Official statistics in development

Office for Students

A geography of earnings

Official statistics in development classifying local variations in graduate earnings

Reference: OfS 2026.53

Enquiries to: official.statistics@officeforstudents.org.uk

Publication date: 5 November 2026

Contents

Rationale **2**

Methodology **2**

Data and definitions **3**

Population and TTWA determination 3
Geographical location data in the LEO dataset 4
Geographical location data from the student data 4
Grouping methodology 5
Results **6**

Rationale

1. Understanding the geographical context for different groups of graduates is important. It provides a better understanding of earnings outcomes and how they are linked to the area where the graduates are living. The quintile-based approach provides a useful way to contextualise graduate outcomes by capturing some of the labour market differences that graduates living in different parts of the UK experience.

2. In the 2026 Office for Students (OfS) consultation on the future quality system, we proposed that geography of earnings quintiles should be used as a split indicator and benchmarking factor for the earnings measure. It would be possible to use the findings in this report for this purpose, if this proposal is taken forward.

3. It should be noted that this report highlights the differences between areas and provides a way to account for them. In this sense it provides more context about the areas in which graduates choose to live. It does not present certain areas as better alternative destinations for graduates.

Methodology

4. The construction of the geography of earnings quintiles uses Longitudinal Education Outcomes (LEO) data, which links student records with tax and benefits data to determine whether graduates were employed and how much they were paid. Areas are classified based on the proportion of graduates who were studying in the third full financial year after graduating or were earning at least the median income before tax for 25- to 29-year-olds in the UK in at least one of the three full financial years after graduating.

5. We have used travel to work areas (TTWAs) in this analysis. They are defined using commuting patterns derived from 2011 Census data to determine areas where most people live and work in the same area. TTWAs are non-overlapping and relatively few people in each TTWA cross over to a different TTWA to go to work. Each one tends to consist of a major town or city and the area around it. There are 228 of these areas in the UK.

6. Because these areas are developed statistically, they differ greatly in size. More than 50 TTWAs have fewer than 60,000 people living in them whereas the largest TTWA, relating to London and some surrounding areas, has 8.4 million people.

7. Within some TTWAs, particularly those containing large cities, there will be sub-areas where the employment patterns are very different to the rest of the TTWA. The groupings are designed to broadly indicate the outcomes profile for people living in each area rather than capturing everything that is distinctive about the area.

8. We could have used alternative geographies to determine the earnings quintiles. However, we consider that alternative geographies would equally contain compromises as these are determined based on other factors which are not related to employment. We also recognise that patterns of commuting have been affected by the pandemic, which may have changed the patterns of where people work and live. However, given the prevalence of home working, we consider it likely that this will lead to larger TTWAs with lower variation between them, meaning that the use of the 2011 TTWAs remains reasonable.

Feedback

The indicator in this report is an official statistic in development which falls under the official statistics Code of Practice. We are actively seeking feedback for this analysis. Please email comments to official.statistics@officeforstudents.org.uk.

Data and definitions

Population and TTWA determination

9. The outcome measure we have used in this classification[1] is based on:

    - UK-domiciled undergraduate qualifiers
    - universities and colleges in England, and universities in Scotland and Wales
    - graduates studying for a qualification or with LEO earnings data for the third full financial year after graduating.

10. It measures the proportion of these graduates that were studying in the third full financial year after graduating or were earning at least the median income before tax for 25- to 29-year-olds in the UK in at least one of the three full financial years after graduating.[2]

11. We have pooled four cohorts of qualifiers, from 2015-16 to 2018-19, to increase the sample size and robustness. Each cohort was linked to LEO data for the first, second and third full financial years after the academic year. Therefore, we have used LEO data for financial years 2017-18 to 2022-23, with 2017-18 being the first full financial year after graduating for the 2015-16 qualifiers and 2022-23 being the third full financial year after graduating for the 2018-19 qualifiers.

12. For a description of how we assigned a TTWA to each graduate, see the sections below: 'Geographical location data in the LEO dataset' and 'Geographical location data from the student data'.

13. Table 1 shows the number of undergraduate qualifiers from each year that were included in the population, split by those who were studying in the third full financial year after graduating, and those who were earning in the third full financial year after graduating, according to the LEO definitions. The table also shows the number of undergraduate qualifiers from each of these groups that were excluded because their TTWA could not be found.

[1] The definition of this measure is the same as that proposed in our consultation on reforms to quality regulation. See Proposals for a revised approach to assessing and rating quality - Office for Students. The consultation gives more information on why we defined the measure in this way. If we decide, following that consultation, to modify the measure we would expect to update this grouping to use the modified measure.

