October 2023

REPORT

The Supply of Diverse Talent in the United Kingdom: Higher-Education Evidence

Maria Boutchkova and Angelica Gonzalez

This report accompanies Principle 1: Pipeline and Principle 2: Talent Acquisition of the CFA Institute Diversity, Equity, and Inclusion Code (UK).

Executive Summary

Our analysis shows that in 2019, the proportions of women, the group of all ethnic minorities (i.e., Asian, Black, Mixed, and Other, hereafter labeled "ABMO"), and people with disabilities in higher education (HE) were greater than their corresponding proportions in the UK population of 18- to 19-year-olds. Further, when we split providers into five groups based on the strictness/selectiveness of their entry requirements, our findings still hold, except for Black and Other students, who are still underrepresented in the most selective group of universities. Even if still underrepresented, the proportion of Black students in the most selective group of universities increased by 300% between 2010 and 2019, while their corresponding growth in the UK population of 18- to 19-year-olds was 30%. Students from disadvantaged backgrounds continue to be underrepresented in HE. We also document that although women are overrepresented in HE, there are still large differences in the subjects they choose to study compared with men. For example, women are less likely than men to enrol in STEM (science, technology, engineering, and mathematics) subjects (except biology).

When comparing the final degree classifications of students sorted into groups based on gender, ethnicity, and socioeconomic background, we find that (1) the performance of every group has improved between 2016 and 2019, (2) the more selective the university, the better the student performance, (3) women perform better than men, (4) White students are more likely to obtain a 1st or 2:1 degree classification than any other ethnic group, and (5) students from the most affluent socioeconomic areas are more likely to obtain a 1st or 2:1 degree classification than those from the most deprived backgrounds.[1] Further, in 2019, students who did not report a

[1]The term "1st degree classification" refers to a degree outcome classification based on the achieved average mark over the course of studies (most often over the last two years). Note that the term "first degree" refers to a bachelor's degree and is the preferred term by the Higher Education Statistics Agency (HESA).

CFA Institute Research & Policy Center

CONTENTS

disability performed very similarly to those who did report a disability. Interestingly, differences in performance between ethnic groups and between socioeconomic groups are the smallest in the most selective group of universities and the largest in the least selective group. Despite differences in achievement between groups (by gender, ethnicity, and socioeconomic background), the majority of students in each group obtain a 1st or 2:1 degree classification.

The demand for newly qualified undergraduate employees by the finance industry over the last five years amounts to around 17,000.[2] This number is more than covered by ABMO men and women and White women graduates in finance and STEM-related subjects obtaining 1st and 2:1 degrees: 5,807 (ABMO) and 6,118 (White women) in business and management and 10,035 (ABMO) and 10,231 (White women) in STEM.

Our analysis shows that the annual supply of a talented and diverse group of new graduates with degrees related to finance should be able to more than cover the investment industry's annual demand for new graduates.

Background

The lack of employee diversity across several sectors in the economy—including the investment industry—could be partly attributed to a lack of diverse students graduating from universities targeted by these employers. We explore the absolute and relative supply of qualified diverse graduates among various groups of UK higher education (HE) institutions.

Since 1999, HE has been a devolved matter in the United Kingdom, with each country (England, Scotland, Wales, and Northern Ireland) having separate systems under separate governments. The decentralized administrations have adopted government policies and practices to widen access and participation. Several universities have introduced contextual admissions, which entail using information and data to assess applicants' prior attainment and potential and then making offers in the context of their individual circumstances. Examples of students who may benefit from contextualised admissions include those who live in areas of high deprivation, attend schools where attainment is typically below the national average, have been in foster care, are not supported by their family, have refugee status, are asylum seekers, or are responsible for the unpaid care or well-being of a dependant. Other policies aimed at widening participation include providing mentoring activities on aspiration, awareness, attainment, and access.

The following empirical analysis shows the number and proportion of entrants to UK HE providers, as well as measures of academic achievement by socioeconomic status, ethnicity, gender, and disability. Where possible, we further deconstruct the ethnicity data by socioeconomic status.

---

[2]Data from HESA—4% hired by the finance industry (according to HESA's "Figure 11—Standard Industrial Classification of Graduates Entering Work in the UK by Subject Area of Degree," available at www.hesa.ac.uk/data-and-analysis/sb266/figure-11) out of an average of 425,000 first-degree graduates (according to HESA's "Figure 15—HE Qualifications Obtained by Level of Qualification 2017/18 to 2021/22," available at www.hesa.ac.uk/data-and-analysis/sb265/figure-15).

Rather than presenting only statistics for the whole HE sector, we also group providers into five groups[3] based on the strictness/selectiveness of their entry requirements (referred to as *tariffs*).[4] Therefore, the 1st Group includes the 20% most selective providers and the 5th Group, the 20% least selective providers. We believe that allocating HE providers into groups is important to assess whether minority students have access to the most selective universities and to document how these students are performing. Appendix A shows the universities included in each quintile and discusses the rationale for inclusion/exclusion.[5] Our analysis also documents subject choices at HE by gender and ethnicity, as well as student-to-staff ratios and staff gender composition across HE providers.

Our data are from HESA (Higher Education Statistics Agency), UCAS (Universities and Colleges Admissions Service), and the Office for Students (OfS). These are official sources for the collection and dissemination of statistics about HE.[6] Throughout this report, we deal with undergraduate students[7] whose country of permanent residence is the United Kingdom—that is, UK-domiciled students—which reduces the likelihood of overseas students being included in our analysis.[8] Further details about these data sources can be found in Appendix B.

Evidence on Entrants

Socioeconomic Status

We use two types of socioeconomic indexes, typically chosen on the basis of data availability. The first type, usually referred to as the Indices of Multiple Deprivation (IMD), classifies small, fixed geographic areas in the United Kingdom into five equally sized groups (i.e., quintiles) based on relative disadvantage. The second index, known as POLAR4, classifies small areas into five groups according to their level of youth participation in HE. Group 1 (i.e., q1) is the most deprived group (or the one with the lowest youth participation in HE), and Group 5 (i.e., q5) is the least deprived group (or the one with the highest youth participation in HE).[9] For ease of exposition, we will refer to these indexes interchangeably—as indexes of deprivation—but we will make clear which type we are using in the notes of each table. By definition, 20% of the population lives in each quintile; however, the proportion of young people in each quintile may deviate from 20% depending on age and/or ethnicity. Importantly, not all ethnicities are equally divided into neighbourhoods. Actually, there are more ethnic minorities living in the most deprived postcodes than in the least deprived ones, a fact we consider in our analyses.

---

[3]Since each group has a similar number of universities, in our description, we will allude to properties related to quintiles.

[4]From 376 unique HE providers, 240 have tariffs. The providers that do not have tariffs are typically colleges and are omitted from the analysis. We also omit providers that are less relevant to the investment industry—for example, HE providers that offer only arts or medical degrees. The list of included/excluded providers is available in Appendix A.

[5]An alternative way to group universities based on their tariffs would be to have a similar number of students in each group rather than a similar number of universities. Our key findings are unchanged if we follow this alternative approach.

[6]Whereas HESA and UCAS cover the entire UK population, the OfS reports data only for England.

[7]When data allow us to distinguish undergraduate students studying for a first degree from others (e.g., those studying for a diploma), we restrict our sample to first-degree students. We note, however, that in most universities, the entire undergraduate population of students is studying for a first degree. "First degree" is defined by HESA as follows: "A 'first degree' is more commonly known as a bachelor's degree" (see www.hesa.ac.uk/support/definitions).

[8]Students' domicile refers to their country of permanent residence, as provided in their UCAS application. It is not necessarily their nationality, but it is the country where they usually live. To corroborate that we are not including foreign students, we verify that the number of students per ethnicity group that enters HE is similar to that of students who have met GCSE (General Certificate of Secondary Education) prerequisites for HE entry. A few students will, however, still be foreign if they were attending high school in the United Kingdom when applying to university. These cases are few because foreign students study in private schools and only 9% of UK-domiciled full-time HE undergraduate enrolments come from private schools. Since on average a maximum of 6% are foreign students across private schools, the maximum number of students that we could erroneously label as domestic is only 0.54%.

[9]Both types of index have disadvantages, but we rely on them since the newer methodologies that are being implemented cover only the most recent year and assessment of progress over time is not possible.

Exhibit 1. Demographics of HE Entrants vs. UK Population, 2010 and 2019

	No. of HE Entrants 2010	Prop.	Pop.	Over or Under/Pop.	No. of HE Entrants 2019	Prop.	Pop.	Over or Under/Pop.	*p*-Value 2019 vs. 2010
q1&2	45,780	0.231	0.400	−0.423***	57,905	0.254	0.400	−0.364***	0.000
q3&4&5	152,300	0.767	0.600	0.279***	168,705	0.741	0.600	0.234***	0.000
Asian	18,425	0.093	0.083	0.118***	32,915	0.145	0.102	0.417***	0.000
Black	6,725	0.034	0.040	−0.153**	13,995	0.061	0.052	0.182***	0.014
Mixed	5,890	0.030	0.031	−0.043	10,865	0.048	0.039	0.223***	0.000
Other	1,535	0.008	0.012	−0.356	4,255	0.019	0.020	−0.066	0.031
White	164,560	0.829	0.834	−0.006***	163,935	0.720	0.786	−0.084***	0.000
Men	89,460	0.451	0.506	−0.109***	99,210	0.436	0.510	−0.146***	0.000
Women	109,080	0.549	0.494	0.112***	128,545	0.564	0.490	0.152***	0.000
Total	198,515				227,775				

Notes: The number of entrants to HE is reported for 2010 and 2019. Prop. refers to the proportion of a group (by ethnicity, gender, or socioeconomic classification) in HE. Pop. is the proportion of a group in the UK population of 18-year-olds. Over or Under/Pop. compares the HE proportion with the UK population proportion, where the asterisks denote statistical significance at the 1% (***) and 5% (**) levels. The *p*-value is for a test that compares the differences in over- or underrepresentation between 2010 and 2019.

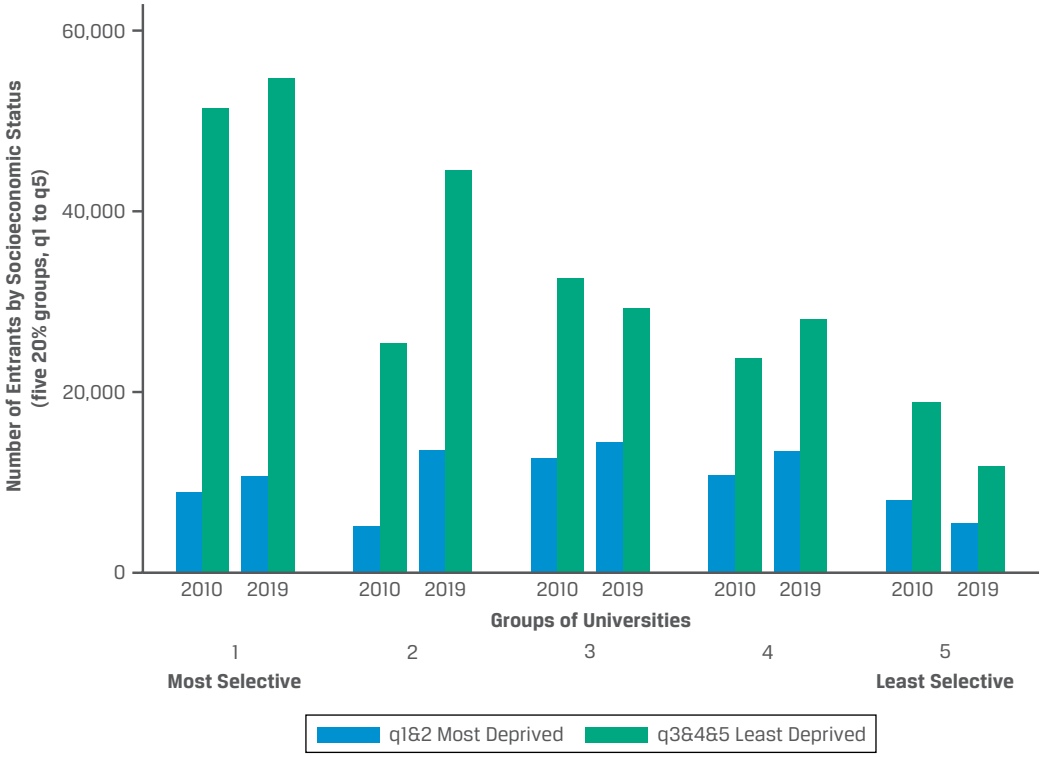
Many universities use contextualised admissions for students living in the 40% most deprived areas. These students, therefore, may benefit from widening access policies. It thus makes sense to compare students from the 40% most disadvantaged socioeconomic backgrounds (which we call "q1&2") with students from the 60% least disadvantaged areas (which we call "q3&4&5"). **Exhibit 1** shows the number of entrants to HE and the proportions of both students at the 122 HE providers we analysed and the UK population by group based on (1) ethnicity, (2) gender, and (3) socioeconomic status. Our goal is to assess whether the demographic composition in HE is similar to the one found in the UK population. Thus, we computed a percentage measure of over-/underrepresentation to assess whether the proportion of a group in the population of students is above (i.e., overrepresented), below (i.e., underrepresented), or equal to (i.e., equally represented) their corresponding proportion in the UK population of 18-year-olds. These statistics are presented for two years: 2010 and 2019.[10] The last column, *p*-Value 2019 vs. 2010, shows whether the changes between over-/underrepresentation are statistically significant between 2010 and 2019. We first analyse the statistics for q1&2, which represent students from the 40% most deprived neighbourhoods, and q3&4&5, from the 60% least deprived ones.

In 2010, the number of entrants from the most deprived backgrounds (i.e., q1&2) was 45,780, which represents 23.1% of the whole student population, whereas these figures were, respectively, 57,905 and 25.4% in 2019. Although in both years students from the most deprived backgrounds were underrepresented in HE (both percentages are below 40%), *the level of underrepresentation statistically significantly decreased* between 2010 and 2019.

To assess whether the better representation of disadvantaged students is being driven by a group of universities—for example, the most selective or least selective ones—we turn to

[10]We avoid using years affected by COVID-19 given its unprecedented effects on education.

Exhibit 2. Number of HE Entrants by Socioeconomic Status and University Group, 2010 and 2019



Notes: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The index of deprivation (low participation) is POLAR4. The data are for 18-year-olds.

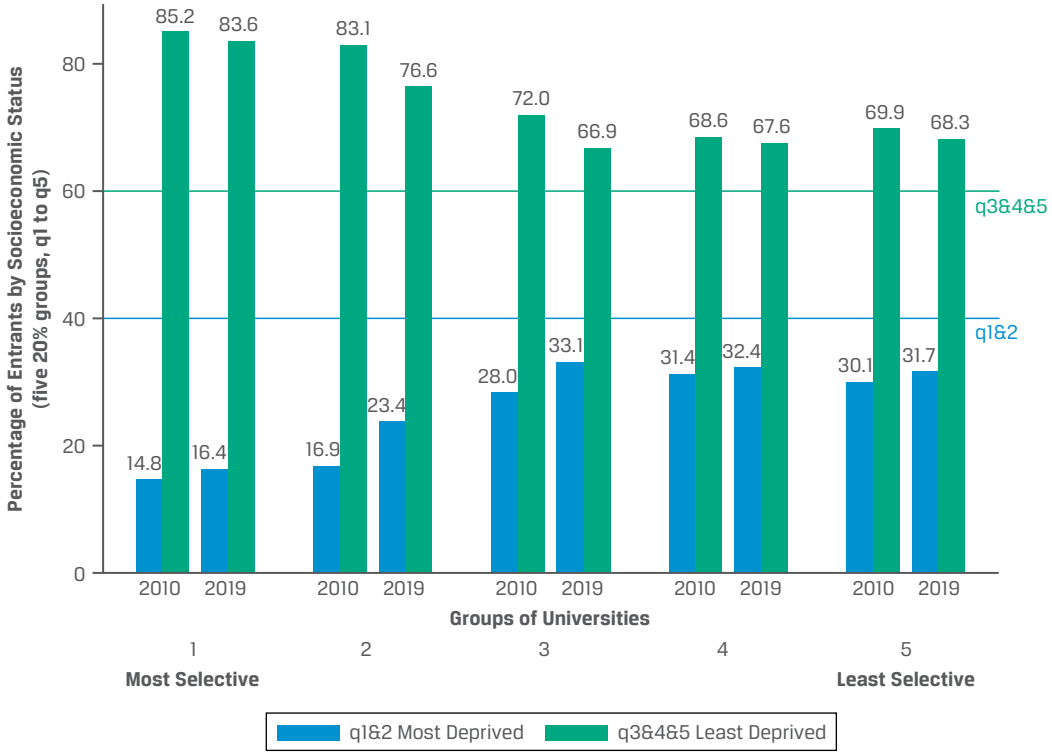
Exhibit 2. It shows for each quintile (i.e., group) of universities the number of entrants by socioeconomic background, where q1&2 represents students from the 40% most deprived neighbourhoods and q3&4&5 from the 60% least deprived ones. For each group of universities, we report statistics for 2010 and 2019.

