



Does Cost Matter? How the HE finance system affects student decision making

Research Brief

Background to Research

Over the last three years the National Education Opportunities Networks (NEON) has been monitoring the impact of cost on the decision making of young people with the potential to enter HE prior to entry, surveying nearly 4000 students in year 13 of school/final year of Level 3 courses. The *Does Cost Matter* series shows that the level of tuition fees combined with the abolition of maintenance grants is changing the choices they make regarding HE, and may impact on their ability to achieve their potential whilst in HE.

What is NEON?

NEON is the professional organisation for widening access to HE in England. It has nearly 100 organisational members including nearly 60 higher education institutions (HEIs). For more information on NEON please go to www.educationopportunities.co.uk

The Research

Does Cost Matter is an online survey conducted through NEON member HEIs who were asked to assemble a group of post-16 providers willing for their students to complete a brief online questionnaire. Over the course of three years, over 40 HEIs have participated and over 200 post-16 providers.

Key Findings

Higher Education is more than a financial career/investment

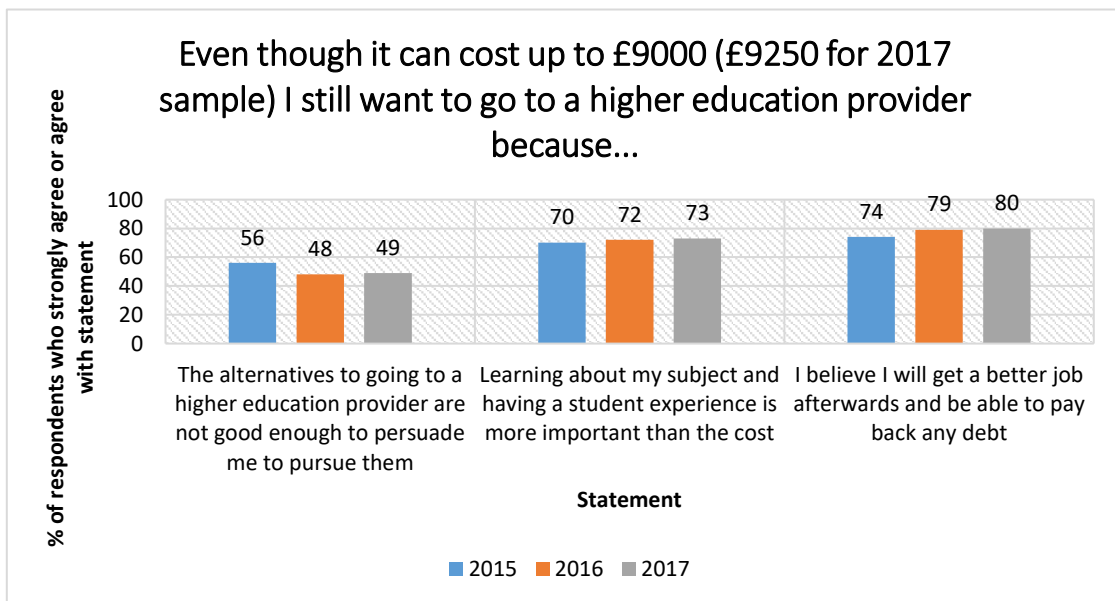


Diagram 1: Why young students go to HE

Students' choices regarding HE are being compromised by cost

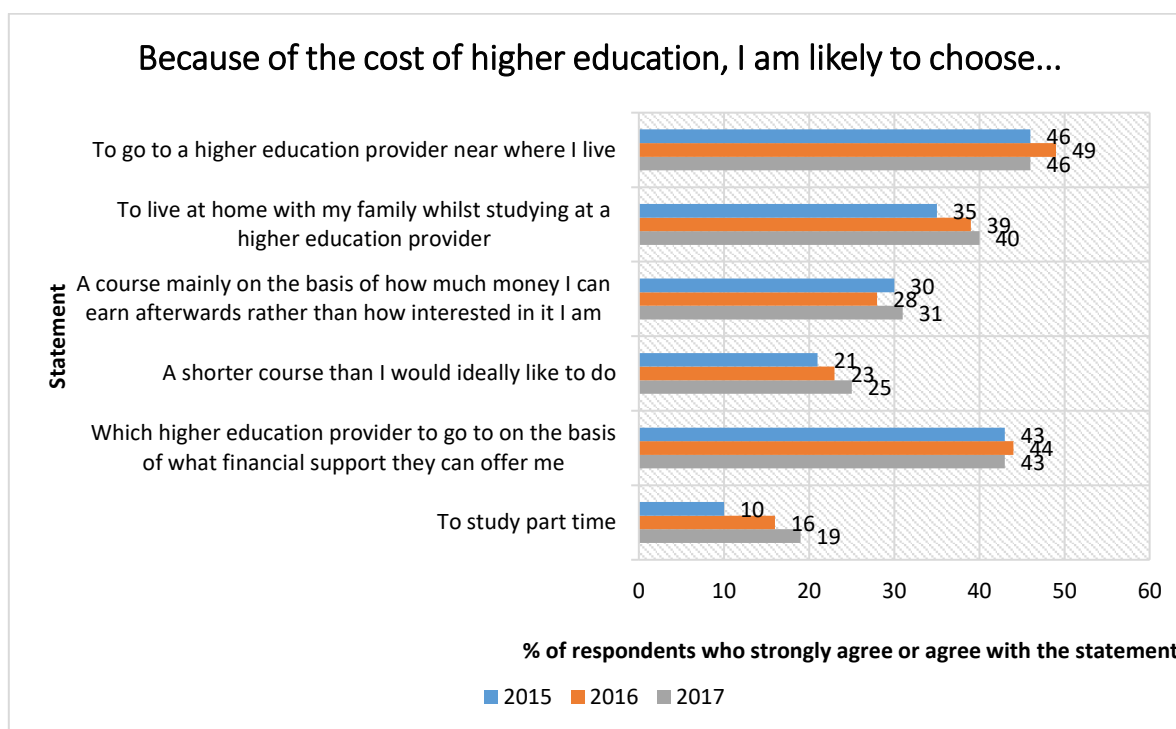


Diagram 2: The impact of cost on HE choices

As can be seen in Diagram 2, above a significant percentage of respondents report that their HE choices will be compromised by the present cost regime.

- Around 40% agree/ strongly agree that they would have chosen different institutions if they were less concerned by cost.
- Nearly 50% are more likely to choose a provider near where they live or live with their families.
- Around 30% are choosing a course on the basis of future earnings rather than interest

The findings can be seen in the context of other research with undergraduate and graduate students which suggests that around a third of students wish they were doing different¹, or had done different, courses². The relationship between dissatisfaction with course or institution and sub-optimal outcomes such as dropping out or not achieving higher levels of degree attainment/graduate employment are complex – relating to student engagement and belonging. However, students choosing courses they would rather not, at providers they don't really want to be at can only have a negative impact on this engagement and belonging.

Further examination of the 2016 cohort results show that those from Black and Minority Ethnic backgrounds are up to 20% more likely to live at home because of the cost of HE. It is also students from such groups who are far more likely to drop out early, not achieve their potential³, and feel dissatisfied with their HE experience.

¹ Neves, J. & Hillman, N. (2017) *The 2017 Student Academic Experience Survey* Oxford: HEPI/HEA

² <https://www.aviva.com/media/news/item/uk-generation-regret-over-a-third-of-millennials-who-went-to-university-regret-doing-so-as-they-struggle-with-debts-and-squeezed-finances-17653/>

