

Progression and earnings of students who leave post-16 education with low grades in their A Level qualifications

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Abstract:

In England, A Levels (graded A* to E) are the most popular post-16 qualification. They can lead to further / higher education or employment. However, not all A Level students achieve good grades.

What happens to students who leave school or college with lower A Level grades (grades D, E or U)? Are their opportunities for progression and their labour market returns (i.e., earnings) different from those of students with better grades (for example, those with grades C or above)?

Using linked administrative data connecting individuals' education with their future education, employment and earnings, we sought to understand the progression and labour market outcomes of students who left post-16 education between 2004/05 and 2011/12 with low A Level grades. Progression and earnings for these students were compared to those of students with good A Level grades (grade C or above) and students with alternative qualifications (e.g., vocational qualifications).

The research showed: 1) students with low A Level grades followed different early pathways, entering employment more quickly but progressing less often into sustained education compared with higher-attaining peers. However, these differences diminished over time, with broadly similar participation in education and employment observed across groups after several years; 2) although students with good A Level grades earned less in the short term, they outperformed students in the other groups in the long term, with earnings gaps increasing over time.

These findings suggest the need for targeted policy interventions that aim to support students with low attainment during early transitions and to reduce inequalities in progression and earnings.

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Progression and earnings of students who leave post-16 education with low grades in their A Level qualifications

Carmen L. Vidal Rodeiro (Research Division) and **Tim Gill** (Research Division)

Introduction

After completing secondary education, usually at the age of 16, students in England are required to remain in education or training until their 18th birthday and can choose from a range of academic, technical, and vocational pathways. The most established academic route post-16 is the A Level route, typically involving the in-depth study of three subjects over two years and being the primary form of entry to higher education. Alternatively, students can pursue T Levels,¹ apprenticeships, or a range of vocational and applied qualifications (e.g., BTECs and Cambridge Technicals).

One of the purposes of education is to support young people's progression to further or higher education, training and employment. In England, the Department for Education (DfE) publishes destination measures that provide information about what young people do in the year after leaving post-16 study (e.g., DfE, 2026). While this information is useful, it only provides a general view of the short-term educational and labour market trajectories.

Research on longer-term post-16 education and labour market outcomes has been carried out using linked administrative data. This enables the tracking of students over time as they move through further and / or higher education and into the labour market. For example, Anderson and Nelson (2021a) provide a comprehensive analysis of the education and labour market activities followed by several cohorts of young people after completing secondary school in England.

Research on progression of students with different programmes of study post-16 and labour market returns to different qualifications has also been carried out to date (e.g., Conlon & Patrignani, 2015; Dearden et al., 2002; Espinoza et al., 2020; Hayward et al., 2014) using data from large-scale surveys or from cohort studies.

¹ T Levels offer a technical alternative equivalent in size to three A Levels, combining classroom-based learning with a substantial industry placement usually aligned to specific occupational areas.

However, although some of the above research focuses on programmes of study (vocational versus academic) or on certain subjects (e.g., STEM), research on progression and earnings of young people based on the specific qualifications achieved during post-16 study (e.g., A Levels, BTECs, Cambridge Technicals) and their performance on them (e.g., at least ABB at A Level; at least 136 UCAS points based on A Levels and other equivalent Level 3 qualifications) is scarce.

As mentioned earlier, A Levels are the most popular qualification taken by students post-16. The majority of A Level entries achieve good grades, with around 75 per cent graded A* to C every year (JCQ, 2026). A Levels are the most common route to get into higher education (HE) and most courses require specific A Levels (or combinations of A Levels) and a minimum level of performance on them. A Levels are also valued by employers because they can show a good level of knowledge and skills (UCAS, 2026).

However, not all A Level students achieve good grades and, every year, around 25 per cent of A Levels are graded D, E or U (JCQ, 2026).

What happens to students who leave school or college having done their A Levels but achieving only grades D, E or U? Are their opportunities for progression similar to those of students who get better A Level grades? Or are they similar to those of students who achieved alternative qualifications (e.g., vocational qualifications)? Do they have good progression outcomes and / or good labour market returns?

Understanding the post-16 destinations and future earnings of students with low attainment at the end of upper-secondary education provides critical evidence on whether existing qualifications support successful progression and good long-term outcomes, or whether targeted policy interventions may be needed to improve outcomes for this group.

The current research and its aim

This research investigates the education, training and employment destinations, as well as the labour market outcomes (i.e., earnings), of students who leave post-16 education with A Level grades that are typically regarded as having little currency (i.e., grades D, E or U).

As post-16 destinations can be shaped by factors beyond qualification outcomes, the research accounts for individual background characteristics (e.g., gender, average academic performance, socioeconomic status, ethnicity) in order to provide a more comprehensive assessment of progression and earnings.

Data

The research uses the Longitudinal Education Outcomes (LEO) data (DfE, 2024b), a database developed by the DfE. LEO connects individuals' education with their employment, benefits and earnings and includes the types of data shown in Table 1.²

² See DfE (2024a) for information on the key parts of the LEO standard extract.