The graph shows that the *number of HE entrants from the most disadvantaged postcodes increased between 2010 and 2019 in the 80% most selective universities* (the first four groups of universities).

Exhibit 3 replaces the absolute numbers in Exhibit 2 with percentages. We report the proportion of students from the least and most deprived postcodes out of all students placed in each group of universities. An equal representation of the UK population in HE would imply that 40% of students come from neighbourhoods classified as most deprived (q1&2) and 60% come from the least deprived neighbourhoods (q3&4&5; denoted in Exhibit 3 by horizontal lines). We note that *although students from q1&2 postcodes are underrepresented across the five groups of universities in both years (given that the percentage of entrants is below 40%), their representativeness increased between 2010 and 2019, although slightly, in each group of universities that we studied.*[11]

[11]Note that because the total number of entrants decreased in the least selective group of universities, it is possible to have a lower number of q1&2 entrants but better representation when looking at proportions.

Exhibit 3. Percentage of HE Entrants by Socioeconomic Status and University Group, 2010 and 2019



Note: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The index of low participation (deprivation) is POLAR4. The data are for 18-year-olds.

Ethnicity

Based on the ethnicity classification followed in the source databases that we used, we defined five ethnic groups: White, Asian, Black, Mixed, and Other.[12] Given data availability, we sometimes grouped ethnic minorities into a single group, which we refer to as ABMO (which includes Asian, Black, Mixed, and Other).

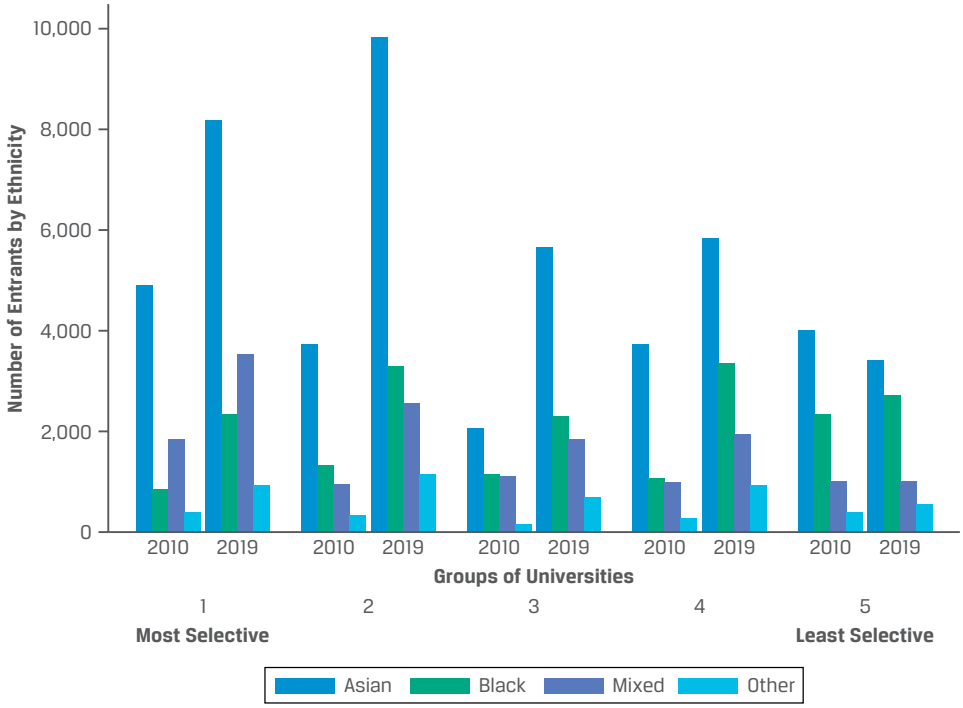
Exhibit 1 shows that in 2010, Mixed and Other ethnic minority students were represented in HE in the same proportions as in the UK population, while Black students were not. However, between 2010 and 2019, Black students became overrepresented in HE by 18.2%. Further, although Asian students were already overrepresented in 2010 (i.e., 11.8%), in 2019, their overrepresentation increased to 41.7%. Correspondingly, the representation of White students in HE statistically significantly decreased from −0.6% in 2010 to −8.4% in 2019.

Although our analysis shows that in 2019 all ethnic minorities were either overrepresented (Asian, Black, and Mixed) or equally represented (Other) in HE, it is important to assess whether ethnic minority students have access to the most selective group of universities.

Exhibit 4 shows the number of ethnically diverse students in each quintile of universities in 2010 and 2019. The absolute number of entrants from every minority in every university group

[12]White includes English, Welsh, Scottish, Northern Irish, British, Irish, Gypsy or Irish Traveller, and Other White. Mixed includes White and Black Caribbean, White and Black African, White and Asian, and Other Mixed. Asian includes Indian, Pakistani, Bangladeshi, Chinese, and Other Asian. Black includes African, Caribbean, and Other Black. Other includes Arab and any other ethnic group. See Appendix C for proportions of each ethnicity in each group.

Exhibit 4. Number of HE Entrants by Ethnic Minority Group and University Group, 2010 and 2019



Notes: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The data are for 18-year-olds.

substantially increased over this 10-year period (except Asian and Mixed in Group 5). To assess whether these absolute increases represent progress in terms of representation, we need to compare them against the overall increases in the UK population, which we show in Exhibit 5.

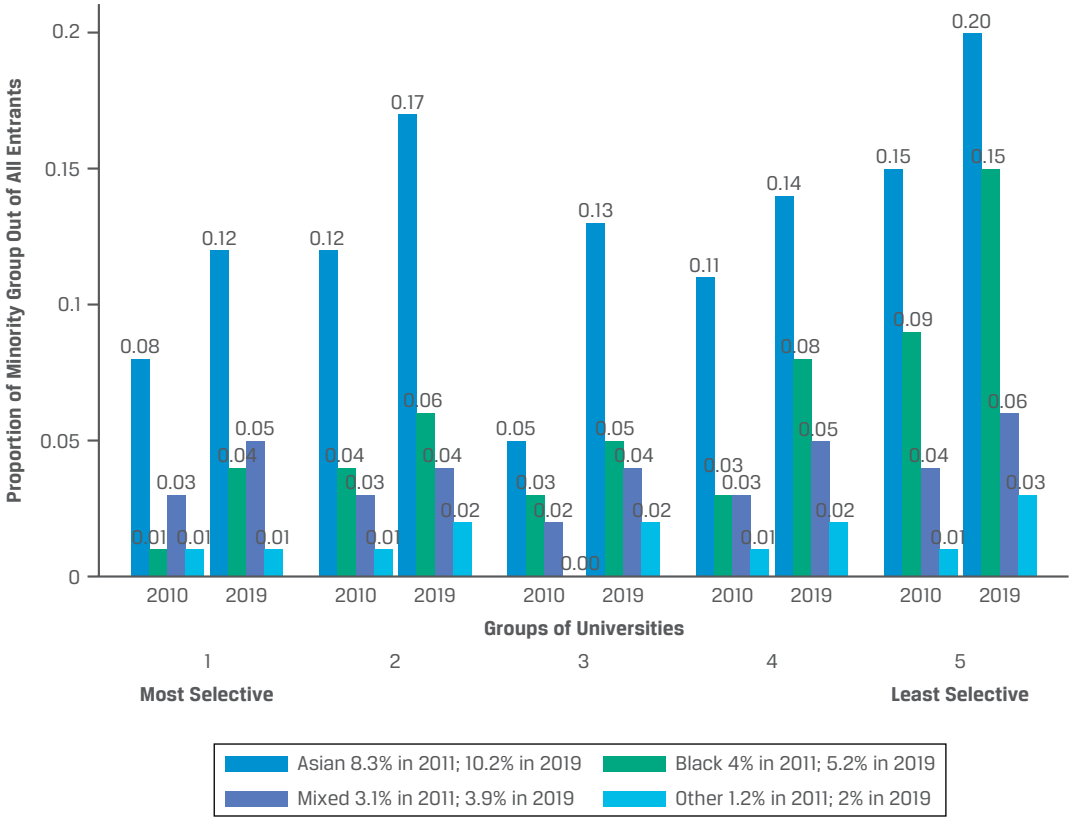
Exhibit 5 shows the proportions of 18-year-old ethnic minority undergraduate students out of all 18-year-old entrants in each group of universities in 2010 and 2019. The legend provides the proportions of each ethnic group among 18- to 19-year-olds in the UK population for the two closest census points, 2011 and 2021. For example, the 18- to 19-year-old Asian UK population in 2011 was 8.3%, whereas in 2019, it was 10.2%. In 2019, 12% of students in the most selective group of universities were Asian, which is larger than the proportion of Asians in the UK population (10.2%). Black students, however, only represented 4% in 2019, which is below the proportion of Black 18- to 19-year-olds in the United Kingdom (5.2%). Note that although Group 1 and Group 5 take a similar number of Black students (as documented in Exhibit 4), Exhibit 5 shows that it is still more likely that a student from Group 5 is Black than it is for a student from Group 1 to be Black. The reason is that the total number of students enrolled in Group 1 is larger than that in Group 5.

Exhibit 5 confirms that the progress in ethnic representation documented in absolute numbers in Exhibit 4 also holds when considering the respective population growth of each ethnic group.

Exhibit 1 shows that by 2019, each constituent minority group among ABMO students was either equally represented or overrepresented in the HE sector. We now confirm that this is true for all five groups of universities, except for Black and Other in the most selective university quintile (Group 1).[13]

[13]Although the numbers of Black students enrolled in the most selective and least selective university groups are similar, the size of the providers in each group is not. This fact partly explains why Black students are underrepresented in the first group of universities but overrepresented in the last group.

Exhibit 5. Proportion of HE Entrants by Ethnic Minority Group and University Group, 2010 and 2019



Notes: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The data are for 18-year-old undergraduate students. The legend shows the UK 18- to 19-year-old population benchmarks.

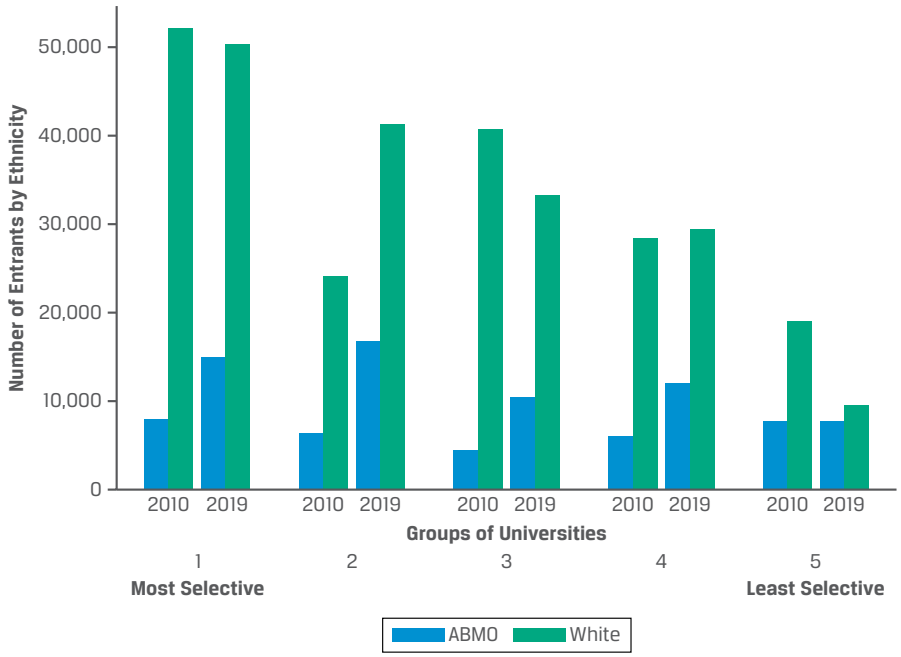
We now contrast the distribution of White and ABMO students across the five groups of universities (see **Exhibit 6**). The decrease in the White population of students that we documented in the HE sector mainly took place in the least selective group of universities and, to a lesser extent, in Group 3.

It is important to note, however, that there was a decline in the number of White people between the years that we study. Thus, we also compare proportions of White students in HE versus the UK 18- to 19-year-old population benchmark in **Exhibit 7**.

Census data show an increase in the ABMO UK population of 18- to 19-year-olds between 2011 and 2019 and a corresponding decrease in the proportion of the White population. We illustrate population proportions with horizontal lines. The two horizontal lines at the top of Exhibit 7 represent proportions for 2011 and 2019 for the White population (82% and 79%, respectively), whereas the two horizontal lines in the bottom correspond to those for the ABMO UK population (18% and 21%, respectively). We note that the underrepresentation of ABMO students in 2010 across the most selective 80% of universities changed to an overrepresentation across the five groups of universities in 2019. For example, *in 2010, the proportion of ABMO students in the most selective group of universities was 13%; this number increased to 23% in 2019*.

We note that four of the universities in the most selective group are based in Scotland. They are different from universities in the rest of the United Kingdom in the following ways: (1) They are free for Scotland-domiciled students but not for students from the rest of the United Kingdom, (2) their undergraduate programmes are four years long, rather than three, (3) they have a

Exhibit 6. Number of HE Entrants by Ethnic Group and University Group, 2010 and 2019



Notes: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The data are for 18-year-old undergraduate students.

Exhibit 7. Proportion of HE Entrants by Ethnic Group and University Group, 2010 and 2019

Notes: The horizontal lines show the proportions of the two groups among 18- and 19-year-olds in the UK population. The 2011 numbers are directly from census data aggregated across all UK countries while the 2019 proportions were estimated using a linear trend between the 2011 and 2021 census proportions. The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The data are for 18-year-old undergraduate students. The academic year is 2010 and 2019.

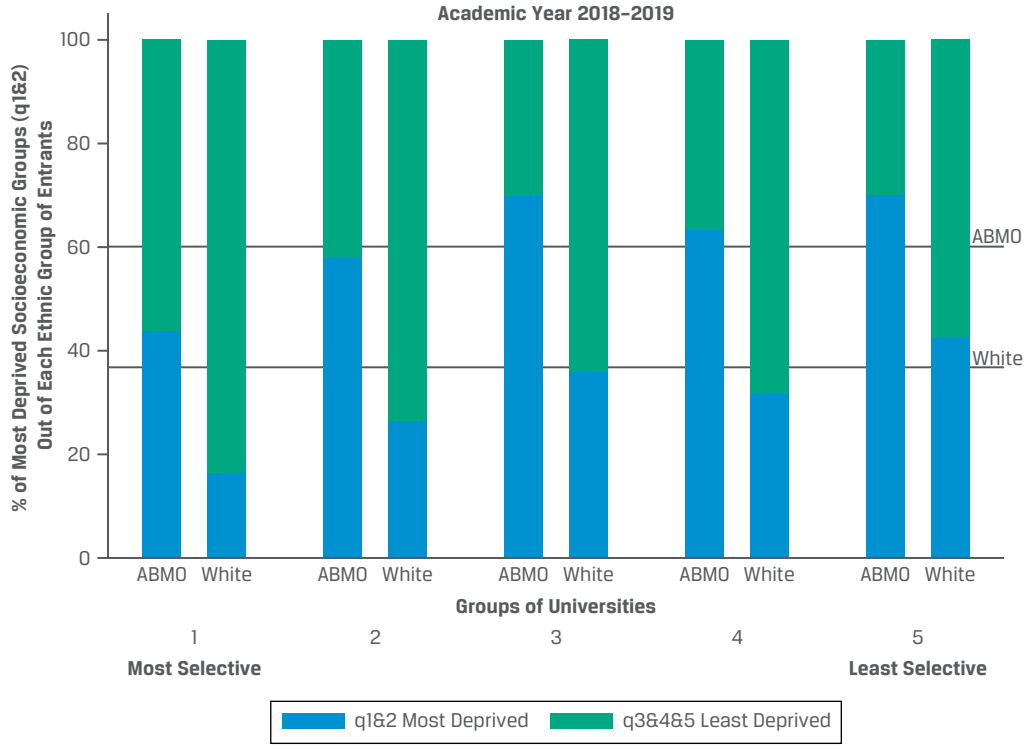
government mandate to offer a specified number of places to Scottish applicants, and (4) the Scottish population has substantially less ethnic diversity than the United Kingdom as a whole. These factors would tend to drive down the ethnic minority proportions in the most selective group of universities.

