

# **The Impact of Structured Financial Support on Student Retention**

## **Case Study: Buckinghamshire New University**

By Lee Byrne and Sally Cushing

Buckinghamshire New University

May 2015

E-mail: [lee.byrne@bucks.ac.uk](mailto:lee.byrne@bucks.ac.uk)  
[sally.cushing@bucks.ac.uk](mailto:sally.cushing@bucks.ac.uk)

## **Abstract**

Research to date (CFE and Edge Hill University, 2012 and 2013; OFFA, 2010/06; 2014/02; 2014/05 and HEFCE 2014/15; Nursaw Associates, 2015) suggests there is limited evidence that financial support promotes participation, improves retention or contributes to academic outcomes in higher education (HE). As a university with a high proportion of students from widening participation (WP) backgrounds, Buckinghamshire New University has monitored the impact of its universal and targeted support packages and has identified a correlation with improved retention among recipients of its targeted National Scholarship Programme (NSP). The next step will be to evaluate the impact of the scholarship on student success.

## **Introduction**

This paper attempts to illustrate the extent to which structured financial support has contributed to student retention at Buckinghamshire New University (herewith referred to as 'the University'). It draws, specifically, upon research undertaken among students who joined the University in 2012-13 who were in receipt of the NSP and discusses the implications of the early research findings. The paper references recent literature pertaining to the relative impact of student financial support with regard to widening access and student retention; presents an overview of the institutional approach to the provision of financial support for students from WP backgrounds; and discusses the extent to which institutional research findings have shaped the current support package for WP students.

## **Literature Review**

The case for the impact that socio-economic disadvantage has upon progression to HE and academic attainment is well established in the UK by organisations such as the Sutton Trust (2015), HEFCE (Moore et al., 2013) and HEFCE and OFFA (2014). Research has shown that the key to breaking down associated barriers is delivering a range of pre and post-entry support as a package in order to achieve maximum impact (Bowes et al., 2013); implying that no single intervention can achieve the desired improvements and that a variety of complementary measures are required.

Bowes et al (2013) recommend that: 'characteristics of effective strategies for financial support, access and retention [are] drawn from the English and international evidence' which include sustained, integrated and systematic interventions that are holistic, practical and make efficient use of available resources. However, both national and international evidence as to what works has been hard to come by owing to the inward looking, institution specific nature of most current work. Moreover, student financial aid is complex and variable at both a national and international level which makes it difficult to draw direct comparisons. Challenges therefore remain around determining both the robustness of existing evaluations and effectiveness of current strategies.

International research indicates that student and family contributions towards the costs of HE are increasing in an environment of inadequate funding that is needed to fully assist all those students who are eligible for support (Bowes et al, 2013). Therefore, whilst conclusive evidence of impact is still limited, there is clearly a need for institutions around the world to establish how best to address this intrinsic disadvantage that is disproportionately felt by lower income households and lower socio-economic groups. Studies such as Ross et al. (2006) cited in Moore et al. (2013) have also found that students' perceptions of their debt, rather than actual debt accrued, have been seen to have an effect on both attainment and academic performance. Similarly, Sumner et al. (2006), also cited in Moore et al. (2013), discuss the psychological effect of financial worries on the students' experience and suggest the impact may be greater among students who are first generation higher education. Ross et al. (2006) further observe a link with academic performance. As such, delivering financial assistance as part of a broader package of support has the potential to improve both retention and attainment.

Numerous reports have been published relating to the inconclusive impact of scholarships and bursaries upon both recruitment and retention, which, in part, is attributable to the variety of approaches adopted by institutions to both delivery and evaluation of activity, making like for like comparisons difficult (Nursaw Associates, 2015). While Moore et al. (2013) suggest that there is some evidence to support the association of financial support with improved retention and success, they propose caution in interpreting the two variables. Students who access financial support are more likely to have confidence in their decision, may be better prepared for higher education and have

behaviours which support success. For the purposes of this paper, it has been decided to draw particular attention to the findings by the Office for Fair Access (OFFA), CFE and Edge Hill University and the National Union of Students (NUS) in order to reflect the voices of the regulator, the HE sector and the student beneficiaries.

## **OFFA**

OFFA has encouraged the HE sector to adopt a targeted approach to bursary and scholarship awards to support students from disadvantaged backgrounds to participate in HE and help address the issue of economic disadvantage (OFFA, 2013/01). However, evaluation by institutions to date has provided limited evidence of impact and recent guidance has suggested institutions look towards a more holistic model of support with a variety of interventions both pre and post enrolment in order to deliver the desired outcomes for young people (OFFA, 2015).

