

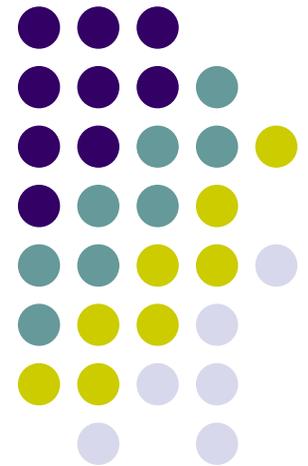
# The Impact of Undergraduate Fees and Funding Changes

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# National Postgraduate Committee.

- To advance in the public interest, the education of postgraduate students within the United Kingdom.
- Three Visions;
  - ability to learn not their ability to pay
  - environment which promotes and sustains equality of opportunity
  - financial, intellectual, pastoral and social support mechanisms.

# The impact of undergraduate fees and funding changes.



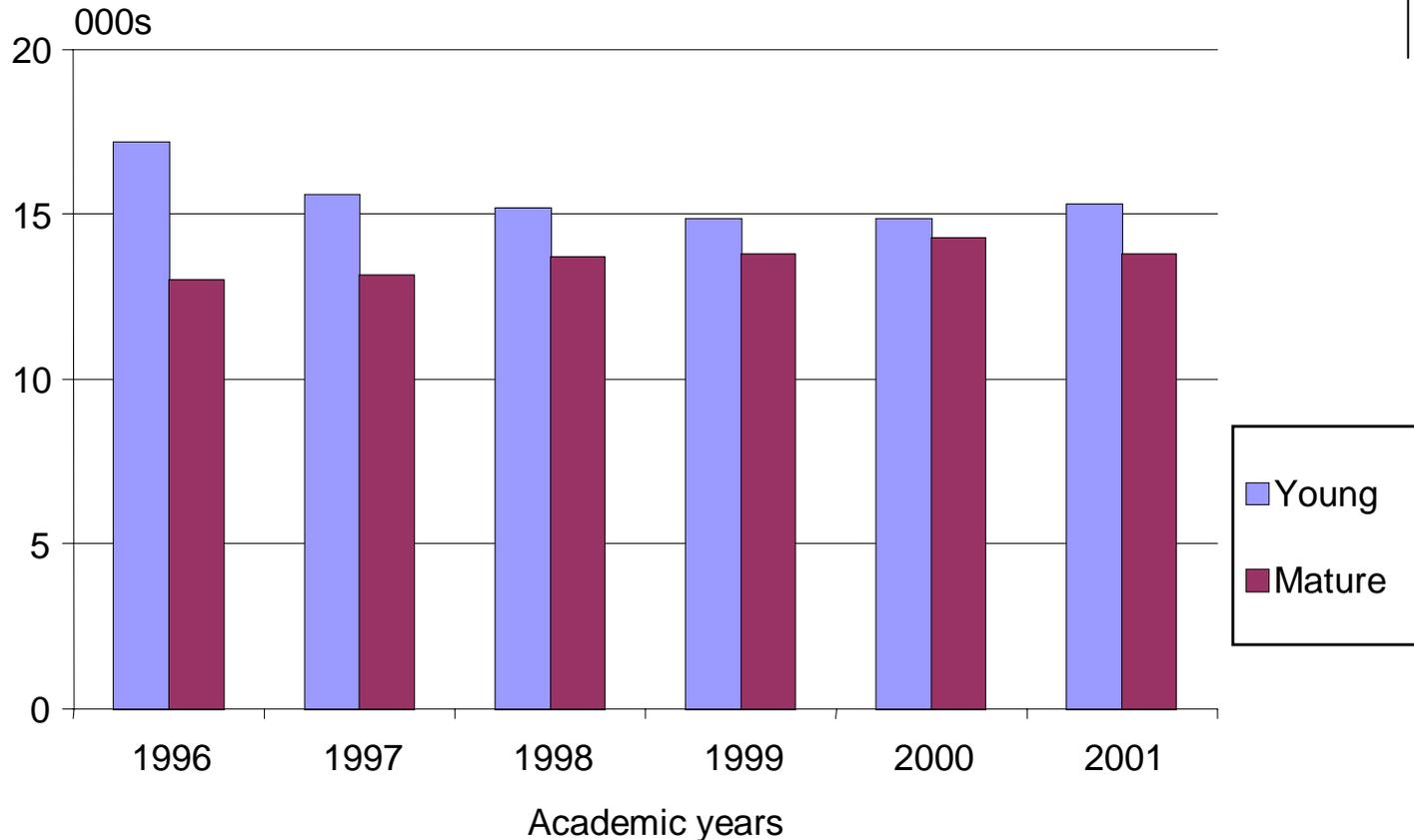
- The student perception of debt.
- Increasing levels of debt.
- NPC Research on perceptions to continue studying and Hobsons & THES research.
- Widening Participation.



