Successful in the city

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Graduates entering the labour market

- Skills and early career outcomes
  - The graduate as a solitary unit in neutral space or
  - The graduate as a migrant? Husband / wife? Parent?
  - And: knowledge worker, entrepreneur, engaged citizen, etc.
- The university and the local policy angle

A herd of pink elephants?

- Decisions, outcomes and context
  - Labour market entry vs careers
  - The graduate and his / her context
  - Regions, spatial mobility and career patterns
    - The bright lights of the city
    - Regional binding
    - Regional resilience
  - The role of universities
    - Education institute or engine of growth?

Successful in the city (2013)

- Follow 17 graduate cohorts ...
  - Up to 18 years after leaving university ...
- Looking at:
  - Labour market outcomes
  - Entrepreneurship success
  - Residential locations
  - In relation to
    - Household position and activity of partners
    - Educational background, personal characteristics
- Project in cooperation with prof.dr. Jouke van Dijk, dr. Sierdjan Koster

This presentation

- Meeting the graduates
- Labour market
  - Participation and wages
  - Labour market dynamics
- Entrepreneurship
  - Incidence and profitability
  - The effect of student entrepreneurship

Search duration first job – university graduates
The spatial dimension

- The region as a
  - Home region
  - Study region
  - Work region
  - Residential region
- Cities as escalators
- Location choice and
  - Regional familiarity
  - Career progression

Growing cities and a declining region

the escalator model

More to it than meets the eye

- Net flows to economic core, but
  - Highly selective
    - Field of study and the need to move
    - The best graduates do not always leave
  - What does this tell us about
    - Local recruitment?
    - Peripheral graduate retention and brain drain?
Graduates and field of study, by cohort

Careers
› Entering the labour market
› During a very dynamic period in the life course

Graduates and the transition into the labour market

Graduates and household position

Graduate early and mid-career labour market dynamics

% Active in employment by Field of Study
Total net annual income from employment by Field of Study

Men: total net annual income from employment by Graduation Cohort

Women: total net annual income from employment by Graduation Cohort

Men: income growth, contribution of FoS and Time to H.E. departure

Effect of Household and regional controls: changes in marginal effects

Women: not controlling for Household and Regional context leads to underestimation of return to FoS

Women: income growth, contribution of FoS and Time to H.E. departure

Men: no effect
Labour market success

- Medium to long run:
  - There is more to it than field of study
    - Learning on the job
    - The opportunity to make favourable switches
  - Affected by
    - Household situation
    - Regional circumstances

Skill-relatedness of sectors

- Source: PBL, 2013

Who is mobile?

- Differences according to
  - Fields of study
    - Engineers, economists, humanities mobile across sectors; Healthcare mobile within sector
  - Mobility breeds mobility
    - Much stability, but a minority continues to be mobile
  - The household decision process
    - Enabling effect of partner
    - Children lead to lower sectoral mobility
  - Regional opportunities and threats

“...the majority of local entrepreneurial economic development imparted by universities is in the form of start-ups created by former students,...”

Åstebro and Bazzazian (2012, p.294)
Context

- Regional impact of HEIs
  - Spin-offs, spillovers, human capital in the form of graduates
- Policy attention, tuition programmes: establish a link between local HEIs and city economy
  - Alumni graduates starting a business locally
- This project: first to address self-employment as a labour market outcome for this group
  - Effect of early entrepreneurial experience (Student self-employment) on the ensuing career?

Incidence of self-employment

- Share of self-employed graduates
- Mean profit of self-employed graduates

Survival in self-employment by student self-employment

- Mean profit by student self-employment
Student self-employment

- Success story?
- No
  - Composition effects
  - Selection effects

- Student-self employed
  - Remain self-employed more often
  - But are not more successful
  - In addition: risk of labour market penalty
    - Delayed start to a career

Share of graduates running a business in residential city, by cohort. A local event.

Some thoughts to conclude

- Labour market entry versus careers?
  - Successful entry is key
    - Main determinant of early spatial mobility
  - But longer term outcomes centred in personal and contextual factors
- The spatial dimension: local or global?
  - Aim globally but do not forget the local
    - Which is exactly how many employers recruit
- What about drop-outs?
Thank you for your attention

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