

Data Bytes

October 2025

The economic returns of A level grades

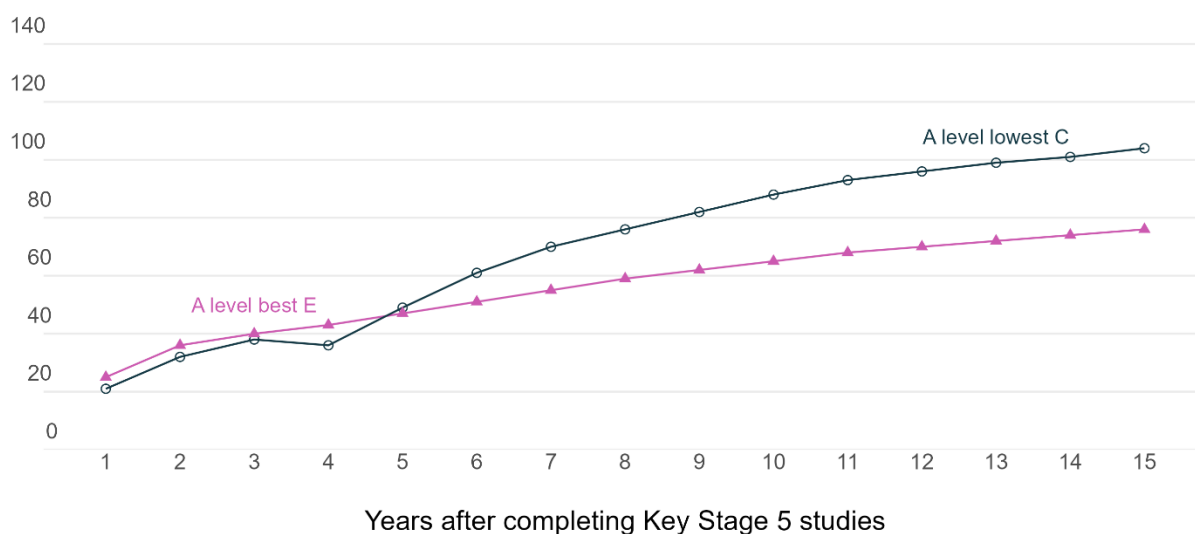
Summary

People who believe that academic success leads to higher earnings in the labour market may be right.

In this Data Byte, we show how earnings progress after students complete their Key Stage 5 studies, based on their A level performance. The chart is based on data from a research report by [Vidal Rodeiro & Gill \(2025\)](#). In addition to labour market outcomes, the authors also investigated the relationship between student performance in 16-19 qualifications and their progression destinations, with a particular focus on students who leave education with low A level grades.

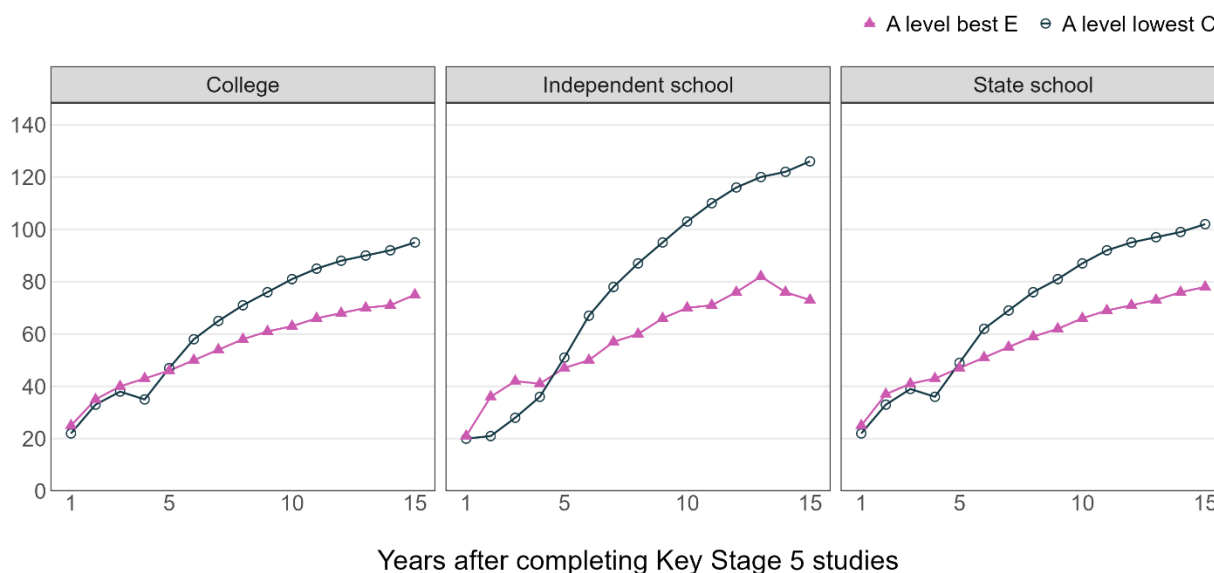
Median daily earnings for all students overall

