
Chair of the UK Statistics Authority, Sir Andrew Dilnot CBE

Frances O'Grady
General Secretary
Trades Union Congress
Congress House
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LONDON
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21 October 2015

Dear Ms O'Grady,

BIS 'GRADUATE LABOUR MARKET STATISTICS' RELEASE

Thank you for bringing to my attention your concerns about this statistical release, published by the Department for Business, Innovation and Skills (BIS) on 9 June 2015.

Analysts in BIS have confirmed that there was a minor terminological error - corrected on the day of release - in the supporting data that accompanied the Graduate Labour Market Statistics release. The data that you included in your letter was incorrectly labelled the 'Graduate Employment Rate' in the supporting data, when it actually referred to the "High Skill Employment Rate as a proportion of those in employment (excluding unemployed and inactive)". BIS analysts have told Statistics Authority officials that they recognised the potential for confusion between the two measures of high skill employment in the supporting data and updated it to clarify the difference between these two indicators.

More generally, I welcome BIS publishing secondary analysis which seeks to inform debate about an important policy area and which, suitably developed, might provide a clear insight into trends in graduate employment in higher/lower skill occupations. However, I share your view that the release could be made more useful and more consistent with the Code.

Noting that this is an Experimental Statistics release, and that BIS "would welcome any feedback on the content or format of the publication", I would encourage BIS statisticians to consider the following suggestions in the spirit of continuous improvement.

1. The Graduate Labour Market Statistics release concentrates on four indicators each quarter - employment rates, unemployment rates, high skill employment rates (as a proportion of the total population including the unemployed and inactive) and earnings. The figures that you quoted in your letter are the high skill employment rates (as a proportion of those in employment), which is not one of these four key indicators. BIS analysts have told us that it is included in the supporting data to allow ease of comparison for users, but that it is not covered in the report itself to prevent confusion with the high skill employment rate as a proportion of the total population, which was reported in each of the previous quarterly publications. I would strongly encourage BIS to adopt clearer terminology to distinguish between different rates,

not least to make it more straightforward for BIS to be able to comment in the report on trends in the rate of those in high skilled employment as a proportion of those in employment. This would enhance the accessibility of these statistics, and so increase their value.

2. The release itself points out that year-on-year changes provide a clearer indication of overall trends than quarter-on-quarter changes, so if the latter are presented then the rationale for doing so should be made clear. My own preference is to avoid formulations that draw attention to 'highest' / 'lowest' rates since some previous time-period. Taken together, these suggestions would help to reinforce the trustworthiness of this statistical release.
3. More information about the quality of the indicators featured in the release would provide users with a fuller understanding about how much emphasis to place on certain findings. For example, users should be made aware of the confidence intervals associated with Labour Force Survey estimates of earnings for post-graduates aged 21-30 who are in full time employment, and of the likely effects of any sources of non-sampling error, such as the incorporation of proxy responses for 21-30 year olds. Relevant and accessible information about the quality of a set of statistics is an important precursor to their informed use.
4. Although I recognise that resources are limited, I believe that this statistical release could be developed quite readily, with a view to exploring whether the experience of particular population sub-groups is the same as for the population as a whole. For example, it would seem of interest to present statistics separately for men and women, for more disaggregated age-groups, and for regions. It would also be helpful if the release could refer to the findings of others' research, for example about the labour market position of graduates with different subjects of degrees, about degree subjects that appear to attract a pay premium, and about skill shortages. These sorts of enhancements would help shed light on the issue of graduates in the labour market, and so would add value to the release.

I am advised by BIS that administrative data sources will become available which will provide the opportunity to produce more robust analysis of student outcome both for employment status and in particular for earnings, including more detailed analysis for subgroups. BIS will be consulting on the current publication over the coming months. I hope that this consultation, as well as my suggestions above, will inform the development of a set of statistics which address the needs of users in this important policy area.

I am copying this letter to Martin Donnelly, Permanent Secretary for the Department for Business, Innovation and Skills, Siobhan Carey, Head of Profession for statistics at the Department for Business, Innovation and Skills and to John Pullinger, National Statistician.

Yours sincerely,



Sir Andrew Dilnot CBE