# Current trends.

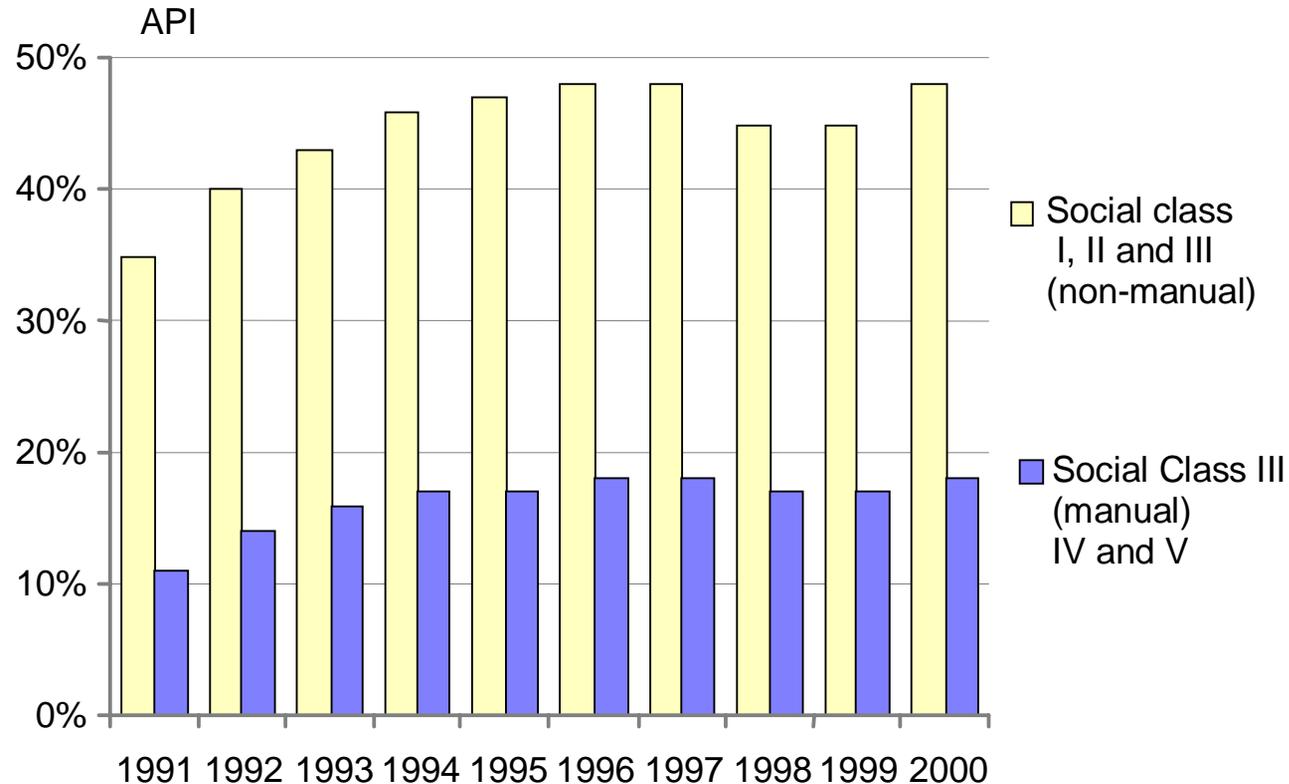
- The total number of taught postgraduates has increased slightly since the mid-1990s. The majority of growth has taken place among young full-time postgraduates. The number of postgraduate research students has declined slightly since the mid-1990s, mostly a decline in young postgraduate research students (HEPI).
- The gradual increase in young full-time postgraduates is likely to continue following the increase in the number of graduates. Higher fees at the undergraduate level could reduce the rate of growth (HEPI).
- It is likely that the propensity of graduates to take postgraduate qualifications will remain roughly constant in the future (HEPI).

