



Department  
for Education

# **Attitudes of higher education applicants, students and graduates towards the student finance system**

**Research report**

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# Contents

List of tables	3
Executive summary	5
1. Knowledge about the student finance system	10
2. Concerns about the current student finance system	23
3. Attitudes towards the current student finance system	39
4. Attitudes towards potential changes to the student finance system	62
5. Technical appendix	77
Annex A. Sample definition, quotas and weighting	78
Annex B. Questionnaire text	86
Annex C. Sample profiles	115

## List of tables

Table 1: Each sample group's knowledge on the costs of attending university .....	11
Table 2: Each sample group's estimations of the income threshold for student loan repayment.....	12
Table 3: Each sample group's knowledge of interest rates of student loans.....	13
Table 4: Each sample group's estimations of the time limit on student loans .....	14
Table 5: Each sample group's estimations of the percentage of income paid back.....	15
Table 6: Each sample group's knowledge of how the cost of a student's education is paid for .....	19
Table 7: Each sample group's estimations of tax payers' contribution to students' higher education .....	20
Table 8: Whether each sample group is/were put off by the associated costs of university .....	24
Table 9: The associated costs of attending university that each sample group is/were concerned with.....	25
Table 10: The factors which helped each sample group decide to go to university .....	26
Table 11: Mean level of agreement with statements about cost and choice relating to attending university.....	31
Table 12: Each sample group's views on government spending on higher education.....	41
Table 13: Each sample group's views on opportunities for young people to study at a university.....	42
Table 14: Each sample group's views on opportunities for young people to study at a further education college.....	43
Table 15: Each sample group's views on how university students should contribute to the cost of their education (1) .....	46
Table 16: Each sample group's views on how university students should contribute to the cost of their education (2) .....	47
Table 17: Each sample group's views on who should pay the remaining costs of their education .....	48

Table 18: Each sample group's views on the tax payer's contribution to students' higher education .....	49
Table 19: Each sample group's views on students' university course choice .....	54
Table 20: Each sample group's views on restricting university course choice .....	55
Table 21: Views on repayment level for different income thresholds (C9, C10, C11) .....	58
Table 22: Each sample group's ranking of preferred changes to the student finance system .....	64
Table 23: What would each sample group trade off in order to lower student tuition fees? .....	66
Table 24: What would each sample group trade off in order to lower rates of interest on student loans? .....	67
Table 25: What would each sample group trade off in order to give students more support with living costs? .....	69
Table 26: Levels of agreement with statements about cost of living support .....	74
Table 27: Achieved sample, by respondent type .....	78
Table 28: Student sample Quota targets .....	80
Table 29: Applicant sample Quota targets .....	80
Table 30: Graduate sample Quota targets .....	81
Table 31: Number of invites and response rate by sample type .....	82
Table 32: Weighting by target group .....	83
Table 33: Margin of error by sample type .....	84
Table 34: Demonstrating statistical differences .....	85

## Executive summary

This report has been prepared by YouthSight, a specialist youth research agency. It presents the findings of a survey commissioned by the Department for Education (DfE) to explore the attitudes of applicants, students and graduates towards the student finance system.

In order to achieve this objective, YouthSight designed a 15-minute quantitative online survey, carried out between 13<sup>th</sup> November and 27<sup>th</sup> November 2018 with applicants, students and graduates.

### Sample

The data presented in this report is based on a survey of three different sample groups who were sampled in order to offer some comparisons; applicants, current students and graduates.

- The 473 applicants to higher education are representative of English domiciles who had submitted a UCAS application, or were planning to in the coming year, to study at a publicly funded university in the UK for a full-time first degree in 2018/19 or 2019/20 (referred to throughout as applicants). Interlocked quotas were applied to age, gender and school type.
- In addition, 1,049 students currently in their first year of study at a publicly funded university in the UK were surveyed. Analysis interlocked quotas to year of study, age and gender.
- 1,160 graduates who have completed an undergraduate degree between 2016 and 2018, and not completed a postgraduate degree, were also recruited. Interlocked quotas were applied to year graduated, age and gender.

Please note: when findings are reported at a whole sample level (i.e. as 'all participants') this is intended as a comparative measure to the three sample groups only. This total does not represent a meaningful population group.

The full sample was drawn from the YouthSight applicant panel and was weighted by socio-economic group.

## Key findings

## Knowledge about the student financial system

- Though most participants stated they knew a fair amount about the costs of attending university, detailed questions about student finance revealed a knowledge gap.
- Forty-nine percent of participants did not know that the income threshold for student loan repayment was £25,000. Over half (57%) of participants incorrectly thought that the interest charged on student loans was the same for everyone. When asked how much of a student loan had to be repaid every month, over half (54%) gave an incorrect answer. In terms of knowledge about the write-off period for student loans taken out in England after 2012, nearly two-thirds of participants (64%) knew that this was 30 years, while 30% chose an incorrect write-off period.
- Graduates were more likely than students and applicants to say that they knew *a lot* about the costs of attending university, but this was not necessarily borne out by their responses to detailed questions. Graduates were more likely than students or applicants to choose the correct answer in relation to the income repayment threshold and, along with students, were more likely than applicants to choose the correct write-off period. However, graduates and students were *less likely* than applicants to correctly think that loan interest rates varied by income.
- In terms of knowledge about who pays for student education, over half of participants (57%) correctly thought this was covered by students and taxpayers, while around a third (34%) thought that costs were covered by students only in the form of tuition fees. Views were largely consistent among applicants, students and graduates.
- Amongst those who accurately thought that the costs were shared, only a quarter (23%) knew that taxpayers paid an average of 45 per cent of the cost of a student's higher education. Over half (54%) chose an incorrect proportion and 23% did not know. Again, views were largely consistent by respondent group.

## Concerns about the current student finance system

- With regards to the extent that the associated costs deterred participants from applying to university, around three quarters of all participants (77%) stated that these costs worried them. A smaller proportion stated this was not a worry for them (23%). Students and graduates were significantly more likely than applicants to have had cost concerns: 81% of students and 79% of graduates said they worried a lot or a little about costs compared with 65% of applicants.
- In terms of specific costs deterring participants from applying to university, concerns were largely due to tuition fees or living costs – only 1 per cent were concerned about other costs. Compared to applicants and graduates, students were more likely to be concerned about living costs, and less likely to mention tuition fees as being a worry.

- Despite concerns about the associated costs of attending university, not needing to repay tuition fees until they earned over certain income threshold provided the participants with some peace of mind. Just under two thirds (60%) of participants with cost concerns cited this as a factor in persuading them to apply to HE despite their concerns. This was the most commonly chosen factor among applicants, students and graduates. Other commonly chosen factors included availability of a loan for tuition fees (54%) and the availability of a maintenance loan for living costs (51%).
- Concerns about the cost of higher education were not participants' sole focus. Participants were presented with a series of statements relating to concerns about the costs associated with attending university and other concerns relating to higher education. There were similar levels of concern about financial issues – for example, the levels of interest charged on student loans (mean score 3.8 out of 5) and the total amount of debt from student loans (mean score 3.7) – as there were about non-financial issues, such as making the right choice about which institution to study at (mean score 3.8, students and graduates only) and not getting a good job after graduating (mean score 3.7, applicants and students only).

#### Attitudes towards the student finance system

- Around two-thirds of participants (64%) felt that too little was being spent by the government on higher education. Applicants were more likely than students or graduates to feel that too little was being invested in higher education (71% versus 65% and 60% respectively).
- Fifty-seven percent of participants felt that the government should increase opportunities for young people to attend university; applicants were more likely than students or graduates to hold these views. A slightly higher proportion (61%) thought that the government should increase the opportunities for studying higher education at further education colleges (and this proportion was similar among applicants, students and graduates).
- The majority of participants (70%) agreed that it was fair for university students to contribute to the cost of their education and views were broadly similar across the respondent groups.
- Over half (57%) of participants felt that a student's contribution to the cost of their higher education should be based on their household income. Graduates were more likely to agree than students were (while the level of agreement among applicants was not significantly different to that of the other groups).
- In terms of student loans (e.g. for maintenance and tuition fees) that remain unpaid by graduates, participants were asked who they thought should pay the outstanding costs. The majority of participants (55%) felt that the taxpayer should cover the outstanding costs of unpaid graduate loans, and 18 per cent thought that higher earning graduates should pay instead. There were few differences in opinion by respondent group.

- When prompted about the cost of higher education to taxpayers – (the taxpayer funds an average of 45% of the cost of a student’s higher education) – nearly half of participants (47%) felt that this average cost was about right, while 29% regarded it as too high. Eleven per cent felt that the average amount met by the taxpayer was too low. Graduates were more likely than students to think that the current level was about right, while students were more likely than graduates to feel the proportion was too high. The views of applicants did not differ significantly from those of the other groups.
- Over half of participants (54%) felt that higher education students should make their subject choice based on interest level, while 10% felt choice should be based on likely future earnings. A third (31%) thought both interest level and future earnings were equally considered. Graduates were more likely than applicants and students to feel that choice should be based on earnings post-graduation, while students were more likely than other groups to feel that choice should be based on subject interest. Applicants were more likely than students and graduates to feel that both subject interest and future earnings were equally valid considerations.
- Roughly half of participants (53%) felt that students should be able to study any subject they choose even if that meant more costs for taxpayers, while a quarter (24%) felt that there should be some restrictions on subject choice. A fifth (20%) said ‘it depends’ and this was more likely to be the case for applicants and graduates than for students.
- Across three illustrations of graduate income (£27k, £35k and £42k) and associated average monthly loan repayments, the majority of participants felt that the repayment amount was about right. Broadly speaking, applicants tended to be more likely than other groups to think that the repayment amounts were too low, while students and graduates tended to think that the repayment levels were too high.

#### Trade-offs: changes to the student finance system

- Participants rated six potential changes to the student finance system on a 1 to 10 scale. These potential changes were: lowering tuition fees; lowering the rate of interest on student loans; letting graduates pay less back each month; letting graduates wait until they have higher salaries before they start to pay back loans; ‘writing off’ loans earlier; and ‘giving students a higher loan to help with living costs’.
- Focusing on the top box scores (i.e. those items rated 7-10), the issue most commonly ranked first was lowering tuition fees and this was ahead of other issues by some margin. Applicants were more likely than students or graduates to rank lowering tuition fees first (65% versus 58% and 58% respectively), but this issue was ranked highest by all respondent groups.



- Lowering the rate of interest on student loans was ranked second by graduates (41%), and was also relatively important – ranking third – for both applicants (30%) and students (32%). Giving students a higher loan for living costs was ranked second overall for applicants (32%) and students (29%), but fifth (out of six) for graduates (26%).
- To achieve each potential change to the student finance system, participants were asked which of the following options (or ‘trade-offs’) would be acceptable to them in order to bring about the change they wanted.
- Of those participants who selected lowering tuition fees as an important change to make to the student finance system, the most commonly chosen options to enable this (those chosen by 20% or more) were: paying back loans for longer (selected by 35% of applicants, 28% of students and 27% of graduates); none of these, even if this means that the number of university places has to be reduced (favoured by 21% of applicants, 28% of students and 30% of graduates); and, paying back more each month (selected by 30% of applicants, 26% of students and 25% of graduates).
- Similarly, among those who selected lowering rates of interest on student loans as an important change to make to the student finance system, the most commonly chosen trade-offs were: paying back loans for longer (selected by 37% of applicants, 29% of students and 26% of graduates); paying back more each month (selected by 28% of applicants, 23% of students and 29% of graduates); and, none even if university places are reduced (selected by 18% of applicants, 25% of students and 29% of graduates).