Socioeconomic Composition of Ethnic Groups

We take a closer look at the socioeconomic composition of university entrants by ethnic minority group based on data from the OfS covering England, which is the only source that provides this depth of disaggregation. We keep the definitions of university quintiles by selectiveness the same as in the analysis so far, which means that some of the groups will have fewer institutions owing to the absence of Scottish, Welsh, and Northern Irish institutions.

In **Exhibit 8**, we show for each group of universities and for each ethnic group the proportions of students that are from the most deprived neighbourhoods (q1&2) and the least deprived neighbourhoods (q3&4&5) in the academic year 2018–2019. Note that each bar adds up to 100%. The first bar on the left shows that 44% of ABMO students were from the most deprived areas (q1&2) and 66% were from the least deprived ones (q3&4&5). At first glance, it appears that ABMO students from the most deprived postcodes are overrepresented in HE because the proportions of these students across every university quintile are larger than 40%. However, not all ethnic groups are equally spread across neighbourhoods; thus, we cannot compare the percentage of university entrants of an ethnic group against 40% for q1&2 or 60% for q3&4&5. Census data show that the ABMO UK population is 50% more likely to live in the most deprived neighbourhoods compared with the White population. More specifically, 60% of the ABMO UK population

Exhibit 8. Percentage of HE Entrants by Socioeconomic Status, Ethnic Group, and University Group, 2018–2019



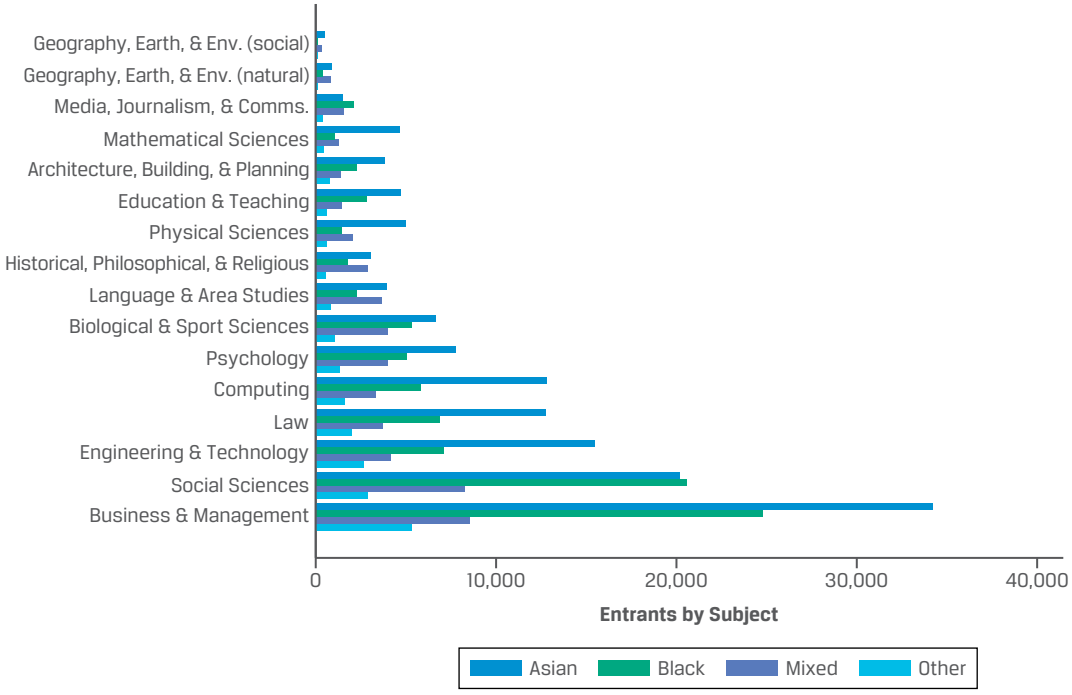
Notes: The data are from the OfS and cover only England. The data are for full-time, undergraduate students of any age. Socioeconomic quantiles are based on the Indices of Multiple Deprivation. The horizontal lines show the proportions of the two groups among 18- and 19-year-olds in England based on 2011 census data.

live in q1&2 and 40% live in q3&4&5, whereas these percentages are respectively 39% and 61% for the White population. The thresholds based on Census data are shown with horizontal lines. Exhibit 8 shows that the UK ABMO population living in the most deprived neighbourhoods (q1&2) is underrepresented in 40% of the most selective universities (Groups 1 and 2), and White students from this socioeconomic group are underrepresented in 80% of universities grouped by selectiveness criteria (Groups 1–4). Relative to the academic year 2015–2016 (unreported), there is some progress toward better representation of people from the most deprived neighbourhoods for both ethnic groups. Our analysis reveals that *it is more likely for an ABMO person living in a deprived neighbourhood to go to university than it is for a White person from a deprived neighbourhood*. This difference is not entirely explained by the fact that there is a higher percentage of ABMO people living in deprived neighbourhoods compared with White people; it must be due to other factors as well—for example, unequal access to career paths that do not require HE.

Subject Choice

An analysis of the subjects that ethnic minorities choose may be informative to the investment industry. **Exhibit 9** shows, for the whole HE sector, the number of students from each minority who are enrolled in each subject group as classified by HESA. The most popular subject among all minorities is business and management, followed by social sciences. We note that the least popular subjects are those related to geography. *There is a relatively low number of ethnic minorities studying mathematics, a subject that has been an important feeder to the investment industry. Thus, if a quantitative background is an important requirement for a specific job, recruiters may also want to consider applicants whose subject of study is, for example, engineering and technology, where there are larger numbers of ethnic minorities*.

Exhibit 9. Number of HE Entrants by Ethnic Minority Group and Subject, 2019–2020



Notes: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland. The data are for undergraduate students, all forms of study, and all HE providers for the academic year 2019–2020.

Gender

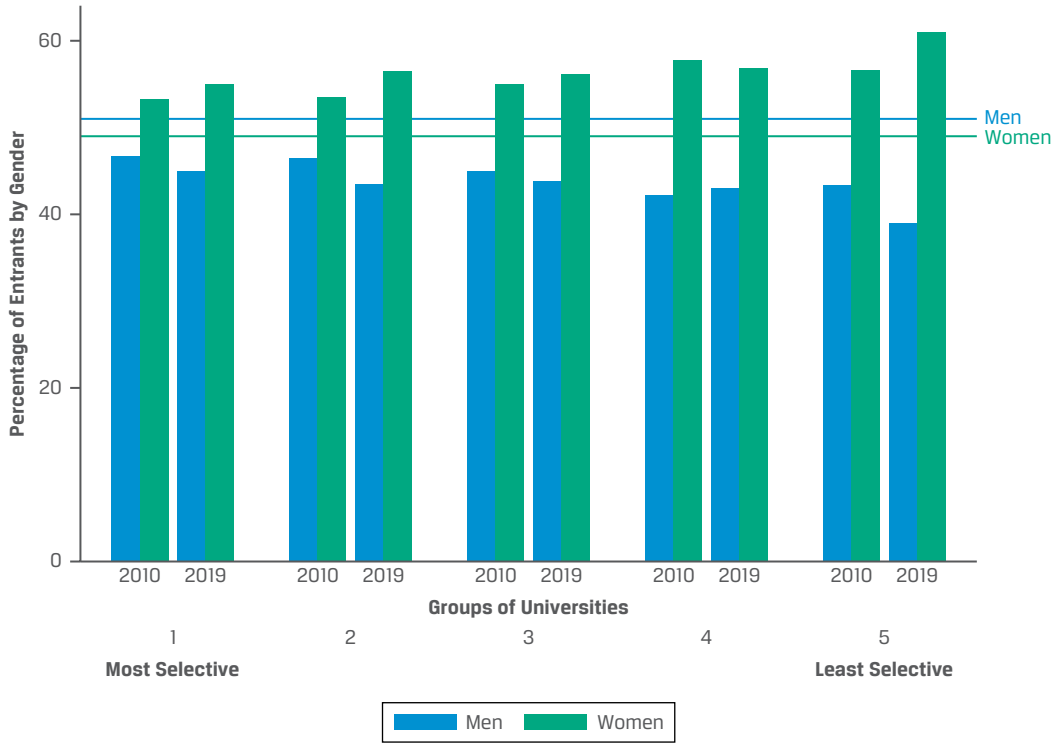
The higher levels of participation by women in HE compared with men have been extensively documented for several years. Exhibit 1 shows the total number of women and men enrolled in the 122 providers that we studied. In 2010, the proportion of women in HE was 54.9%. Since 49.4% of the 18- to 19-year-old UK population are women, there is an overrepresentation of women in HE of 11.2%.

We now turn to an analysis by university quintile to assess whether women have similar opportunities across all university groups. **Exhibit 10** illustrates that women have had access to the five groups of universities that we studied. In other words, *women are overrepresented in both selective and less selective universities*.

Subject Choice

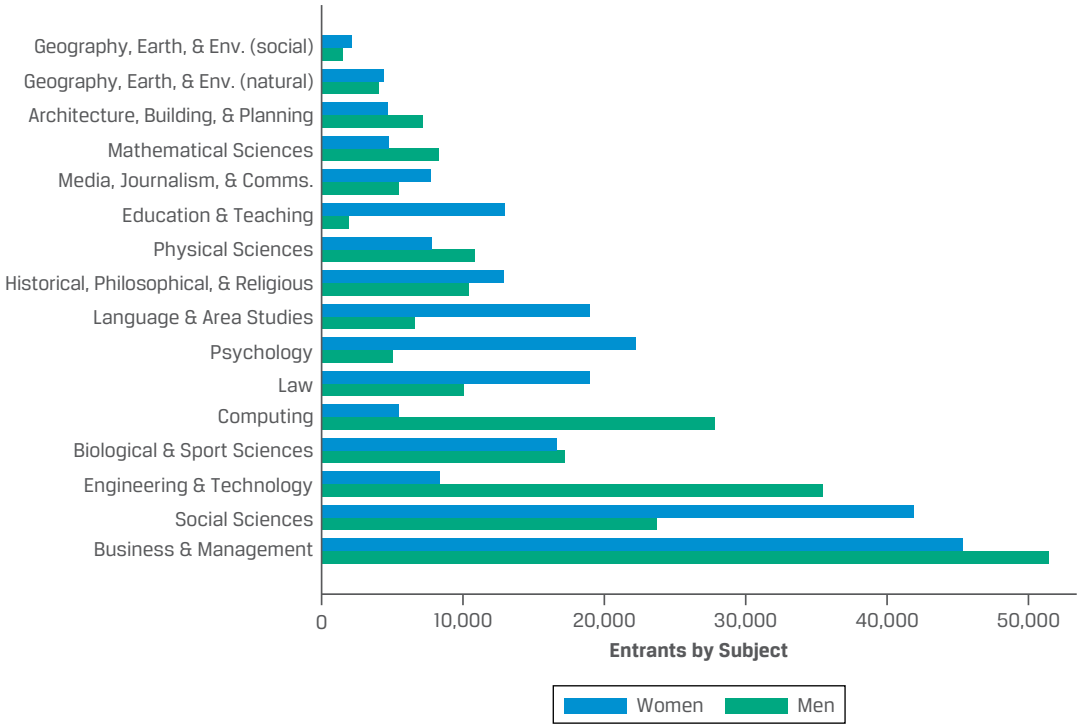
Despite the remarkable progress of women accessing HE, there are still significant gender differences in subject choice. For example, women are less likely to study STEM subjects (except biology) than men but more likely to study, for example, social sciences (which include psychology). We illustrate this finding in **Exhibit 11**.

Exhibit 10. Percentage of HE Entrants by Gender and University Group, 2010 and 2019



Notes: The data are from UCAS and include England, Scotland, Wales, and Northern Ireland. The data are for 18-year-old undergraduate students.

Exhibit 11. Number of HE Entrants by Gender and Subject, 2019–2020



Notes: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland. The data are for first-degree, full-time students and cover all HE providers and domiciles for the academic year 2019–2020.

Disability

The most detailed disability classification is available in the OfS data and includes the following types: blind or partially sighted, deaf or hearing impaired, wheelchair user or mobility difficulties, personal care support, mental health difficulties, an unseen disability (e.g., diabetes, epilepsy, and asthma), multiple disabilities, autistic spectrum disorder, and dyslexia. These disabilities are sorted into five groups: Cognitive and Learning, Multiple Impairments, Social and Communication, Mental Health, and Sensory Medical and Physical.

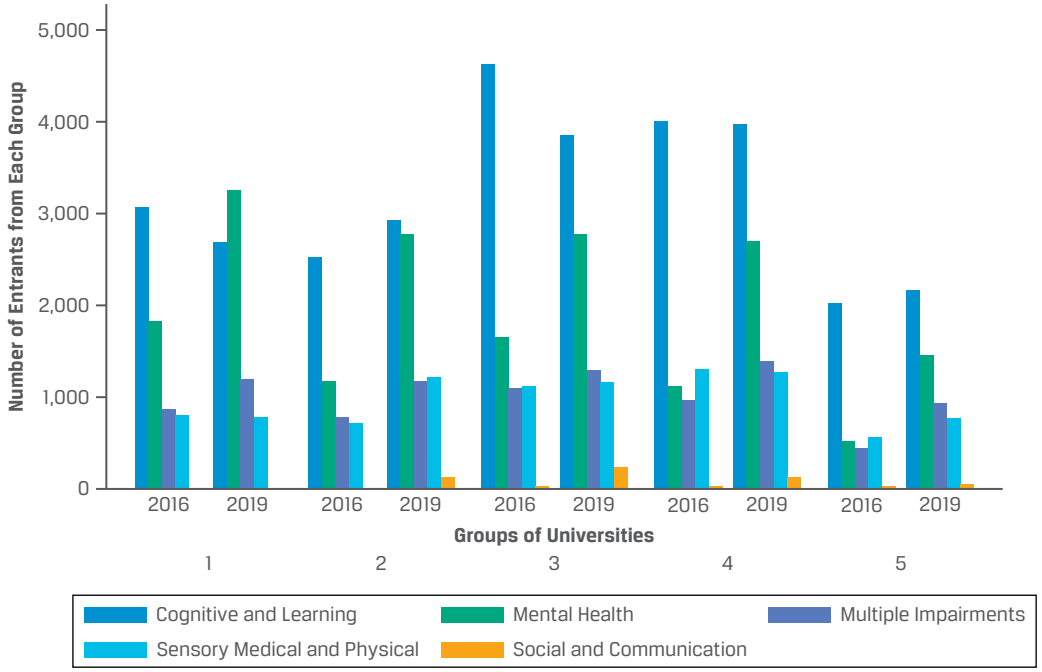
Exhibit 12 shows that the most prevalent type of disability among students in HE is the one classified as Cognitive and Learning, which includes dyslexia, dyspraxia, and attention-deficit/hyperactivity disorder (ADHD), whereas the least prevalent is Social and Communication, which includes Asperger syndrome and other autistic spectrum disorders. Although there are typically increases in the number of entrants with a reported disability between 2016 and 2019[14] in the five groups of universities that we analysed, it is important to recognise that awareness and diagnosis of disabilities have been improving over time.

In **Exhibit 13**, we group all disabilities together and compare this group (i.e., Disabled) with entrants who identified themselves as not having a disability (i.e., No Known Disability). We compare the proportion of students enrolled in HE by university quintile against its corresponding UK population proportion to assess whether students with a reported disability are well represented in universities. According to national statistics based on the Family Resources Survey, 12% of 15- to 19-year-olds are disabled.[15] In Exhibit 13, this threshold is presented as a blue horizontal

[14]Although we reported data for 2010 in our previous analysis, disability data are available only beginning in 2016.

