Does academic success affect outcomes in graduate labour markets?

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Declaration

Except where appropriately acknowledged, this thesis is my own work, has been expressed in my own words and has not previously been submitted for assessment.

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Abstract

This thesis explores the impact that university grades have on the labour market outcomes of Australian students graduating from undergraduate study. Using cross-sectional data of students from the University of Adelaide, we investigate the effect that a student’s grade point average has on both the likelihood of employment and expected wages. We build on previous literature by using instrumental variable estimation and sample-selection models to correct for potential biases in the model, which also allows us to look at these two measures simultaneously. Our results suggest that when the models of these two outcomes are estimated simultaneously, area of study is the main source of variability in wages amongst individuals. Students’ grades and employment history, which may have been expected to also influence wages, were found to only have a significant impact on employment probability. This challenges previous studies on graduate starting wages, which find positive impacts of these measures on wages when they were looked at in isolation of employment outcomes.
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