Table 1: Types of data in the LEO database

Data type	Source	Availability ³
School records	National Pupil Database (NPD)	2001/02 – 2020/21
Further education college and apprenticeship data	Individualised Learner Records (ILR)	2002/03 – 2020/21
Higher education records	Higher Education Statistics Agency (HESA)	2004/05 – 2019/20
Employment spells	His Majesty's Revenue and Customs (HMRC)	1997/98 – 2020/21
Earnings	His Majesty's Revenue and Customs (HMRC)	2003/04 – 2020/21
Self-assessment earnings	His Majesty's Revenue and Customs (HMRC)	2013/14 – 2020/21
Out of work benefits	Department for Work and Pensions (DWP)	1999/00 – 2020/21

For the current research, using the Key Stage 5 extracts of the NPD, we selected the students who achieved their A Level qualifications between 2004/05 and 2011/12 (eight cohorts) and we followed their education and labour market activities until 2019/20. Several years of data on education and labour market outcomes were available for each cohort. For example, students who achieved their A Levels in 2004/05 were 33 years old in 2019/20 and 15 years of education, employment and earnings data was available for them; students who achieved their A Levels in 2011/12 were 26 years old in 2019/20 and eight years of data were available for them. The number of years after completion of A Levels or other Key Stage 5 qualifications is referred to in this article as “Year 1”, “Year 2”, and so on.

Education data is centred on the academic year, which usually runs from 1 September to 31 August for schools and higher education and from 1 August to 31 July for further education. The employment, earnings, benefits and self-assessment data is structured around the tax year, which runs from 6 April to 5 April the following year. This makes it difficult to combine data from all the different sources. In this article, we have used the academic year for any analyses including education data (e.g., progression). For analyses not including any education data (e.g., earnings), we have used the tax year.

All data was accessed and used in line with the requirements of the organisations that administer these databases. This work was carried out in the Secure Research Service, part of the Office for National Statistics (ONS).

Students and their characteristics

The focus of this research was on students who achieved low grades in their A Levels, specifically on those with at least two A Levels and who achieved grades D, E or U⁴ in all of them. Progression (e.g., to education and employment) and

³ Table 1 shows availability at the time the research was carried out. On 15 May 2026, a new release of LEO became available: this new iteration includes an update of benefits, earnings and tax data up to the financial year 2023/2024.

⁴ Students with grade U in all their A Level qualifications were excluded from the research.

earnings for these students were compared to progression and earnings of other groups of students: students with two or more A Levels, all at grades C or above; and students with other Level 3 qualifications (i.e., BTECs).

Based on the above, students were classified in four mutually exclusive groups as follows:

- *A Level best grade E*: the student took at least two A Levels, and their best A Level grade was E (A Levels must make up at least 50 per cent of their qualifications)⁵
- *A Level best grade D*: the student took at least two A Levels, and their best A Level grade was D (A Levels must make up at least 50 per cent of their qualifications)
- *A Level grade C or above*: the student took at least two A Levels, and their worst A Level grade was not lower than C (A Levels must make up at least 50 per cent of their qualifications)
- *BTECs*: the student took at least two BTECs (any grades) and BTECs made up at least 50 per cent of their qualifications.⁶

Students not included in one of these groups were not considered in the research. This was done to have distinct groups of students and to allow for straightforward comparisons between the focus groups (A Level best grade E; A Level best grade D) and the comparator groups (A Level lowest C; BTECs). For example, A Level students who achieved one or more grades above a D and one or more grades below a C were not included in this research – such students would have grades which might be considered to have little currency but would also have A Levels with good grades, and it would have been impossible to isolate the effect of the lower A Level grades on progression or earnings.

For students in the groups above, background characteristics were available in the NPD, as follows:

- Gender⁷ (male / female)
- Students' average academic performance (prior attainment) was measured by an average GCSE and equivalents point score.⁸ This score

5 This was calculated based on measures of qualification size provided in the NPD.

6 BTECs were considered as an alternative qualification because they are the most popular Level 3 qualification taken at Key Stage 5 other than A Levels (Gill, 2013). BTEC grades are Pass, Merit, Distinction and Starred Distinction. The overall qualification can have one, two or three grades depending on its size (e.g., equivalent to one, two, or three A Levels). Deciding which grades to keep or exclude was not straightforward and the decision to consider all BTECs, independently of their grade, was made.

7 Throughout this article the word “gender” has been used instead of “sex”. This approach was taken to follow the terminology used in the NPD extracts, which are the source of this data in the current research.

8 Points were assigned to grades (e.g., A* = 58, A = 52, B = 46, C = 40, etc.).

was used to divide students into approximately equally sized groups: low, medium and high attainment. These terciles were based on the students included in the research only (that is, those in the four student groups above).