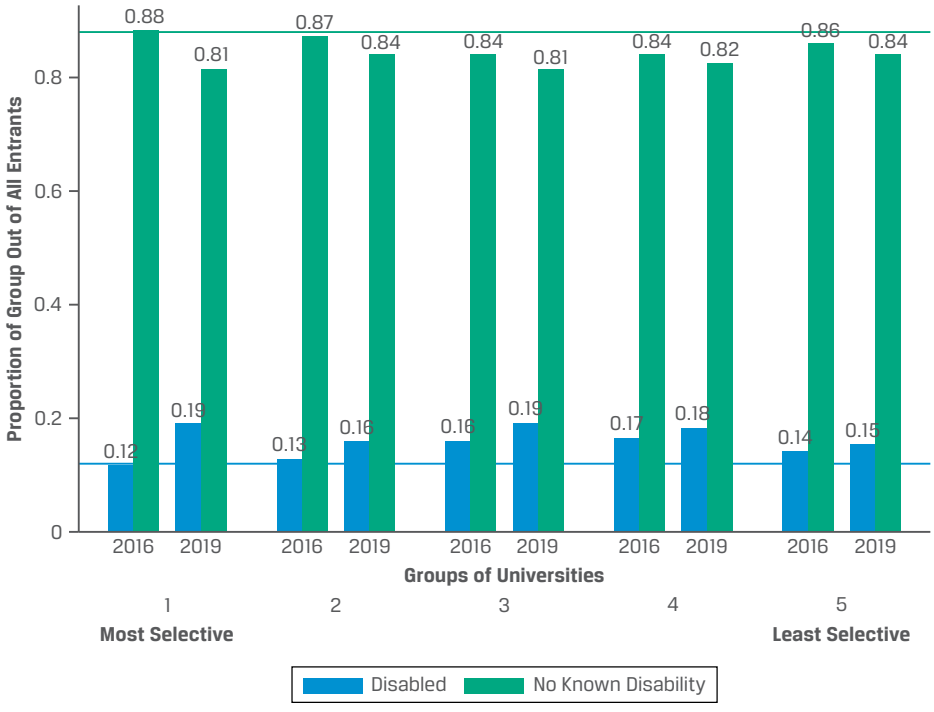
[15]The data are presented as an average over three years (2018–2019, 2019–2020, and 2020–2021) because there are small sample sizes for some age groups.

Exhibit 12. Number of HE Entrants by Disability Type and University Group, 2010 and 2019



Notes: The data are from the Office of Students and cover England. The data are for undergraduate students of any age.

Exhibit 13. Proportion of HE Entrants by Known/Unknown Disability and University Group, 2010 and 2019



Note: The data are from the OfS and cover all undergraduate students of any age at English universities.

line to facilitate comparisons. We note that for 2019, the proportion of students with a disability is above the proportion of disabled 15- to 19-year-olds in the UK population across the five groups of universities that we analysed. In other words, *students with a reported disability are overrepresented in HE*. It is important to note that students have incentives to disclose a disability because universities have well-advertised policies that accommodate special needs due to disabilities—for example, extra time for exams and coursework.

Summary

Our analysis shows that in 2019, women, the group of all ethnic minorities (ABMO), and students with disabilities were overrepresented in the five groups of universities that we analysed. Although Black students were still underrepresented in the most selective group of universities, they are increasingly finding their way into these universities. In particular, the proportion of Black 18- to 19-year-olds in the UK population increased by 30%, whilst the increase was 300% in the most selective group of universities. Students from disadvantaged backgrounds continue to be underrepresented in HE. We note that although women are overrepresented in HE, there are still large differences in the subjects they choose to study compared with men. For example, women are less likely than men to enrol in STEM subjects.

Evidence on Performance

Since most large employers ask for an Upper 2nd Class (i.e., 2:1) degree or distinction when recruiting undergraduate students in the finance sector (see Higginbotham 2022), we group together the number of students achieving 1st Class (i.e., distinction) and 2:1 degree classifications. Achievement data on gender, ethnicity, socioeconomic status, and disability by HE institution are readily available only from the OfS. Thus, the rest of our analysis is based on England only.

Ethnicity

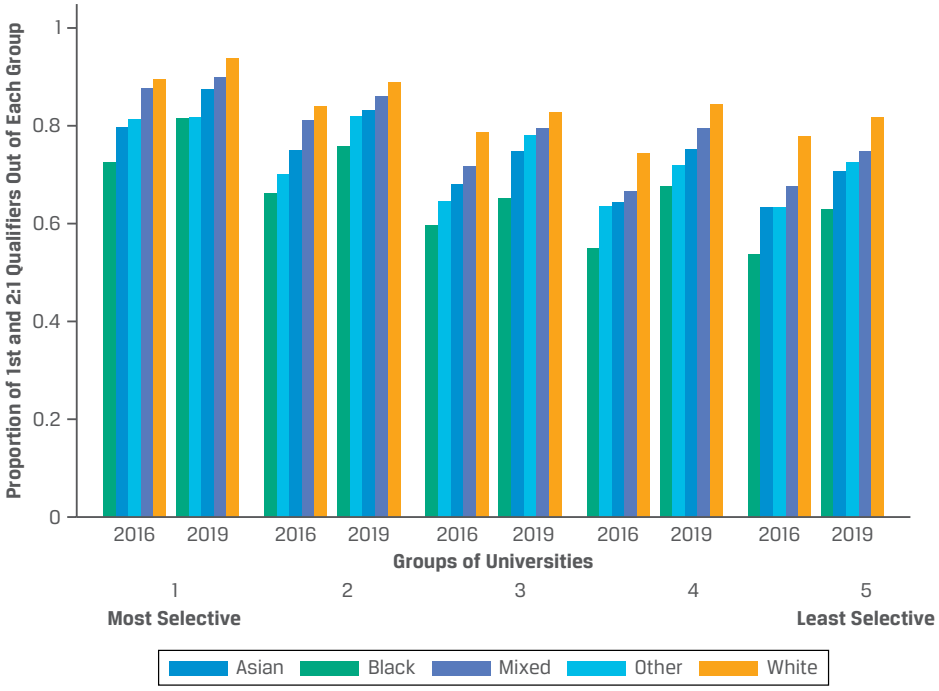
Exhibit 14 reports the proportion of students, by ethnic group, who obtained a 1st or 2:1 degree classification in 2016 and 2019 across the five groups of universities that we studied. We found that the performance of all ethnic groups improved between 2016 and 2019 and every ethnic group performed significantly better in the most selective group of universities than in the least selective group. In both years, White students were more likely to obtain a 1st or 2:1 degree classification than any other ethnic group. For example, in 2019, at the most selective group of universities, 94% of White students obtained a 1st or 2:1 degree classification, whereas this proportion was 80% for Black students. These proportions are respectively 82% and 63% for the least selective group of universities that we studied. We also noticed that except for 2019 in the most selective group of universities, the Black ethnic group consistently had the lowest attainment rate across the sector. Although there are differences in performance among ethnic groups, it is worthwhile to note that *the majority of students in each ethnic group achieved a 1st or 2:1 degree classification across the HE sector*.[16]

Exhibit 15 collects ethnic minority groups into a single group, ABMO, and reports the proportion of White students out of the White student population who earned a 1st or 2:1 degree qualification. An analogous proportion is computed for ABMO students. We report proportions for 2016 and 2019 for each group of universities.

We note that the differences in attainment between White and ABMO students within university groups are statistically larger as selectiveness decreases (from Group 1 to Group 5). Moreover,

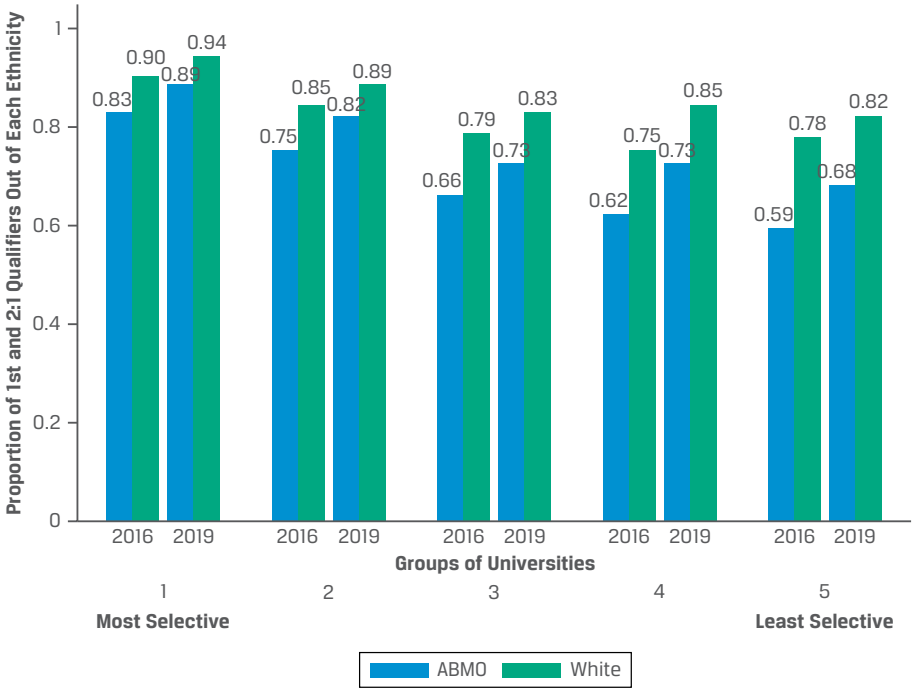
[16]Obtaining attainment figures for each ethnic group presents some challenges because data for individual providers are not reported when they have a small number of graduates from a particular ethnic group (owing to anonymity concerns). In unreported results, we used five-year averages, which minimised this limitation and corroborated that our graphs fairly reflect the state of attainment across ethnic groups in the HE sector.

Exhibit 14. Proportion of HE Graduates by Degree Classification, Ethnic Group, and University Group, 2016 and 2019



Note: The data are from the OfS and cover undergraduates of any age at English universities.

Exhibit 15. Proportion of HE Graduates by Degree Classification, Ethnic Group, and University Group, 2016 and 2019



Note: The data are from the OfS and cover undergraduates of any age at English universities.

in unreported results, we found a striking difference in achievement between ethnic groups at universities that do not have tariff data (whilst the difference between Black and White is 15% in the most selective group of universities, this difference is 29% in nontariff universities). We look more closely at some of these differences in the section titled "Outcomes."

We next assess whether socioeconomic status is correlated with the probability of obtaining a 1st or 2:1 degree classification across ethnic groups.

Socioeconomic Composition of Ethnic Groups

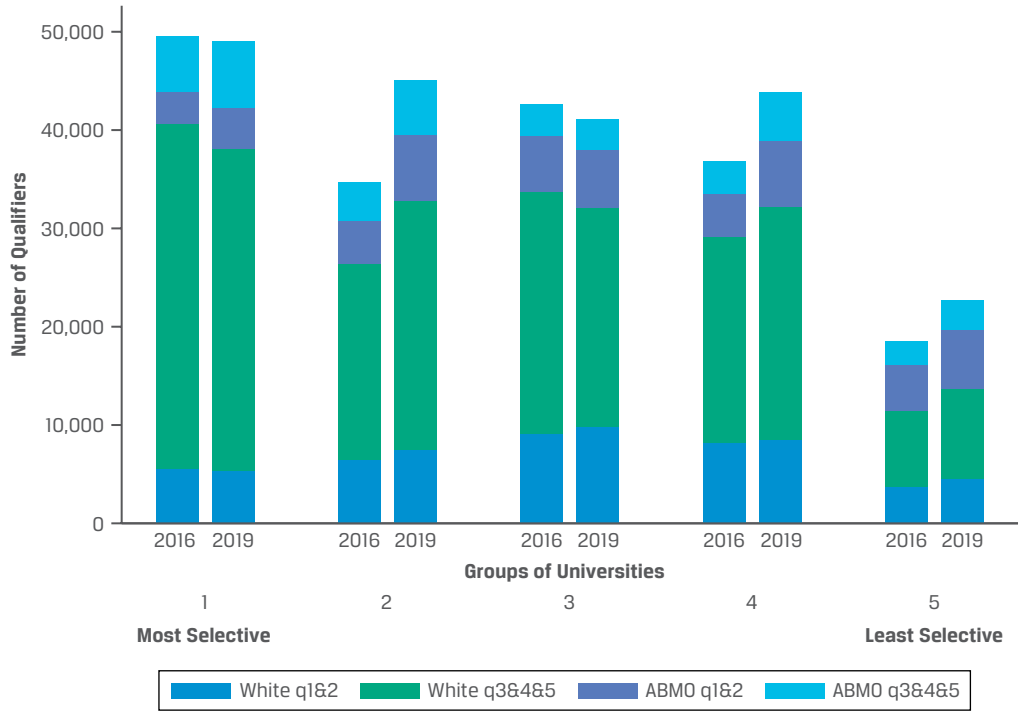
Exhibit 16 reports the number of students from various ethnic groups and socioeconomic status groups who achieved a 1st or 2:1 degree classification for the years 2016 and 2019. Our intention is to document the number of high-achieving, diverse students graduating from UK universities who are potential job market candidates.

Of the 50,000 students who achieved a 1st or 2:1 degree classification in the most selective group of universities in 2016, around 40,000 are white (White q1&2 plus White q3&4&5)—out of which only 5,000 (12.5%) are from the most deprived postcodes (q1&2). The remaining 10,000 students who achieved these qualifiers are ABM0, from which 3,000 (30%) belong to the most deprived postcodes. Exhibit 16 shows that overall, *an ABM0 graduate with a 1st or 2:1 degree classification is more likely to have a low socioeconomic status than a White graduate student with a similar degree classification*.

Subject Choice

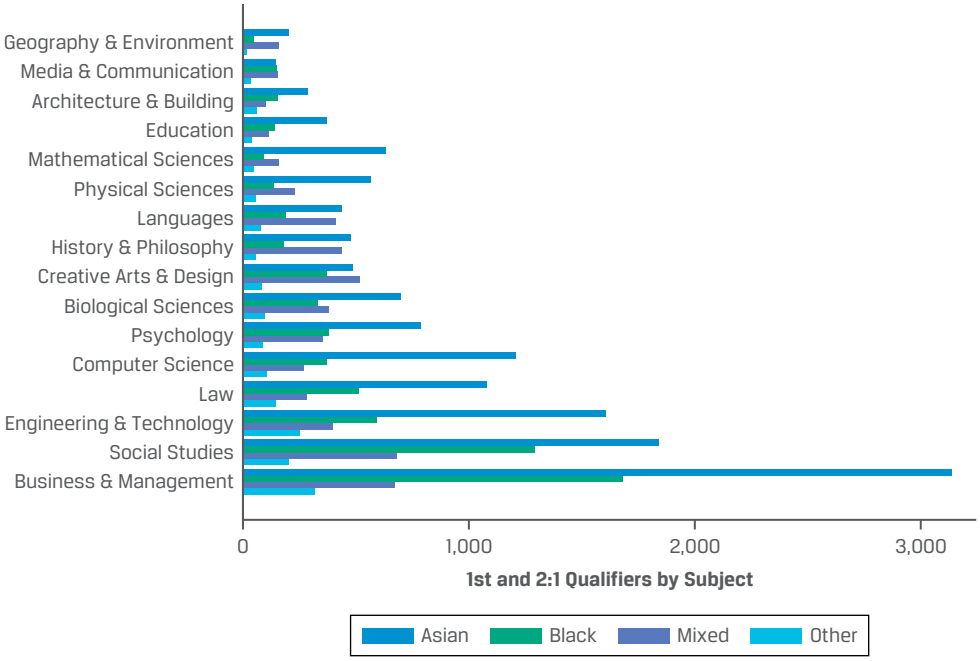
In Exhibit 9, we illustrated the subject choices of ethnic minorities for all HE providers. We now show the number of students in each subject who graduate from our subsample of providers

Exhibit 16. Number of HE Graduates by Degree Classification, Ethnic Group, Socioeconomic Status, and University Group, 2016 and 2019



Notes: The data are from the OfS and cover undergraduates of any age at English universities. Socioeconomic quantiles are based on the Indices of Multiple Deprivation.

Exhibit 17. Number of HE Graduates by Ethnic Minority Group, Subject, and Degree Classification, 2019–2020



Notes: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland. The sample is 1st degree classification, full-time students of the HE providers used in our main analysis for the academic year 2019–2020.

with tariffs (see **Exhibit 17**). The exhibit shows that *there is a large number of talented ethnic minority students graduating from UK universities*. For example, more than 3,000 Asian students and more than 1,600 Black students obtained degrees in business and management.

Gender

The vertical axis in **Exhibit 18** reports the proportion of students for each gender who achieved 1st and 2:1 degree classifications. The horizontal axis shows the groups of universities by selectiveness criteria for 2016 and 2019. Exhibit 18 shows that *women are more likely to obtain a 1st or 2:1 degree classification than men*, and this finding holds for every university quintile. For example, for the most selective group of universities, we found that out of all women, 94% obtained a 1st or 2:1 degree classification in 2019, and this proportion was 91% for men.