#### Views on cost of living support

- Participants were asked to what extent they agreed or disagreed with three statements relating to student support for living costs, and specifically whether students should be given grants rather than loans. There was broad agreement with these statements.
- The highest level of agreement was for the statement: “Students from poor backgrounds should receive grants instead of loans to support their living costs, even if this means that students from middle-income backgrounds have to pay more.” Graduates were more likely than applicants or students to agree with this statement (65% versus 49% and 50% respectively), and least likely to disagree (17% compared with 26% and 32%).
- Graduates were also more likely than applicants or students to agree that “Students should receive grants instead of loans to support their living costs, even if this means that they receive lower amounts while at university” (51% versus 40% and 39%) and that “students should receive grants instead of loans to support their living costs, even if this means that the number of university places has to be reduced” (53% versus 41% and 46% respectively).

# 1. Knowledge about the student finance system

This section describes participants' knowledge about the costs associated with attending university, including the income threshold for the repayment of loans, interest arrangements, write-off periods and repayment levels. The chapter also considers participants' knowledge of how students' education is financed.

## Chapter summary

### Student finance and detailed information about loans

- The vast majority of participants said they knew a lot (15%) or a fair amount (64%) about the costs of attending university, but detailed questions about student finance revealed evidence of a knowledge gap:
  - Forty-nine percent chose an incorrect income threshold for loan repayment;
  - Fifty-seven percent of participants incorrectly thought that the interest charged on student loans was the same for everyone;
  - Thirty percent chose an incorrect write-off period for loans taken out after 2012; and
  - Fifty-four percent chose an incorrect monthly repayment amount for student loans.
- Graduates were more likely than students and applicants to feel that they knew *a lot* about the costs of attending university (18% versus 13% of applicants and 12% of students). However, this was not necessarily borne out in terms of their responses to detailed questions. So, while graduates were more likely than students or applicants to choose the correct answer in relation to the graduate income threshold, graduates and students were *less likely* than applicants to correctly think that loan interest rates varied by income.

### Who pays for students' education?

- In terms of knowledge about who pays for student education, over half of participants (57%) correctly thought this was covered by students and taxpayers, while around a third (34%) thought that all costs were covered by students only in the form of tuition fees. Views were largely consistent by respondent group.
- Amongst those who accurately thought that the costs were shared, a quarter (23%) knew that taxpayers paid an average of 45 per cent of the cost of a student's higher education, but over half (54%) chose an incorrect proportion and 23% did not know. Again, views were largely consistent by respondent group.

## Overall knowledge about the costs of attending university

Participants were asked how knowledgeable they were about the cost of attending university before they started their course. The vast majority of participants said they had some knowledge, with 15% saying they knew a lot and 64% saying they knew a fair amount. Around a fifth (22%) did not know much at all or had no knowledge.

Graduates were more likely than applicants and students to say they knew a lot about the costs of attending university (18% versus 13% of applicants and 12% of students), while applicants and students were more likely than graduates to say they knew a fair amount (66% and 67% versus 59% respectively).

**Table 1: Each sample group's knowledge on the costs of attending university**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
I know/knew a lot	15%	13%	12%	18% AB
I know/knew a fair amount	64%	66% c	67% C	59%
I do/did not know not know much at all	20%	20%	18%	20%
I do/did not know not know anything	2%	1%	2%	2%
Base	2682	473	1049	1160
<p><b>Question B1:</b> How knowledgeable would you say you are/were about the costs of attending university for you personally?  <b>Note:</b> When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</p>				

## Knowledge about student loans

The survey explored participants' knowledge about specific aspects of student loans. Firstly, they were asked if they knew the income threshold for student loan repayment, views were split, with half (49%) choosing the correct amount of £25,000 and the same proportion (49%) choosing an incorrect threshold amount. Two per cent did not know the answer.

Graduates were more likely than applicants and students to choose the correct income threshold (54% versus 45% and 46% respectively).

**Table 2: Each sample group's estimations of the income threshold for student loan repayment**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>17,000</b>	3%	3%	3%	2%
<b>21,000</b>	42%	43%	44% C	38%
<b>25,000</b>	49%	45%	46%	54% AB
<b>30,000</b>	4%	6% C	5% C	3%
<b>Don't know</b>	2%	3%	2%	2%
<b>NET: True</b>	49%	45%	46%	54% AB
<b>NET: False</b>	48%	52% C	52% C	43%
<b>Base</b>	2682	473	1049	1160

**Question B2:** *Student loans start to be repaid once a graduate earns over a certain amount of income. What do you think this income threshold is?*

**Note:** *When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')*

Next, participants were asked if they thought the interest charged on loans was the same for all graduates or whether it was dependent on income. Close to six in ten participants (57%) said incorrectly that the interest charged was the same for all graduates, while 31% said the interest charged was dependent on income. Twelve per cent did not know.

Students and graduates were more likely than applicants to say that all graduates were charged the same interest on their loan (60% and 58% versus 50%). Applicants were more likely than other participants to think that interest rates depended on income (38% versus 29% of students and 29% of graduates).

**Table 3: Each sample group's knowledge of interest rates of student loans**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Interest rate charged depends on income: True</b>	31%	38% BC	29%	29%
<b>Same interest rate for all graduates: False</b>	57%	50%	60% A	58% A
<b>Don't know</b>	12%	12%	11%	14% b
<b>Base</b>	2682	473	1049	1160

**Question B3:** *Students get charged interest on their loans. Do you think that the interest rate is the same for all graduates, or does it depend on income?*

**Note:** *When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')*

In terms of knowledge about the write-off period for student loans taken out in England after 2012, nearly two-thirds of participants (64%) knew that this was 30 years, while 30% chose an incorrect write-off period. Six per cent did not know the answer.

Students and graduates were more likely than applicants to choose the correct write-off period (67% and 65% versus 57%), while applicants were more likely than other participants to choose an incorrect answer (36% versus 29% of students and 28% of graduates).

**Table 4: Each sample group’s estimations of the time limit on student loans**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>20 years</b>	8%	8%	8%	8%
<b>30 years</b>	64%	57%	67% A	65% A
<b>40 years</b>	13%	15%	12%	13%
<b>50 years</b>	9%	13% BC	9%	8%
<b>Don’t know</b>	6%	7%	4%	7%
<b>NET: True</b>	64%	57%	67% A	65% A
<b>NET: False</b>	30%	36% BC	29%	28%
<b>Base</b>	2682	473	1049	1160
<p><b>Question B4:</b> <i>There is a time limit on loans taken out after 2012 in England, after which any outstanding student loans are written off. What do you think this time limit is?</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. ‘a’), and significance at a 99% level is marked with an upper-case letter (e.g. ‘A’)</i></p>				

When asked how much of a student loan had to be repaid every month, once graduates were earning over the income threshold, a third of participants (34%) gave the correct answer of nine per cent. Over half (54%) gave an incorrect answer and 13% did not know the answer.

Analysis by respondent type revealed that students were more likely to choose the correct answer than applicants (36% versus 29%).

**Table 5: Each sample group’s estimations of the percentage of income paid back**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>2%</b>	20%	27% BC	17%	19%
<b>6%</b>	29%	28%	29%	30%
<b>9%</b>	34%	29%	36% A	33%
<b>15%</b>	5%	3%	6% a	5%
<b>Don't know</b>	13%	12%	12%	13%
<b>NET: True</b>	34%	29%	36% A	33%
<b>NET: False</b>	54%	59% B	51%	54%
<b>Base</b>	2682	473	1049	1160

**Question B5:** How much do you think they have to pay back (of everything they earn over a certain amount)?

**Note:** When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')

## **Student finance system and detailed knowledge about loans: demographic differences**

Within each respondent group (applicants, students and graduates), there were different levels of knowledge about the student finance system by different demographic characteristics, but no consistent patterns were identified.

### **Knowledge about the overall costs of attending university**

#### Applicants

Applicants from a C2DE background were more likely to say they knew a fair amount about the costs of attending university (73% versus 62% of those from an ABC1 background) and were less likely to say they did not know much at all or had no knowledge (15% versus 23% of ABC1 applicants). Those *without* a background of parental higher education were more likely to say they knew a fair amount (70% versus 61% of those with) and were less likely to say they did not know much at all or had no knowledge (16% versus 24% of those with a background of parental higher education). In terms of applicants' actual knowledge of the student finance system, there were no significant differences by these characteristics (socio-economic group and parental education.) However, the following demographic differences were found:

- Younger applicants aged 16-17 (53% versus 43% of 18-21s and 36% of 22+) and those applying to the most selective universities (50% versus 40% of applicants to less selective institutions) were more likely to give a correct answer to the repayment threshold question.
- There were no significantly different levels of knowledge by applicant subgroup in terms of those saying that interest was dependent on income. Looking at those who did not know the answer, females were more likely to give this response than males (16% versus 7%).
- Applicants applying to the most selective universities were more likely to give the correct answer to the question on the loan write-off period than those applying to less selective institutions (63% versus 49%). Those aged 18-21 were more likely than other applicants to give an incorrect response (44% versus 30% of 16-17s and 27% of 22+).
- In terms of knowledge about the percentage of income paid back, there were no statistically significant differences among subgroups of applicants.

#### Students



Among students, those *with* a background of parental higher education were more likely to say they knew a lot about the student finance system (14% versus 10% of those without). Further analysis also revealed:

- There was little significant variation among students giving the correct answer to the question about the repayment threshold. Those studying at the most selective universities were most likely to give an incorrect answer (55% versus 48% of those at less selective). BAME students were most likely to say that they did not know the answer (5% versus 2% of white students).
- There were very few significantly different views by student subgroup in terms of those knowing that interest was dependent on income. Looking at those who did not know the answer, this was more likely to be the case among: females (14% versus 7% of males) and those studying at less selective universities (14% versus 8% of those at the most selective).
- Older students aged 26+ were more likely to know the correct loan write-off period (78% versus 67% of 18-21s and 57% of 22-25s), as were students living in the East Midlands (80% versus the average of 67%) and those without a background of parental higher education (72% versus 64% of those with).
- White students were more likely than BAME students to give the correct answer to the question about percentage of income paid back (38% versus 30%); BAME students were more likely to not know (19% versus 11%), as were females compared with males (14% versus 10%).

## Graduates

Graduates from an ABC1 background were more likely to say they knew a lot (19% versus 13% of C2DE graduates). Those *with* a background of parental higher education were also more likely to say they knew a lot (22% versus 15% of those without).

Similarly, those studying at the most selective universities were more likely to say they knew a lot (22% versus 16%). Looking at graduates' detailed knowledge of student loans:

- Younger graduates (59% of 18-21s and 57% of 22-25s versus 47% of 26+) were more likely to give the correct answer to the repayment threshold question, as were white graduates (56% versus 47% of BAME graduates).
- The following groups, however, were more likely to choose the correct answer to the interest rate question: BAME graduates (38% versus 26% of white graduates); those from a C2DE background (30% versus 24% from an ABC1 background); those with a background of parental higher education (32% versus 26% of those without). The groups more likely to give a 'don't know' response were: females (17% versus 10% of males) and those graduating from less selective universities (16% versus 11% of those from the most selective).
- Further analysis by subgroup revealed no significant differences among graduates in terms of the proportions giving the correct answer about the write-off period. Those more likely to give an incorrect answer were from an ABC1 background (31% versus 24% of those from a C2DE background).

- BAME graduates were more likely not to know the answer about the percentage of income that needs to be paid back on student loans than white students (17% versus 12%), while those living in the West Midlands were more likely than average not to know the answer (26% versus 13% nationally).