£ (2020/21 real terms)



Median daily earnings by school type

£ (2020/21 real terms)



Notes: Daily earnings are calculated by dividing total annual earnings by 365 days, representing an average amount earned per calendar day. Only students who took two or more A levels between 2004/05 and 2011/12, making up at least 50% of their Key Stage 5 qualifications, were analysed. The earnings figures include both part-time and full-time employment, but not those from self-employment. Therefore, differences in working patterns between groups may partly explain some of the gaps shown in these graphs. Some data points are hidden from the graphs to comply with statistical disclosure rules. For more detail, see Vidal Rodeiro and Gill (2025).

Source: CUP&A Research Division

What does the chart show?

The chart illustrates the median daily earnings over time following students' completion of Key Stage 5, typically at age 18.

The top panel shows earnings for all students overall, while the bottom panel separates the earnings by school type. Each line represents a different student group, categorised based on their A level performance. For each year shown, the analysis included only

students who were not in education, were in sustained employment, and were not receiving out-of-work benefits.

Students who performed best in their A levels are those in the 'A level lowest C' group, which includes students whose lowest grade was C, B, A or A*. Also shown is the 'A level best E' group, where the best grade achieved was the lowest passing grade, E.

Why is this chart interesting?

Firstly, the chart shows that an earnings gap exists between the best-performing group and lower-performing students, both overall and within each school type, though the size of this gap varies.

Fifteen years after completing Key Stage 5, the difference in median daily earnings between students in the 'A level lowest C' group (highest performing) and those in the 'A level best E' group (lowest performing) was £28 per day. This equates to an annual earnings difference of £10,220. At Year 15, the largest gap between these two groups was observed among students from independent schools, at £53 per day (£19,345 annually). In other words, academic grades matter for future earnings even for students within the same demographic subgroup.

Secondly, we can observe that earnings progress at different rates for different A level performance groups.

In the first four years after completing Key Stage 5, the median students in the best-performing A level group earned less than their lower-performing peers. The exact reason driving this pattern is unclear. One potential explanation is that high-achieving students, who are disproportionately from more advantaged socio-economic backgrounds, were less likely to work during their part-time education or gap years, compared to other students who were more likely to enter the workforce if they chose not to pursue full-time education.

By Year 5, however, median earnings across all groups were very similar. Starting in Year 6, earnings began to rise for all groups, but at a much steeper rate for better-performing students. The steepest increase from Year 5 to Year 15 was observed among the best-performing group from independent schools, with median daily earnings rising by £75 (equivalent to an increase in annual earnings of £27,375). In contrast, the equivalent median earnings growth was noticeably more gradual for lower-performing groups from independent schools.

Further information

Vidal Rodeiro, C.L. and Gill, T. (2025). *Progression of students who leave post-16 education with low A level grades*. Cambridge University Press & Assessment.

<https://www.cambridgeassessment.org.uk/Images/740185-progression-of-students-who-leave-post-16-education-with-low-a-level-grades.pdf>