The latest assessment by OFFA into the impact of scholarships and bursaries concluded that:

*‘Analysis of national data has found no observable effect of different levels of financial support on access or retention’ [but also suggests that:] ‘while financial assistance alone may not make a difference, having additional support may produce a positive effect on retention. This highlights the difficulty in isolating the impact of one intervention from other influences.’*

(OFFA, 2014/02)

The University has increasingly recognised the importance of an integrated package of support and the authors acknowledge the views of OFFA (2015), Moore et al. (2013) and the premise that financial support is just one of the possible contributory factors to improvements in retention among recipients.

## **CFE and Edge Hill University**

In 2011, CFE and Edge Hill University were commissioned by HEFCE to evaluate the impact of the NSP and year 3 of the evaluation concluded with a report in autumn 2014. This longitudinal evaluation focused on:

*‘the impact and influence of the NSP on student decision-making, participation and retention amongst under-represented groups.’*

(CFE and Edge Hill University, 2012)

Their findings to date conclude that: ‘Institutions remain divided over the ability of the NSP to improve access to HE’ (CFE and Edge Hill University, 2014). However, it is suggested that this finding is likely a consequence of students not being certain of their NSP award until very late in the decision making process and often even post-enrolment. With regards to retention, institutions perceive the NSP to have had more impact in this area, but CFE and Edge Hill University concede that ‘robust evidence is currently limited’ (CFE and Edge Hill University, 2014)

Student feedback also suggests that those receiving awards throughout their course find it easier to manage financially than those whose NSP was delivered entirely in their first year and that packages offering a degree of student choice are highly valued by students, all be they more complex for institutions to administer (CFE and Edge Hill University, 2013).

## **National Union of Students (NUS)**

In December 2011, the NUS launched its 'Pound in your Pocket' campaign which received responses from over 14,000 English students from college to PhD level. It primarily looked at attitudes towards financial support and its associated impact. Sixty six per cent of higher education respondents indicated a preference for support to be provided in the form of a cash bursary; 13 per cent a preference for fee waivers; four per cent for a discount on services; and 17 per cent for a combination (National Union of Students, 2012).

In terms of delivery of financial support, a majority of 52 per cent of all higher education students indicated that they would prefer to receive their payments monthly, which potentially adds weight to arguments for institutions to stagger payments with a retention focus in mind; a recommendation also made by CFE and Edge Hill University (2013).

It is reports such as these which helped support and validate the University's approach towards delivering the NSP as a retention focused, student choice model, attempting to effectively meet both the needs of the students and the University.

In summary, there has been much discussion throughout the HE sector as to whether or not financial support for students represents good value for money and demonstrates evidence of impact, but the majority of literature published to date is inconclusive at best, hence the call for evidence of impact by OFFA in November 2014.

## **The University's approach to financial support**

The University has a strong track record for recruiting students from WP backgrounds and a long and continued commitment to supporting widening access. Almost sixty per cent of students satisfy at least one WP criterion with a third of the students each year receiving full state support due to a household income below £25,000 per annum. In 2013-14, twelve per cent of students who applied for Student Finance reported no income.

The University has sought to address the resultant challenges through a number of initiatives to ensure that all students have an equal opportunity to engage in university life, irrespective of their financial circumstances. Its approach has included both universal and targeted programmes which have been developed in support of WP and retention. It is appropriate to consider how this approach has evolved, particularly since the introduction of variable fees in 2006.

In 2006, Bucks introduced a £1,000 cash bursary for all new entrants to promote widening access. Additionally, it made available a £300 compact scholarship for students from target WP schools and colleges to underpin its existing WP work and in acknowledgement of the fact that 37 per cent of full-time undergraduates lived within a 20 mile radius of the main campus in High Wycombe. As cited in the University's 2005-06 Access Agreement, the approach to the provision of the universal bursary and the compact scholarship was developed in accordance with the three guiding principles:

- The approach adopted should support the achievement of the government's target for access to higher education, reducing perceived financial barriers for as many potential students as possible.
- Bursaries and scholarships should promote widening participation.

- Information on eligibility should be easily accessible and clear, enabling the majority of applicants to self-assess at the initial point of enquiry and all students to know exactly what they will have to pay and what financial support will be in place.

Clearly, it was acknowledged that this universal approach would impact on a wider cohort of students. However, the rationale for a comprehensive and extensive offering was based on the high proportion of students on full-state support and from low participation areas and the premise that this was the most effective way to implement the guiding principles and ensure that the needs of all students on full state support and students from low participation areas were addressed. The approach continued to 2008 when the package was reconfigured to include a cash bursary of £500 per student while the remaining £500 was reinvested in the University's 'Big Deal' offering.