## Paying for students' education

Participants were asked whether they thought a student's education was paid for entirely by students via tuition fees or by students and taxpayers. Fifty-seven per cent believed correctly that costs were shared by students and taxpayers, while a third (34%) thought that students paid all the costs via tuition fees. Nine per cent did not know the answer. There was no significant differences in the responses given by applicants, students or graduates.

**Table 6: Each sample group's knowledge of how the cost of a student's education is paid for**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Costs are paid for by students and tax payers: True</b>	57%	57%	58%	55%
<b>Students pay all the costs themselves through tuition fees: False</b>	34%	34%	34%	34%
<b>Don't know</b>	9%	9%	8%	10%
<b>Base</b>	2682	473	1049	1160
<p><b>Question B7:</b> <i>How do you think that the cost of a student's education is paid for?</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

Those who thought that students and taxpayers shared the costs of student education were asked how much they thought tax payers paid towards this. Close to a quarter of participants (23%) chose the correct answer of 45 per cent. Over half (54%) chose an incorrect answer and 23% did not know.

Analysis by respondent type revealed that views were consistent across all three groups.

**Table 7: Each sample group’s estimations of tax payers’ contribution to students’ higher education**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>25%</b>	40%	44%	40%	38%
<b>45%</b>	23%	23%	23%	23%
<b>65%</b>	10%	9%	10%	11%
<b>85%</b>	4%	3%	4%	4%
<b>Don’t know</b>	23%	21%	23%	24%
<b>NET: True</b>	23%	23%	23%	23%
<b>NET: False</b>	54%	56%	55%	53%
<b>Base: Those who believe that taxpayers contribute towards the cost of students’ education</b>	1491	274	612	605
<p><b>Question B6:</b> <i>On average, how much do you think that taxpayers pay towards the costs of a student’s higher education?</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. ‘a’), and significance at a 99% level is marked with an upper-case letter (e.g. ‘A’)</i></p>				

## **Knowledge of how HE is funded: demographic differences**

In terms of demographic differences within respondent group, among applicants and graduates, female participants (compared to males) showed lower levels of knowledge in relation to the financing of student education. For the student group, levels of knowledge were lower among those aged over 22.

### Applicants

Female applicants (compared to males) showed lower levels of knowledge in relation to the financing of student education. Males were more likely than females to know that the HE is funded by both students and taxpayers (63% versus 53%), and were more likely to know the correct proportion of tax payer funding (35% versus 13% of females).

Those applying to the most selective universities (65% versus 45% of applicants to less selective institutions) were also more likely to know that HE is funded by students and the tax-payer, while the following groups of applicants were more likely to give a 'don't know' response to this question: females (13% versus 4% of males) and BAME applicants (15% versus 7% of white applicants). BAME applicants were however more likely to know the correct level of taxpayer funding (36% versus 19% of white applicants).

### Students

Levels of knowledge were lower among older students aged over 22. Sixty-one percent of those aged 18-21 knew that HE costs are shared between students and the taxpayer (compared with 47% of 22-25s and 44% of 26+), and 24% of this age group knew the correct level of tax-payer funding (versus 9% of 22+).

Those from an ABC1 background (61% versus 52% of those from C2DE) and students of Medicine/dentistry and STEM subjects (74% and 68% versus the average of 58%) were also more likely to know that costs were shared between students and the tax-payer. White students (25% versus 11% of BAME students) were more likely to know the correct level of taxpayer funding.

## Graduates

Like applicants, female graduates showed lower levels of knowledge in relation to the financing of student education. Fifty-nine percent of males (compared with 52% of females) knew that costs were shared between students and tax-payers (females were more likely not to know the answer, 13% versus 7%); males were also more likely to know the correct level of tax-payer funding (30% versus 16% of females).

In addition, those graduating from the most selective universities (59% versus 53% of those from the less selective) were more likely to know that HE is funded by both students and tax-payers, while BAME graduates (31% versus 21% of white graduates) were more likely to give a correct response about the level of tax-payer funding.

## 2. Concerns about the current student finance system

This section considers whether the associated costs of higher education deterred applicants from applying to university, and the extent to which costs had worried students/graduates when deciding to attend. For those who felt put off/ had worries, the chapter explores their concerns and which factor(s) helped them to overcome these.

The chapter also describes attitudes towards a number of other considerations when applying to university.

### Chapter summary

#### Cost concerns

- Around three-quarters of participants (77%) were worried / put off by the costs associated with attending university when they applied or while they thought about applying, while 23% were not concerned by costs. Students and graduates were significantly more likely than applicants to have had cost concerns.
- Exploring concerns in detail, the largest proportion of participants was equally put off by tuition fees and living costs (44%), while for 37% living costs were the main concern and 18% were mainly concerned about tuition fees (1% were concerned about other things). Students were more likely than applicants and graduates to say they were concerned about living costs, but were least likely to mention tuition fees.
- The main reason given for applying to university despite cost concerns was not needing to repay student loans until a certain income threshold was met; 60% of those with cost concerns gave this response. Over half also mentioned the availability of a loan for tuition fees (54%) and the availability of maintenance loans for living costs (51%). Similar proportions of applicants, students and graduates mentioned not needing to repay loans before the income threshold and the availability of tuition fee loans. Students and graduates were more likely than applicants to mention the availability of maintenance loans and financial support from parents

#### Concerns about higher education

- Participants were asked about their level of agreement with a number of statements relating to possible concerns associated with university. The statements with the highest level of agreement included both financial and non-financial concerns: worries about the levels of interest charged on student loans (mean agreement score 3.8), worries for students and graduates about making the right institution choice (3.8), worries about the total amount of debt from student loans (3.7), and worries among applicants and students about not getting a good job after graduating (3.7). Graduates were more likely to have worries about the level of interest charged on student loans than applicants or students. Students were more likely than applicants to agree that they had worries about not getting a good job after university.

### Cost concerns

Participants were asked whether they were worried or put off by the costs associated with attending university when they applied or thought about applying.

Overall, around three-quarters of participants (77%) were worried/ put off (34% a lot, 43% a little), while 23% were not. Students and graduates were significantly more likely than applicants to have had cost concerns: 81% of students and 79% of graduates said they worried a lot or a little about costs compared with 65% of applicants.

**Table 8: Whether each sample group is/were put off by the associated costs of university**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Yes, a lot</b>	34%	23%	34% A	39% Ab
<b>Yes, a little</b>	43%	41%	46% C	40%
<b>Not a lot</b>	16%	27% BC	13%	15%
<b>Not at all</b>	7%	9%	6%	6%
<b>NET: Yes</b> Includes 'yes, a lot' and 'yes, a little'	77%	65%	81% A	79% A
<b>NET: No</b> Includes 'not a lot' and 'not at all'	23%	35% BC	19%	21%
<b>Base:</b>	2682	473	1049	1160

**Question A1:** *When deciding to attend university, were you worried/are you put off at all by the associated costs?*

**Note:** *When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')*

Participants who were put off by or had worried about the costs associated with attending university when applying, were presented with four statements and asked to select the one which best described their main cost concern:



1. I am put off by/was worried about the tuition fees
2. I am put off by/was worried about the living costs
3. I am/ was equally put off by tuition fees and living costs
4. I am put off by/ was worried about another cost

The largest proportion of participants were equally concerned about both tuition fees and living costs (44%), while for 37 per cent living costs were the main concern. Close to a fifth (18%) were mainly concerned about tuition fees.

In terms of respondent type, the proportions of applicants and graduates saying they were equally put off by tuition fees and living costs were similar (50% and 45%); 40% of students held this view, which was a significantly smaller proportion when compared with applicants.

Students were most likely to say they were concerned about living costs (46% compared with 22% of applicants and 34% of graduates), and least likely to say they were concerned about tuition fees: (13% versus 27% of applicants and 20% of graduates).

**Table 9: The associated costs of attending university that each sample group is/were concerned with**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
I am put off by/was worried about the tuition fees	18%	27% Bc	13%	20% B
I am put off by/was worried about the living costs	37%	22%	46% AC	34% A
I am/was equally put off by tuition fees and living costs	44%	50% B	40%	45%
I am put off by/was worried about another cost	1%	1%	1%	*%

<b>Base: All who are have/had concerns about the costs of attending university</b>	2057	287	840	930
<p><b>Question A2:</b> <i>When it comes to the associated costs of university, which of the below statements most applies to you?</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

Participants who had concerns about the cost of attending university were asked which, if any, of a series of factors had helped / were helping to persuade them to go to university despite their concerns. The most commonly chosen factor was not needing to repay their loan until they earned over the income threshold (60%), while over half selected the availability of a loan for tuition fees (54%) and the availability of a maintenance loan for living costs (51%).

Around a third of participants mentioned financial support from parents (35%) and/or the prospect of a bursary, scholarship or fee waiver from the university (32%). A quarter of participants (26%) mentioned being able to support themselves with earnings or savings and 8% mentioned the availability of disability/parental/care allowance.

**Table 10: The factors which helped each sample group decide to go to university**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Not needing to repay until I earn more than the income threshold</b>	60%	61%	59%	59%
<b>Availability of loan for tuition fee</b>	54%	50%	53%	55%
<b>Availability of maintenance loans for living costs</b>	51%	42%	52% A	53% A
<b>Parents able to support me financially</b>	35%	22%	40% Ac	35% A

<b>Prospect of a bursary, scholarship or fee waiver from the university</b>	32%	37%	26%	36% B
<b>Able to support myself with earnings or savings</b>	26%	28%	26%	26%
<b>Availability of disability/parental/care allowance</b>	8%	6%	7%	10% b
<b>None of the above</b>	3%	6% bC	3%	2%
<b>Other</b>	2%	3%	1%	3% B
<b>Base: All who are have/had concerns about the costs of attending university</b>	2057	287	840	930
<p><b>Question A3:</b> Which, if any, of the following helped you make the decision to go to university despite being worried about the costs?  <b>Note:</b> When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</p>				

Analysis by respondent type shows that similar proportions of applicants (61%), students (59%) and graduates (59%) mentioned not needing to repay until they earned over the income threshold (this was the most commonly chosen factor for all three groups) and the availability of loans for tuition fees (50%, 53% and 55% respectively).

Applicants were less likely than students and graduates to mention the availability of maintenance loans (42% compared with 52% and 53% respectively) and parental financial support (22% versus 40% and 35%) as factors that were helping them overcome their cost concerns.

### Concerns about the cost of HE: demographic differences

Various differences by demographic groups emerged with regards to the concerns of applicants, students and graduates about the costs of HE.

Among applicants, those aged over 18 and those applying for less selective universities were more likely to have had concerns. Within the student sample, there were some variations by region (those in the South West were more worried than average) and by subject (STEM students expressed less worry than average).

In terms of the nature of the cost concerns, in the student sample, tuition fees were more likely to be a concern for BAME students, those living in London and those studying Business/admin and Law. Among graduates, tuition fees were more likely to be a concern for males and BAME participants.

### Applicants

Among applicants, those aged over 18 and those applying for less selective universities were more likely to have had concerns about the cost of HE. Seventy-two percent of those aged 18-21 said they were put off (a lot or a little) by the costs (compared with 48% of those aged 16-17), as were 78 percent of those applying for less selective universities (versus 55% of those applying to the most selective universities).

