

IMPROVING THE PROVISION OF INFORMATION ON STUDENT FINANCE


Report of the NEON-UUK student
finance information advisory group





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EXECUTIVE SUMMARY

Changes to student funding in England have resulted in a system where an increased level of student contribution is made possible by a complex system of government-backed loans and financial support from universities.

Over the last decade, a range of organisations have taken different roles in providing information to help students navigate this complex and changing landscape.

To investigate key issues in this area, Universities UK (UUK) and the National Education Opportunities Network (NEON) convened an advisory group of experts from some of the leading organisations that work with prospective and current students in communicating information on student finance.

This report sets out the key challenges in this area and offers proposals for improving the system of communication, building on evidence gathered from the group.

Key findings and proposals

Provision of student finance information should be more coherent and collaborative

A key strength of the student finance information landscape is the range of different providers and the diversity of approaches adopted. However, this is also a potential weakness as it can confuse students and those who advise them. To build more coherence, the group proposes that the government and information providers work together to develop an industry standard of core messages that providers of student finance information could be invited to sign up to.

Teachers, schools and parents have a key role in student decision-making and need to be equipped with the skills to play this role effectively

The advisory group was concerned about unevenness in the capacity of teachers, schools and parents to support student decision-making, and the effect this may have on access and participation by different groups of students. Specific activities aimed at these stakeholders are required: in particular, approaches focused on schools need to be underpinned by a more robust, better funded national careers policy than exists at present.

A ‘student lifecycle’ approach to the provision of information is required

While the focus of information provision on student finance is, understandably, on the pre-higher education stage, support is needed over the whole student lifecycle, including during and after study. To be most effective, this support must be differentiated for particular groups of students.

A holistic approach to providing student finance information is essential, including online and face-to-face techniques

The diversity of approaches taken in providing student finance information is essential in a complex system that has undergone repeated change and faces the prospect of more to come. It is crucial this diversity is maintained and there is an appropriate balance between different approaches. There is potential to explore the implementation of more blended learning techniques, combining face-to-face, online and tailored approaches.

Policymakers need to adopt a more strategic approach to the provision of information on student finance and be more ambitious in their goals

Greater coherence in the provision of information can only be achieved with commitments from providers of student finance information and policymakers. While recognising government efforts in communicating student finance information, the group suggested that a more strategic approach may be required. A strategy should be developed collaboratively and in consultation with students, those who advise them, and student finance information providers.

This strategy should aim to provide more than a basic level of information at the pre-higher education stage and ensure that students have a level of knowledge enabling them to make the right choices for them, based on an understanding of the costs and benefits of higher education prior to, during and after study.

BACKGROUND

Changes to the student finance system in England in 2012 saw a significant shift in the funding of undergraduate study, from a system largely based on government grants to one where 96% of upfront government support is in the form of student loans (Institute of Fiscal Studies (IFS), 2017). This increased level of student contribution is made possible by a complex system of government-backed loans and financial support from universities.

Over the last decade, a range of different organisations have taken different roles in providing information to help students navigate this complex and changing landscape.

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In 2018, UUK and NEON published a report [looking into students' financial concerns](#) (UUK, NEON, 2018), which found that a majority of students felt they were not receiving enough information on the costs and benefits of higher education and that prospective and current students needed better information on the full implications of taking out a student loan. The report argued the case for clearer and better targeted financial advice that would allow students to make informed decisions about the benefits and costs of higher education.

Following publication, UUK and NEON convened an advisory group comprising experts from organisations that work with prospective and current students in communicating information on student finance. The group met three times between January 2019 and May 2019 to examine the current landscape in the provision of student finance information and investigate how the system could be improved.

The advisory group was chaired by Professor David Phoenix, Vice-Chancellor, London South Bank University. Individuals from the following organisations participated in the advisory group, with support provided by UUK and NEON:

- **Association of Colleges**
- **Barclays**
- **Eltham College**
- **FairLife Charity**
- **National Union of Students (NUS)**
- **Student Loans Company**
- **The Student Room**
- **Universities and Colleges Admissions Service (UCAS)**
- **University of Derby**
- **University of Manchester**
- **University of Sussex**
- **Which?**



These organisations represent the largest providers of student finance information in England alongside a cross-section of other providers. Which? students attract 5 million users every year, while The Student Room attracts 10 million users to its website a month. The Student Loans Company, which focuses explicitly on student finance, receives over 1.8 million funding applications and handles over 4 million customer calls annually. UCAS, in its role as the main gateway into higher education in the UK, communicates with over 700,000 students.