The Big Deal is designed to promote participation and engagement and to foster a sense of community. In its early days it comprised a package of free sport, recreation and entertainment. This meant that no student was excluded from social activity on the basis of cost. In acknowledgement of the University's diverse student population, the package was subsequently developed to incorporate free membership of societies.

The last cohort to benefit from both the universal cash bursary and the compact scholarship was the 2011-12 student cohort. Interestingly, there would appear to be some evidence to support the continuation of a targeted offering to support progression from local schools and colleges. The percentage of students from within a 20-mile radius rose steadily from 37 per cent in 2005 to 46 per cent in 2010 while the University continued to exceed the majority of its participation HESA Performance Indicator benchmarks. However, there was less evidence to suggest that the universal cash bursary worked.

Despite a significant marketing and awareness programme, not all students collected their bursary. The Big Deal offering, however, was acknowledged as an area of good practice with regard to engagement and participation. Importantly, it facilitated early engagement and engendered a sense of belonging. Further investment was made in this offering in recognition of an increasingly important employability agenda. In 2012-13, the Big Deal package was expanded to include a range of seminars, workshops and training designed to support the development of employability skills. In the same year, the NSP was implemented as a targeted scholarship to support widening access.

### **The NSP model**

The NSP model was developed to provide a structured and targeted programme of support based on known good practice (National Union of Students, 2012) with a focus on student retention and success. This was reflected in the delivery strategy, as match-funding was used to increase the value of individual scholarships from £3,000 to £6,000 and payment was spread across the full three years of undergraduate study. The decision was made to provide continuity of support to enable easier budgeting and financial management for beneficiaries: an approach later validated by CFE and Edge Hill University (2013). This was in direct acknowledgement of the difficulties faced by students from lower income backgrounds, in particular, and the understanding that WP students were less likely than students from more advantaged backgrounds to stay in university and to succeed with their studies.

In addition to the income threshold criterion required by the government, the University developed a series of additional prioritised criteria in accordance with its Widening Participation Strategy 2012-15. These criteria were focused around nationally underrepresented groups in HE and were weighted to

ensure care leavers and students from low participation neighbourhoods were favoured more heavily. These are key under-represented groups that the University was keen to encourage to progress to HE in accordance with its commitment to care leavers through the Buttle UK Quality Mark and to support its achievement of HESA participation benchmarks with regard to students from low participation neighbourhoods.

Students in receipt of the NSP were given the option to choose from a menu of benefits and to select those items that best met their personal and their course needs. These included an accommodation discount, tuition fee discount, cash bursary, bus or train season tickets, book vouchers, art material vouchers and printing credits. Students were then asked to select their preferred options prior to enrolment in order to have the benefits ready shortly after they had commenced their course.

As part of the support packages, students were also alerted to the availability of additional support services including the Learning and Development Unit, Careers Service and Disabilities Service. Whilst these were available to all students, the provision of named contacts in each team across student services provided an accessible gateway to additional support and complemented the financial award that was given making it a more complete package; blending financial with pastoral support. The University was then in a position to conduct quantitative and qualitative analysis of retention levels through the relationships built not only with the students, but also with key colleagues from across student services.

## **Methodology**

In line with an increasingly rigorous approach to evaluation of impact encouraged by both HEFCE (2011/10) and OFFA (2010/06) and the need to ensure return on investment, the University implemented a structured evaluation programme and longitudinal study. This permitted a view of impact not only on retention but ultimately on student outcomes. The programme comprised annual surveys among recipients to inform programme design and future scholarship and bursary initiatives. Moreover, in order to provide a holistic view of the impact of the financial support on retention, research was also undertaken through a quantitative analysis of retention rates.

Retention rates among 2012-13 entrants receiving the maximum statutory support available and who were also in receipt of the NSP were compared with those receiving maximum financial support, but who were not in receipt of the NSP. There were 102 NSP recipients with the control group consisting of 459 students all of whom presented with an annual household income below £25,000 but were not in receipt of targeted financial support in the form of the NSP. Other student support services were universally available for these students to utilise, but the key differentiator was their receipt of less financial support from the University due to the limited number of scholarships available. With a third of the full time undergraduate student population in receipt of full state support, the University was not in a position to guarantee scholarship awards to all students meeting the minimum national criteria. Therefore, this provided a valuable control group against which to assess the impact of the NSP at Bucks on recipients by cross referencing with eligible non-recipients.

To ensure robustness, the methodology incorporated cross-referencing of HESA data and the University's internal monitoring of scholarship recipients. Comparative statistics were acquired at two touch points throughout the year, on 31 October in semester one and 2 April at the start of semester three. This enabled the University to track the progress of both cohorts and cross reference withdrawal rates for the respective student groups.