- Those aged 16-17 were more likely than older applicants to mention financial support from parents (38% versus 21% for those aged 18-21) and the availability of a loan for tuition fees (63% versus 48% of 18-21s).
- Female applicants were significantly more likely than male applicants to mention: not needing to repay their loan until they reached the income threshold (69% versus 51%); and availability of maintenance loan (49% versus 34%).
- Applicants from C2DE background were more likely than those from an ABC1 background to mention the availability of a maintenance loan (51% versus 38%) and the prospect of a bursary, scholarship or fee waiver (55% versus 27%). In contrast, applicants from an ABC1 background were more likely to mention financial support from parents (30% versus 8% of C2DE applicants).
- Applicants with a background of parental higher education were more likely to mention financial support from parents (35% versus 10% of those without a family background of higher education), and less likely to mention the prospect of a bursary, scholarship or fee waiver (29% versus 44% respectively).
- Those applying for the most selective universities were more likely than other applicants to mention being able to support themselves through earnings or

savings (35% versus 21%) and having access to financial support from parents (30% versus 14%). Those applying to less selective universities were more likely than other applicants to mention the income threshold (70% versus 52%).

## Students

In terms of whether students were worried about the costs of HE, there were some variations by region (those in the South West were more worried than average, 91% compared with the average of 81%) and by subject (STEM students expressed less worry than average, 71% versus an average of 81%). Those aged 22-25 were more likely to express concern than those aged 18-21 (87% versus 80%)<sup>1</sup>.

In the student sample, tuition fees were more likely to be a concern for BAME students. BAME students were more likely than white students to have been worried about tuition fees (26% versus 10%). White students were more likely than those describing themselves as BAME to say living costs were their main concern (50% versus 27%). Similarly, tuition fees were also the main worry of those living in London (32% versus 17% or less of those who lived in other regions)<sup>2</sup> and those studying Business/admin and Law (31% and 27% compared with an average of 13%).

- Younger students were more likely than those aged 26+ to mention supporting themselves through earnings or savings (28% of those aged 17-21 and 25% aged 22-25 versus 12% of those aged 26+). Students aged 26+ were more likely than younger students to mention disability/parental/care allowance (17% versus 6% of those aged 18-21).
- Male students were significantly more likely than female students to mention: the prospects of a bursary, scholarship or fee waiver (31% versus 22%); and the availability of disability/parental/care allowance (8% versus 5%).
- White students were more likely than BAME students to mention the availability of a maintenance loan (55% versus 41%).

## Graduates

HE Graduates aged over 26 were more likely to express worry about the costs than younger graduates (88% versus 80% of 18-21s and 76% of 22-25s). Tuition fees were more likely to be a concern for male and BAME graduates. Female graduates were more likely than male graduates to say that they were equally put off by tuition fees and living costs (50% versus 39%) and less likely than male graduates to say they were most put off by tuition fees (18% versus 24%). BAME graduates were more likely than other

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<sup>1</sup> Comparisons with the 26+ age group showed no statistically significant differences

<sup>2</sup> 20% of those living in the West Midlands mentioned tuition fees as their key concern; this proportion was not statistically different to that recorded in London.

graduates to have been worried about tuition fees (32% versus 17%), and less likely than white students to say living costs were their main concern (26% versus 37%). In addition, graduates that studied at the most selective universities were more likely to say they were equally worried by tuition and living costs (52% versus 40%) and less likely than graduates from less selective universities to say that living costs were their main concern (30% versus 37%).

In terms of the factors that persuaded graduates to enter HE despite their concerns, there were differences by age, gender, ethnicity, family background and institution type:

- Younger graduates were more likely than those aged over 26 to mention not needing to repay a loan until an income threshold was reached (63% of 18-21s and 62% of 22-25s versus 50% of those aged 26+) and financial support from parents (45% of 18-21s, 37% of 22-25s and 22% of those aged 26+).
- Female graduates were more likely than male graduates to mention not needing to pay off a loan until an income threshold was reached (64% versus 53%); availability of a loan for tuition fees (59% versus 51%) and; availability of a maintenance loan (56% versus 48%).
- White graduates were more likely than BAME graduates to mention the availability of a maintenance loan (55% versus 46%) and the availability of a disability/parental/care allowance (11% versus 6%). BAME graduates were more likely than white graduates to mention the prospect of a bursary, scholarship or fee waiver (45% versus 33%).
- Graduates from an ABC1 background were more likely than those from a C2DE background to mention financial support from parents (40% versus 23%) and the ability to support themselves through savings or earnings (29% versus 22%), and less likely to mention the prospect of a bursary, scholarship or fee waiver (30% versus 38% of graduates from a C2DE background).
- Graduates from a background of parental higher education were more likely than other students to mention financial support from parents (44% versus 29%) and the ability to support themselves through savings or earnings (32% versus 22%), and less likely to mention the prospect of a bursary, scholarship or fee waiver (31% versus 39% of graduates from a background of no parental higher education).
- Those graduating from the most selective universities were more likely than other graduates to mention having had access to financial support from parents (44% versus 30%) and supporting themselves through earnings or savings (30% versus 24%).

## Concerns relating to higher education

All participants were presented with a series of statements relating to concerns about the costs associated with attending university and other concerns relating to higher education (e.g. choosing their course and where to study). The statements were tailored and/or filtered according to respondent type, and participants were asked to what extent they agreed with each statement on a five-point agreement scale.

The following table shows the findings, in rank order, as a mean score out of five<sup>3</sup>. The main concerns were the levels of interest charged on student loans (mean score 3.8), making the right choice about which institution to study at (mean score 3.8, students and graduates only), the total amount of debt from student loans (mean score 3.7), and worries about not getting a good job after graduating (mean score 3.7, applicants and students only). Of least concern were not having enough/ worrying about not having enough to live on each month after making a student loan repayment (mean score 2.8 for graduates and 3.2 for students) and worries about making the right choice of subject (applicants only, mean score 3.2).

In terms of differences by respondent type, the research revealed the following patterns:

- Level of interest charged on student loans: graduates were more likely to agree they had worries than applicants or students (3.9 versus 3.7 and 3.7 respectively).
- Worried about not getting a good job after university (applicants and students only): students were more likely than applicants to agree with this statement (3.8 versus 3.6).

**Table 11: Mean level of agreement with statements about cost and choice relating to attending university**

Statement	Base definition	Mean score			
		All	Applicants	Students	Graduates
<b>I am worried about the level of interest charged on my student loan</b>	All	3.8	3.7	3.7	3.9
<b>When making my choices about university, I was worried about making the right choice about which institution to study at</b>	Students/ graduates	3.8	n/a	3.8	3.8

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<sup>3</sup> The mean score is based on points assigned to the scale items, where strongly agree=5 and strongly disagree=1

<b>I am worried about the total amount of debt I will be/am in from student loans</b>	All	3.7	3.8	3.7	3.7
<b>I am worried about not getting a good job when I finish university</b>	Applicants/ Students	3.7	3.6	3.8	n/a
<b>I feel worried about the number of years it will take to repay my student loan</b>	All	3.6	3.5	3.5	3.6
<b>When making my choices about university, I was worried about making the right choice about which subject to study</b>	Students/ graduates	3.6	n/a	3.5	3.6
<b>I am worried about making the right choice about which institution to study at</b>	Applicants	3.6	3.6	n/a	n/a
<b>The loan repayments that graduates have to make each month from their salaries are affordable</b>	Applicants/ Students	3.6	3.6	3.5	n/a
<b>The loan repayments that I have to make each month from my salary are affordable</b>	Graduates	3.5	n/a	n/a	3.5
<b>I am worried about not getting a good job now that I've finished university</b>	Graduates	3.5	n/a	n/a	3.5
<b>I worry about having enough to live on each month once I've made my student loan repayment</b>	Students	3.2	n/a	3.2	n/a
<b>I am worried about making the right choice about which subject to study</b>	Applicants	3.2	3.2	n/a	n/a



<b>I do not have enough to live on each month once I've made my student loan repayment</b>	Graduates	2.8	n/a	n/a	2.8
<p><b>Question A4:</b> <i>To what extent do you agree with the following statements?</i>  <b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>					

## Attitudes to higher education: demographic differences

Demographic differences were present in each of the respondent groups, and these varied depending on the statement. Some patterns were evident:

- Among applicants, those aged over 18 and those applying to less selective universities expressed higher levels of agreement with statements concerning worries about the total amount of debt, the interest level on student loans and the number of years to pay off student loans.
- In the student sample, BAME students expressed higher levels of concern about interest charged on student loans, debt levels, the write-off period and loan affordability. Females were more concerned than males about debt levels and loan affordability.
- In the graduate sample, female graduates were more concerned about interest levels, the amount of debt accrued on student loans and loan affordability. BAME graduates were more concerned than White graduates about debt levels and the number of years it would take to repay their loan.

## Concern about Interest charged on student loans

Applicants - (mean score 3.7): Older applicants (3.7 for 18-21s and 4.0 for 22+ versus 3.5 for 16-17s) and those applying to less selective institutions (3.9 versus 3.5 among those applying to more selective institutions) were more likely to feel worried about interest levels on student loans.

Students - (mean score 3.7): Those aged 22-25 were more likely to agree that they were worried about interest levels on student loans than other students (4.0 versus 3.6 for 18-

21-year olds and 3.5 for those aged 26+). BAME students were also more likely to have concerns about interest levels (3.8 versus 3.6 of white students).

Graduates - (mean score 3.9): Older graduates were more likely than those aged 18-21 to agree that they were worried about interest levels on student loans (3.7 versus 3.9 for 22-25s and 4.0 for 26+). Female graduates were also more likely to agree with this statement than male graduates (4.0 versus 3.8)

### **Concern about debt from student loans**

Applicants - (mean score 3.8): As with concern about interest charged on student loan, concern about debt from student loans varied by age and institution type. Those aged 18-21 were more likely to agree that they were worried about their total debt from loans than other applicants (3.9 versus 3.4 for 16-17-year olds and 4.0 for those aged over 22). Those applying to less selective universities were more likely to feel worried about total debt than other applicants (4.1 versus 3.5).

Students - (mean score 3.7): Female students were more worried about debt levels from student loans than males (mean score 3.8 versus 3.6). White students were less concerned about debt levels than BAME students (3.7 versus 4.0), and law students had the highest mean score for this statement (4.3) and this was significantly higher than average (3.7).

Graduates - (mean score 3.7): Female graduates were more worried about debt levels from student loans than males (mean score 3.8 versus 3.6). White students were less concerned about debt levels than BAME students (3.6 versus 3.9)

### **Concern about number of years it takes to pay off student loans**

Applicants - (mean score 3.5): Older applicants were more likely to be worried about the number of years it would take to pay off student loans than those aged 16-17 (3.6 for those aged 18-21 and 3.8 for those aged over 22 versus 3.3 for those aged 16-17).

Those applying to less selective universities were more likely to feel worried than other applicants (3.8 versus 3.4). There was also some variation by subject: those applying to study STEM subjects were less likely than those applying for Medicine/dentistry, Life Sciences or Humanities/social sciences to be concerned about the number of years to pay off student loans (3.4 versus 3.7, 3.6 and 3.6 respectively).

Students - (mean score 3.5): BAME students were more likely than white students be worried about the number of years it would take to repay their loan (3.8 versus 3.5). Similarly, those from an ABC1 background (3.6 versus 3.4 among those from a C2DE background) and those studying Medicine/dentistry (4.0 versus an average of 3.5) were more likely to be concerned.

Graduates - (mean score 3.6): BAME students were more likely than white students to agree they were worried about the number of years it would take to repay their loan (3.8 versus 3.6).

### **Concern about whether graduates' loan repayments are affordable**

Applicants - (mean score 3.6): Demographic analysis revealed no patterns worthy of note.

Students - (mean score 3.5): Males (3.6 versus 3.5 among females), white students (3.6 versus 3.4 among BAME students) and those studying Business/admin (3.8 versus an average of 3.5) were more likely than average to agree that the loan repayments made by graduates are affordable. Students living in the East of England were the least likely to agree with the statement (3.2 versus the average of 3.5).

