Why Study at University?

Tertiary study is important for both the individual and community. It is “important because higher education confers significant personal benefit on individuals in terms of personal development, social standing, career possibilities and lifetime earnings. But it is also important for national and community development in producing a more equitable, cohesive and economically successful society. For the individuals and the nation, Australia must do all it can to ensure all those who can benefit from higher education are able to do so.” (Universities Australia (2008).

Research demonstrates that:

- University graduates are most likely to be employed (84.3%). Conversely people who do not complete secondary school are least likely to be employed (50.7%) (Productivity Commission, 2005). Continuous participation in education is the key to long term success in the labour market (Chapman B, Watson L, and Wheelehan L 2001). Graduates also receive more ongoing training in the workplace than non-graduates (Purcell et al 2004). University graduates earn more with a conservatively estimated annual gross income differential of 10% over a 45 year working life (IRIC 1999; IRIC 2001)

- Graduates have higher levels of earning power and contribute significantly to Australian household spending. The 1998-99 Australian Household Expenditure Survey reveals that graduates account for 27% of earnings averaging almost twice the weekly wage of non-graduates. The National Centre for Social and Economic Modelling (NATSEM) calculates that 12.4% of GDP is attributable to graduate education.

- Increased university participation has led to significant increases in annual labour productivity and overall per capita growth Australia since 1930 (Pope and Withers 1995; in Chapman and Withers 2002, Laplagne and Bensted, 1999).

- Government sees a crucial role for universities not only in responding to the knowledge and skill demands from community and industry but also because the “hopes and aspirations of young people depend on opportunities to improve their education” (Kosky 2005; Nelson 2002; Nelson 2003).

- Universities foster democratic participation (Harper cited in Benson Harkavy and Hartley, 2004; Kezar Chambers and Burkhart, 2004). Graduates are more likely to participate and accept diversity in their communities and are over three times more likely to be a member of a voluntary organisation than non-graduates (Purcell et al 2004). They have better health and wellbeing (Hillman & McMillan 2005; King, 1999; Kretzmann & McKnight, 1993; and others) and are less likely to be involved in crime (Chapman B, Weatherburn, Kapuscincki, Chilvers and Roussel, 2002). Degree holders are significantly more likely to hold positive attitudes to race and gender equality (Purcell et al 2004).

- Graduates live healthier lifestyles, less likely to smoke, less likely to be obese, 40% less likely to suffer from depression and more likely to report “excellent” health (Wilberforce cited in Graduate Careers Australia 2006).

- Higher education qualifications are associated with less physical decline, depression, loneliness, social loss and positively associated with continuous growth in aging people (Steverink, Westerhoff, Bode and Dittman-Kohli 2001; Miech and Shanahan 2000).

- Universities contribute to local, state and national economies. Communities use university facilities, students and staff volunteer in the community, the university, university staff and students spends money in the community, international students contribute financially and culturally to the community and universities attract project and research funding. As an example, the University of Tasmania, the third largest employer in the State, contributed $84m (31%) of Research and Development in Tasmania 2004/5; UTAS International students contributed $76 m to the Tasmanian economy in 2007 (expected to grow to $130m by 2020); and planned growth to 2020 will result in an estimated total contribution to GSP by UTAS of $425m.

- The benefits of higher education are intergenerational. Graduates are more likely to take an interest in their own children’s education and to be involved with their children’s school which are predictors of schooling success (Purcell et al 2004)

Adapted from Langworthy, A. (2007) Why universities are important to communities – the human capital perspective.
Value of University References


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