## Findings

Initial findings, based on the empirical data, suggest a positive and progressive impact on retention among students in receipt of the NSP. The following tables provide an analysis of attrition rates at key points during the year based on 2012-13 entrants. They provide direct comparisons among NSP recipients, full state support students not in receipt of the NSP, and the total academic year group population.

As is evidenced in the tables below, those students in receipt of an NSP award present a consistently higher level of retention (e.g. a lower withdrawal rate) than both those in receipt of full state support, but not benefitting from an institutional bursary, as well as the total academic year group population.

Academic Year 2012/13 (as at 31 October 2013)	Withdrawn/suspended %
NSP Recipients	9.80%
Full State Support Students	14.81%
Total Academic Year Population	11.75%

NSP Retention Differential
N/A
5.01%
1.95%

Academic Year 2013/14 (as at 02 April 2014)	Withdrawn/suspended %
NSP Recipients	11.76%
Full State Support Students	19.17%
Total Academic Year Population	18.17%

NSP Retention Differential
N/A
7.41%
6.41%

Academic Year 2013/14 (as at 31 October 2014)	Withdrawn/suspended %
NSP Recipients	17.65%
Full State Support Students	23.53%
Total Academic Year Population	20.53%

NSP Retention Differential
N/A
5.88%
2.88%

Academic Year 2014/15 (as at 31 January 2015)	Withdrawn/suspended %
NSP Recipients	18.63%
Full State Support Students	27.23%
Total Academic Year Population	22.33%

NSP Retention Differential
N/A
8.61%
3.70%



In addition to the quantitative analysis evidenced in the tables above, a questionnaire was also conducted to establish the level of impact the NSP was having from a student perspective and to continue engagement with the beneficiaries. Questions included whether the University's offering impacted upon the student's choice of institution, which element of the package they found most beneficial and invited suggestions for future improvements to the scheme.

The findings based on this model of provision would suggest there is some truth in Bowes' et al (2013) hypothesis that: 'a range of supports delivered together have the biggest impact' and that the removal of any of these complementary activities may have had an adverse effect on student attrition rates.

## **Conclusion and recommendations**

This case study to date has shown a positive correlation between students from underrepresented groups in receipt of targeted financial support, and improved retention rates. The authors acknowledge the limited sample size and the dangers of assuming broader impact based on a relatively small case study scheme. However, the approach adopted for delivering the scheme has proven to be effective. The suggestion by OFFA (2014/02) that one of the challenges of measuring impact is one of disaggregation of interventions remains valid. However, in this particular instance, by choosing to deliver a scholarship package that is underpinned by rigorous monitoring and cross-working with other departments in student services, there is notable evidence to demonstrate positive impact.

The year two evaluation report conducted by CFE and Edge Hill University concluded that:

*'The evidence that the NSP is impacting on decisions about HE is limited and disputed, as is the evidence of any impact on retention and success'*

(CFE and Edge Hill University, 2013)

This study does not present a perspective on the assertion that the lack of certainty over awards pre-enrolment has resulted in no marked impact on recruitment (CFE and Edge Hill University, 2012). However, it does suggest that by adopting a holistic approach to student support and combining financial and pastoral elements delivered throughout the life of the programme, a notable, positive impact can be observed on student retention.

It is proposed that institutions considering delivering a bursary or scholarship to under-represented student groups strongly consider integrating the delivery of a financial support package with a wider offering of pastoral support. This reinforces any financial help received and ensures students are fully aware of the additional help available to them should they require it. Recruitment focused bursaries and scholarship are increasingly shown to be ineffective, but it is hoped that the study of additional cohorts of NSP and targeted scholarship recipients at the University, combined with those from other institutions, will go some way to demonstrating the value of such initiatives in enriching the student experience, improving retention and, potentially, resulting in higher degree outcomes.

Whilst the precise reasons for the stronger retention rates cannot be ascertained, the holistic approach to student support has potentially contributed to the impact evident in this study. Moore et al. (2013) also make reference to the less tangible, psychological benefit of receiving targeted financial support that helps alleviate the anxiety caused by accruing debts and enables students to better focus on their studies and to adopt more positive feelings towards their education. In order to achieve greater understanding, the authors of this study would support OFFA (2014/02) and Nursaw

Associates (2015) by encouraging institutions to continue to evaluate the impact of financial support on prospective and current students in order to contribute to the existing body of knowledge.