Graduates - (mean score 3.5): Those aged 26+ were more likely than younger graduates to think that loan repayments made by graduates are affordable (3.7 versus 3.5 for 18-21s and 3.5 for 22-25s). Similar to the pattern among students, males were more likely than females to agree that the loan repayments made by graduates were affordable (3.7 versus 3.4).

## **Concerns about having enough to live on each month after loan repayment**

Students - (mean score 3.2): Students attending less selective universities were more likely to have concerns about having enough to live on each month after their loan repayment (3.4 versus 3.1); while those studying STEM subjects were the *least* likely to agree with the statement (2.9 versus average mean score of 3.2).

Graduates - (mean score 2.8): Graduates aged 22-25 (2.7) were less likely to have concerns in this area than those aged 18-21 (3.2) and those aged 26+ (3.0). By contrast, BAME graduates (3.2 versus 2.7 among white graduates), graduates living in London (3.1 versus 2.8) and those graduating from Medicine/dentistry and Life sciences (3.5 and 3.0 versus 2.8) were more likely to have concerns in this area.

## **Concern about making the right choice about institution to study at**

Applicants - (mean score 3.6): Demographic analysis of applicant responses revealed no patterns worthy of note

Students - (mean score 3.8): Students aged 18-21 were more likely to agree that they were worried making the right institution choice than other students (3.9 versus 3.7 for those aged 22-25 and 3.2 for those aged 26+). Similarly, students from an ABC1 background (3.9 versus 3.7 for those from a C2DE background) and students with a background of parental higher education (3.9 versus 3.8 of those without a background of higher education) were more likely to express concerns about institution choice.

Graduates - (mean score 3.8): Female graduates were more likely than males to agree that they had worries about making the choice about where to study (3.8 versus 3.7).

## **Concern about getting a good job after university**

Applicants - (mean score 3.6): Older applicants were more likely to be worried about not getting a good job after university than those aged 16-17 (3.7 for 18-21s and 3.9 for 22+ versus 3.4 for 16-17s). Applicants from a C2DE background (3.8 mean agreement score versus 3.5 among those from an ABC1 background) and those applying to less selective universities (3.9 versus 3.4 of those applying to more selective universities) were also more likely to feel worried about not getting a good job.

Students - (mean score 3.8): Younger students aged 18-21 (3.8 versus 3.5 among older students) and females (3.8 versus 3.6 among men) were more likely to be worried about getting a good job after university. Those studying Medicine/ dentistry were less likely than other students to be concerned about getting a good job (3.1 versus 3.6 or more).

Graduates - (mean score 3.5): BAME graduates were more likely to agree that they were worried about getting a good job now they had graduated than white graduates (3.8 versus 3.5), as were those from a C2DE background (3.7 versus 3.4 among those from an ABC1 background).

### **Concern about making the right choice about subject of study**

Applicants - (mean score 3.2): Applicants from a C2DE background were more likely to have concerns about making the right choice about subject to study (3.4 versus 3.1 amongst those from an ABC1 background). Similarly, those applying to less selective universities were more likely to feel worried than other applicants (3.5 versus 3.0), as were those applying to study Humanities/social sciences compared with those studying Medicine/dentistry, Life Sciences or STEM subjects (3.7 versus 2.9, 3.1 and 3.0 respectively).

Students - (mean score 3.5): Those aged 18-21 were more likely to agree that they were worried about making the right choice concerning which subject to study than other students (3.6 versus 3.3 for 22-25-year olds and 3.0 for those aged 26+).

Students from an ABC1 background were more likely to have had worries than other students (3.6 versus 3.4 for those from a C2DE background), as were students with a background of parental higher education (3.6 versus 3.4 among those without a background of parental higher education).

Graduates - (mean score 3.5): BAME graduates were more likely to agree than other students that they worried about making the right subject choice (3.8 versus 3.5).

### 3. Attitudes towards the current student finance system

This chapter explores attitudes towards various aspects of the student finance system, including the level of government spending on higher education, the opportunities offered to young people in the UK to access higher education and the financial contribution made by university students towards their higher education. The chapter also considers issues around students' course/subject choices and explores views on the current arrangements for loan repayment for graduates at different income levels.

#### Chapter summary

##### Government spending and support for higher education

- Around two-thirds of participants (64%) felt that too little was being spent by the government on higher education. Applicants were more likely than students or graduates to feel that too little was being invested in higher education (71% versus 65% and 60% respectively).
- Fifty-seven percent of participants felt that the government should increase opportunities for young people to attend university; applicants were more likely than students or graduates to hold these views. A slightly higher proportion (61%) thought that the government should increase the opportunities for studying higher education at further education colleges (and this proportion was similar among applicants, students and graduates).

##### Meeting the costs of university education

- The vast majority of participants (70%) agreed that it was fair for university students to contribute to the cost of their education and views were broadly similar across the respondent groups.
- Fifty-seven percent of participants agreed that the amount that university students pay towards their education should depend on their household income. Graduates were more likely to agree than students were (while the level of agreement among applicants was not significantly different to that of the other groups).
- On the subject of unpaid graduate loans, a majority of participants (55%) thought that the taxpayer should cover the outstanding costs, while 21% felt that another party should meet these and 18% thought that higher earning graduates should pay. There were few differences in opinion by respondent group.
- Nearly half of participants (47%) felt that the average cost met by the taxpayer for student education was about right, while 29% regarded it as too high. Eleven per cent felt that the average amount met by the taxpayer was too low. Graduates were more likely than students to think that the current level was about right, while students were

more likely than graduates to feel the proportion was too high. The views of applicants did not differ significantly from those of the other groups.

### Implications of subject choice for repayment of loans

- Over half of participants (54%) felt that higher education students should make their subject choice based on interest level, while 10% felt choice should be based on likely future earnings. A third (31%) thought both interest level and future earnings were equally considered. Graduates were more likely than applicants and students to feel that choice should be based on earnings post-graduation, while students were more likely than other groups to feel that choice should be based on subject interest. Applicants were more likely than students and graduates to feel that both subject interest and future earnings were equally valid considerations.
- Roughly half of participants (53%) felt that students should be able to study any subject they choose even if that meant more costs for taxpayers, while a quarter (24%) felt that there should be some restrictions on subject choice. A fifth (20%) said 'it depends' and this was more likely to be the case for applicants and graduates than for students.

### Graduate earnings

- Across three illustrations of graduate income (£27k, £35k and £42k) and associated average monthly loan repayments, the majority of participants felt that the repayment amount was about right. Broadly speaking, applicants tended to be more likely than other groups to think that the repayment amounts were too low, while students and graduates tended to think that the repayment levels were too high.

## **Government spending and support for higher education**

Participants were asked whether they felt the government was spending too much, too little or about the right amount of money on higher education. Around two-thirds (64%) of participants felt that too little money was spent, while 21% felt the level was about right. Six per cent felt that too much was being spent on higher education.

- Applicants were more likely than students or graduates to feel that too little was being invested in higher education (71% versus 65% and 60% respectively).
- Students and graduates were more likely than applicants to think that too much was being spent on higher education (6% and 7% versus 2%).



**Table 12: Each sample group's views on government spending on higher education**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Much too little</b>	13%	13%	11%	16% B
<b>Too little</b>	51%	58% C	54% C	44%
<b>About the right amount</b>	21%	20%	20%	23%
<b>Too much</b>	4%	2%	5% A	5% A
<b>Much too much</b>	1%	*%	1%	2% AB
<b>Don't know</b>	9%	7%	10%	10% a
<b>NET: Too little</b> Includes 'much too little' and 'too little'	64%	71% bC	65% c	60%
<b>NET: Too much</b> Includes 'too much' and 'much too much'	6%	2%	6% A	7% A
<b>Base:</b>	2682	473	1049	1160
<p><b>Question C1:</b> Do you think the government spends too much money, too little money, or about the right amount on higher education?  <b>Note:</b> When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</p>				

Asked whether the opportunities for young people in UK to attend university should be increased, reduced or whether these were already about right:

- Over half of participants (57%) felt that opportunities should be increased; this was more likely to be the case amongst applicants than among students or graduates (63% versus 57% and 55%).
- Twenty-seven percent of participants felt that the current level of opportunity was about right (graduates were more likely than students to think that this was the case: 29% versus 25% respectively)
- Thirteen percent felt that opportunities should be reduced; students and graduates were more likely to hold this view than applicants (14% and 13% versus 8%).

**Table 13: Each sample group's views on opportunities for young people to study at a university**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Increased a lot</b>	21%	21%	20%	21%
<b>Increased a little</b>	37%	42% C	37%	34%
<b>About right</b>	27%	28%	25%	29% b
<b>Reduced a little</b>	9%	6%	11% A	10% a
<b>Reduced a lot</b>	3%	2%	3%	4% a
<b>Don't know</b>	3%	2%	4%	3%
<b>NET: Increased</b> Includes 'increased a lot' and 'increased a little'	57%	63% bC	57%	55%
<b>NET: Reduced</b> Includes 'reduced a lot' and 'reduced a little'	13%	8%	14% A	13% A
<b>Base:</b>	2682	473	1049	1160

**Question C2:** Do you feel that opportunities for young people in the UK to go onto higher education, to study at a university, should be increased or reduced, or are they at about the right level now?  
**Note:** When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')

Participants were shown the following text:

*It is possible to study for degree-level qualifications at further education colleges. Further education colleges often offer a diverse mix of qualification types and are usually less traditionally 'academic'.*

They were then asked whether the opportunities for young people in UK to access higher education via further education colleges should be increased, reduced or whether these were already about right:

- Six in ten participants (61%) felt that opportunities should be increased, while 6% thought opportunities should be reduced and 25% thought the current level of opportunity was about right.
- Views were similar across the three respondent groups

**Table 14: Each sample group's views on opportunities for young people to study at a further education college**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
Increased a lot	22%	24%	21%	22%
Increased a little	39%	39%	41%	37%
About right	25%	26%	25%	24%
Reduced a little	5%	4%	4%	6%
Reduced a lot	1%	1%	1%	1%
Don't know	8%	7%	7%	10% ab

<b>NET: Increased</b> Includes 'increased a lot' and 'increased a little'	61%	63%	61%	59%
<b>NET: Reduced</b> Includes 'reduced a lot' and 'reduced a little'	6%	5%	6%	7%
<b>Base</b>	2682	473	1049	1160
<p><b>Question C3:</b> Do you feel that opportunities for young people in the UK to go onto higher education, to study at a further education college, should be increased or reduced, or are they at about the right level now?</p> <p><b>Note:</b> When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</p>				

## Government spending and support for HE: demographic differences

Demographic differences were present in each of the respondent groups. Overall, the view that too little is spent by the government on higher education was most likely to be held by older students (aged over 26), female graduates, white graduates and those graduating from less selective universities.

### Applicants

There were no statistically significant patterns, in terms of whether applicants felt that opportunities for young people to go to *university* should be increased or decreased. However:

- Applicants to less selective universities were more likely to feel that opportunities for studying HE at a *further education college* should be increased than applicants to the most selective universities (68% versus 59%)
- While a minority of applicants thought that opportunities to study HE at a college should be reduced, this was more likely to be the case among: males (8% versus 3% of female applicants); and BAME applicants (8% versus 4% of white applicants).

### Students

Students aged 26+ were more likely than younger students to think that too little was being spent on HE (77% versus 64% of those aged 18-21 and 63% of those aged 22-25). While a minority of students felt there was too much spending on higher education, this was more likely to be the case among: BAME students (9% versus 5%) and those studying Medicine/dentistry (16% versus 6% of less in other disciplines)<sup>4</sup>.

The following groups of students were more likely to feel that opportunities to attend *university* should be increased: females (61% versus 53% of male students); those without a background of parental higher education (62% versus 52% of those with); and those attending less selective universities (63% versus 52% of those attending the most selective universities).

