

Develop your personal skills: New research offers lessons for young people heading for university

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New research on the importance of non-cognitive skills—such as conscientiousness, self-esteem and feeling in control of one's life—for graduates' earnings potential offers important lessons for young people receiving their A-level results.

The study by Gerda Buchmueller and Professor Ian Walker, of Lancaster University Management School, confirms previous evidence on the importance of curriculum choice: STEM subjects add more value in terms of earnings than Arts subjects. Moreover, graduates from elite institutions, on average, earn more than those from less prestigious establishments.

But even within any given course, the variance in graduate earnings is still large—despite prior ability, as measured by [cognitive tests](#) such as A-levels, having little variation across students within a course. What varies are their non-[cognitive skills](#), and these differences drive degree class—and give rise to large pay differentials.

The research will be presented at the annual congress of the European Economic Association in Manchester this month.

Co-author Gerda Buchmueller, from Lancaster University's Department of Economics, said: "While what you learn matters, how well you master what you learn is important too. Indeed, earnings differentials between

degree classes are as large today as they were 20 years ago, even though four-times more students now earn first-class degrees.

"The analysis points to the importance of university students' own skills as inputs into their own further [intellectual development](#): non-cognitive skills complement cognitive ability, as well as complementing good quality teaching."

The authors pointed to important lessons for young people:

- Understand that your choices matter for your future. Choose to do as well as you can in school. Be mindful of your non-cognitive skills.
- Choose university if you think it is the right way for you to develop your skills. But otherwise choose to develop your skills elsewhere. A dead-end job will end badly.
- Choose the best institution you can get into. Choose a subject that you will be enthusiastic about—one where you will want to choose to put in the effort to be successful. And be sure to choose any opportunity to improve your skills, especially if your chosen subject is, on average, not a high return one.
- Analytical skills are particularly highly valued in the [labour market](#)—ask at open days precisely how your course of interest will fill any gaps in your skill set.

Professor Walker said: "Employers remunerate skills, not qualifications. Students who choose to treat university as consumption will take away only memories—and unfortunately for taxpayers, the loan system makes them pick up much of the resulting debt.

"But students who choose to engage in university as an investment opportunity will, on average, go on to develop improved skills—and the taxpayer will be forever in their debt."

Provided by Lancaster University

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