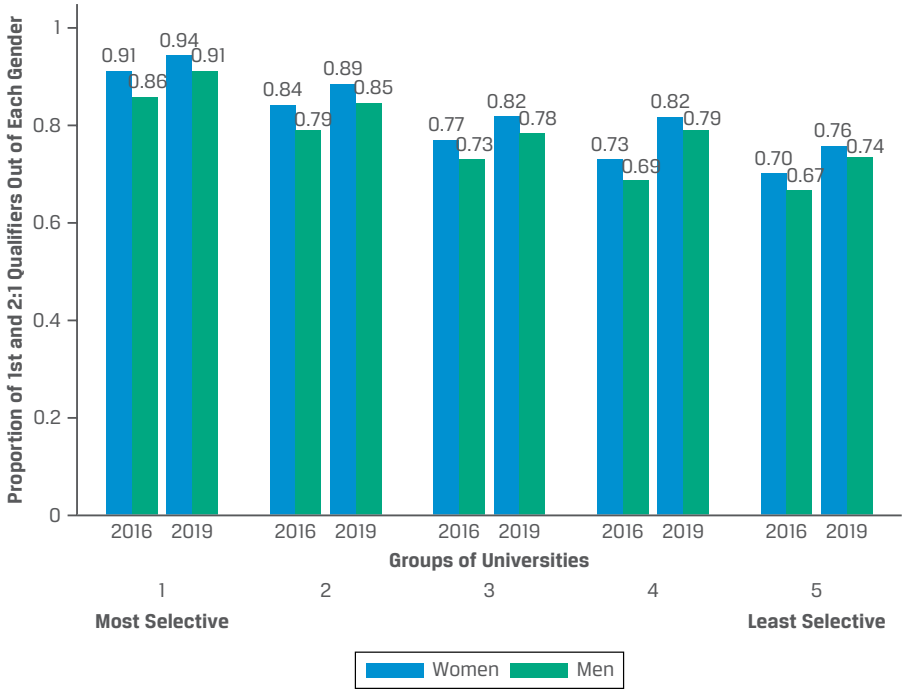
Subject Choice

As documented in Exhibit 11, there are large differences between men and women in subject choice. Regardless, there is a large number of potential women candidates for the investment industry. For example, more than 9,000 women obtained a 1st or 2:1 degree classification in business and management, and more than 13,000 did so in STEM subjects (physical sciences, mathematical sciences, engineering and technology, computer science, and biological sciences). See **Exhibit 19** for details.

Disability

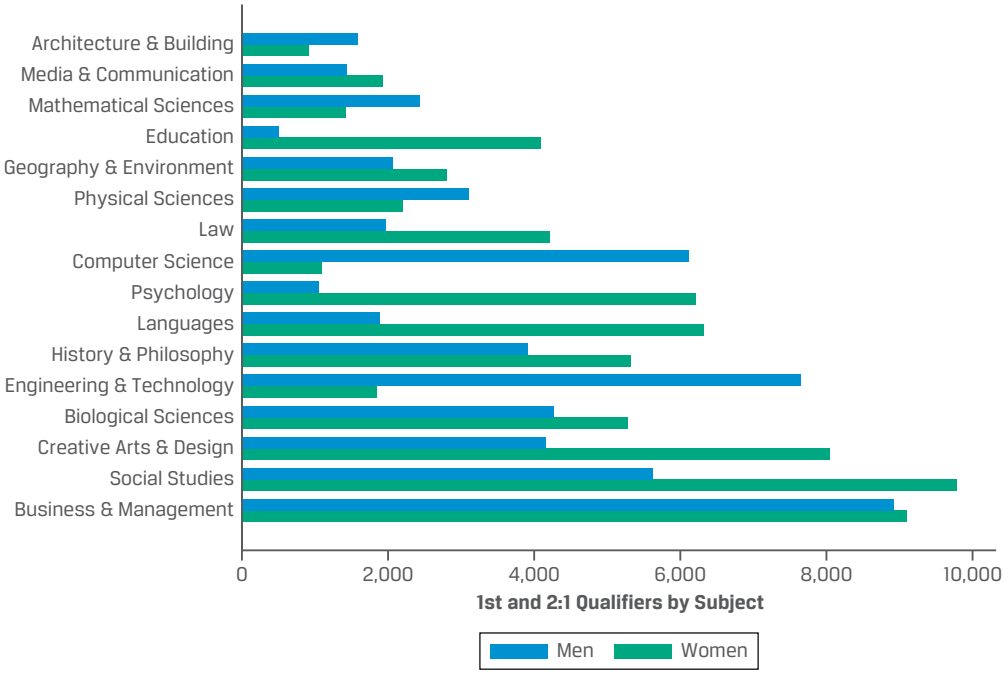
Exhibit 20 shows that the majority of students with disabilities achieve 1st and 2:1 degrees for every university group for both years, and the performance was typically better in 2019 than in 2016 across the HE sector. Further, students with disabilities tend to perform better in the two most selective groups of universities.

Exhibit 18. Proportion of HE Graduates by Gender, Degree Classification, and University Group, 2016 and 2019



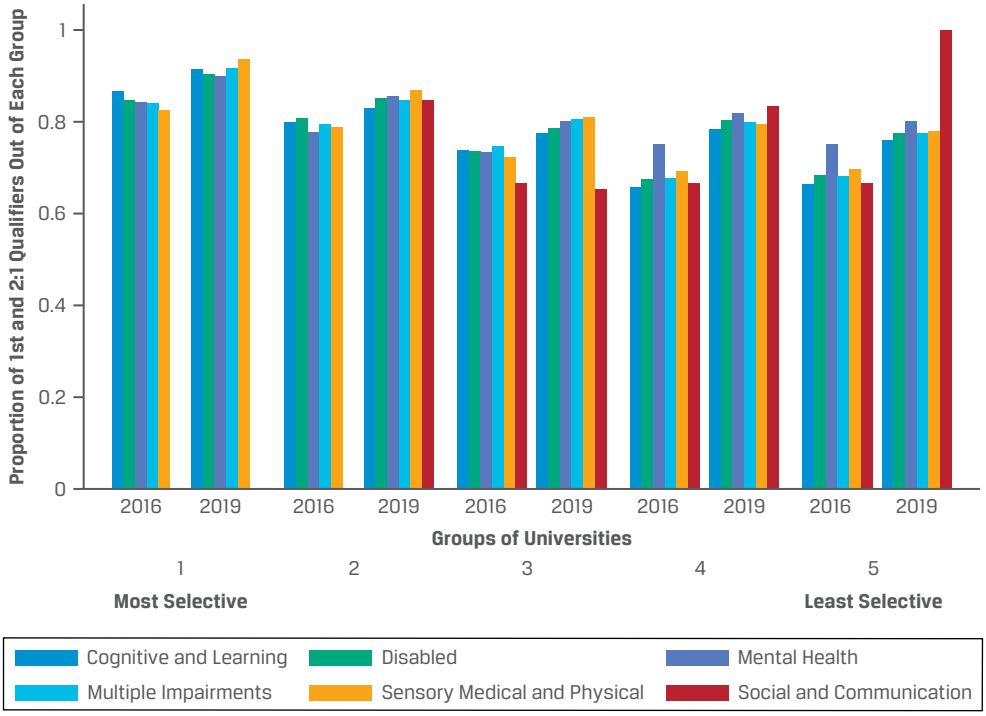
Note: The data are from the OfS and cover English full-time undergraduate students of any age.

Exhibit 19. Number of HE Graduates by Gender, Subject, and Degree Classification, 2019–2020



Notes: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland. The sample is 1st degree classification, full-time students of the HE providers used in our main analysis for the academic year 2019-2020.

Exhibit 20. Proportion of HE Graduates by Degree Classification, Disability Type, and University Group, 2016 and 2019



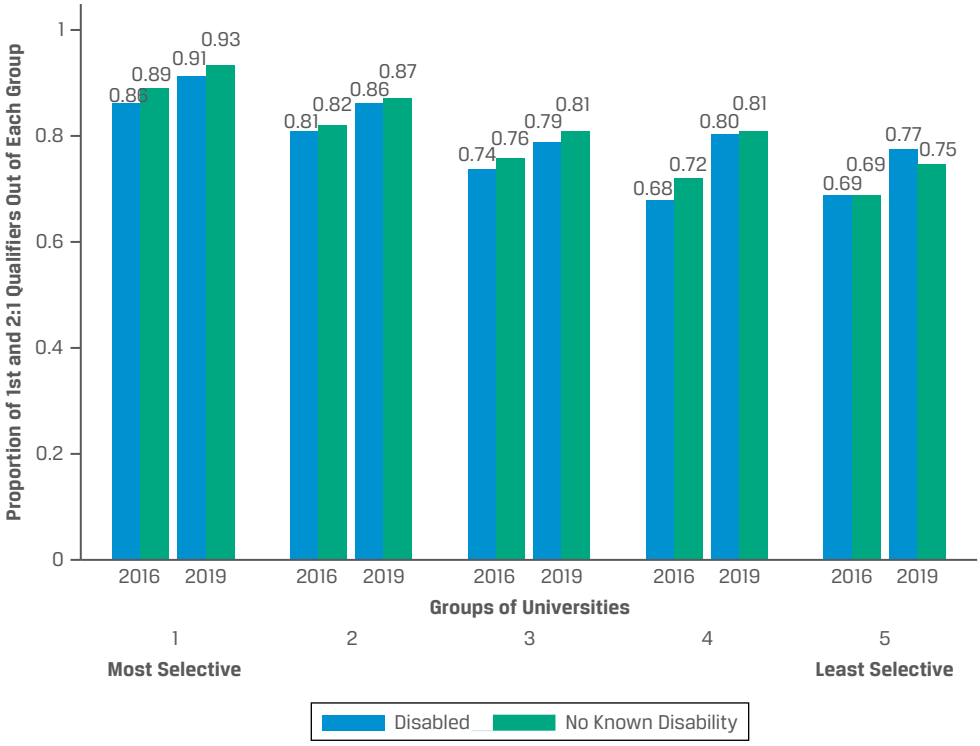
Note: The data are from the OfS and cover undergraduates of any age at English universities.

To put the performance of students with any of these types of disability into context, in **Exhibit 21**, we compare the performance of disabled students versus that of students who did not report a disability. We note that students with a disability performed similarly to those without a disability. Consistent with our findings on ethnicity, students with a disability performed better in HE institutions with the most stringent admission criteria (i.e., Group 1) and worse in the institutions with the lowest admission requirements (i.e., Group 5).

Summary

When comparing the final degree classifications of students sorted into groups based on gender, ethnicity, and socioeconomic background, we found that the performance of every group improved between 2016 and 2019; the more selective the university, the better the student performance; women perform better than men; White students are more likely to obtain a 1st or 2:1 degree classification than any other ethnic group; and students from the most affluent socioeconomic areas are more likely to obtain a 1st or 2:1 degree classification than those of the most deprived background. Further, in 2019, students who did not report a disability performed very similarly to those who reported a disability. Interestingly, differences in performance between ethnic groups and between socioeconomic groups are the smallest in the most selective group of universities and the largest in the least selective group. Despite differences in achievement between groups (by gender, ethnicity, and socioeconomic background), the majority of students in each group obtained a 1st or 2:1 degree classification. While the subject choices differ dramatically between women and men, a large number of women and ethnic minorities obtain 1st and 2:1 degree classifications in subjects that are relevant to the investment industry.

Exhibit 21. Proportion of HE Graduates by Degree Classification, Known/Unknown Disability, and University Group, 2016 and 2019



Note: The data are from the OfS and cover undergraduates of any age at English universities.

Academic and Nonacademic Staff

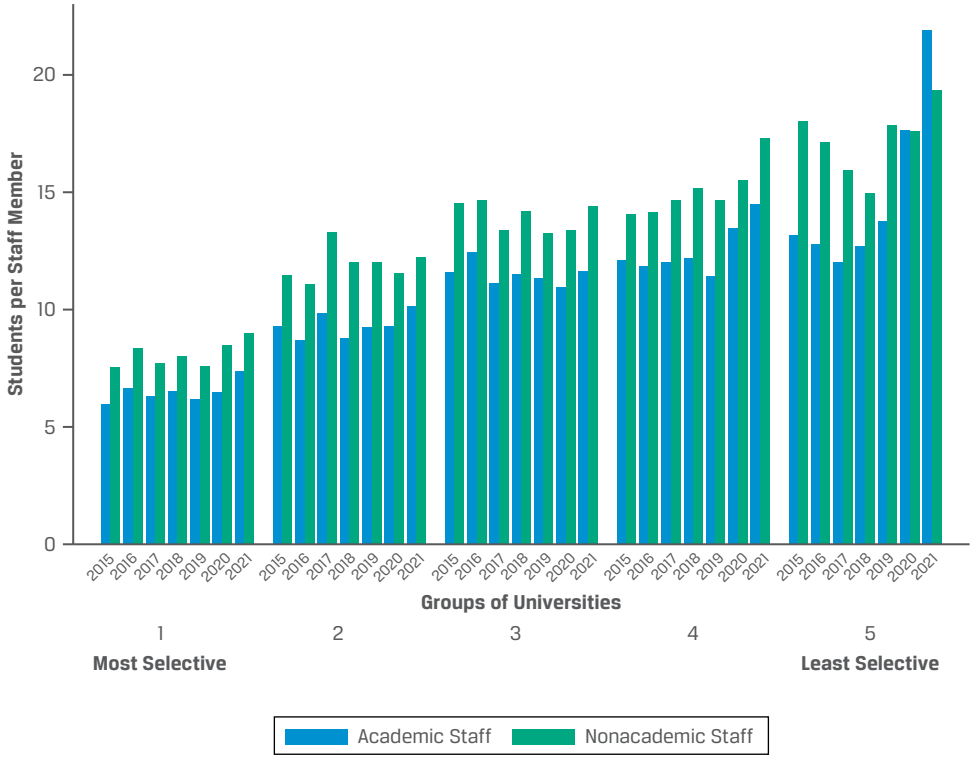
Our analysis so far shows that the more selective the university, the better the performance of students. Although this finding is not surprising—because the most selective universities are likely to have the highest-achieving students—different levels of support for students across universities could also contribute to the differences we observe.

We computed the number of staff members per student as a proxy for student support for 2016 and 2019 for each group of universities. **Exhibit 22** shows the ratio of students per staff member, desegregating staff into academic and nonacademic. Including both academics and nonacademics is important because nonacademic staff also play a central role in the support that students receive throughout their studies. Although this evidence is only suggestive—because there are many other variables that could explain differences in performance across groups that we did not take into consideration—we note that the more selective the university, the smaller the ratio. For example, in 2021, there were on average 7 students per academic in the most selective group of universities (Group 1), whereas this ratio was 22 students per academic for the least selective group of universities (Group 5).

We emphasise that there are other factors that could be driving the differences in performance that we report; thus, we cannot make such claims as "better staff support leads to better student achievement across universities."

Exhibit 14 and Exhibit 15 illustrated that differences in performance between ABMO students (grouped together or separately) and White students increase as we move from the most selective group to the least selective group of universities. Although both ABMO and White students attending the same university are exposed to the same ratio of students to staff members, this support could benefit minority students more, especially when staff members also belong to

Exhibit 22. Number of Staff Members per Student by Type and University Group, 2015–2021



Note: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland.

minority groups. For example, in line with the role model hypothesis,[17] ethnic minority students may feel more supported and encouraged if they interact with a person with an ethnic background similar to theirs. Identifying the potential reasons for differences in attainment between ABMO and White students across universities is complex, because multiple factors could be contributing to these differences. As a first step, we assess whether there are differences in the ethnic composition of staff across university groups. If the role model hypothesis is supported, we would expect differences in attainment rates between ethnic minorities and White students to be smaller in universities with greater representation of staff from these minority groups.