Female students were also more likely than males to think opportunities to study HE at *further education college* should be increased (68% versus 53%), while males were more likely to think they should be reduced (8% versus 4% of female students). Students studying Business/admin were also more likely than the average to think that opportunities should be reduced (14% versus 6%).

### Graduates

Female graduates were more likely than males to think that too little was being spent on HE (63% versus 56%), as were white graduates (62% versus 54% of BAME graduates) and those graduating from less selective universities (63% versus 55% of those graduating from more selective institutions).

Female graduates were more likely to think that opportunities to study HE at a *university* should be increased (58% versus 51% respectively). In terms of thoughts regarding opportunities to study HE at a *college*:

- Male graduates were more likely than females to think that the level of opportunity was about right (26% versus 21%) and that opportunities should be reduced (10% versus 5%).

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<sup>4</sup> With the exception of Humanities/social sciences – 8% held this view but this proportion was not significantly different to that held by students of Medicine/ Dentistry

- Those graduating from less selective universities were more likely than those graduating from the most selective to think that opportunities should be reduced (9% versus 5%).
- Graduates of creative arts/design were more likely than average to think that opportunities should be increased (78% versus 59%).

## Meeting the costs of university education

Participants were presented with the following two statements and asked to what extent they agreed with each on a five-point agreement scale:

- *I think that it is fair for university students to make some contribution to the cost of their education.*
- *I think that the amount that university students pay towards their education should depend on their household income.*

Seventy per cent of participants agreed that it was fair for university students to contribute, while a smaller proportion (58%) agreed that contributions should be based on household income. For the first statement, views were broadly similar by respondent type, while for the second statement, graduates were more likely than students to agree (60% versus 54%).

**Table 15: Each sample group's views on how university students should contribute to the cost of their education (1)**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Strongly agree</b>	18%	20%	17%	18%
<b>Agree</b>	52%	53%	53%	51%
<b>Neither agree nor disagree</b>	16%	14%	16%	17%
<b>Disagree</b>	10%	10%	11%	10%

<b>Strongly disagree</b>	3%	3%	4%	4%
<b>NET: Agree</b> Includes 'strongly agree' and 'agree'	70%	73%	70%	69%
<b>NET: Disagree</b> Includes 'disagree' and 'strongly disagree'	14%	13%	14%	14%
<b>Mean</b>	3.7	3.8	3.7	3.7
<b>Base</b>	2682	473	1049	1160
<p><b>Question C4.1:</b> <i>To what extent do you agree with the following statements? I think that it is fair for university students to make some contribution to the cost of their education</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

**Table 16: Each sample group's views on how university students should contribute to the cost of their education (2)**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Strongly agree</b>	22%	24%	22%	22%
<b>Agree</b>	35%	34%	32%	38% B
<b>Neither agree nor disagree</b>	15%	15%	16%	14%
<b>Disagree</b>	18%	18%	19%	16%
<b>Strongly disagree</b>	10%	8%	11%	10%

<b>NET: Agree</b> Includes 'strongly agree' and 'agree'	57%	58%	54%	60% B
<b>NET: Disagree</b> Includes 'disagree' and 'strongly disagree'	28%	27%	30% c	26%
<b>Mean</b>	3.4	3.5	3.3	3.5 b
<b>Base</b>	2682	473	1049	1160
<p><b>Question C4.2:</b> <i>To what extent do you agree with the following statements? I think that the amount that university students pay towards their education should depend on their household income</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

In terms of student loans (e.g. for maintenance and tuition fees) that remain unpaid by graduates, participants were asked who they thought should pay the outstanding costs. A majority (55%) felt that taxpayers should cover the costs, 18% thought higher earning graduates should meet the costs and 5% felt that other graduates should meet these costs. A fifth of participants (21%) felt that another party should pay the costs.

There was little variation in views by respondent type, although students were more likely than graduates to think that taxpayers should meet outstanding loan costs (58% versus 52%).

**Table 17: Each sample group's views on who should pay the remaining costs of their education**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Taxpayers (including people who don't have a university education)</b>	55%	56%	58% C	52%
<b>Other graduates</b>	5%	4%	5%	6%



<b>Only higher earning graduates</b>	18%	18%	17%	19%
<b>Other</b>	21%	22%	20%	23%
<b>Base</b>	2682	473	1049	1160

**Question C5:** *Some graduates do not manage to pay off their student loans; for example, if they do not go on to earn high salaries. Who do you think should pay the remaining costs of their education?*  
**Note:** *When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')*

The survey shared information about the current share of the cost of a student's education paid by the taxpayer, which averages at 45 per cent. Participants were asked their views on whether they felt this proportion was too high, too low or about right.

- Nearly half of participants (47%) felt that the average cost met by the taxpayer was about right, while 29% regarded it as too high. Eleven per cent felt that the average amount met by the taxpayer was too low.
- Graduates were more likely than students to think that this amount was about right (50% versus 45%), while students were more likely than graduates to feel the proportion was too high (31% versus 27%).

**Table 18: Each sample group's views on the tax payer's contribution to students' higher education**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Too high</b>	29%	28%	31% c	27%
<b>About right</b>	47%	48%	45%	50% b
<b>Too low</b>	11%	13%	12%	11%

<b>Don't know</b>	13%	11%	13%	13%
<b>Base</b>	2682	473	1049	1160
<p><b>Question C6:</b> <i>On average, the taxpayer contributes 45% of the costs of a student's higher education. In your opinion, is this amount:</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

## Meeting the cost of HE: demographic differences

Demographic differences were present in each of the respondent groups, and interesting patterns emerged depending on social grade:

- ABC1 applicants were more likely than those with a C2DE background to agree that it is fair that students make some contributions to the cost of their education, and less likely to agree that contributions should depend on household income. This pattern was the same among students.
- ABC1 students were also more likely to feel that taxpayers' contribution to the cost of education is too low..

### Applicants

Applicants from an ABC1 background were more likely than other applicants to agree that it was fair for university students to make some contribution to the cost of their education (79% versus 60% of C2DE applicants).

BAME applicants were more likely than white applicants to agree that the amount that students paid towards their education should depend on their household income (71% versus 53%). Similarly, applicants from a C2DE background were more likely to agree with the statement than those from an ABC1 background (69% versus 53%)

In terms of attitudes towards the tax-payer contribution to the cost of HE, there were differences according to applicants' age, parental education and institution type. Applicants aged 16-17 were more likely than older applicants to feel that the contribution of tax-payers towards the cost of a student's higher education (at around 45% of the cost) was about right (57% versus 44% of those aged 18-21 and 41% of those aged 22 and over). Older applicants were more likely than younger applicants to feel the proportion was too high (32% of 18-21 year olds and 37% of those aged 22 and over years versus 18% of 16-17 year olds). Those from a background of parental higher education were more likely than other applicants to feel the proportion was too low (17% versus 9%). Applicants to the most selective universities were more likely than other applicants to feel that the proportion was about right (54% versus 39%) or too low (16% versus 8%). In contrast, those applying to less selective universities were more likely than other applicants to feel the proportion was too high (39% versus 20%).

## Students

White students were more likely to agree that it was fair for university students to make some contribution to the cost of their education (72% versus 61% of BAME students), while BAME students were more likely to disagree (23% versus 12%).

Students from an ABC1 background were more likely than other students to express agreement (75% versus 67% of students with a C2DE background), while students attending less selective universities were more likely than other students to *disagree* (17% versus 12% of those attending the most selective institutions).

Male students were more likely to think that the amount that students paid towards their education should depend on their household income (60% versus 49% of female students). Those from a C2DE background were also more likely to agree with this (64% versus 51% of those from an ABC1 background), as were those without a background of parental higher education (58% versus 50% of those with) and students of Law (74%

versus 54% or less of those studying other subjects)<sup>5</sup>. White students were more likely to disagree with the statement (32% versus 24% of BAME students).

With regards to the contribution of tax-payers towards the cost of a student's higher education, BAME students were more likely than white students to think that this was too high (38% versus 29%). Students from an ABC1 background were more likely to think that this was too low (15% versus 8% from a C2DE background); students from a C2DE background were more likely than students from an ABC1 background to think that the amount was too high (39% versus 27%). Those from a background of parental higher education were more likely than other students to feel the proportion was too low (15% versus 8%) or that the amount was about right (47% versus 41%). Those from a background of no parental higher education were more likely than other students to think that the amount was too high (36% versus 28%). Students studying Medicine/dentistry were more likely than average to feel that this amount was about right (67% versus 45%).

## Graduates

Male graduates were more likely to agree that it was fair for university students to make some contribution to the cost of their education than females (74% versus 65%), as were graduates from the most selective universities (77% versus 64%) and graduates of medicine/dentistry (86% versus an average of 69%).

Graduates aged 26+ were more likely than younger graduates to agree that the amount that students paid towards their education should depend on their household income (76% versus 52% of 18-21s and 58% of 22-25s). Similarly, the following groups were also more likely to agree: male graduates (64% versus 57% of female graduates), BAME graduates (68% versus 58% of white graduates), graduates living in London (71% versus 61% or less in other English regions) and graduates from a C2DE background (67% versus 55% of graduates from an ABC1 background).

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<sup>5</sup> With the exception of those studying Medicine/dentistry (58%) or Business/admin (59%) where differences in levels of agreement were not significant

Males were more likely to think the level of tax-payer funding towards HE was about right (55% versus 45% of female graduates). BAME students were more likely than white students to think that this amount was too high (33% versus 25%), as were graduates living in the North East and South West (26% and 21% versus an average of 11%). Those from a background of parental higher education were more likely than other graduates to feel the proportion was too low (13% versus 9%). And, conversely, those from a background of no parental higher education were more likely than other graduates to think that the amount was too high (30% versus 24%).

## **Implications of subject choice for repayment of loans**

Participants were informed that some subjects studied at university lead to less well-paid jobs, meaning that graduates may be less likely to pay off their student loans, resulting in taxpayers having to pay more for these students.

They were asked which of the following statements most closely met their own views:

- Students should choose a course based on how much they are likely to earn after graduating
- Students should choose a course based on how interested they are in the subject
- Both of these
- Neither of these
- I have a different view (specify)
- Don't know

Over half of participants (54%) felt that students should make their subject choice based on their level of interest in the subject, while 10% felt choice should be based on likely future earnings. A third (31%) thought both statements were equally important. Four per cent of participants held a different view.

Analysis by respondent type revealed some differences. Graduates were more likely than applicants and students to feel that choice should be based on earnings post-graduation (13% versus 7% and 9% respectively). Students were more likely than applicants and graduates to feel that choice should be based on subject interest (57% versus 50% and 52%). Applicants were more likely than students and graduates to feel that both statements were of equal value (38% versus 29% and 28%).

**Table 19: Each sample group's views on students' university course choice**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Students should choose a course based on how interested they are in the subject</b>	54%	50%	57% ac	52%
<b>Students should choose a course based on how much they are likely to earn after graduating</b>	10%	7%	9%	13% AB
<b>Both of these</b>	31%	38% BC	29%	28%
<b>Neither of these</b>	0%	0%	0%	0%
<b>Don't know</b>	2%	2%	2%	2%
<b>I have a different view</b>	4%	3%	4%	5%
<b>Base</b>	2682	473	1049	1160
<p><b>Question C7:</b> <i>Some subjects that people study at university can lead to less well-paying jobs (compared with other subjects that tend to lead to higher paying jobs). This means that graduates may be less likely to pay off their student loans, and tax-payers need to pay more for these students. Thinking about this, which of these is closest to your own views:</i></p> <p><b>Note:</b> <i>When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')</i></p>				

Continuing with the topic of course choice, participants were asked which of the following statements most closely described their views:

- Everyone should be able to study any subject they choose, even if this means that tax payers have to pay more
- There should be some restrictions on subject choice

- It depends
- Don't know

Around half of participants (53%) felt that students should be able to study any subject they choose even if that meant more costs for taxpayers, while a quarter (24%) felt that there should be some restrictions on subject choice. A fifth (20%) opted for 'it depends' as their response and this was more likely to be the case for applicants and graduates than for students (23% and 21% versus 17%).