# The number of young full time researchers has declined.



Source: HESES and HESA data for all HEIs in England. Full-time students only. Numbers are HESES columns 1+2, all home (UK) and EC students (including fundable and non-fundable). HESES numbers include FEC mergers (using HEIFES [1998 HEIFES numbers backdated for years before 1998]). HESA data have been used to estimate proportions. Mature postgraduates are 25 or over on entry

# The highest three social classes participate in HE at a much higher rate than the lowest three social classes.

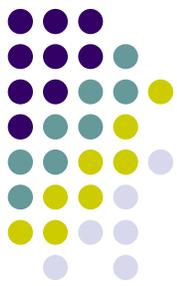


Source: DfES, Trends in Education and Skills, post-16 learning, participation in HE, chart B. Participation rates (API) are for GB. <http://www.dfes.gov.uk/trends/index.cfm?fuseaction=home.showChart&cid=4&iid=23&chid=90>



# What Debt might do?

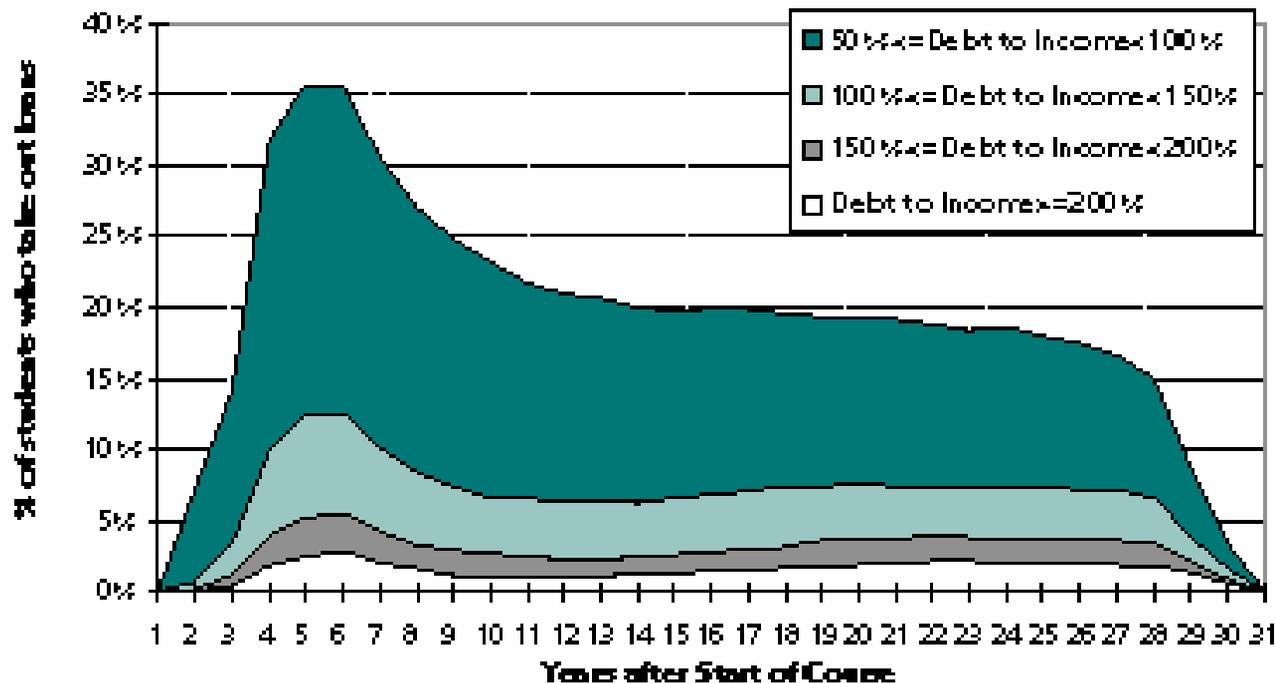
- Metcalfe (2001) says that any fall in participation would present a problem for many universities who have benefited from the expansion in higher education and the entry of 'non-traditional' students.
- A quarter of those with repayable debts indicated that their choices following graduation had been limited in some way by their debts. (Class of 99).
- For PhD research students a further hindrance is being unable to build up pension and National Insurance contributions which delay further life investments when repayment of such loans is also delayed.