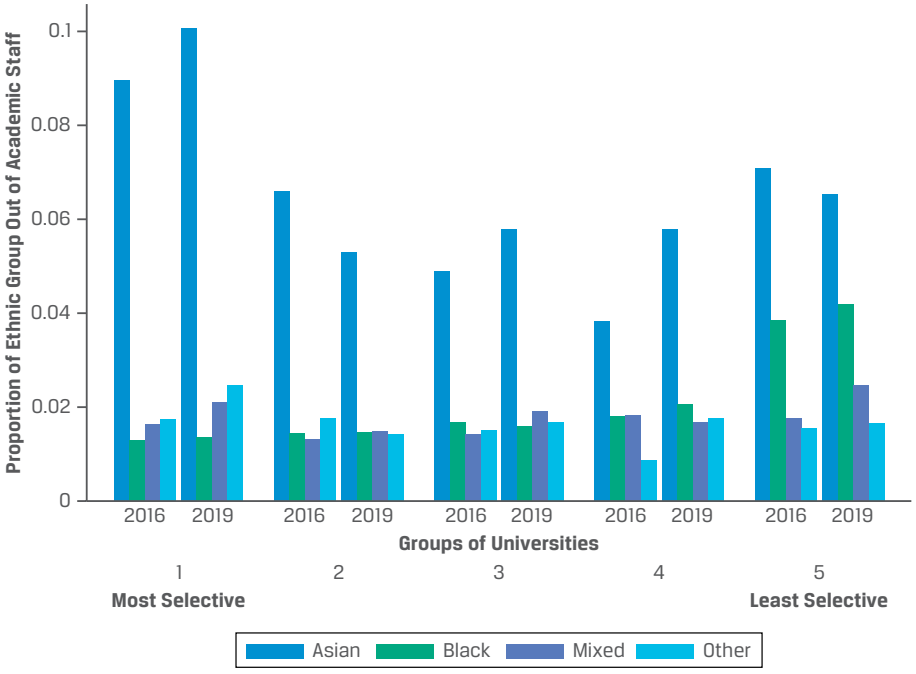
Exhibit 23 does not support the role model explanation. For example, we note that the proportion of Black academics is highest in the least selective group of universities (Group 5), where the difference in attainment between Black and White students is the largest (see Exhibit 14). However, as we have emphasised throughout the report, these are complex relationships that require us to control for other characteristics that could be masking or contributing to the relationships that we document.

Outcomes

Exhibit 24 presents the average proportion of students who find high-skilled work or pursue further education 1.5 years after graduating for each group of universities that we analysed. We took an average of five years of data from OfS and present results for the following groups by socioeconomic status: ABMO, White, Women, and Men. In the most selective group of

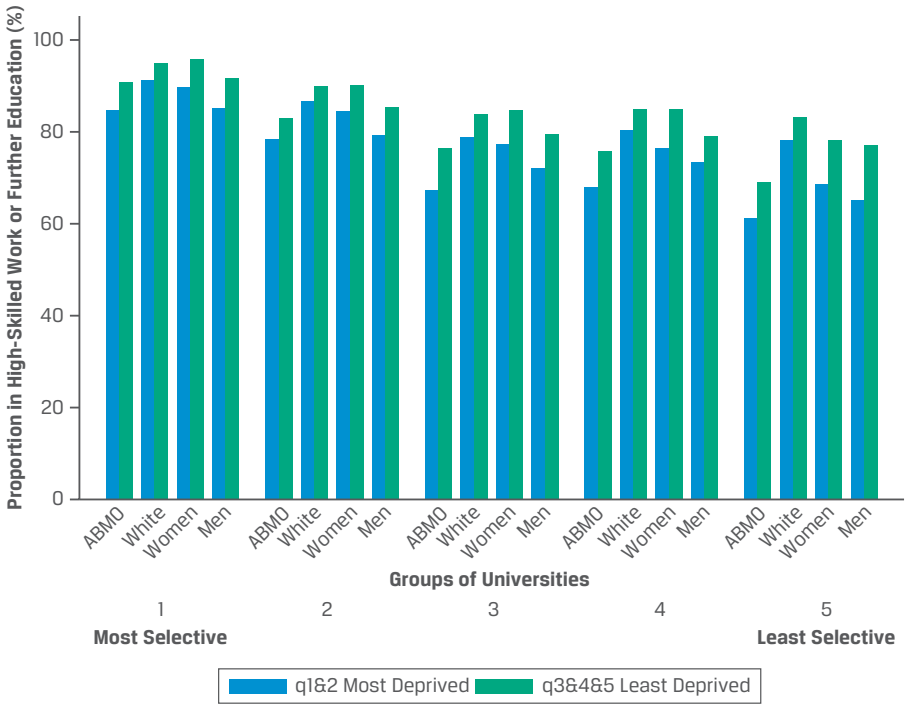
[17]See, among others, Beaman, Duflo, Pande, and Topalova (2012) and Adams, Barber, and Odean (2018).

Exhibit 23. Proportion of Ethnic Minority Group Academic Staff and University Group, 2016 and 2019



Notes: The data are from HESA and cover England, Scotland, Wales, and Northern Ireland.

Exhibit 24. Average Proportion of Students in High-Skilled or Further Education by Ethnic Group, Gender, Socioeconomic Status, and University Group, 2018/2019



Notes: The data are from the OfS and cover only English full-time, 1st degree students. Socioeconomic quantiles are based on the Indices of Multiple Deprivation.

universities, around 70% of graduates—irrespective of their socioeconomic status, ethnicity, or gender—found high-skilled employment or pursued further education after graduation. This finding raises the question of why these students are not joining the investment industry. Boutchkova and Gonzalez (2023) identify working conditions in the industry as a potential explanation behind the lack of diversity in the candidate pool for this industry. It is interesting to note that whilst gender, ethnicity, and socioeconomic status are less likely to affect the probability of finding high-skilled work or pursuing further education for students graduating from Group 1, these characteristics are still relevant for graduates from Group 5. These findings support the idea that education plays a central role in leveling the playing field for the different groups of students that we analysed.

Further Discussion and Conclusion

The demand for newly qualified undergraduate employees by the finance industry over the last five years amounts to around 17,000.[18] This number is more than covered by ABMO men and women and White women graduates in finance and STEM-related subjects obtaining 1st and 2:1 degrees: 5,807 (ABMO) and 6,118 (White women) in business and management and 10,035 (ABMO) and 10,231 (White women) in STEM.

Our analysis shows that the annual supply of a talented and diverse group of new graduates with degrees related to finance should be able to more than cover the investment industry's annual demand for new graduates.

To assist recruiters in identifying the distribution of diverse talent among universities and where students from the most/least deprived postcodes are enrolled, we present scatterplots in Appendix D.

The following questions and issues for future discussion and analysis remain:

- What lessons can we learn from the widening participation practices adopted by UK universities over the last decade? Future research can assess the effectiveness of these practices and how they could be tailored to the investment industry.
- If a diverse group of new graduates with finance-related degrees is ready to join the labour market, why are these graduates not seeking employment or, if they are, not being recruited by the investment industry? What are the main barriers these minorities face?

We showed that the attainment gap between White and ethnic monitories in HE is smaller in the most selective group of universities. Interestingly, these universities also have smaller ratios of students to staff, which raises the possibility that ethnic minorities especially benefit from additional support. Is this support targeted at minorities?

Appendix A. University Groups (quintiles)

Of the 376 HE providers in the United Kingdom, only 240 institutions have tariffs, a measure that quantifies the selectiveness of the admission criteria. Further, some of these providers are less relevant to the finance industry and are therefore dropped from the analysis, together with those institutions that do not have data from UCAS. **Exhibit A.1** sorts the providers included in our analysis (from the most selective to the least selective provider and the Group to which they belong according to their selectiveness criteria). Since some providers change Group from one year to another, the reported Group number is the average Group to which each provider belongs in the time of analysis.

[18]Source: HESA—4% hired by the finance industry (according to HESA's "Figure 11—Standard Industrial Classification of Graduates Entering Work in the UK by Subject Area of Degree," available at www.hesa.ac.uk/data-and-analysis/sb266/figure-11) out of an average of 425,000 first-degree graduates (according to HESA's "Figure 15—HE Qualifications Obtained by Level of Qualification 2017/18 to 2021/22," available at www.hesa.ac.uk/data-and-analysis/sb265/figure-15).

Exhibit A.1. HE Providers Ranked and Grouped by Selectiveness Criteria

Group Rank	Name	Short Name	Group
1	University of Oxford	OXF	1
2	University of Cambridge	CAM	1
3	Imperial College of Science, Technology and Medicine	IMP	1
4	London School of Economics and Political Science	LSE	1
5	University of Bristol	BRISL	1
6	University of Durham	DUR	1
7	University of Warwick	WARWK	1
8	University College London	UCL	1
9	University of St Andrews	STA	1
10	University of Exeter	EXETR	1
11	University of Bath	BATH	1
12	King's College London	KCL	1
13	University of Edinburgh	EDINB	1
14	University of Nottingham	NOTTM	1
15	University of Sheffield	SHEFD	1
16	University of Birmingham	BIRM	1
17	University of Manchester	MANU	1
18	SOAS University of London	SOAS	1
19	University of York	YORK	1
20	Cardiff University	CARDF	1
21	University of Southampton	SOTON	1
22	University of Leeds	LEEDS	1
23	Newcastle University	NEWC	1
24	Queen's University Belfast	QBELF	1
1	University of Glasgow	GLASG	2
2	University of Liverpool	LVRPL	2
3	University of Leicester	LEICR	2
4	University of Lancaster	LANCR	2
5	University of Strathclyde	STRAT	2
6	Loughborough University	LBRO	2
7	St George's, University of London	SGEO	2

(*continued*)

Exhibit A.1. HE Providers Ranked and Grouped by Selectiveness Criteria (*continued*)

Group Rank	Name	Short Name	Group
8	Queen Mary University of London	QMUL	2
9	University of Sussex	SUSX	2
10	Royal Holloway and Bedford New College	RHUL	2
11	University of Surrey	SURR	2
12	University of Reading	READG	2
13	Aston University	ASTON	2
14	University of East Anglia	EANG	2
15	University of Dundee	DUND	2
16	City, University of London	CITY	2
17	Heriot-Watt University	HW	2
18	Brunel University London	BRUNL	2
19	University of Aberdeen	ABRDN	2
20	University of Kent	KENT	2
21	Swansea University	SWAN	2
22	Oxford Brookes University	OXFD	2
23	Queen Margaret University, Edinburgh	QMU	2
24	Glasgow Caledonian University	GCU	2
1	University of Stirling	STIRL	3
2	Edinburgh Napier University	ENAP	3
3	University of Chichester	CHICH	3
4	Robert Gordon University	RGU	3
5	Bath Spa University	BASPA	3
6	Keele University	KEELE	3
7	University of Essex	ESSEX	3
8	Ulster University	ULS	3
9	University of Northumbria at Newcastle	NORTH	3
10	Aberystwyth University	ABWTH	3
11	Liverpool Hope University	LHOPE	3
12	Falmouth University	FAL	3
13	University of Hull	HULL	3

(*continued*)

Exhibit A.1. HE Providers Ranked and Grouped by Selectiveness Criteria (*continued*)

Group Rank	Name	Short Name	Group
14	University of Lincoln	LINCO	3
15	Bournemouth University	BMTH	3
16	Nottingham Trent University	NOTRE	3
17	University of Portsmouth	PORT	3
18	Bangor University	BANGR	3
19	University of Brighton	BRITN	3
20	Sheffield Hallam University	SHU	3
21	University of Plymouth	PLYM	3
22	Coventry University	COVN	3
23	University of Winchester	WIN	3
24	York St John University	YSJ	3
1	University of the West of England, Bristol	BUWE	4
2	University of Chester	CHSTR	4
3	University of Westminster	WEST	4
4	University of South Wales	USW	4
5	University of Worcester	WORCS	4
6	Roehampton University	ROE	4
7	University of Gloucestershire	GLOS	4
8	Harper Adams University	HAUC	4
9	Bishop Grosseteste University	BGU	4
10	Cardiff Metropolitan University	CUWIC	4
11	Birmingham City University	BCITY	4
12	Liverpool John Moores University	LJM	4
13	Leeds Beckett University	LMU	4
14	Manchester Metropolitan University	MMU	4
15	University of Salford	SALF	4
16	Solent University	SOLNT	4
17	University of Abertay Dundee	ABTAY	4
18	University of Cumbria	CUMB	4
19	Edge Hill University	EHU	4

(*continued*)

Exhibit A.1. HE Providers Ranked and Grouped by Selectiveness Criteria (*continued*)

Group Rank	Name	Short Name	Group
20	University of Huddersfield	HUDDS	4
21	Teesside University	TEES	4
22	St Mary's University, Twickenham	SMARY	4
23	University of Bradford	BRADF	4
24	University of Central Lancashire	CLANC	4
1	Leeds Trinity University	LETAS	5
2	De Montfort University	DEM	5
3	University of the West of Scotland	UWS	5
4	Anglia Ruskin University	ARU	5
5	University of Wales Trinity Saint David	UWTSD	5
6	Canterbury Christ Church University	CANCC	5
7	Newman University	NEWB	5
8	University of Sunderland	SUND	5
9	University of Derby	DERBY	5
10	University of St Mark & St John	PMARJ	5
11	Kingston University	KING	5
12	University of Hertfordshire	HERTS	5
13	Glyndwr University	GLYND	5
14	Staffordshire University	STAFF	5
15	University of Northampton	NTON	5
16	University of Suffolk	UCS	5
17	London Metropolitan University	LONMT	5
18	University of Bolton	BOLTN	5
19	Buckinghamshire New University	BUCKS	5
20	University College Birmingham	BUCB	5
21	University of Greenwich	GREEN	5
22	University of Wolverhampton	WOLVN	5
23	University of East London	ELOND	5
24	London South Bank University	LSBU	5
25	University of Bedfordshire	BEDS	5

The following providers were excluded from our analysis for not having data on tariffs or for being less relevant to the investment industry given the degrees they offer.

Abingdon and Witney College	Grantham College	Regent's University London Limited
Activate Learning	Greater Brighton Metropolitan College	Results Consortium Limited
All Nations Christian College Limited	Halesowen College	Richmond upon Thames College
Amity Global Education Ltd	Harlow College	Riverside College
Applied Business Academy Limited	Havant and South Downs College	RNN Group
Architectural Association (Incorporated)	HCUC	Royal Academy of Dramatic Art
Askham Bryan College	Heart of Worcestershire College	Royal College of Art
Assemblies of God Incorporated	Hereford College of Arts	RTC Education Ltd
Aylesbury College	Herefordshire, Ludlow & North Shropshire College	Ruskin College
Barnet & Southgate College	Hertford Regional College	Salford City College
Barnsley College	Holy Cross College	Selby College
Basingstoke College of Technology	Hopwood Hall College	Sheffield College
Bath College	Hugh Baird College	Solihull College and University Centre
Bedford College	Hull College	South & City College Birmingham
Bexhill College	HULT International Business School Ltd	South Devon College
Birmingham Metropolitan College	Hy Education Limited	South Essex College of Further and Higher Education
Bishop Auckland College	ICON College of Technology and Management Ltd	South Gloucestershire and Stroud College
Bishop Burton College	Inter-ED UK Limited	South Thames Colleges Group
Blackburn College	Irshad Trust	Southampton City College
Blackpool and the Fylde College	Istituto Marangoni Limited	Southport College
Bolton College	Kaplan International Colleges U.K. Limited	Sparsholt College
Boston College	Kaplan Open Learning (Essex) Limited	Spurgeon's College
Bournemouth and Poole College	Kendal College	St Helens College
Bridgwater and Taunton College	Kingston Maurward College	St Mary's College
Bristol Baptist College	Kirklees College	St Mellitus College Trust
Brit College Limited	Lakes College West Cumbria	Strode College
British Academy of Jewellery Limited	Lamda Limited	Tameside College
Brockenhurst College	Le Cordon Bleu Limited	TEC Partnership
Brooklands College	Leeds College of Building	Telford College
Burnley College	Leicester College	The Ashridge (Bonar Law Memorial) Trust

(*continued*)

Burton and South Derbyshire College	Lincoln College	The Bradford College
Bury College	London Bridge Business Academy Limited	The Cambridge Theological Federation
Calderdale College	London Churchill College Ltd	The City of Liverpool College
Cambridge Arts & Sciences Limited	London School of Academics Ltd	The College of Health Ltd
Cambridge Regional College	London School of Commerce & IT Limited	The College of Integrated Chinese Medicine
Cardinal Newman College	London School of Management Education Limited	The College of Osteopaths
CEG UFP Limited	London School of Theology	The Edward James Foundation Limited
Central Bedfordshire College	London South East Colleges	The Film Education Training Trust Limited
Central Film School London Ltd	Loughborough College	The Markfield Institute of Higher Education
Cheshire College South and West	LTE Group	The Metanoia Institute
Chesterfield College	Luminate Education Group	The Northern School of Art
Chichester College Group	Luther King House Educational Trust	The Oldham College
Christ the Redeemer College	Macclesfield College	The Open University
City and Guilds of London Art School Limited	Matrix College of Counselling and Psychotherapy Ltd	The Queen's Foundation for Ecumenical Theological Education
City College Norwich	Middlesbrough College	The Salvation Army
City College Plymouth	Mid-Kent College	The Sherwood Psychotherapy Training Institute Limited
City of Bristol College	Milton Keynes College	The Shrewsbury Colleges Group
City of Portsmouth College	Mont Rose College of Management and Sciences Limited	The SMB Group
City of Sunderland College	Morley College Limited	The Trafford College Group
City of Wolverhampton College	Moulton College	The Windsor Forest Colleges Group
Cliff College	Myerscough College	The WKCIC Group
Colchester Institute	Nazarene Theological College	Trinity College (Bristol) Limited
Cornwall College	NCG	Truro and Penwith College
Court Theatre Training Company Ltd	Nelson and Colne College	Tyne Coast College
Coventry College	Nelson College London Limited	UCK Limited
Craven College	New City College	Unified Seevic Palmer's College
Croydon College	New College Durham	United Colleges Group
CWR	New College Swindon	University Centre Peterborough
David Game College Ltd	Newbold College	University Centre Quayside Limited
DCG	Newbury College	University of London
DN Colleges Group	Newcastle and Stafford Colleges Group	Wakefield College