### **Next Steps**

Nursaw Associates (2015) highlight the lack of current research or evaluation linking financial support with attainment with their latest review unable to identify 'any national research regarding the effect of financial support on academic outcomes.' This evidence shortfall further supports Buckinghamshire New University's approach for delivering awards across the three years of undergraduate study and highlights the importance of future longitudinal studies, linking the two variables of retention and success, to establish if a correlation exists between the award of financial support and improved attainment and outcomes for the scholarship recipients.

The first cohort of NSP recipients are due to graduate in September 2015 and at this point the University will be in a position to cross reference attainment with the control group and the general student population. Whilst the study so far has shown a positive impact on retention levels amongst disadvantaged student groups, it is hoped this trend will be reflected in the degree classifications achieved. This could materialise, in part, due to the financial assistance received reducing the need for excessive paid employment (National Union of Students, 2012), but also through the additional use NSP recipients have made of student services and learning support and, thus, the extent to which students have engaged in their academic studies . It is anticipated that this information will be compiled in autumn 2015 for publication later in the year and will be shared with interested national and international agencies.

Beyond this study, it is anticipated that a similar mapping exercise will be conducted with the two subsequent cohorts of NSP recipients and the now Bucks Scholarship recipients, charting both their progress and attainment, using a methodology consistent with that of this case study in order to evidence impact across cohorts and provide a broader data set around which to conduct further analysis and draw additional insights.

## Reference List

Bowes, L., Thomas, L., Peck, L. and Nathwani, T. (2013) *International Research on the Effectiveness of Widening Participation*. Bristol: HEFCE and OFFA. Available at: <http://www.hefce.ac.uk/pubs/rereports/Year/2013/wpeffectiveness/Title,92183,en.html>.

CFE and Edge Hill University (2012) *Formative Evaluation of the National Scholarship Programme: Report to HEFCE by CFE and the Widening Participation Research Centre, Edge Hill University*. Bristol: HEFCE. Available at <http://www.hefce.ac.uk/pubs/>.

CFE and Edge Hill University (2013) *Formative Evaluation of the National Scholarship Programme – Year 2: End of year report to HEFCE by CFE and Edge Hill University*. Bristol: HEFCE. Available at: <http://www.hefce.ac.uk/pubs/>.

CFE and Edge Hill University (2014) *Evaluation of the National Scholarship Programme – Year 3. Report to HEFCE by CFE Research and Edge Hill University*. Bristol: HEFCE. Available at: <http://www.hefce.ac.uk/pubs/>.

HEFCE (2011/10) *National Scholarship Programme 2012-13: Guidance for institutions*. Bristol: HEFCE. Available at: <http://www.hefce.ac.uk/pubs/>.

HEFCE and OFFA (2014) *National Strategy for Access and Student Success in Higher Education*. London: Department for Business, Innovation and Skills. Available at: <https://www.gov.uk/government/publications/national-strategy-for-access-and-student-success>.

Moore, J., Sanders, J., and Higham, L. (2013). *Literature review of research into widening participation to higher education*. Bristol: HEFCE. Available at: <http://www.hefce.ac.uk/pubs/rereports/>.

National Union of Students (2012) *Mapping the Evidence. A Review of the Literature: Student Financial Support in Further and Higher Education*. London: NUS. Available at: [http://www.poundinyourpocket.org.uk/?page\\_id=25](http://www.poundinyourpocket.org.uk/?page_id=25).

Nursaw Associates (2015) *What do we know about the impact of financial support on access and student success? Review of the research and evaluation of the impact of institutional financial support on access and student success*. Report to the Office for Fair Access (OFFA) by Nursaw Associates. Bristol: OFFA.

OFFA (2010/06) *Have bursaries influenced choices between universities?* Available at: [www.offa.org.uk/publications](http://www.offa.org.uk/publications).

OFFA (2013/01) *How to produce an access agreement for 2014-15*. Available at: [www.offa.org.uk/publications](http://www.offa.org.uk/publications).

OFFA (2014/02) *An interim report: Do bursaries have an impact on retention?* Available at: [www.offa.org.uk/publications](http://www.offa.org.uk/publications).

OFFA (2014/05) (HEFCE, 2014/15) *Outcomes of access agreement, widening participation strategic statement and National Scholarship Programme monitoring for 2012-13*. July 2014/05. Available at: [www.offa.org.uk/publications](http://www.offa.org.uk/publications).

OFFA (2015) *Strategic Plan 2015-2020*. Available at: [www.offa.org.uk/publications](http://www.offa.org.uk/publications).

Sutton Trust (2015) The Social Mobility Index. Available at:  
<http://www.suttontrust.com/researcharchive/mobility-map-background/> [Accessed 08 May 2015].