³ HEFCE (2014) *Differences in degree outcomes: Key findings* Bristol: HEFCE

Grants support better choices

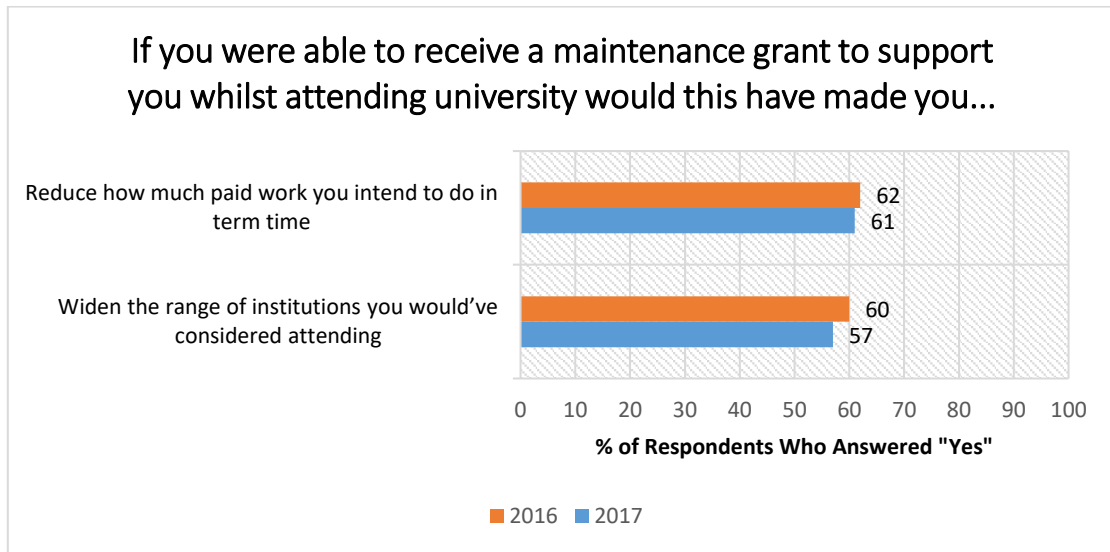


Diagram 3: The impact of grants on HE choices

As Diagram 3 above shows, over half of students would choose a different HEI and take on less part time paid work in term time if maintenance grants still existed.

Further analysis of this data also shows that those from non-white backgrounds and eligible for free school meals would be up to 15% more likely to reduce their part time working hours if grants were still in place.

Cost may be driving up paid working

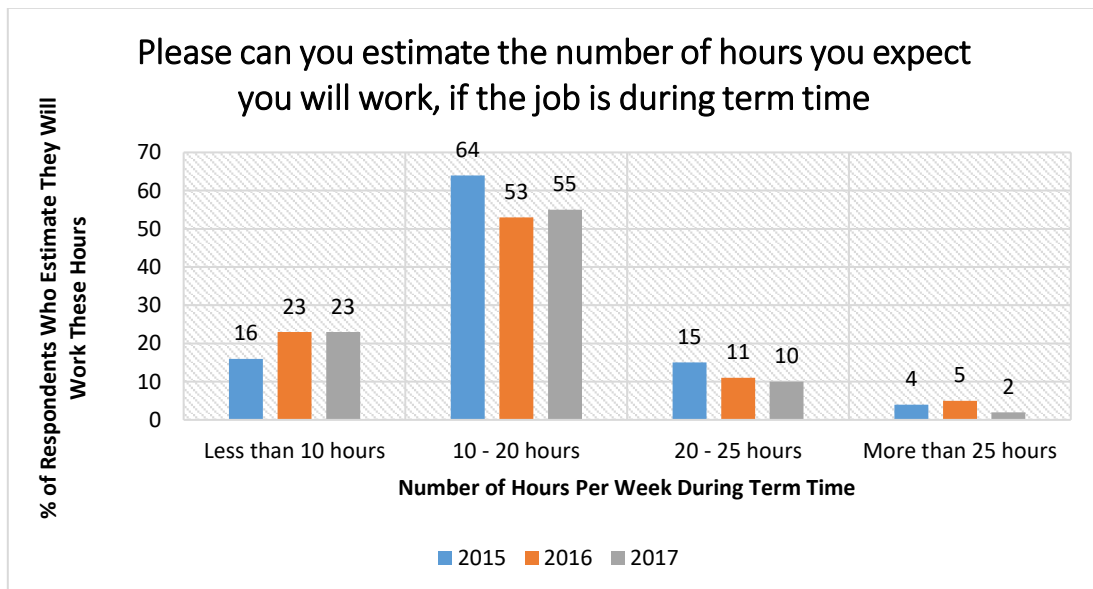


Diagram 4: Estimated hours worked during term time

There is significant evidence to suggest that paid working during term time beyond a certain level can have a negative impact on student performance. The diagram above shows the vast majority of prospective students intend to work over 10 hours per week. **Further analysis of our 2016 study also showed that over**