[2] See Table 3.2 Distribution of median and mean income and tax by age range and sex - GOV.UK.

Table 1: Number of undergraduate qualifiers in the population

Group	2015-16	2016-17	2017-18	2018-19
Denominator	335,440	345,140	352,425	350,010
Denominator: earning	271,470	276,100	279,005	277,830
Denominator: studying	63,970	69,045	73,420	72,180
Excluded due to missing TTWA: earning	1,555	1,510	1,530	1,555
Excluded due to missing TTWA: studying	300	285	260	400

Geographical location data in the LEO dataset

14. For graduates in the earning data and not in further study, we drew their location from the LEO dataset.

    a. For a graduate who did not achieve a successful outcome, we have set their home TTWA in the third full financial year after graduation as their home TTWA, as taken from the tax data.

    b. For a graduate who was earning at least the median income before tax in at least one of the three full financial years after graduating, we have used the graduate's home TTWA for the latest financial year in which they met this criterion.

15. The geographical location data is based on the latest employee address that the Department for Work and Pensions (DWP) has recorded for each individual on its Customer Information System (CIS). The LEO dataset contains the Lower Layer Super Output Area (LSOA) where the individual lives at the end of each tax year, which has been used to determine the TTWA.

16. The CIS is primarily updated when an individual notifies DWP or HMRC of a change of address, or through the individual interacting with a tax or benefit system. Individuals who have not been matched to the CIS will not have an LSOA in the LEO dataset.

17. For those matched to the CIS, an LSOA is available in nearly all cases (over 99.8 per cent). However, for those who are not in receipt of benefits or contributing to the tax system, this information could be out of date. Even when contributing to the tax system, employee address is not a mandatory field in the data submitted to HMRC via employers' HR systems. It is also possible that, in the years soon after leaving university, graduates may still use their parents' address if they are moving frequently between rented accommodation.

Geographical location data from the student data

18. If a graduate was studying in the third full financial year after graduating, this means that they were studying in one or both of the academic years that overlap with this financial year. For such a graduate, we have determined the latest overlapping academic year in which they were studying and we have set either their home TTWA (if they were distance learning) or their study TTWA (if they were not distance learning) for that academic year as their TTWA for the analysis. In either case the TTWA is taken from the student data returned by universities or colleges.

19. The home and study TTWAs used for those studying in the third full financial year after graduating have been determined according to the algorithms for the home_travel_to_work_area and study_travel_to_work_area fields defined in the 'Technical algorithms for student outcome and experience measures' document.[3]

Grouping methodology

20. For each TTWA in the UK, we have calculated the proportion of the undergraduate qualifiers assigned to the area that achieved a successful outcome.

21. We have used these proportions to assign each TTWA to one of five quintiles. Students registered at providers in Northern Ireland are not included in the LEO dataset, which means very low numbers were assigned to the TTWAs in Northern Ireland. For this reason, the TTWAs in Northern Ireland were excluded from the initial assignment process. Consequently, each quintile represents approximately one-fifth of the total population of undergraduate qualifiers assigned to TTWAs in England, Scotland and Wales. TTWAs in quintile 1 have the lowest proportions, and TTWAs in quintile 5 have the highest proportions. Each TTWA in Northern Ireland was assigned a quintile by comparing its rates to the quintiles defined by the rest of the UK.

[3] Available at Documents describing our measures and definitions - Office for Students.

Results

22. Table 2 shows the number of TTWAs in each quintile and the distribution of the proportions calculated. The proportion of graduates in each quintile achieving a successful outcome (as defined by the earnings measure) ranges from 52.3 per cent in quintile 1 to 75.3 per cent in quintile 5. The 'Missing TTWA' row shows the number of graduates excluded from the population because their TTWA could not be found; 60.2 per cent of this group achieved a successful outcome.