- The level of income-related deprivation (proxy for socio-economic background) that a student experienced was inferred using the Income Deprivation Affecting Children Index (IDACI).⁹ As above, this measure was used to divide students into three approximately equally sized groups: low deprivation (more affluent), medium deprivation and high deprivation.
- Students were grouped into six ethnic categories: Asian (excluding Chinese), Black, Chinese, White, Mixed, or Other.
- Students were classified into three different groups according to whether they had a statement of special educational needs (SEN), special educational needs but no statement, or did not have special educational needs.
- Schools where students gained their Key Stage 5 qualifications were classified into three groups: state schools (which included selective and non-selective schools), independent schools, or colleges (sixth form colleges and further education colleges).

Some of the variables described above are collected as part of the annual school census, so they are primarily available only for students at state-maintained schools (which do not include independent schools or colleges). This can lead to missing data for some variables (e.g., IDACI deprivation, special educational needs or ethnicity).

Destinations

In a first step, for each academic year (up to a maximum of 15 years after completing Key Stage 5 as described earlier), students were assigned each of the following destination measures, using data from the ILR, from the HESA student records, and from the employment and out of work benefits extracts of the LEO data:

- *Being in sustained education*

To be categorised as in sustained education, an individual needed to be in sustained further education (FE) or sustained higher education (HE), defined as follows:

- Sustained further education: the individual appeared in the ILR aims data for at least one day in each of six consecutive months of the academic year.

⁹ For further information on IDACI see Smith et al. (2015).

- Sustained higher education: the individual appeared in the HESA student records data for six consecutive months of the academic year.¹⁰

- *Being in sustained employment*

An individual was counted as in sustained employment if they were recorded as being employed (for at least a day) in five out of the six months between October and March in the academic year (e.g., five out of six months between October 2010 and March 2011 for the academic year 2010/11). Only employment spells for those who pay tax through PAYE (Pay As You Earn)¹¹ were considered to record an individual as being in sustained employment.¹²

- *Claiming out of work benefits*

An individual was counted as having sustained benefits if they were recorded as being on benefits (for at least a day) in five out of the six months between October and March in the academic year. Only out of work benefits were considered. The benefits classed as out of work for the analyses carried out in this research are listed in Anderson and Nelson (2021a, p. 8). They include, for example, Jobseeker's Allowance, Universal Credit and Pension Credit. Other benefits such as Statutory Sick Pay or Disability Living Allowance are not classified as out of work benefits and were not included here.

- *No sustained destination*

The individual had some paid employment, participated in some learning (HE and / or FE) or claimed some out of work benefits, but did not fulfil the requirements of "sustained" destinations in any of these.

- *No destination identified*

The individual was not found in any of the education, employment or benefits datasets for the year in question.

In a second step, for each academic year, each individual was assigned a main (or principal) destination based on their education and their labour market activity. Unfortunately, when an individual met the criteria for more than one destination in the same year, it is not possible to tell from the data which activity they spent more of their time on. Therefore, for such cases a hierarchical approach, as previously used by Anderson and Nelson (2021a), was applied:

10 The definitions for sustained further and higher education are slightly different in form due to the data available.

11 UK Government. (n.d.).

12 Self-employment was not included in the analyses reported in this article but was considered separately (see Vidal Rodeiro & Gill, 2025).

- Education and employment: education was assigned to be the main destination.
- Education and claiming out of work benefits: education was assigned to be the main destination.
- Employment and claiming out of work benefits: claiming out of work benefits was assigned to be the main activity.

The focus of this article is on *progression to sustained education* and *progression to sustained employment*. For progression to other destinations, see Vidal Rodeiro and Gill (2025).

Earnings

For each individual, in each tax year (up to a maximum of 15 years), we calculated their average daily earnings.¹³ This was done by taking their annual earnings reported in a given tax year and dividing by the number of days recorded in any employment spells in that same tax year.

Only people in sustained employment and with earnings greater than zero were included in the research. As it is not possible to identify which individuals were working part-time, this was intended to minimise the impact of including individuals who might be working part-time while studying.

As our data included several cohorts of individuals, their earnings were from different tax years. To be able to make year-on-year comparisons, we adjusted earnings from all years in line with the most recent tax year (2020/21). That is, all earnings are presented in terms of their equivalent value in 2020/21. To do that we used the Bank of England inflation calculator (Bank of England, 2026).

Methods

Destinations

In the first instance, descriptive statistics were produced to show young people's destinations. In particular, graphs showing the percentages of young people (among the groups of interest and the comparators) in each destination outcome, by year after completion of Key Stage 5 (labelled from "Year 1" to "Year 15"), were produced.

To further explore destination outcomes, taking into account the type of student (i.e., A Level best D, A Level best E, A Level lowest C, BTECs) and while controlling for students' backgrounds, multilevel logistic regression analyses (with students clustered within schools) were carried out. These focused on Year 1, Year 5 and Year 10 only, rather than on each year after completion of Key Stage 5.

The outcomes (dependent variables) in the regression models were as follows: progression to sustained education; progression to sustained employment.