**Table 20: Each sample group's views on restricting university course choice**

	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
<b>Everyone should be able to study any subject they choose, even if this means that tax payers have to pay more</b>	53%	50%	56% c	51%
<b>There should be some restrictions on subject choice</b>	24%	23%	24%	24%
<b>It depends</b>	20%	23% B	17%	21% B
<b>Don't know</b>	4%	4%	4%	3%
<b>Base</b>	2682	473	1049	1160

**Question C8:** Thinking about the course students choose to study, which of the below statements best describes your views?

**Note:** When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')

## **Implications of subject choice for repayment of loans: demographic differences**

Within each of the respondent groups, differences were noted by gender and ethnicity, with males and white groups more likely (than females / BAME groups) to think that students should make their subject choice based on interest level. In addition, within each respondent group, males were more likely than females to favour restriction of choice based on earnings.

### Applicants

Female applicants were more likely than male applicants to think that subject choice should be based on interest level (55% versus 43%), while male applicants were more likely than females to think that choice should be based on future earnings (11% versus 4%). (Male applicants were also more likely than female applicants to think there should be some restrictions on subject choice (32% versus 16%).

The following groups were also more likely to think that choice should be based on interest in a subject, rather than earnings:

- The youngest applicants compared with those aged 22 and over (53% of 16-17s, 54% of 18-21s versus 33% of 22+ year olds)
- White applicants compared with BAME applicants (54% versus 39%); BAME applicants thought both interest in the subject and likely future earnings were equally important in making a choice (50% versus 34%).

Applicants from a background of no parental higher education (44% versus 34%) and those from the most selective universities (43% versus 32%) were more likely than other applicants to think that both interest level and future earnings were important considerations.

Those applying to study Humanities/social sciences were more likely than other students to feel that students should be able to study any subject even if that meant more cost to the taxpayer (69% versus 48% or less among applicants for other disciplines).

### Students

Like male applicants, male students were more likely than females to think that choice should be based on future earnings (13% versus 5%). Male students were more likely



than female students to think there should be some restrictions on subject choice (30% versus 19%). Other significant demographic differences include:

- White students were more likely than other students to think that choice should be interest-based (60% versus 44% of BAME students); BAME students were more likely than white students to think that interest in the subject and future earnings were equally important considerations when making a choice (42% versus 27%).
- Student from an ABC1 background were more likely than other students to think that future earnings should be considered when making the choice (12% versus 7% of those from a C2DE background) and less likely to think that both interest level and future earnings were equally important considerations (28% versus 38% respectively).
- Students from a background of parental higher education were more likely than other students to think future earnings were important in making a choice (10% versus 6%), and were also more likely to feel that there should be some restrictions on subject choice (28% versus 20%).
- Those studying Creative arts/design and Humanities/social sciences were more likely than average to think that interest in the subject area was the most important consideration (77% and 68% versus 57%). Those studying Creative arts/design were also more likely than average to feel that choice should not be restricted even if that meant higher costs for the taxpayer (76% versus 56%), while those studying Medicine/dentistry were more likely than average to feel that there should be some restrictions on subject choice (44% versus 24%).

## Graduates

As with male applicants and students, male graduates were more likely than females to think that choice should be based on future earnings (18% versus 8%); female graduates were more likely to think that choice should be based on level of subject interest (58% versus 46%). Male graduates were also more likely than females to think there should be some restrictions on subject choice (31% versus 19%); female graduates were more likely to think that there should be no restrictions (55% versus 47%) even if this means that the tax-payer has to pay more.

- There were also variations by age: graduates aged 26+ were more likely than younger graduates to think that choice should be based on future earnings (22% versus 13% of 18-21s and 10% of 22-25s). Graduates aged 18-21 were more likely than older graduates to think there should be no restrictions (60% versus 51% of 22-25s and 46% of 26+); graduates over the age of 21 were more likely than those aged 18-21 to say, 'it depends' (21% of 22-25s and 25% of 26+ versus 15% of 18-21s).
- There were also differences by ethnicity, with white graduates being more likely than other graduates to think that choice should be interest-based (57% versus 37%); BAME graduates were more likely than white graduates to think that interest in the subject and future earnings were equally important considerations when

making a choice (36% versus 26%) or that future earnings were most important (17% versus 12% respectively). White graduates were more likely than other graduates to favour no restrictions on subject choice (54% versus 42%), while BAME graduates were more likely to say, 'it depends' (26% versus 20% of white graduates).

- Those graduating in Medicine/dentistry were more likely than average to think that future earnings was the most important consideration (43% versus 13%); graduates of Creative arts/design, Humanities/social sciences were more likely than average to think that interest in the subject was the key consideration (83%, 80%, 63% versus 52%). Those graduating in Creative arts/design were more likely than average to favour no restrictions on subject choice (82% versus 51%).
- Further analysis also showed that those from an ABC1 background were more likely than those from a C2DE background to feel there should be some restrictions (28% versus 18%); those from a C2DE background were more likely to favour no restrictions (59% versus 52% of those from ABC1 background).
- Graduates from the most selective universities were more likely than other graduates to favour some restrictions (28% versus 22%).

## Attitudes towards graduate earnings and repayments

Levels of graduate income and associated average monthly loan repayments were explored in three separate scenarios. For each, participants were asked whether they felt the repayment amount was too much, too little or about right. Table 21 summarises the findings and shows that for each income/ repayment example, the majority of participants felt that the repayment amount was about right.

Views on repayments for the middle and upper income levels were very similar. For the lowest income level (£27,000), 29% of participants felt the repayment amount of £15 per month was too low (8% thought it was too high).

**Table 21: Views on repayment level for different income thresholds (C9, C10, C11)**

Response	QC9: Income £27000 Repayment £15 pm	QC10: Income £35000 Repayment £74 pm	QC11: Income £40000 Repayment £112 pm
<b>Too high</b>	8%	21%	26%
<b>About right</b>	58%	58%	53%
<b>Too low</b>	29%	16%	17%
<b>Don't know</b>	5%	5%	4%
<b>Base:</b> All participants (2,682)			

**Note:** When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')

Analysis by respondent type revealed the following:

- Income £27,000, repayment £15pm: applicants were more likely than students and graduates to think that the monthly repayment was too low (36% versus 28% and 27%), while students and graduates were more likely than applicants to think it was too high (8% and 10% versus 3%).
- Income £35,000, repayment £74pm: applicants were more likely than students to think that the monthly repayment was too low (19% versus 14%)
- Income £40,000, repayment £112pm: applicants and graduates were more likely than students to think that the monthly repayment was too low (20% and 18% versus 14%); students and graduates were more likely than applicants to feel the repayment was too high (28% and 26% versus 20%). Graduates were the group least likely to think that the payment was about right (50% versus 56% of applicants and 55% of students).

### **Views on repayment thresholds: demographic differences**

Demographic analysis showed that gender had a bearing on views within the applicant and student groups, with male applicants being more likely than female applicants to feel that each repayment level was too *low*. By contrast, male students were more likely than females to think the repayment levels were too *high*.

#### **Income £27000 (Repayment £15 pm)**

Applicants: Among applicants, there was variation by gender, age and ethnicity. Female applicants were more likely than male applicants to think the amount was about right (61% versus 51%), while males were more likely to think the amount was too low (41% versus 32% of females). The youngest applicants aged 16-17 were more likely than older applicants to feel that the amount was about right (65% versus 54% of 18-21s and 49% of 22+ year olds). In contrast, older applicants were more likely than younger applicants to feel that the amount was too low (37% of 18-21s and 47% of those aged 22 and over versus 27% of 16-17s). White applicants were more likely than other applicants to think the amount was about right (60% versus 46%).

Students: Males were more likely to think the amount was too high (11% versus 6% of female students). Students from a background of parental higher education were more likely than other students to feel that the monthly repayment amount was too high (10% versus 6%).

Graduates: Like male students, male graduates were more likely to think the amount was too high (14% versus 7% of female graduates). Those living in the North East were more likely than graduates living in other English regions to think the amount was too high (24% versus 14% or less). Those from a background of parental higher education were more likely than other graduates to feel that the monthly repayment amount was too high (13% versus 6%), while those from a background of no parental higher education were more likely to think the amount was too low (32% versus 22%).

### **Income £35000 (Repayment £74 pm)**

Applicants: Female applicants were more likely than male applicants to think the amount was too high (24% versus 14%), while males were more likely to think it was too low (23% versus 16% of females). Applicants from a background of no parental higher education were more likely than other applicants to think that the amount was too low (25% versus 13%).

Students: Students aged 26+ were more likely to feel that the monthly repayment at this level was too low (25% versus 13% of 18-21s and 11% of 22-25s). White students were more likely to think the repayment was about right (62% versus 51% of BAME students) and less likely than BAME students to feel it was too low (12% versus 21% respectively).

Graduates: BAME graduates were more likely than white graduates to think the repayment was too high (25% versus 19%), as were those from a background of parental higher education (23% versus 18% of those not from a background of parental HE) and graduates from the most selective universities (23% versus 18% of those from less selective universities).

### **Income £40000 (Repayment £112 pm)**

Applicants: Older applicants were more likely than those aged 16-17 to feel that the amount was too low (21% of 18-21s and 33% of 22+s versus 10% respectively). Female

applicants were more likely than male applicants to think the amount was too high (26% versus 13%), while males were more likely to think the amount was too low (27% versus 15% of females).

Students: Male students were more likely than females to think the amount was too high (33% versus 23%), and less likely to think that the amount was about right (51% versus 58% of respectively). Students from a background of parental higher education were more likely than other students to think the repayment was too high (32% versus 25%) and less likely to think that it was about right (52% versus 58% respectively). Those studying at the most selective universities were more likely than other students to think that the repayment was about right (58% versus 52%) and less likely to think that it was too high (11% versus 17% of those studying at less selective universities)

Graduates: BAME graduates were more likely than white graduates to think the repayment amount was too high (32% versus 25%). White graduates were more likely than other graduates to feel that repayment level was about right (52% versus 43%). Graduates of Medicine/dentistry were more likely than average to feel that the repayment was too high (43% versus 26%).

## 4. Attitudes towards potential changes to the student finance system

This section explores participants' attitudes to how the student finance system could potentially be changed, and preferences as to how this could be achieved. The chapter also considers preferences around how students' living costs should be supported.

### Chapter summary

#### Changes to the student finance system

- Participants rated six potential changes to the student finance system on a 1 to 10 scale. These potential changes were: lowering tuition fees; lowering the rate of interest on student loans; letting graduates pay less back each month; letting graduates wait until they have higher salaries before they start to pay back loans; 'writing off' loans earlier; and 'giving students a higher loan to help with living costs'.
- Focusing on the top box scores (i.e. those items rated 7-10), the issue most commonly ranked first was lowering tuition fees and this was ahead of other issues by some margin. Applicants were more likely than students or graduates to rank lowering tuition fees first (65% versus 58% and 58% respectively), but this issue was ranked highest by all respondent groups.
- Lowering the rate of interest on student loans was ranked second by graduates (41%), and was also relatively important – ranking third – for both applicants (30%) and students (32%).
- Giving students a higher loan for living costs was ranked second overall for applicants (32%) and students (29%), but fifth (out of six) for graduates (26%).
- Graduates were more likely than applicants and students to rank the following issues first: letting graduates have higher salaries before they pay back their loan (29% versus 23% and 23%); writing off loans earlier (28% versus 15% and 19%); and letting graduates pay back less each month (16% versus 9% and 12%).

