

## I've started so I'll finish

More students, or more graduates, but not both.  
September 29th, 2005.

AT FIRST glance, it doesn't look that hard to become a chartered financial analyst. If you have a first degree and \$2,500 to spare you can sign up to the programme run by the CFA Institute, an industry body based in America, do three exams and work for three years as an investment professional. There are no interviews, entrance exams or aptitude tests.

But there is a catch: the success rate is only 20%. Of those who sign on, 40% never show up for a single exam, while another 40% fail an exam and don't retake it successfully. This, says Bob Johnson, the programme's managing director, is a natural consequence of the combination of rigorous exams and low barriers to entry. He likens the CFA programme to an open golf tournament, which he prefers to the invitation-only kind, even though most of the extra competitors will do poorly.

Seen from this viewpoint, success rates at British universities are high: more than 77%, according to the Higher Education Statistics Agency (HESA). They are also high compared with universities in other countries. In 2000, the most recent year for which the OECD has released figures, only three of the other 20 OECD countries did better and some did far worse—Italy's dropout rate is three times as high as Britain's. The OECD is updating its research, and the head of its Educational Statistics and Analysis Division says that from what he has seen, British students are still more likely to graduate than those in most other countries. Even so, HESA's figures were greeted with dismay.

Dropout rates certainly can be kept down: Cambridge graduates nearly 98% of all the students it admits, the highest proportion in the country. This is largely a result of rigorous selection: more than 14,000 applicants chase 3,300 places each year, and almost every student accepted has top A-level grades. Universities that take students with lower grades and admit a larger share of those who apply are more likely to lose some of them along the way.

Traditionally, British universities have taken care only to admit students who are very likely to graduate, and then marched them through their education in double-quick time. The American way is different. In 2004 Thomas Weko of the Higher Education Policy Unit, a think tank, compared dropout rates on both sides of the Atlantic. He describes the American system as one that allows flexible attendance and has low barriers to entry for students

who are at highest risk of dropping out, such as those who are working, disabled or caring for dependents. As a consequence, only about two-thirds of American students who set out to study for a bachelor's degree end up graduating.

But the dropouts haven't wasted their time, because even part of a degree confers an advantage in the American job market—as Dr Weko says, "completing a degree is better than not, but something is better than nothing". In contrast, a report by researchers at London's Institute of Education suggests that British men who start a university course but don't finish it are worse off than those who never begin one in the first place.

Probably the only sure way to bring British dropout rates down would be to return to the days of restricted access to higher education. Instead, universities could make a virtue out of necessity, giving credit in stages and offering a variety of stepping off points. Otherwise, British students may conclude that nothing is better than something.