Young, domestic graduate outcomes - destinations

Introduction

This factsheet and the associated tables provide information about what young, domestic graduates do in the first ten years after they complete their studies. The results show what graduates did in the 2014 and 2015 tax years. They update the factsheet and tables published in March 2016, and previous results in the report What young graduates do when they leave study.1

After completing their study, graduates are assigned to one of five destinations each year. This is based on how long a graduate is pursuing an activity and what their ‘main’ activity is. The five graduate destinations are:

- Overseas
- Further study
- Receiving a benefit
- Employment
- Unknown/Other.

Where a graduate meets the criteria for more than one destination, the order of precedence is: overseas, further study, receiving a benefit, employment, unknown/other.

These rules mean that employment rate estimates are conservative as they exclude those who work overseas or do any further tertiary study at a tertiary education provider. This means that these employment rates cannot be directly compared to those from other sources such as the Household Labour Force Survey.

The business rules used to assign graduates to destinations and a detailed description of the methodology used to obtain the results in this factsheet can be found in the accompanying factsheet: “Young, domestic graduate outcomes – methodology”.

Young graduate destinations vary by qualification level

Figure 1 shows what graduates do after they complete their studies. We can see from this that there are different trends for graduates who complete qualifications at different levels.

Further study rates

Young, domestic graduates who complete qualifications below degree level are most likely to do further study in the first year after they complete their qualification. Almost half of Level 1-4 certificate graduates and 44 percent of Level 5-7 certificate/diploma graduates do further study. This is expected as many qualifications at these levels are designed to help people advance to study at higher levels.

Figure 1
Percentage of graduates in each destination in the first ten years after qualification completion


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1 These reports are available on the Education Counts website: www.educationcounts.govt.nz/publications/tertiary_education/education-outcomes
Further study rates are also reasonably high – around one third of graduates in the first year after study – for young graduates with bachelor’s degrees and bachelor’s with honours or postgraduate certificate/diploma qualifications. Further study rates are under half this for masters and graduate certificate/diploma graduates, at 14 and 12 percent respectively. Only 5 percent of young, domestic graduates who complete doctorates continue on to do further study.

The percentage of young graduates who do further study is generally highest in the first year after study and then decreases in each subsequent year at all qualification levels. The exception is doctoral graduates where further study rates are very low initially.

**Employment rates**

In the first year after completing a qualification, the percentage of graduates who are employed in New Zealand and do no further study increases steadily with qualification level. Around one third of Level 1-4 certificate graduates are in employment, rising to 42 percent for Level 5-7 certificate/diploma graduates and 54 to 55 percent for bachelor’s degree and Level 8 graduates respectively. Rates are higher again for masters and doctoral graduates. The latter rates have also jumped compared to rates in the 2013-2014 tax year, from 58 to 62 percent for masters graduates and from 53 to 61 percent for doctoral graduates.

Graduate certificate/diploma graduates are an exception to this pattern as they have the highest employment rates of graduates of all qualification levels, with 76 percent of these young graduates in employment one year after completion. Many of these graduates have studied either teacher education or law and so may have completed this qualification, following an earlier bachelor’s degree, as a way of meeting part of the requirements of entry to a profession.

For those who complete a Level 1-4 certificate or Level 5-7 certificate/diploma, employment rates tend to become higher more quickly in the first few years after graduation and then are steady after six to seven years. Many of these graduates do additional study after their first qualification, increasing their skill level and enhancing their prospects of employment.

In contrast, employment rates tend to decline over the first few years for young, domestic graduates with a bachelor’s level qualification or higher as the percentage of graduates who go overseas increases. Employment rates stabilise around six to seven years after graduation. For doctoral graduates, their employment rate increases from the fourth year after study as their overseas rate drops. This is likely due to some students completing postdoctoral studies overseas and returning home to New Zealand.

Ten years after completing a qualification, the proportion of graduates who are employed in New Zealand and doing no further study is similar for graduates at all qualification levels.

Around half of all graduates are in employment except for those who have completed a Level 5-7 certificate/diploma, bachelor’s degree or graduate certificate/diploma where the rates are slightly higher, varying from 53 to 55 percent.

**Overseas rates**

The percentage of young, domestic graduates who go overseas generally increases with the level of qualification gained. In the first year after study, 3 to 4 percent of young graduates with Level 1-4 certificates go overseas, 5 percent with a Level 5-7 certificate/diploma, 8 percent with a graduate certificate/diploma, and 9 percent with a bachelor’s degree or Level 8 qualification. There is then a jump with 16 percent of masters and 24 percent of doctoral graduates going overseas in their first year post study. These rates are generally lower than those in the 2013-2014 tax years, particularly at masters and doctoral level where 20 percent and 30 percent of graduates respectively went overseas previously, in their first year after study.