This report summarises the student finance information provision landscape and offers proposals for improving the communication of information on student finance.

We would like to thank all those individuals who contributed their time and expertise in supporting this work.

The findings and proposals in this report are based on evidence gathered from individuals in the advisory group and do not represent the policies or views of their respective organisations.

OVERVIEW OF THE STUDENT FINANCE INFORMATION PROVISION LANDSCAPE

To get a better understanding of the current landscape in the provision of information on student finance, advisory group members were asked to complete a short survey covering the work their organisations do and their own views on the key challenges in the delivery of information on student finance.

Four key themes emerged:

- 1. the wide diversity of approaches to information provision**
- 2. problems with collaboration and regulation of information provision**
- 3. the important role of teachers, schools, parents and carers**
- 4. the complexity of the student finance system**

These are discussed in turn below.



1.

Student finance information provision is diverse

The ways in which information on student finance is communicated to learners is diverse. Which? and The Student Room reported a focus on online provision, while others reported taking a more face-to-face approach.

The three universities represented in the group developed and delivered programmes that work directly with learners, reflecting activity that takes place across much of the sector.

In the case of the University of Derby, such programmes support students both at the pre-entry phase and when they enter higher education:



The institution's Student Money Advice and Rights Team (SMART) provides information and advice in regard to student finance, the university's bursary scheme and [Student Finance England] (SFE) financial support. The team is linked to the student well-being team and provides a one-stop shop for well-being as well as financial support and access to additional funding (pre- and post-entry).

University of Derby

Targeted work with learners in under-represented groups was undertaken by all three universities on the advisory group.

Provision of information online was clearly an important aspect of the current landscape, with interactivity a key feature:



In 2018, Which? University launched a student budget calculator to help students and parents see living costs at specific universities quickly. The tool is free to use and gives a monthly cost breakdown plus extra money-saving tips. Users can personalise their breakdown based on their circumstances, eg select level of spending, housing choice, or even input their own costs if known.

Which?

New developments in this area are ongoing. For example, UCAS is developing a data-driven personalisation service, which it is hoped will involve the provision of timely and bespoke information.

Alongside online provision, the NUS provides an annual student support and benefits handbook, and the FairLife charity is looking at introducing financial education marks.

2.

There are problems with collaboration and regulation of student finance information provision

The lack of a shared, joined-up framework in the provision of information was felt to be the source of many problems. All respondents stressed the importance of achieving greater consistency, collaboration and coordination in delivering student finance information.

Misconceptions in the public discourse around student finance were also felt to be pervasive and unhelpful to communicating information clearly to students:



There is a lot of conflicting and confusing information disseminated today. Students face difficult decisions and complex choices at a young age without understanding their options and sometimes the negative implications of their choices (eg payday loans). The lack of a single source or standardised approach is an issue.

Barclays



There is also a lot of negative discourse and misinformation around student finance, which needs to be addressed in the first instance.

Eltham College

When we asked what could improve the provision of student finance information, joining up the provision of existing information was a bigger priority than providing more information.

While the group recognised their relative strengths as providers of information, there was also the view that more coherence and greater consistency in the provision of information would be crucial for the system to provide tailored, effective and transparent information. Some of the following responses were received to the question of how the system could be improved:



Accessible information in one place about student finance with age- and audience-appropriate messaging.

University of Manchester



A really engaging and easy-to-understand official website would be brilliant.

University of Sussex



Greater coordination across the higher education sector, and with the further education and schools sectors, careers services and job centres to provide a more holistic service.

NUS



Publishers [could] follow a schedule of communications across their platform set by Student Finance England across the year in order to try and reach as many students as possible.

The Student Room

Alongside a greater coherence, there may be a case for closer scrutiny regarding who delivers student finance information and the nature of what they deliver. The lack of overarching regulation in this area was noted.