¹³ The earnings data covered those individuals with records submitted through the PAYE system. As such, it did not include those who are self-employed.

The principal destinations, as determined using Anderson and Nelson's (2021a) approach, were used.

The independent variables in the regression models included: the type of student, the gender of the student, the type of school attended during Key Stage 5, the student's level of deprivation, their prior attainment, an indicator of special educational needs, and the student's ethnicity. A variable indicating the Key Stage 5 cohort (e.g., 2004/05, 2005/06, etc.) was also included in the regression models to account for changes over time.

Earnings

As for the destinations analyses, descriptive statistics were produced in a first step, to show the average daily earnings of the different groups of students. In particular, graphs showing the median¹⁴ daily earnings of young people by year after completion of Key Stage 5 (from Year 1 to Year 15) were produced.

In a second step, we carried out regression analyses to further explore the relationship between earnings and the different groups of students. Specifically, multilevel linear regression models for the earnings measure (daily earnings) were fitted. Note that we used the logarithm of the daily earnings as the dependent variable instead of the daily earnings, to account for the fact that the earnings data had a right-skewed distribution. A log-transformation can help make the data more normally distributed, improving linearity, and facilitating easier interpretation of coefficients as percentage changes.

The regression models controlled for the students' background characteristics, including the student group (i.e., A Level best D, A Level best E, A Level lowest C, BTECs), and had students clustered within schools. A variable indicating the Key Stage 5 cohort (e.g., 2004/05, 2005/06, etc.) was included in the regression models to investigate whether there were changes in daily earnings over time. As above, regression analyses were carried out for Year 1, Year 5 and Year 10.

Findings

Table 2 presents the total number of students included in the research by year of Key Stage 5 completion. The percentages of students in each of the four student groups are also reported. The smallest percentages of students were in the A Level best E and A Level best D groups. The percentages in these groups decreased over time, from 13.9 to 7.7 per cent for A Level best D and from 3.8 to 1.5 per cent for A Level best E. However, as the overall number of students increased significantly over time, the numbers of students in the A Level best D group was very similar in 2011/12 (17 933) and in 2004/05 (17 873), despite the change in the percentage. The number of students in the A Level best E group decreased from 4 839 to 3 384 in the same time period.

¹⁴ We have used the median instead of the average (or mean) as the earnings data had outliers (e.g., fairly high or low daily earnings) and the median is less susceptible to such extreme values.

By far, the largest group of students in each year was A Level at grades C and above (over 60 per cent in each year). However, the percentage in this group decreased steadily over time, down from 69.3 to 60.0 per cent in 2011/12. There were, on the contrary, increasing numbers of students with BTECs over time: percentages increased from 12.9 per cent in 2004/05 to 30.8 per cent in 2011/12.¹⁵

Table 2: Students in each group, by Key Stage 5 cohort

Year	Students (N)	A Level C and above (per cent)	A Level best D (per cent)	A Level best E (per cent)	BTECs (per cent)
2004/05	128 166	69.3	13.9	3.8	12.9
2005/06	155 719	65.8	12.8	3.4	17.9
2006/07	163 325	64.8	11.3	2.9	21.0
2007/08	172 442	64.9	10.3	2.4	22.4
2008/09	184 118	64.0	8.9	2.0	25.1
2009/10	200 916	62.1	8.3	1.8	27.9
2010/11	209 479	62.1	7.6	1.5	28.8
2011/12	232 211	60.0	7.7	1.5	30.8

Destinations

Figure 1 and Figure 2 show the percentages of students in each destination (i.e., education and employment, respectively) in Year 1 to Year 15 after completing Key Stage 5, by the type of student.

Figure 1 shows that, as one might expect, in the first few years, the students with low A Level grades (best grade E) had the lowest progression to sustained education (for example, 47 per cent in Year 1 and 51 per cent in Year 2) while students with better grades (best grade D and lowest grade C) progressed to sustained education at higher rates (56 and 76 per cent in Year 1 and 61 and 89 per cent in Year 2, respectively). However, after Year 3, progression to sustained education decreased for all groups of students and by Year 6 rates were very similar, independently of A Level performance.

A Level students with low grades (best grade E) had lower progression to sustained education in the first three years after completing Key Stage 5 than BTEC students, but not from Year 4 onwards.

¹⁵ This reflects the increased popularity of Applied General qualifications (which include BTECs) in the period of study. See, for example, Gill (2013) for details on the uptake of Level 3 qualifications in English schools between 2008 and 2012.

