data was available (not North Wales, South Wales etc.). This may be a limitation as, for example, a student could have graduated from Edinburgh but now be working in Glasgow, but they would be defined as having remained in their HEI region.

Other caveats

41. Scotland offers free tuition for Scottish students who enrol in a Scottish university. This incentive is likely to affect whether Scottish students commute to university and remain local.

Appendix B: Further analysis of nursing and business graduates

42. In this appendix we provide a more detailed analysis of the two subject areas, nursing and business, that produced the largest number of graduates (2017-2018).

43. Graduates who stayed in their HEI region were more likely to have studied subjects allied to medicine (31%) than graduates who did not stay in their HEI region and studied the same subject area (17%). This finding was corroborated by further analysis on some of the most popular vocational and non-vocational undergraduate degrees (nursing and business studies respectively). Nursing graduates were more likely than business studies graduates to be commuter students and to stay in their HEI region post-graduation. This is driven particularly by the high proportion of mature nursing students.

Figure 8. Demographic and socio-economic characteristics of graduates by subject
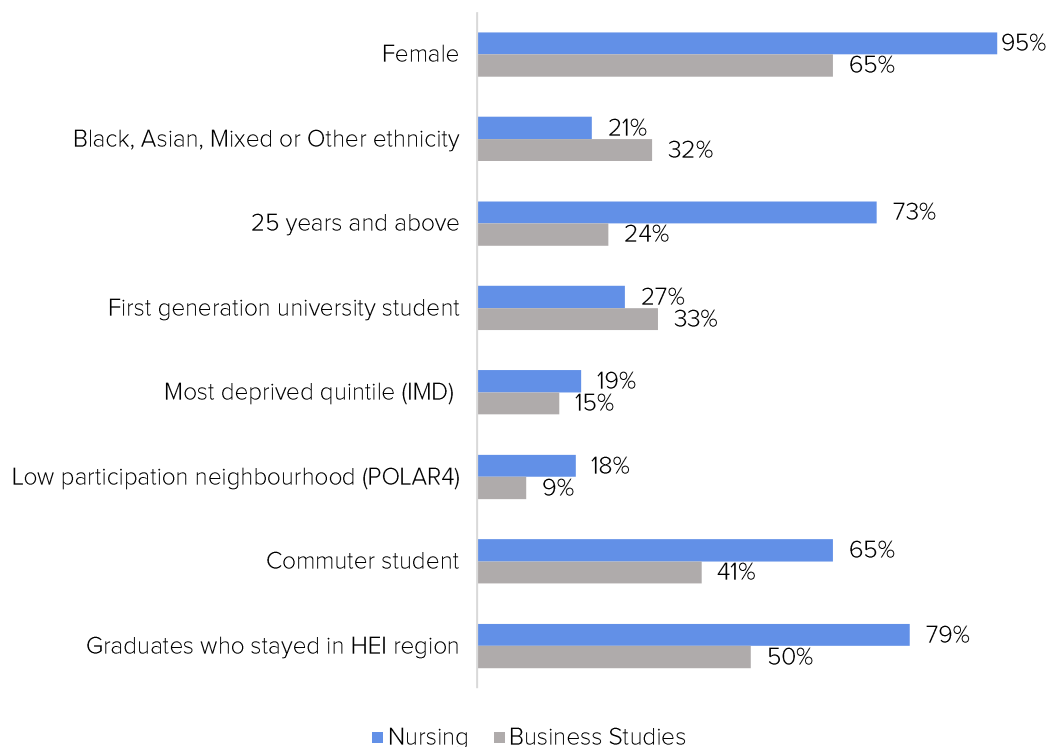
44. Although nursing graduates were more likely than business graduates to be commuter students, it is important to note that a higher proportion of nursing graduates who were non-commuters also stayed in their HEI region post-graduation than their business studies counterparts.

Figure 9. Proportion of graduates who stayed in their HEI region post-graduation, by subject
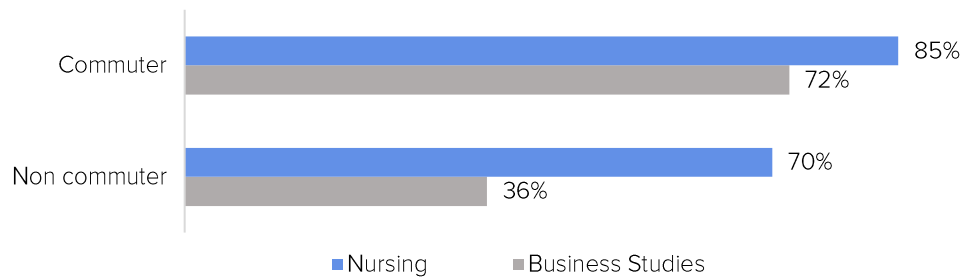
45. Caveats on this subject analysis are that the nursing category in the data includes midwifery graduates who have a distinct demographic profile from that of nursing graduates. Post-graduate recruitment and employment in nursing are influenced by course location, in that integrated placements with local healthcare providers may facilitate subsequent employment opportunities. Moreover, the opportunities/demand for health professionals is linked heavily to geography and may bring additional financial incentives and rewards.

Appendix C: References and reading list

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