3.

Teachers, schools, parents and carers have a key role to play

As important as the work of the different information providers is, the group recognised that those who shape the overall education and career decisions of young people are perhaps the most important actors here:



Students expect to see [financial information] in school. They expect to be guided by teachers on finance options. But teachers aren't naturally best placed because they are not trained in how to give advice and are not financial advisers. Usually, very informed students are active at seeking out advice, but there are a lot of uninformed students that aren't sure where to start or what they need to do.

The Student Room

However, finding the capacity and space in schools to deliver this information is a major issue:



A key challenge at both secondary school and university level is competing for the student's attention. Even where resources are available, schools and the children themselves are primarily focused on GCSE-relevant facts.

FairLife Charity

The difficulty in accessing pupils at schools mean that stakeholders providing information have to prioritise what they tell prospective students:



It can also be difficult to decide which parts of the whole student finance England picture to prioritise when time is short, ie whether to talk about [Disabled Student Allowance] (DSA), care leaver bursaries, part-time work. All are important but which to prioritise if a school only gives a 20-minute assembly for example?

University of Surrey

It must also be recognised that students are not the only group for whom the provision of accurate and timely information is important. Teachers, concerned for the welfare and prospects of their students, may also need support to understand the nature of the student finance system:



Teachers are key influencers and often can be negative in regard to higher education costs themselves.

University of Derby

In respect to young students, parents and carers also need support in building their understanding of student finance (OfS, 2019). The group felt that parents and carers may have a different perception of the costs associated with higher education and be particularly concerned about accumulating debt for students when they leave higher education:



In pre-testing our student budget calculator, there was a consistent thread whereby parents were concerned about the amount of debt their child would walk away with and accrue over time. They weren't very familiar with how repayments work (only kicking in when their child meets a certain salary threshold), nor that they're wiped out after x years. While graduates often see student loan repayments as an extra tax taken from their salary, parents don't quite have this perception.

Which?

4.

The student finance system is complex and different audiences exist

The group members were keen to emphasise that while the focus of student finance information tends to be towards young people at the pre-entry phase, there are different audiences that the system needs to cater for.

These include students from different UK regions, care leavers, those estranged from their families and mature students. A more proactive approach in reaching out to these groups is essential, as some may be less active or face greater challenges in seeking out information. There is a need for more information to be personalised to cater for these different audiences, although achieving this may be far from easy.

The group noted that audiences not only differ in their personal circumstances, but also by their position in the student journey, with financial decision-making not ending when students enter higher education. The extent to which the provision of information to students is weighted towards pre-entry decision-making is worthy of further exploration.

Nor should the complexity of the student finance system be underplayed. It was felt that to ensure transparency, those communicating information should clearly outline the consequences of taking out student loans, but also outline the benefits of the range of pathways to a post-18 education, including apprenticeships and higher education study at further education colleges.

Students' (mis)perceptions of student finance must also be addressed: for example, some students may view loans as a 'large sum', while underestimating the costs of living away from home or regional variations in housing costs.

Summary

The group felt that the ultimate goal of providing finance information is to allow students to make the best decisions in the light of their own circumstances and needs: the way in which information is presented should reflect this.

Information provided must therefore aim at ensuring that students and their families are able to evaluate the full costs and benefits associated with higher education, including living costs, with the financial support available to them.

HOW THE SYSTEM COULD BE IMPROVED

A key purpose of the advisory group's work was to reflect on how the current student finance information system could be improved.

The group identified five areas where there is potential for improvement:

The ultimate goal of providing finance information is to allow students to make the best decisions



develop a standard based on a core set of messages



personalise the provision of information



integrate provision of financial information with wider information, advice and guidance



adopt a holistic, student lifecycle approach to communicating financial information



commit government policy and resources to disseminating information more effectively and strategically

Develop a standard, based on a core set of messages, that providers can sign up to

The diversity of the student finance information landscape is a strength that, in principle, allows individuals and groups with different needs to access information at times and in ways that suit their circumstances.

However, it has also led to differentiation in what is communicated as ‘student finance information’, with the potential for diversity to become a weakness as students and those who support them become overwhelmed or confused by the amount of information available. There may also be variations in the quality and accuracy of the information.