(*continued*)

Dudley College of Technology	North East Surrey College of Technology (NESCOT)	Walsall College
Ealing, Hammersmith & West London College	North Hertfordshire College	Waltham International College Limited
East Surrey College	North Kent College	Warrington & Vale Royal College
East Sussex College Group	North Warwickshire and South Leicestershire College	Warwickshire College
EKC Group	Northampton College	West Herts College
Elim Foursquare Gospel Alliance	Northern College of Acupuncture	West Nottinghamshire College
Empire College London Limited	Nottingham College	West Suffolk College
Exeter College	Oaklands College	West Thames College
Fareham College	Peter Symonds College	Weston College of Further and Higher Education
Farnborough College of Technology	Petroc	Weymouth College
Furness College	Plumpton College	Wigan and Leigh College
Gateshead College	Preston College	Wiltshire College and University Centre
Global Banking School Limited	Raindance Educational Services Limited	Wirral Metropolitan College
Gloucestershire College	Reaseheath College	Yeovil College
		York College

OfS and HESA distinguish between first-degree and all undergraduates, whereas UCAS provides information only for all undergraduates (which includes diplomas). We used 18-year-olds from UCAS and all undergraduates from HESA. We note that the exclusion of providers without tariff data from our analysis explains most of the differences among the exhibits that appear throughout our report and those publicly available for the whole sector from HESA. HESA shows significantly lower percentages of students achieving 1st and 2:1 degree classification based on its whole-sector data than the percentages implied in our plots that restrict the providers to those with tariff information. The reason is that students from the providers that we omitted tend to perform considerably worse than students in the sample that we analysed. For example, whereas 76% of Black students obtain a 1st or 2:1 degree classification in the most selective group of universities, only 38% of Black students achieve these degree qualifications at providers with no tariff data. These percentages are, respectively, 91% and 67% for White students. Whereas an analysis that includes all institutions may be relevant to, for example, policymakers, we emphasise that our analysis has been tailored to the investment industry. To a lesser extent, another reason for differences between our figures and those readily available from HESA is the fact that for the data by provider, information is omitted when numbers are small and therefore confidentiality is compromised. This is the case, for example, when very few students of a minority group attend a provider. To ensure that our findings are not biased owing to this privacy restriction in data availability, we performed checks based on aggregate five-year numbers (less likely to be missing than the yearly numbers), and attainment proportions are consistent with what we report.

Appendix B. Data Sources

HESA is the Higher Education Statistics Agency. It collects, assures, and disseminates data on higher education in the United Kingdom. It provides data for each of the four countries of the United Kingdom: England, Scotland, Wales, and Northern Ireland.

UCAS is the Universities and Colleges Admissions Service. It is a private limited company that provides educational support services. UCAS's main role is to operate the application process for universities and college in the four countries of the United Kingdom.

The Office for Students (OfS) is a nondepartmental public body for the Department of Education, acting as the regulator and competition authority for the higher education sector in England.

Appendix C. Ethnic Group Definitions

Ethnic Group	Definition with 18- to 19-year-old population percentages in 2021 census
White	English/Welsh/Scottish/Northern Irish/British 68.5%; Irish 0.4%; Gypsy or Irish Traveller 0.4%; Other White 5.2%
Mixed	White and Black Caribbean 1.6%; White and Black African 0.7%; White and Asian 1.4%; Other Mixed 1.1%
Asian	Indian 3.1%; Pakistani 4.1%; Bangladeshi 1.8%; Chinese 1%; Other Asian 2%
Black	African 4.1%; Caribbean 1.1%; Other Black 0.7%
Other	Arab 0.9%; any other ethnic group 1.7%

Appendix D. Scatterplots

We first present four scatterplots (**Exhibits D.1–D.4**) to assist recruiters in identifying how diverse talent is distributed across universities. Tariffs (i.e., entry requirements) are presented on the horizontal axis. Universities with the strictest admission criteria (i.e., with the highest tariffs) are therefore placed furthest to the right, whilst those with the lowest requirements are shown furthest to the left. On the vertical axis, we present the proportion of entrants who are from a specific ethnic group.

Our plots show only a few universities (corresponding to the most selective group of universities), and further scatterplots are available upon request from the authors. The University of Oxford (OXF) and the University of Cambridge (CAM) are the two institutions with the most stringent admission requirements. Exhibit D.1 shows that the proportion of Asian students in OXF and CAM is low compared with such institutions as London School of Economics and

Exhibit D.1. Average Proportion of Asian HE Entrants in University Group 1 (Most Selective), 2016–2019

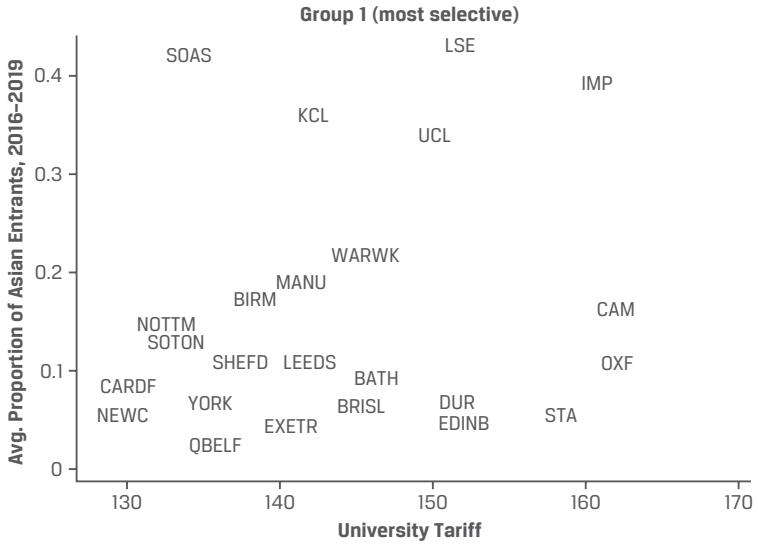


Exhibit D.2. Average Proportion of Black HE Entrants in University Group 1 (Most Selective), 2016–2019

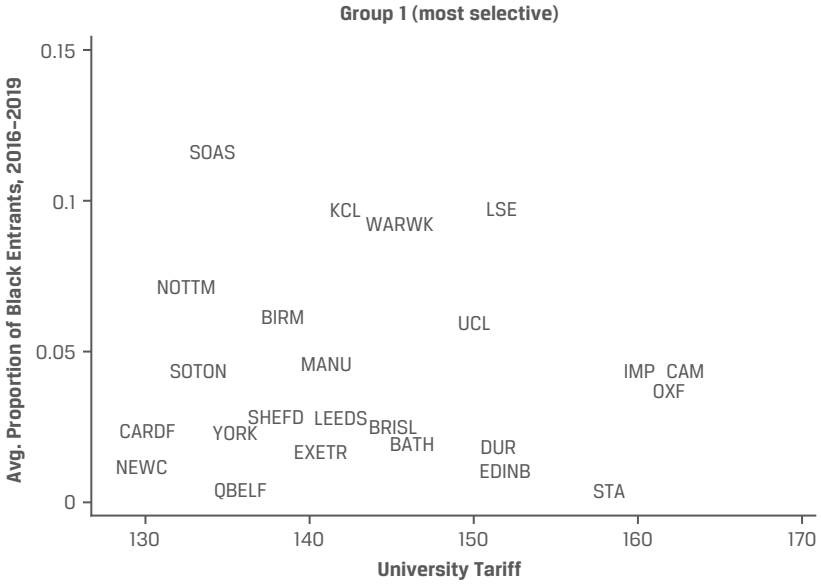


Exhibit D.3. Average Proportion of Mixed HE Entrants in University Group 1 (Most Selective), 2016–2019

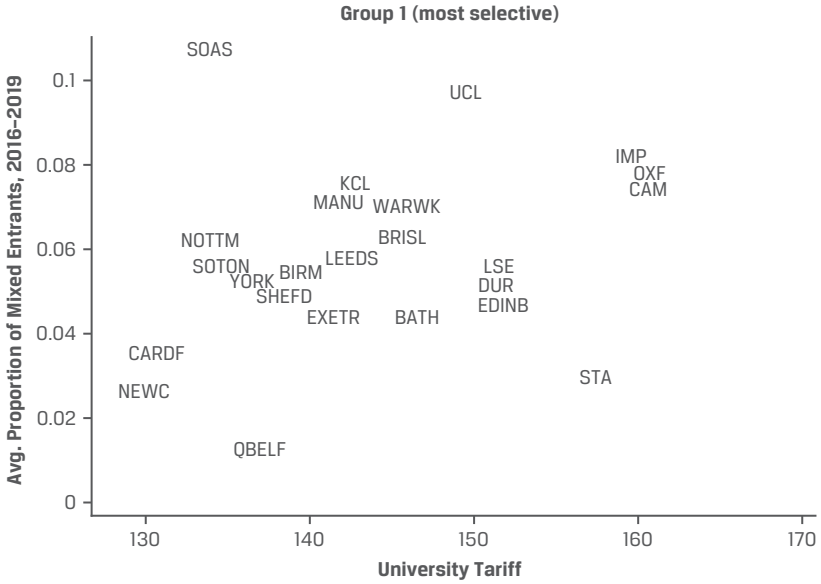
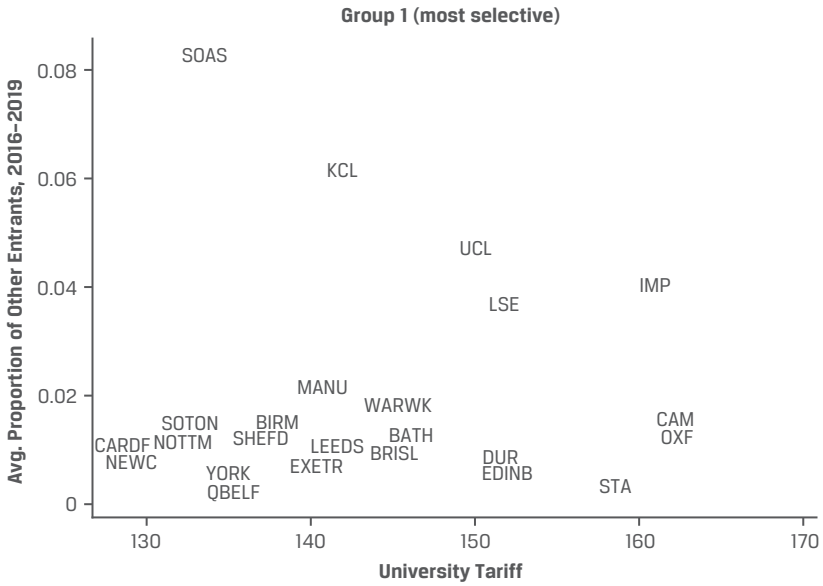


Exhibit D.4. Average Proportion of Other HE Entrants in University Group 1 (Most Selective), 2016–2019



Political Science (LSE) and Imperial College of Science, Technology and Medicine (IMP). However, the University of Oxford (OXF) and the University of Cambridge (CAM) accept a high proportion of Mixed students compared with other universities with similar standing, as illustrated in Exhibit D.3. The largest proportion of Black entrants is found in Kings College University of London (KCL), and the lowest proportion is in Queens University Belfast (QBELF).

It is important to highlight the following facts when comparing universities:

- Black minorities are mainly concentrated in London and the Midlands, and the population of Black people is very low in Scotland. Thus, the fact that a university has a low proportion of Black students compared with London-based universities does not necessarily mean that universities in London have more inclusive admission policies than universities in other regions. In addition, Scottish universities are free for Scottish students, and their undergraduate programmes are four years long, as opposed to three years in the rest of the United Kingdom, which makes non-Scottish candidates less likely to apply.
- National statistics show that there are large differences in the subject choices of applicants among various groups. For example, some degrees are more popular among women than men. If some universities primarily offer one of this type of subject, then it will be reflected in the proportions of students that we report.
- The size of the university may also distort the reported percentages.

In the following scatterplots (**Exhibits D.5–D.9**), we substitute the proportion of entrants from a specific ethnic group for the proportion of entrants from the most deprived postcodes (q1&2), measured by POLAR4. Exhibit D.5 shows the proportion of entrants from the 40% most deprived neighbourhoods in the United Kingdom in the most selective group of universities, and Exhibits D.6–D.9 show these proportions for the other groups of universities.

Compare, for example, the University of Lancaster (LANCR) and the University of Nottingham (NOTTM), two universities with similar entry requirements, in Exhibit D.5. Note that a larger proportion of students at Lancaster come from disadvantaged postcodes, as measured by POLAR4, compared with Nottingham.

Exhibit D.5. Average Proportion of Most Deprived HE Entrants in University Group 1 (Most Selective), 2016–2019 (based on POLAR4)

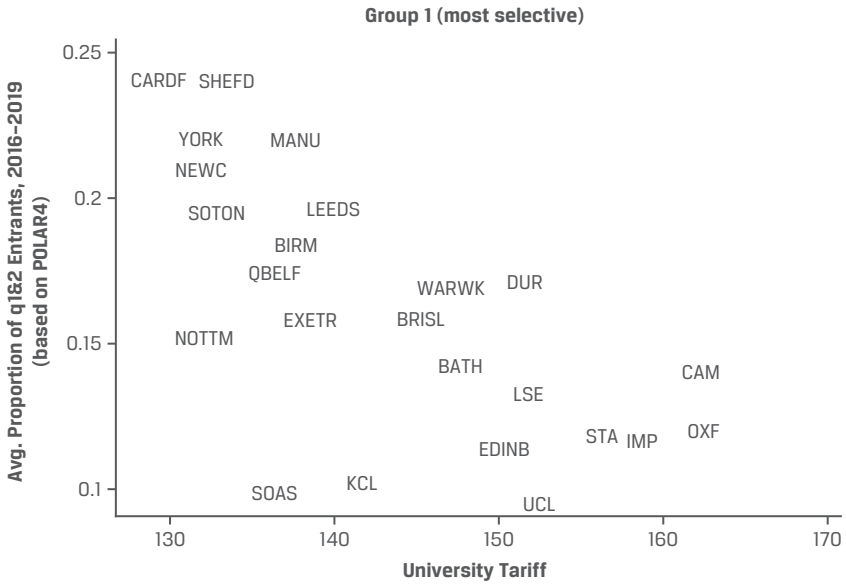


Exhibit D.6. Average Proportion of Most Deprived HE Entrants in University Group 2, 2016–2019 (based on POLAR4)

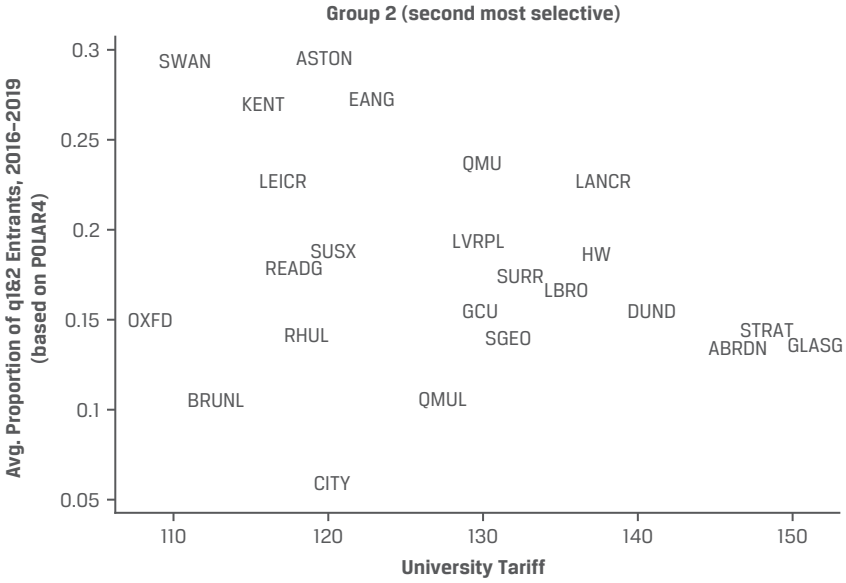


Exhibit D.7. Average Proportion of Most Deprived HE Entrants in University Group 3, 2016–2019 (based on POLAR4)

