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Many graduates earn 'paltry returns' for their degree

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Many graduates receive "paltry returns" for their degrees despite racking up £50,000 in debt, says the chairman of the Education Select Committee.

Robert Halfon will say in a speech on Monday, that between a fifth and a third of graduates take non-graduate jobs, and that any extra returns for having a degree "vary wildly".

He will also suggest that too many people are studying academic degrees.

University leaders maintain that a degree remains an excellent investment.

'Lead weight of debt'

In his speech on Monday, Mr Halfon, a former skills minister, will say the nation has "become obsessed with full academic degrees".

"We are creating a higher education system that overwhelmingly favours academic degrees, while intermediate and higher technical offerings are comparatively tiny.

"The labour market does not need an ever-growing supply of academic degrees. Between a fifth and a third of our graduates take non-graduate jobs.

"The 'graduate premium' varies wildly according to subject and institution. For many, the returns are paltry."



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At the Centre for Social Justice, he will say there is an "enormous opportunity in rebalancing higher education" and a strong need for intermediate skills.

"There are skills shortages in several sectors. And there are millions of people who want to get on in life - preferably without a lead weight of £50,000 dragging from their feet," he adds.

He suggests: "If we are going to continue to lavishly furnish universities with taxpayers' money, we need to think about how universities can specialise in these areas.

"Existing universities that do not provide a good return on academic courses could reinvent themselves as centres of technical excellence."

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His comments come as the latest University and College Admissions Service figures show a small drop in the number of people applying to higher education in the UK.

Last year 559,030 people, including foreign students, applied to UK universities. This is the lowest number since 2014.

A breakdown shows that there were 12,420 fewer UK applicants, a 2.6% drop compared to last year. It is the second annual drop in a row.

Most of this comes from a drop in 18 and 19-year-olds submitting applications, accounting for 70% of the fall in UK applicants, according to Ucas.

Alistair Jarvis, chief executive of Universities UK, umbrella organisation for universities, said: "This small drop in applicant figures can be attributed largely to the fall in the number of 18-year-olds across the UK population.

"This group makes up half of all UK applicants to universities. But the demand for courses from 18-year-olds across the UK remains strong, highlighting the continued demand for university education."

A spokesman for UUK said: "Official figures are clear that, on average, university graduates continue to earn substantially more than non-graduates and are more likely to be in employment. A university degree remains an excellent investment.

"We must, however, be careful to avoid using graduate salaries as the single measure of success in higher education. Many universities specialise in fields such as the arts, the creative industries, nursing and public sector professions that, despite making an essential contribution to society and the economy, pay less on average."

But there has been growing concern about the amount of debt students are accumulating and the interest being charged on that debt.

The government has promised a review of higher education funding in England in response.

A spokesperson for the Department for Education said legislation had been introduced to reform higher education to ensure that students and the taxpayer got value for money.

"The government wants everyone to be equipped with the skills they need to get on in life and succeed in the jobs of the future," the spokesperson said.

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