50% of students are working primarily to cover food and rent costs, rather than to get money for social activities

However much HE costs, outreach matters

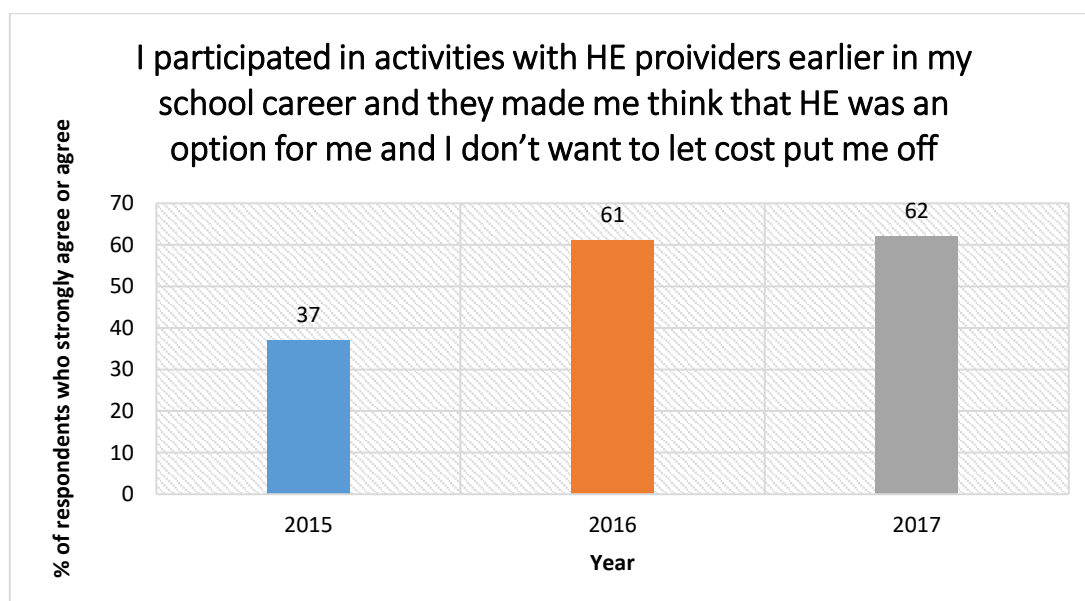


Diagram 5: Outreach activities effect on HE perception

Any reductions in tuition fees or other measures designed to improve the affordability of HE must not be introduced at the expense of outreach activities that improve the chances of young people entering HE. Over the last two years of the study, over 60% of participants felt that activities undertaken earlier in their school career had encouraged them to think they could go onto HE. Strikingly, in 2015 they were asked specifically about Aimhigher activities and despite the programme having ended 4 years earlier nearly 40% felt that participating in it had made them more likely to go into HE.

Summary

Much of the existing debate on the impact of changing the level of tuition fees or availability of grants/loans focuses on the impact or not on levels of participation. The Does Cost Matter series suggests that the relationship students have with HE runs deeper than an instrumental one. The impact of cost may be greater for younger people in terms of how they experience HE rather than whether they experience HE at all.

As the focus of widening access increasingly includes ensuring students from all backgrounds achieve their potential in and after HE, the negative impact of our present high cost regime on their ability to achieve this potential must be recognised.

For more information on Does Cost Matter or the work of NEON please contact Dr. Graeme Atherton, NEON Director on graeme.atherton@londonhighier.ac.uk