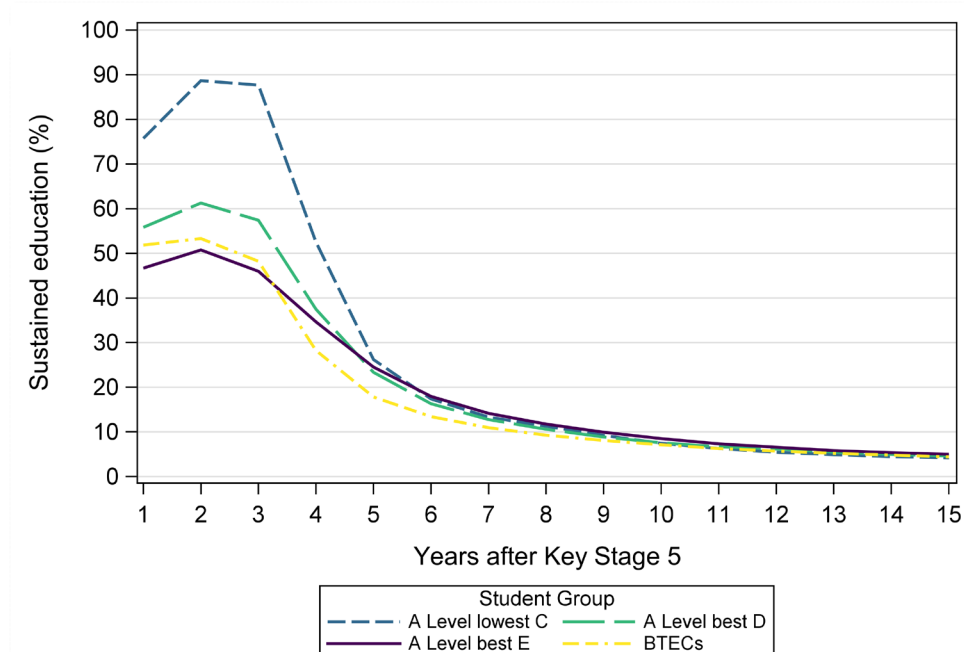


Figure 1: Percentages of students (all cohorts combined) in sustained education after completing Key Stage 5 (Year 1 to Year 15), by type of student

Regarding progression to sustained employment, Figure 2 shows the opposite pattern, with the students with low A Level grades (best grade E) having the highest progression to sustained employment in the first few years after completing their post-16 study (followed very closely by students with BTEC qualifications) and those with the best A Level grades (lowest C) having the lowest. However, after six or seven years, the likelihood of being in sustained employment was fairly similar for all types of students.

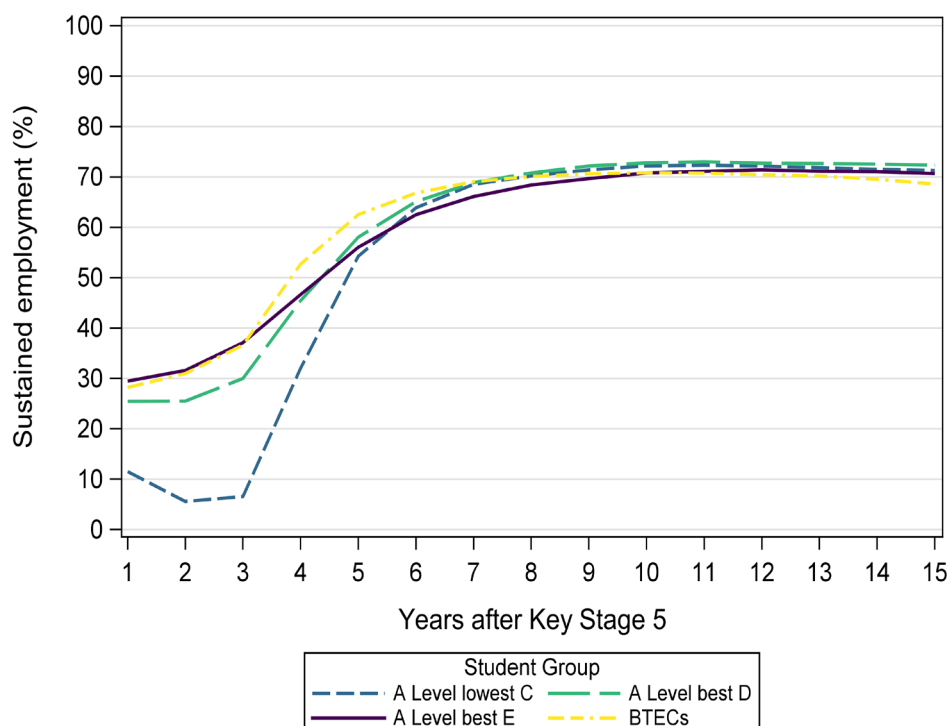


Figure 2: Percentages of students (all cohorts combined) in sustained employment after completing Key Stage 5 (Year 1 to Year 15), by type of student

We further explored progression to education and employment in Year 1, Year 5 and Year 10, using regression analyses to control for students' backgrounds.

Table 3 presents the parameter estimates for the student categories in each of the years (full results from the regression models are available from the authors upon request). These estimates show the effect of the predictor (student category) on the probability of the outcome (progression to sustained education) occurring, expressed on a logit scale. Positive coefficients indicate an increased probability relative to the reference group (A Level students with a best grade of E) and negative coefficients indicate reduced probabilities. The last column of the table shows the probability of progression for a "typical" student¹⁶ – for example, a typical A Level student with a lowest grade of C had a 78.1 per cent probability of being in sustained education one year after completing Key Stage 5.