Over time, the percentage of graduates who are overseas increases, particularly in the first three to four years after graduation for those who have studied at bachelor’s level or higher. Rates then steady and tend to reach a maximum around five to eight years after graduation. For those who have studied below bachelor’s degree level, the percentage of graduates who go overseas increases more slowly and consistently over time.

Ten years after study, 21 to 24 percent of young, domestic graduates with a Level 1-4 certificate or Level 5-7 certificate/diploma are overseas, 27 percent with a graduate certificate/diploma, 31 percent with a bachelor’s degree, and 36 to 40 percent of young graduates with a postgraduate qualification.

**Benefit rates**

The percentage of young, domestic graduates who receive a benefit for four or more months in a year is around 12 percent in each of the first ten years after study for those who complete a Level 1-3 certificate. The percentage drops consistently for each higher level of qualification gained, from around 7 percent for Level 4 certificate graduates, to a little under 5 percent for Level 5-7 certificate/diploma graduates. Benefit rates are very low, 1 percent or lower, in almost all of the first ten years after study for graduates who complete bachelor’s level or higher qualifications.
Destinations differ for those who study different fields

Similarly to graduates who complete qualifications at different levels, outcomes for those who complete qualifications in different fields vary. Figure 2 shows what bachelors-degree graduates who study different fields do after they complete their studies.

For example, of those fields shown in Figure 2, those who have studied *teacher education* have the highest employment rates in each of the first ten years after study, with 77 percent of graduates in employment in the first two years after graduation. Employment rates are also high in the first year after study for *accountancy*, *computer science* and *graphic and design studies* graduates with almost seven out of ten graduates working in New Zealand and doing no further study.

Employment rates are lowest for *biological sciences* graduates. Often these graduates continue studying with 57 percent doing further study in the first year after completion of their bachelors degree. Graduates may complete one or more postgraduate qualifications over a series of years.

Further study rates are also initially high for *nursing* and *law* graduates. 63 percent of *nursing* graduates and 44 percent of *law* bachelors-degree graduates do further study in the following year. Further study rates drop significantly and conversely employment rates increase in the second year after completion of their bachelors degree. This is because many of these graduates work whilst continuing to do further study, with *law* students often completing their ‘profs’ and *nursing* graduates doing postgraduate courses.

Overseas rates are highest for those who complete a qualification in *computer science*, with 39 percent of graduates overseas ten years after study. Rates are also high for those who have completed a qualification in *accountancy*, *biological sciences*, *graphic and design studies* and *law*, with around one third of graduates overseas ten years after graduation. In contrast, the rates at which graduates go overseas are considerably lower for those who complete a *nursing* or *teacher education* degree.

The rates at which graduates go overseas often stabilise from the sixth to seventh years after study. However, for some fields, for example *computer science*, rates are still increasing even ten years after qualification completion.

More graduates are employed in New Zealand and fewer are going overseas than previously

The proportion of young, domestic graduates, at all qualification levels, who worked in New Zealand and did no further study slightly increased in each of the first nine years after study when we compare graduate outcomes in each year after study in the 2014-2015 tax years to those in the 2013-2014 tax years. Conversely, the proportion of graduates going overseas decreased. The changes were mostly in the order of 1 to 2 percentage points, though some of the changes were larger than this, particularly at masters and doctoral level.

The proportion of graduates who continued on to do further study also decreased slightly.

These patterns are likely to reflect both New Zealand’s growing economy and a decrease in the number of overseas opportunities for students after they complete their studies.

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Figure 2
Percentage of bachelors-degree graduates in each destination in the first ten years after qualification completion, by field of study


*Graduates who both continue on to do further study and are in employment are classified as being in further study due to the order of precedence rules used.*
Other resources

There are two sets of accompanying tables of destinations to this factsheet: one set for all young, domestic graduates and one set for those who stay in New Zealand after they complete their studies. The tables are for all qualification level/type by field by year after study combinations, and can be found here:

www.educationcounts.govt.nz/statistics/tertiary-education/life_after_study

The Compare Study Options tool on the Careers New Zealand website is easy to use and provides information about median earnings and graduate destinations for many qualification type/level by field combinations:

www.careers.govt.nz/tools/compare-study-options/

The Ministry of Business, Innovation and Employment publishes Occupation Outlook which gives education, employment and income information on over one hundred key occupations in New Zealand. There is also an associated ‘app’ available for download:

www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/occupation-outlook

IDI disclaimer

The results in these factsheets and associated tables are not official statistics, they have been created for research purposes from the Integrated Data Infrastructure (IDI) managed by Statistics New Zealand.

The opinions, findings, recommendations and conclusions expressed are those of the authors not Statistics NZ.

Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business or organisation and the results in this report have been confidentialised to protect these groups from identification.

Careful consideration has been given to the privacy, security and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form, or provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit-record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data’s ability to support Inland Revenue’s core operational requirements count of student achievement component-funded learners.