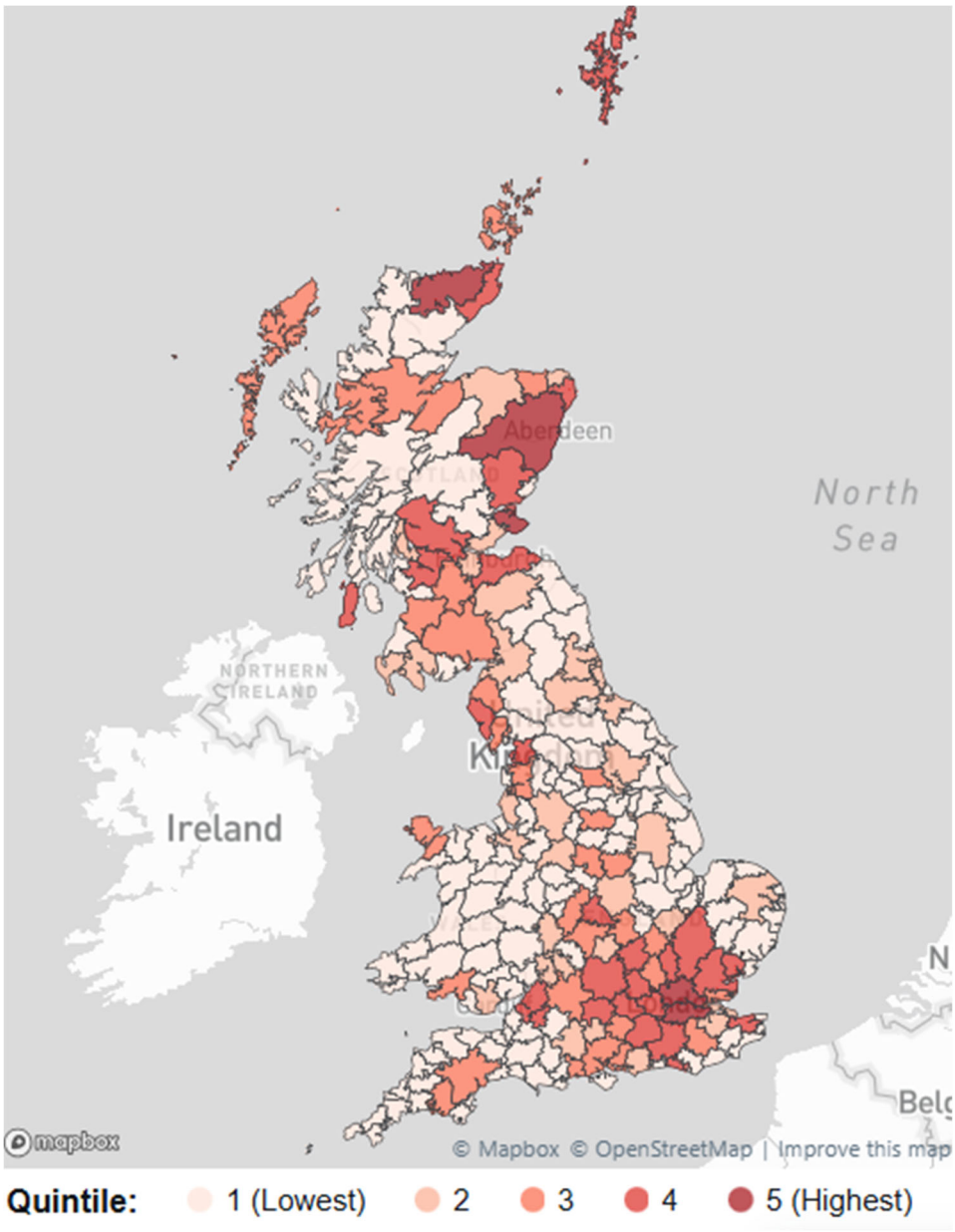
Table 2: Summary table of the geography of earnings quintiles

Quintile	Number of TTWAs	Number of graduates	Proportion of graduates achieving a successful outcome (%)	Smallest proportion calculated for a TTWA (%)	Largest proportion calculated for a TTWA (%)	Range (ppt)
1 (lowest)	133	271,810	52.3	34.1	58.9	24.8
2	32	286,865	60.0	58.9	61.9	3.0
3	32	272,560	63.6	62.0	65.9	4.0
4	27	283,155	70.2	66.0	75.1	9.1
5 (highest)	4	268,630	75.3	75.3	79.4	4.1
Total	228	1,383,015	64.2	-	-	-
Missing TTWA	-	7,390	60.2	-	-	-

Note: In all figures and tables in this report, headcounts are rounded to the nearest five, and percentages are rounded to the nearest 0.1 per cent. Proportions and totals have been calculated using unrounded numbers.

23. Figure 1 shows the TTWAs in England, Scotland and Wales that have been assigned to each quintile.

Figure 1: Map of geography of earnings quintiles



24. Figure 1 shows that quintile 5 consists of one English TTWA (London) and three Scottish TTWAs (Aberdeen; St Andrews and Cupar; Thurso). There is a noticeable clustering of TTWAs in quintiles 3, 4 and 5 in south-east England and in southern Scotland.



© The Office for Students copyright 2026

This publication is available under the Open Government Licence 3.0 except where it indicates that the copyright for images or text is owned elsewhere.

www.nationalarchives.gov.uk/doc/open-government-licence/version/3/