# What Debt might do continued.

- Servicing debt initially rises as a proportion of income, peaking at around 1.5 per cent in years 6-7 after entering higher education
- (National Committee of Inquiry into Higher Education).

Chart 11 – Base Case – the distribution of the debt/income ratio



# Increasing Debt...



- 65% of full time taught students were paying their own fees and 17% of full time research students.
- 56% part time taught students were paying own fees and 65% of part time research students were paying their own fees.
- Source: NPC National Survey of Postgraduate Funding and Priorities, 2002
- Student Income and Expenditure Survey suggests that debt students may incur to other lenders (e.g. bank overdrafts, personal loans, HP or credit card debt) to cover their living costs range up to about £400 per student per year.
- Students now expect to finish their undergraduate studies with debts of £7,0265 (British Academy, 2001).

# NPC Survey on the market failure of PG education 2006.



- Survey of 1000 current and prospective postgraduate students.
- Obstacle to prospective students were: 52% acquiring sufficient funding and 35% working while studying to get income.
- Planned tuition fees 74% strong or very strong influence on decision not to conduct postgraduate study.
- Lack of Funding options 67% strong or very strong influence on decision not to conduct postgraduate study.
- Debts accrued from previous studies 62% strong or very strong influence on decision not to conduct postgraduate study.

# NPC Survey on the market failure of PG education 2006 continued.



- Class D - 77% said financial consideration and concern over debt had influenced decision to study at postgraduate level.
- Class E - 62% said financial consideration and concern over debt had influenced decision to study at postgraduate level.

BUT

- 50% Class D and 54% Class E plan to conduct postgraduate study immediately.

# NPC Market Failure of Postgraduate Education 2006



- Degree to which financial considerations and concern about debt have influenced decision to study at postgraduate level (%).

	Very Strong Influence
<b>Social Class Category</b>	
Class A	33
Class B	44
Class C1	43
Class C2	35
Class D	77
Class E	62



# Hobsons & THES Survey

- *5600 Prospective PG students.*
- *27% would pay £3k to £5k.*
- *21% would pay £1k to £2k.*
- *14% would accept paying £5k to £10k.*
- *Overseas willing to pay £10k to £15k.*
- *Survey respondents say they are relatively concerned about postgraduate costs but want to do a postgraduate degree because they are passionate about their subject and because it will make them more employable.*

# Widening Participation



- The social bias in the university system and even further back in the chain, in the school system, has the result that academically high achievers, as conventionally measured, tend to be concentrated in the white middle classes. Fewer than one in five young people from the lower socio-economic groups participate in higher education, well below the 45 percent who participate from the higher ones (General Council of the Bar of England and Wales, 2002).
- Does it matter?

Women make up only 13.1% of the professorial role.

Just 3.8% of professors state their ethnicity from a minority group.

# Are fees affecting postgraduate study?



- It is not the absolute level of debt *per se* that is associated with subsequent career profiles but how graduates are affected by this debt (Class of 99).
- Recent history shows us that the strength of entry qualifications is still the strongest indicator and until this factor is built into the modelling, it is impossible to know how strong an influence attitudes to debt may be in influencing demand (HEPI).

# Conclusion



- HEFCE - In order to replenish the academic profession there should be a ratio of one PhD awarded for every 100 students graduating with a first degree. (This assumes that there is a steady state and all PhD students become academics with a 30 year working life). *British Academy Review of Graduate Studies in the Humanities and Social Sciences*.
- Students are concerned about debt: Planned tuition fees were 74% strong or very strong influence on decision not to conduct postgraduate study in NPC survey.



# Further References

- <http://www.leeds.ac.uk/educol/ncihe/report12.htm> - National Committee of Inquiry into Higher Education
- Postgraduate Education in the United Kingdom, 2004, Tom Sastry, HEPI.
- <http://www.britac.ac.uk/news/reports/gsr/supp2.html> British Academy Review of Graduate Studies in the Humanities and Social Sciences.
- Higher Education Supply and Demand to 2010, Libby Aston, HEPI.