From Table 3 we can see that:

- In Year 1, the probability of progression to sustained education was significantly higher for each of the student categories compared to the reference group (A Level students with a best grade of E), once their background characteristics were accounted for.
- In Year 5, the probability of being in sustained education was similar for the students with A Level qualifications but there was a larger difference between students who achieved BTEC qualifications and those with a best grade of E in their A Levels: students with BTECs were notably less likely to progress.
- In Year 10, the probability of being in sustained education was significantly lower for each of the student categories compared to the reference group (A Level students with a best grade of E). In particular, students with BTEC qualifications had the lowest probability of progression in Year 10, followed by students in the A Level lowest C group. However, it should be noted that the differences between the different types of students, although statistically significant, were generally small.

¹⁶ This is the probability of progression for a typical student who completed Key Stage 5 in the academic year 2009/10 (female, White, in the medium deprivation group, with medium prior attainment, no special educational needs and in a state school during Key Stage 5).

Table 3: Progression to sustained education in Years 1, 5 and 10 – regression parameter estimates for the student categories

Year	Student category	Estimate	Standard error	p-value	Probability of progression
1	A Level lowest C	1.263	0.012	<.0001	0.781
	A Level best D	0.369	0.013	<.0001	0.593
	BTECs	0.306	0.013	<.0001	0.578
	[A Level best E]	.	.	.	0.502
5	A Level lowest C	-0.096	0.014	<.0001	0.190
	A Level best D	-0.051	0.014	0.000	0.197
	BTECs	-0.332	0.015	<.0001	0.156
	[A Level best E]	.	.	.	0.205
10	A Level lowest C	-0.193	0.024	<.0001	0.075
	A Level best D	-0.132	0.025	<.0001	0.079
	BTECs	-0.270	0.025	<.0001	0.070
	[A Level best E]	.	.	.	0.089

As for progression to sustained education, we looked at progression to sustained employment in Year 1, Year 5 and Year 10, by student category and accounting for students' background characteristics. Table 4 presents the parameter estimates for the student categories in each of the years and the probability of progression for a typical student¹⁶ (full results from the regression models are available from the authors upon request) and shows that:

- In Year 1, the probability of progression to sustained employment was significantly lower for each of the student categories compared to the reference group (A Level students with a best grade of E), once their background characteristics were accounted for. The lowest probability of progression was, by far, that of the A Level lowest C group.
- In Year 5, the probability of progression to sustained employment was similar for the students with A Level qualifications but there was a larger and statistically significant difference between students who achieved BTEC qualifications and those with a best grade of E in their A Levels: students with BTECs were significantly more likely to progress.
- In Year 10, the probability of progression to sustained employment was significantly higher for each of the student categories compared to the reference group (A Level students with a best grade of E) and, in particular, students with BTECs were the most likely to progress to sustained employment.

Table 4: Progression to sustained employment in Years 1, 5 and 10 – regression parameter estimates for the student categories

Year	Student category	Estimate	Standard error	p-value	Probability of progression
1	A Level lowest C	-1.123	0.014	<.0001	0.138
	A Level best D	-0.227	0.014	<.0001	0.281
	BTECs	-0.176	0.014	<.0001	0.291
	[A Level best E]	.	.	.	0.329
5	A Level lowest C	-0.001	0.012	0.927	0.674
	A Level best D	0.044	0.013	0.001	0.684
	BTECs	0.200	0.013	<.0001	0.717
	[A Level best E]	.	.	.	0.675
10	A Level lowest C	0.090	0.015	<.0001	0.764
	A Level best D	0.088	0.015	<.0001	0.763
	BTECs	0.103	0.016	<.0001	0.766
	[A Level best E]	.	.	.	0.747

Earnings

In this section, the earnings of students in the different student categories in the period of study are presented. Figure 3 shows the median daily earnings in Years 1 to 15 following completion of their Key Stage 5 studies, for students in the different groups.

In the first few years, the students with low A Level grades (best grade E or best grade D) had the highest median daily earnings. However, after Year 5, students with better grades (lowest grade C) had a higher median, with this advantage increasing over time. By Year 6, the difference was around £10 per day, rising to around £20 per day after 10 years. In Year 15, the median daily earnings was over £100 for A Level lowest grade C students, compared with £80 for A Level best grade D, around £75 for A Level best grade E, and just over £70 for BTEC students.