There will be differences in how particular terms are used, but the group felt that greater consistency in the provision of information across the sector is a key requirement for improvement.

There is a case for creating what one member of the group called ‘one truth’. At the heart of this should be a set of core messages, differentiated by age and group. It was felt that it should be possible to agree what Year 9 learners should know about student finance, what GCSE students should know, and so on up to the end of undergraduate study.

This exercise will not be without challenges. The Student Loans Company (SLC) leads in terms of providing online information and resources for students, learners and their sponsors, working nationally to support partner agencies that provide face-to-face advice and guidance. The SLC noted that its work demonstrates the need for different sets of core messages for up to 14 groups separated by age and circumstances. However, the SLC also pointed to three high-level principles that drive its work: ‘Assess, Pay, Repay’. It was suggested this could be a useful starting point for work to develop a standard set of core messages.

There should be a set of core messages, differentiated by age and group

Equip target groups with the skills to personalise student finance information

Under the current student finance system in England the level and type of financial support available for a student depends on their circumstances and background. In this context, there has been a need to try and provide student finance information in as personalised a way as possible.

Online and technology-based forms of information delivery enable this to an extent by allowing students – and those who support and advise them – to build their own picture of what participation in higher education might cost them and the support that is available to them.

However, the increasing amount and diversity of information available, while necessary to make personalisation possible, also presents challenges in navigation and understanding. Students and those who support them need the capacity and skills to be able to take advantage of the range of information available. The personalisation of information is heavily dependent on these capacities and skills. Developing these capabilities is easier for those who themselves have stronger prior knowledge of the higher education system, based on their own experiences, or who have access to supporters with this knowledge.

Hence, alongside the standard core messages above, agreement over what these core capabilities constitute is required.

Once these are agreed, a strategy for their delivery is needed. Cross-sector commitment from schools, colleges, higher education providers, student finance information providers and policymakers will be necessary, but initial steps can be taken by finance information providers, in consultation with students and their supporters.

Students and those who support them need the capacity and skills to be able to take advantage of the range of information available

Integrate student finance information into a more comprehensive information, advice and guidance strategy

In 2017, the government published an information, advice and guidance (IAG) strategy that proposed to improve provision for students in compulsory education (Department for Education (DfE), 2017). However, coherent and universal good-quality provision for all young people is reported to remain patchy (The Careers & Enterprise Company, 2018). The provision of IAG is inconsistent and variable, and for older learners the problems are more pronounced.

Coherent and universal good-quality provision for all young people is reported to remain patchy

The current state of national IAG poses real challenges. Opportunities for those providing face-to-face information are fewer than they need to be and the support to allow target groups to benefit from online provision is uneven. It should also be recognised that the work of student finance stakeholders is primarily focused on the delivery of information. They depend on teachers, lecturers and careers advisers to deliver the advice and guidance element. However, the capacity to do this among this group is insufficient.

Greater engagement with those who lead on IAG policy and delivery, as well as the national IAG community, is essential if the provision of student finance information is to improve. It needs to be integrated into the delivery of IAG in schools and colleges and to become a part of the broader drive to improve financial literacy among young people. This includes exploring how student finance could be better incorporated into current careers guidance frameworks and in relationship to the [Gatsby benchmarks](#).

Adopt a holistic, student lifecycle approach to communicating student finance information

The focus of higher education providers and policymakers has moved in recent years to providing support for students across the whole ‘student lifecycle’ in order to help them achieve their potential in higher education and when they leave. The need for financial information and support also does not end when students have entered higher education.

The provision of information and advice while studying needs to be central to implementing proposals in this section, and in particular in the development of a strategic approach to communicating student finance information, as outlined below.

The student lifecycle concept needs to be embedded into the provision of student finance information. It needs to be coupled with an evenness of focus across student groups, with reference to hard-to-reach and mature students.

Recognising this multiplicity of audiences will inevitably require a range of approaches to delivering information on student finance, some of which will be labour intensive.