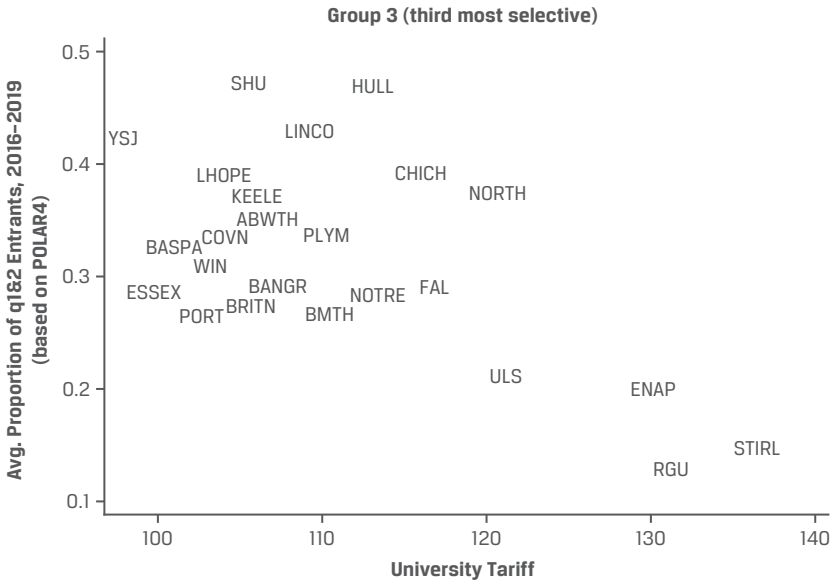


Exhibit D.8. Average Proportion of Most Deprived HE Entrants in University Group 4, 2016–2019 (based on POLAR4)

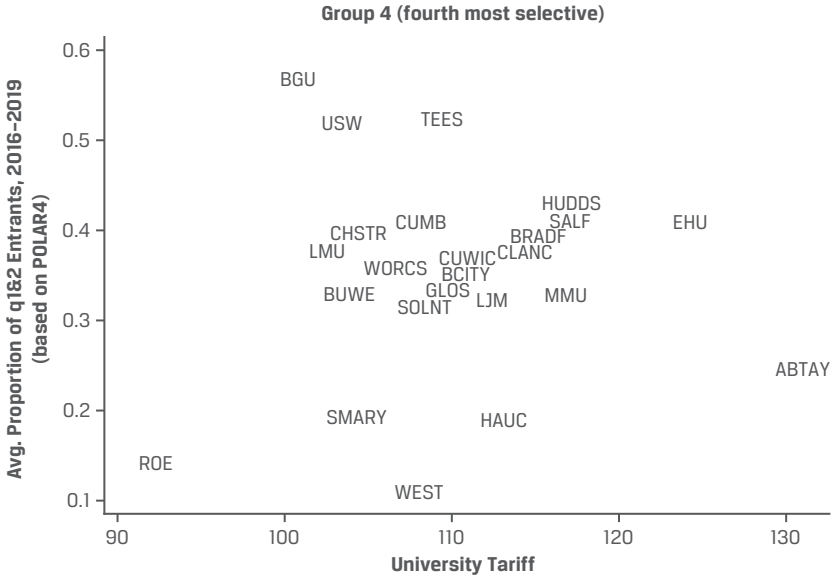
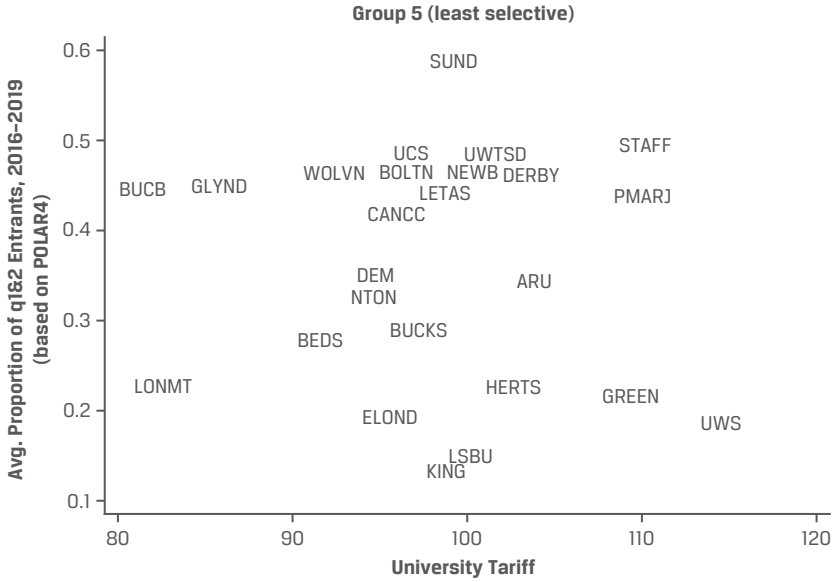


Exhibit D.9. Average Proportion of Most Deprived HE Entrants in University Group 5 (Least Selective), 2016–2019 (based on POLAR4)



Analogous scatterplots are presented using the Indices for Multiple Deprivation (IMD) in **Exhibits D.10–D.14**.

There have been issues reported with both the POLAR4 and IMD approaches to measuring low participation in HE (e.g., limitations of POLAR4 in Scotland and London and IMD not adequately picking up deprivation outside major urban areas; see Nathwani 2021). Depending on the index used, certain HE providers may appear to have made a lot more progress in widening participation.

Exhibit D.10. Average Proportion of Most Deprived HE Entrants in University Group 1 (Most Selective), 2016–2019 (based on IMD)

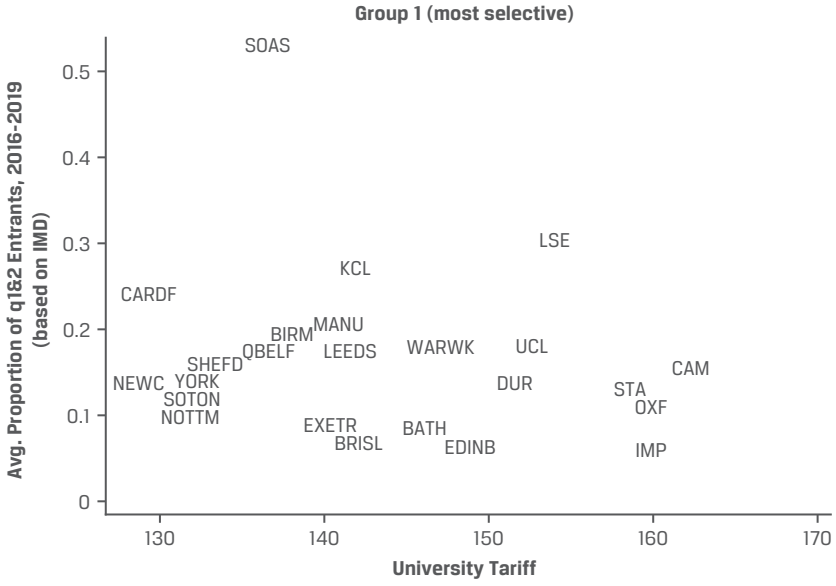


Exhibit D.11. Average Proportion of Most Deprived HE Entrants in University Group 2, 2016–2019 (based on IMD)

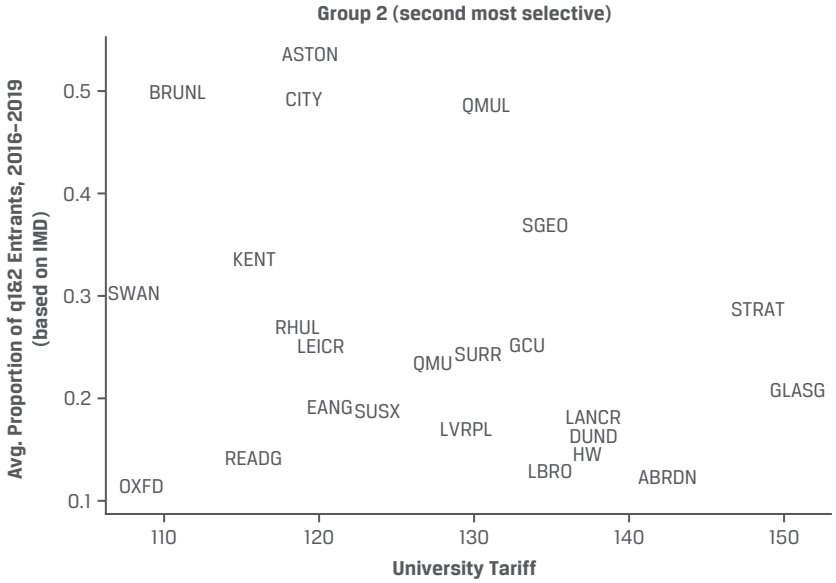


Exhibit D.12. Average Proportion of Most Deprived HE Entrants in University Group 3, 2016–2019 (based on IMD)

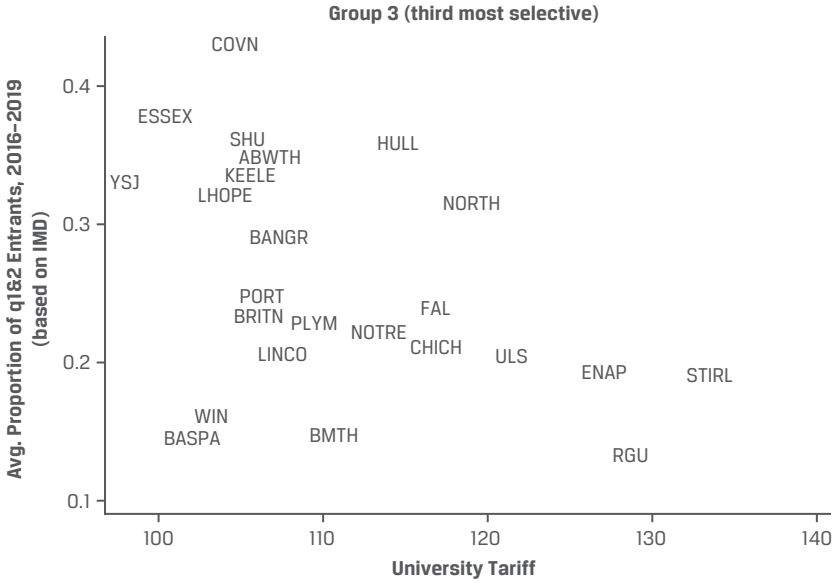


Exhibit D.13. Average Proportion of Most Deprived HE Entrants in University Group 4, 2016–2019 (based on IMD)

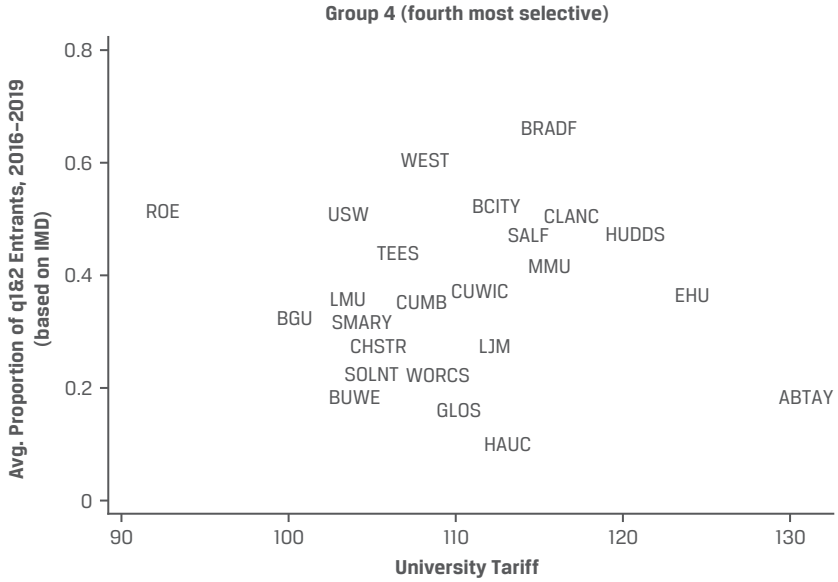
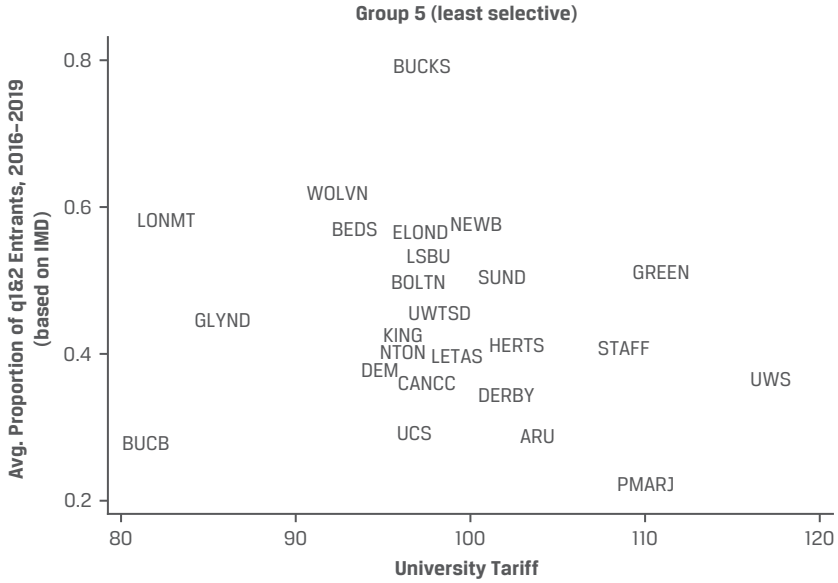


Exhibit D.14. Average Proportion of Most Deprived HE Entrants in University Group 5 (Least Selective), 2016–2019 (based on IMD)



References

Adams, R., B. Barber, and T. Odean. 2018. "STEM Parents and Women in Finance." *Financial Analysts Journal* 74 (2): 84–97. doi:10.2469/faj.v74.n2.3.

Beaman, L., E. Duflo, R. Pande, and P. Topalova. 2012. "Female Leadership Raises Aspirations and Educational Attainment for Girls: A Policy Experiment in India." *Science* 335 (6068): 582–86. doi:10.1126/science.1212382.

Boutchkova, M., and A. Gonzalez. 2023. "Understanding the Lack of Ethnic and Gender Diversity in the UK Investment Sector." Working paper, University of Edinburgh (17 July). Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4503424. doi:10.2139/ssrn.4503424.

Higginbotham, Daniel. 2022. "Overview of the UK's Financial Sector." Prospects (September). www.prospects.ac.uk/jobs-and-work-experience/job-sectors/accountancy-banking-and-finance/overview-of-the-uks-financial-sector.

Nathwani, T. 2021. "A New UK-Wide Measure of Socioeconomic Disadvantage." *HEPI Blog* (5 October). www.hepi.ac.uk/2021/10/05/a-new-uk-wide-measure-of-socioeconomic-disadvantage/.

Authors

Maria Boutchkova
Lecturer in Finance, University of Edinburgh Business School

Angelica Gonzalez
Senior Lecturer in Finance, University of Edinburgh Business School

About the Research and Policy Center

CFA Institute Research and Policy Center brings together CFA Institute expertise along with a diverse, cross-disciplinary community of subject matter experts working collaboratively to address complex problems. It is informed by the perspective of practitioners and the convening power, impartiality, and credibility of CFA Institute, whose mission is to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. For more information, visit https://rpc.cfainstitute.org/en/.

About CFA Institute

CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion of ethical behavior in investment markets and a respected source of knowledge in the global financial community. Our aim is to create an environment where investors' interests come first, markets function at their best, and economies grow. There are nearly 200,000 CFA charterholders worldwide in 160 markets. In the mainland of China, CFA Institute accepts CFA® charterholders only. CFA Institute has 10 offices worldwide, and there are 160 local societies. For more information, visit www.cfainstitute.org or follow us on LinkedIn and X at @CFAInstitute.

First page photo credit: Getty Images/antonyspencer

PL Qualified Activity CFA Institute

This publication qualifies for 1.25 PL credits under the guidelines of the CFA Institute Professional Learning Program.