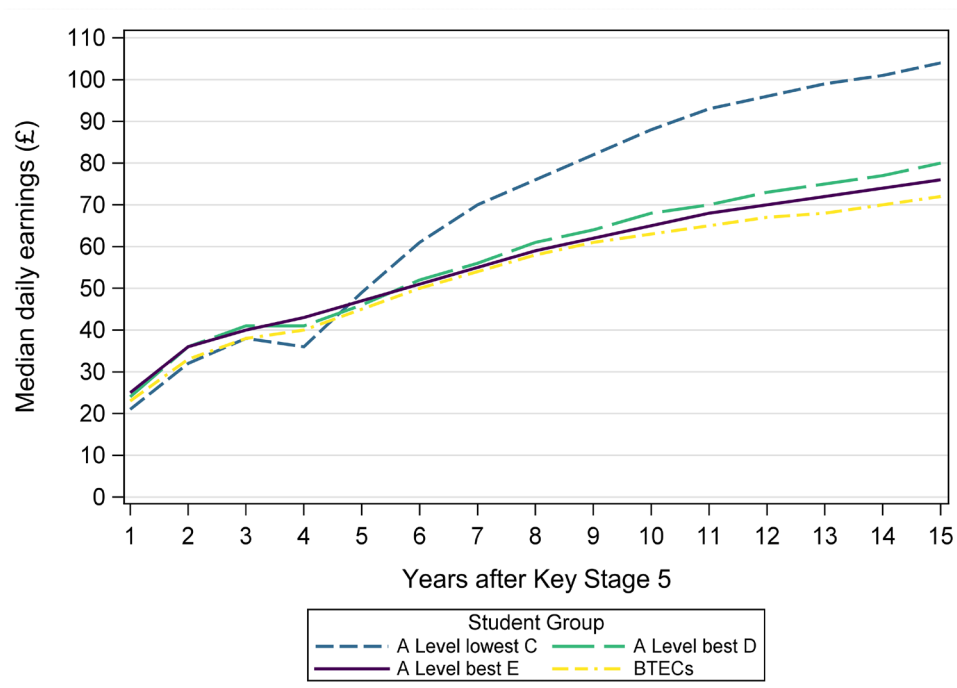


Figure 3: Median daily earnings after completing Key Stage 5 (Year 1 to Year 15), by type of student (all cohorts combined)

As with the students' destinations, we further explored earnings via regression analyses. In particular, we looked at earnings in Year 1, Year 5 and Year 10, by student category and accounting for students' background characteristics. Table 5 presents the parameter estimates for the student group variable in each of the regression models. Full outputs of the regression analyses are available from the authors upon request.

The parameter estimates in Table 5 represent the changes in the log of the daily earnings compared to the reference group (A Level students with a best grade of E). This makes them hard to interpret directly. However, if we take the exponential of the estimates, the interpretation of the new value is the multiplicative factor due to being in each category compared with the reference category. For example, in Year 1 the exponentiated value of the estimate for the A Level lowest C group is 0.90. This means that students in this group were predicted daily earnings which were 10 per cent lower than the reference group. Furthermore, since all the parameter estimates are values close to zero, the exponential will be approximately equal to 1 plus the original coefficient. Thus, the estimates themselves can approximately be interpreted as percentage increases and decreases in earnings associated with different student background characteristics (compared to the reference group).

Table 5: Daily earnings in Years 1, 5 and 10 – regression parameter estimates for the student categories

Year	Student category	Estimate	Standard error	p-value	Multiplicative factor
1	A Level lowest C	-0.105	0.009	<0.001	0.90
	A Level best D	-0.013	0.009	0.132	0.99
	BTECs	-0.031	0.009	0.007	0.97
	[A Level best E]	.	.	.	.
5	A Level lowest C	-0.038	0.006	<0.001	0.96
	A Level best D	-0.014	0.006	0.017	0.99
	BTECs	-0.031	0.006	<0.001	0.97
	[A Level best E]	.	.	.	.
10	A Level lowest C	0.190	0.005	<0.001	1.21
	A Level best D	0.034	0.005	<0.001	1.03
	BTECs	0.009	0.005	0.072	1.01
	[A Level best E]	.	.	.	.

Table 5 shows that:

- In Year 1, there were significant differences in earnings by student group. In particular, students in the A Level lowest C group and the BTECs group were predicted significantly lower earnings than students in the reference group (A Level best E). A Level lowest C students were predicted earnings 10 per cent lower than the A Level best E group and the BTECs group were predicted earnings 3 per cent lower.
- In Year 5, all three student groups were predicted significantly lower earnings than the reference group, but the differences were small (between 1 and 4 per cent).
- By Year 10, the pattern was reversed, with all groups of students apart from those with BTECs predicted significantly higher earnings than students with the lowest A Level grades. This was particularly the case for the A Level lowest C group, who were predicted 21 per cent higher earnings than the reference group.

It is worth noting that, in all years, there were only very small differences in the earnings for those in the A Level best D group compared to the A Level best E group (even though some were statistically significant).

Summary and conclusions

This research looked at the education and employment destinations as well as the labour market outcomes (i.e., earnings) of almost 1.5 million young people who completed Key Stage 5 between 2005 and 2012, with a focus on those who achieved low grades (grades D, E or U) in their A Level qualifications.

Destinations

The destinations of students who finished post-16 education with low A Level grades differed from those of students who achieved better grades or obtained BTEC qualifications.