It is undoubtedly the case that the provision of online information both fits with the way in which people receive information today, and also allows information to be disseminated to a larger number of people. However, it should be recognised that online information is not a solution in itself, and that there are still big divides in how different groups access online information (Lloyds Bank, 2018). To be most effective, online provision has to sit within a holistic approach that includes face-to-face contact and blended learning methodologies.

Hence, a student lifecycle approach should be central in developing suggestions for a standard based on a core set of messages and a more strategic approach to the communication of information on student finance.

The need for financial information and support does not end when students have entered higher education

Policymakers to take a strategic approach to communicating student finance information

The approach to student finance communication taken by policymakers to date, for example following the increase in fees in 2012, has combined national advertising, light-touch face-to-face provision via a national programme of roadshows for schools and colleges, and encouraging greater provision of information online.

While this commitment has been welcomed, it could be argued that it has been limited in its ambition and effectiveness, particularly as the face-to-face element of the Student Finance Tour was removed for 2018–19, placing an even greater pressure on schools, colleges and higher education liaison teams to plug the information gap.

Evidence also suggests that large gaps in the knowledge of students and their supporters remain and these gaps are more pronounced among students from widening access backgrounds (NEON, 2015).

If funding of the higher education system in England is to be based on a system of student contributions, it needs to be underpinned by policy commitments ensuring that students have the necessary information to make decisions based on a clear understanding of the costs and benefits of higher education study.

The starting point here would be a set of objectives based on what students need to know at different stages in the student journey. These objectives should be sufficiently detailed to ensure that students have the depth of knowledge to make the right choices for them regarding institutions, courses and accommodation.

Evidence also suggests that large gaps in the knowledge of students and their supporters remain and these gaps are more pronounced among students from widening access backgrounds

In keeping with suggestions for integrating student finance information into a more comprehensive IAG strategy, supporting students in making these choices requires a holistic approach to communicating student finance information. This means looking at how, within the resources available, greater face-to-face work could be encouraged. While the advisory group acknowledged that national marketing campaigns have their place, they recognised that these alone are insufficient to support students in making informed choices.

There are contributions being made by those in the policy arena relevant to student finance information provision. The recent report released by the Commission for Social Mobility (CSM) has suggested that UCAS should lead on developing ‘a system which displays all financial support (bursaries, scholarships and ad hoc funds) available to undergraduates alongside their eligibility criteria’ (CSM, 2019).

The suggestion from the CSM may have merit. It could strengthen the work being done by the existing providers of student finance information. However, it should fit within a strategic approach to communicating student finance information. Individual interventions are not sufficient. A key finding of our advisory group was that such strategies should build on the strengths of existing provision if they are to succeed.

More information is not always the answer, but better information underpinned by advice and guidance may be. A strategy also needs to be informed by consultation with students and stakeholders.

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CONCLUSION

The independent panel report to the review of post-18 education and funding (HM Government, 2019) proposed a number of changes to the student finance system, including changes to repayment terms and the reintroduction of maintenance grants. It also proposed that there should be a move to ‘define and promote the system with new language to make clearer the nature of the system, reducing focus on “debt” levels and interest and emphasising contribution rates’ (HM Government, 2019:176).

People need to know more and know it earlier if they are to make informed decisions on the costs and benefits of higher education study

While the government is yet to respond to these proposals, the current system continues to evolve, with recent changes including the introduction of part-time maintenance support, an increase in the fee cap for accelerated provision, and annual changes in interest rates and repayment thresholds.

This reinforces the case for considering the proposals outlined in this briefing. Recent research into the choices students make between post-18 education routes shows how large the gaps in understanding of the present system are and highlights the need for a change in the approach to communicating information on student finance (Dickinson, 2019).

Any further changes to post-18 education and funding would have to be coupled with significant investment in student finance IAG work, underpinned by a genuine strategy developed in consultation with students and stakeholders.

Whether there are large changes to the student finance system over coming years or not, this report argues strongly that there is a need for policymakers to 'raise the bar' where communication in this area is concerned. It is not enough that students and their supporters know what the maximum fee is, that it is paid back after their course finishes and that loans are available for fees or maintenance; they need to know more and know it earlier if they are to make informed decisions on the costs and benefits of higher education study. This will only happen with a more coherent, strategic approach to the provision of student finance information in England.



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