In the first few years after completing post-16 education, students with low A Level grades (best grade E) were the least likely to progress into sustained education but were the most likely to enter sustained employment, with BTEC students showing a similar pattern just behind them. By contrast, students with higher A Level grades were more likely to remain in education and less likely to move directly into employment, even after accounting for background characteristics. This is not unexpected, as students with good A level grades are likely to enrol in higher education courses and, therefore, less likely to be in sustained employment in the short term.

Over time, however, these differences became less pronounced. After around six or seven years, the likelihood of being in sustained education or employment was broadly similar across all groups of students. By Years 5 and 10 in particular, progression to both sustained education and sustained employment showed little variation among A Level students, regardless of their grade outcomes.

Earnings

Median daily earnings increased over time for all student groups as the number of years since completing Key Stage 5 increased. However, although higher grades at A Level led to lower earnings in the short term, they were associated with better labour market outcomes in the longer term.

In the first four years after completing Key Stage 5, the lowest median daily earnings were in the A Level lowest C group, and in Year 1 both students in this group and students with BTECs earned significantly less than students in the A Level best E group. However, from Year 6 onwards students in A Level lowest C group had the highest median daily earnings.

By contrast, there were only very small differences in the earnings for those in the A Level best D group compared to the A Level best E group. This suggests that getting grade Ds rather than grade Es at A Level does not increase earnings much.

Overall, 15 years after completing Key Stage 5, the gap in median daily earnings between the highest performing (lowest grade C) and lowest performing (best grade E) A Level groups amounted to £28 per day, equivalent to an annual difference of approximately £10 220.

Limitations

There were a few limitations to the LEO data when used to look at young people's destinations and labour market outcomes in the context of the research presented in this article. Some of them are briefly discussed below.

1. The LEO data combines information from several administrative sources that require matching across individuals. For example, not all Key Stage 5 records could be matched to employment or learning data.¹⁷ This could affect the magnitude of our estimates if different types of individuals are more or less likely to be observed in the data, albeit the impact is likely to be small.
2. When an individual met the criteria for more than one destination in the same year, the nature of the data did not allow us to determine in which destination they spent most of their time. A main destination was therefore assigned following the hierarchy described in Anderson and Nelson (2021a) which, for a minority of individuals, might not actually reflect the main activity during that year.
3. The employment and earnings data comes from records submitted through the Pay As You Earn (PAYE) system, which can likely be subject to data entry and processing errors. As a result, even though we cleaned the data as far as was possible, there is a risk that some errors remained.
4. There is no information on hours worked so analysis might under-estimate the earnings of part-time workers compared to full-time workers. This is a particular concern for women, who are more likely than men to work part-time (Francis-Devine et al., 2026).
5. Although we requested the most recent data available, there is a long delay associated with earnings and employment data becoming available in LEO.
6. A final limitation relates to the regression models used to investigate students' destinations and earnings. Even if an association is found between the independent variables in our models (e.g., performance in Key Stage 4, gender, school type, ethnicity) and the predictor variable of interest (e.g., being in sustained education, daily earnings), we still cannot be sure of a causal relationship. There may be other factors which we cannot measure but which are important in determining the likelihood of progression or having a particular level of earnings.

Conclusions and implications

Within the above limitations, the outcomes of this work provide evidence of the need for policy decision-making which improves the destinations and labour market outcomes of students who finish school with low A Level grades.

The research has indicated that individuals in their early thirties who had achieved A Levels which might be considered to have little currency have worse labour market outcomes than their peers who achieved good grades (A Level lowest C), after controlling for their background characteristics and educational attainment at age 16. However, we must consider that we are measuring earnings

¹⁷ For details on how the data from the different sources is matched to create the LEO extracts, see Anderson and Nelson (2021b).

fairly early in their careers. It might be worth updating this work when the LEO data includes employment and labour market outcomes in later years.

There are several **implications** from the research, which are summarised below.

Firstly, although differences in destinations between the different groups of students (A Level lowest C, A Level best D, A Level best E, BTECs) narrowed over time, there were early disparities especially in progression to sustained education. This highlights the importance of targeted support for students with low A Level grades during the transition from post-16 education.

Secondly, the research showed that after the first few years, the students with “good” A Level grades had the highest earnings and that this advantage increased over time. Therefore, although achievement at Key Stage 5 may not yield immediate financial returns, it is strongly associated with better long-term labour market outcomes. Policy makers should take a long-term perspective when evaluating the value of post-16 qualifications and attainment, recognising that its benefits may not be immediately visible in early labour market outcomes.

Thirdly, there were very small differences in the average earnings of those in the A Level best D and A Level best E groups. Based on this, improving from an E to a D grade does not seem to provide much benefit.

Finally, in comparison with BTEC students, the findings indicate that individuals with lower A Level grades (best grade E) tended to achieve similar earnings over time (while there were early disparities, these narrowed over time), despite some BTEC students having higher prior attainment. The research also highlights that it remains possible for students with low A Level grades to secure well-paid employment.

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