#### Trade-offs

- To achieve each potential change to the student finance system, participants were asked which of the following options (or 'trade-offs') would be acceptable to them in order to bring about the change they wanted:
  1. Students get less support with living costs
  2. Graduates start paying their loans off sooner (i.e. before they start earning £25,000)
  3. Graduates pay back more every month
  4. Graduates pay back their loans for longer (for example, until they retire)
  5. Higher interest on student loans
  6. Higher tuition fees

7. None of these, even if this means that the number of university places has to be reduced
  8. None of these, even if this means that tax payers have to pay more
- Of those participants who selected lowering tuition fees as an important change to make to the student finance system, the most commonly chosen options for bringing this change about (chosen by 20% or more) were: paying back loans for longer (selected by 35% of applicants, 28% of students and 27% of graduates); none of these, even if this means that the number of university places has to be reduced (favoured by 21% of applicants, 28% of students and 30% of graduates); and, paying back more each month (selected by 30% of applicants, 26% of students and 25% of graduates).
  - 
  - Similarly, among those who selected lowering rates of interest on student loans as an important change to make to the student finance system, the most commonly chosen trade-offs were: paying back loans for longer (selected by 37% of applicants, 29% of students and 26% of graduates); paying back more each month (selected by 28% of applicants, 23% of students and 29% of graduates); and, none even if university places are reduced (selected by 18% of applicants, 25% of students and 29% of graduates).

### Views on cost of living support

- Participants were asked to what extent they agreed or disagreed with three statements relating to student support for living costs, and specifically whether students should be given grants rather than loans. There was broad agreement with these statements.
- The highest level of agreement was for the statement: *Students from poor backgrounds should receive grants instead of loans to support their living costs, even if this means that students from middle-income backgrounds have to pay more.* Graduates were more likely than applicants or students to agree with this statement (65% versus 49% and 50% respectively), and least likely to disagree (17% compared with 26% and 32%).
- Graduates were also more likely than applicants or students to agree that *Students should receive grants instead of loans to support their living costs, even if this means that they receive lower amounts while at university* (51% versus 40% and 39%) and that *students should receive grants instead of loans to support their living costs, even if this means that the number of university places has to be reduced* (53% versus 41% and 46% respectively).

## **Ranking changes to the student finance system**

Participants were asked ‘If you could change the student finance system, how important would the options below be to you personally?’ They were shown the following six items, and asked to rate the importance of each on a 1 to 10 scale (where 1 meant of no importance at all and 10 meant most important):

1. Lowering tuition fees
2. Lowering the rate of interest on student loans
3. Letting graduates pay less back each month
4. Letting graduates wait until they have higher salaries before they start to pay back loans
5. ‘Writing off’ loans earlier
6. Giving students a higher loan to help with living costs

Considering only those who provided an importance rating of 7-10, the issue most commonly ranked first was lowering tuition fees. Applicants were more likely than students or graduates to rank lowering tuition fees first (65% versus 58% and 58% respectively), but this issue was ranked highest by all respondent groups.

Applicants and students were more likely than graduates to rank giving students a higher loan for living costs first (32% and 39% versus 26% respectively). This issue was ranked second overall for applicants and students, but fifth (out of six) for graduates.

By contrast, graduates were more likely than applicants and students to rank lowering rate of interest on student loans first (41% versus 30% and 32% respectively). This issue ranked second for graduates, and was also relatively important – ranking third – for both applicants and students.

Graduates were also more likely than applicants and students to rank the following issues first:

- Letting graduates have higher salaries before they pay back their loan (29% versus 23% and 23%).
- Writing off loans earlier (28% versus 15% and 19%).
- Letting graduates pay back less each month (16% versus 9% and 12%).

**Table 22: Each sample group’s ranking of preferred changes to the student finance system**

Ranking	Applicants	Students	Graduates
1	Lowering tuition fees (65%)	Lowering tuition fees (58%)	Lowering tuition fees (58%)
2	Higher loan for living costs (32%)	Higher loan for living costs (39%)	Lowering interest on student loans (41%)



3	Lowering interest on student loans (30%)	Lowering interest on student loans (32%)	Letting graduates wait until they have higher salaries before repaying (29%)
4	Letting graduates wait until they have higher salaries before repaying (23%)	Letting graduates wait until they have higher salaries before repaying (23%)	Writing off loans earlier (28%)
5	Writing off loans earlier (15%)	Writing off loans earlier (19%)	Higher loan for living costs (26%)
6	Letting graduates pay back less per month (9%)	Letting graduates pay back less each month (12%)	Letting graduates pay back less each month (16%)
<p><b>Question D1:</b> <i>If you could change the student finance system, how important would the options below be to you personally?</i></p> <p><b>Note:</b> <i>Table displays the likelihood that each option was rated the highest for each sample group, if that option was given a rating of 7-10</i></p>			

## Acceptability of changes to bring about preferred outcome

Where participants gave a rating of 7-10 for any of the six items explored previously, up to three of these were selected for follow-up. The aim was ascertain the acceptability of a range of measures (or trade-offs) that the participant would be happy with in order to bring about their preferred outcomes.

In each case, participants were presented with seven out of the eight following options (the option relating to the specific outcome they were being asked about was omitted) and asked which options would be acceptable to them in order to bring about the change they wanted:

1. Students get less support with living costs
2. Graduates start paying their loans off sooner (i.e. before they start earning £25,000)
3. Graduates pay back more every month
4. Graduates pay back their loans for longer (for example, until they retire)
5. Higher interest on student loans
6. Higher tuition fees
7. None of these, even if this means that the number of university places has to be reduced
8. None of these, even if this means that tax payers have to pay more

The following sections consider the trade-offs that people would be happy with in order to lower tuition fees, reduce interest rates and give students a higher loan for living costs.

(These were the issues ranked first and second by applicants, students and graduates – see section above.)

## Lowering tuition fees

In order to lower tuition fees, the favoured options were:

- Graduates paying back their loans for longer. This was more likely to be favoured by applicants than by students or graduates (35% versus 28% and 27% respectively). This option was ranked first by applicants and students, and second by graduates.
- None of these even if university places have to be reduced. This option was more likely to be favoured by students and graduates than applicants (28% and 30% versus 21%). Among graduates, this option ranked first, while it ranked second among students and third among applicants.
- Graduates paying more back every month'. This trade-off also appeared among the top three options selected by all three respondent groups. This option was selected by 30 percent of applicants who wanted to lower tuition fees, 26 percent of students and 25 percent of graduates (and was ranked, respectively, second, third and third by these groups).

The other options – graduates start paying loans off sooner; none of these even if taxpayers have to pay more; students get less support with living costs; and higher interest on student loans – were selected by 20 percent or less of each respondent group. The least popular options were raising interest on student loans, (selected by 7% of applicants and students and 6% of graduates) and students getting less support with living costs (selected by 5% of applicants, 7% of students and 9% of graduates).

**Table 23: What would each sample group trade off in order to lower student tuition fees?**

Ranking	Applicants	Students	Graduates
1	Graduates pay back their loans for longer (35%)	Graduates pay back their loans for longer (28%)	None of these, even if it means reducing places (30%)
2	Graduates pay back more every month (30%)	None of these, even if it means reducing places (28%)	Graduates pay back their loans for longer (27%)

3	None of these, even if this means reducing places (21%)	Graduates pay back more every month (26%)	Graduates pay back more every month (25%)
<b>Question D2:</b> <i>In order to lower tuition fees, which of the options below would be acceptable to you?</i> <b>Note:</b> <i>Table displays the top three choices for each sample group</i>			

### Lowering rates of interest on student loans

Similar to the options selected by those who wanted to lower tuition fees, the options favoured by participants who wanted to lower rates of interest on student loans were as follows:

- Graduates paying back their loans for longer. This option was more likely to be favoured by applicants than by students or graduates (37% versus 29% and 26% respectively). This option was ranked first by applicants and students, and second by graduates.
- Graduates pay back more every month. This option was ranked second for applicants (28%) and graduates (29%) and third for students (23%).
- None of these even if university places have to be reduced. This option was more likely to be favoured by students and graduates than applicants (25% and 29% versus 18%), and was ranked third by applicants, second by students and first by graduates.
- Overall, the least popular options were students getting less support with living costs (selected by 7% of applicants, 9% of students and 11% of graduates), and increasing tuition fees (selected by 3% of applicants and students and 6% of graduates).

**Table 24: What would each sample group trade off in order to lower rates of interest on student loans?**

Ranking	Applicants	Students	Graduates
1	Graduates pay back their loans for longer (37%)	Graduates pay back their loans for longer (29%)	None of these, even if it means reducing places (29%)

2	Graduates pay back more every month (28%)	None of these, even if it means reducing places (25%)	Graduates pay back more every month (29%)
3	None of these, even if this means reducing places (18%)	Graduates pay back more every month (23%)	Graduates pay back their loans for longer (26%)
<p><b>Question D3:</b> <i>In order to lower rates of interest on student loans, which of the options below would be acceptable to you?</i></p> <p><b>Note:</b> <i>Table displays the top three choices for each sample group</i></p>			

### Giving students more support with living costs

The favoured options, in order to give students more support with living costs, were as follows:

- Graduates paying back their loans for longer. As with lowering tuition fees and reducing the interest on loans, the preferred option in order to give students more support with living costs was graduates paying back their loans for longer. This option was selected by 34 percent of applicants, 29 percent of students and 25 percent of graduates, and was ranked first by applicants and students.
- Graduates pay back more every month. This option (also popular among those wanting to reduce tuition fees and interest rates) was selected by 27 percent of applicants, 23 percent of students and 25 percent of graduates, and was ranked second by all three respondent groups (joint second in the case of graduates).
- None even if taxpayers have to pay more. This option was selected by over 20 percent of applicants (26%), students (21%) and graduates (26%). This was the favoured option of graduates.
- The least popular options were increasing the interest rates on student loans (selected by 2% of applicants, 11% of students and 7% of graduates) and increasing tuition fees (selected by 3% of applicants, 6% of students and 5% of graduates).

**Table 25: What would each sample group trade off in order to give students more support with living costs?**

Ranking	Applicants	Students	Graduates
1	Graduates pay back their loans for longer (34%)	Graduates pay back their loans for longer (29%)	None of these, even if it means that taxpayers pay more (26%)
2	Graduates pay back more every month (27%)	Graduates have to pay back more each month (23%)	Graduates pay back their loans for longer (25%)
3	None of these, even if this means that taxpayers have to pay more (26%)	<p>None of these, even if it means reducing places (21%)</p> <p>None of these, even if it means taxpayers pay more (21%)</p>	<p>Graduates pay back more every month (25%)</p> <p>None of these, even if it means reducing places (25%)</p>
<p><b>Question D7:</b> <i>In order to give students more support with living costs, which of the options below would be acceptable to you?</i></p> <p><b>Note:</b> <i>Table displays the top three choices for each sample group</i></p>			

## **Acceptability of changes to bring about preferred outcome: demographic differences**

In terms of the differences in attitudes to potential changes to the student finance system, there were some differences by demographic groups, but no clear patterns were identified.

### **Applicants**

In terms of changes to the student finance system, applicants would be most likely to say they wanted to:

- A) Lower tuition fees (65%)
- B) Give students a higher loan to help with living costs (32%)
- C) Lower the rate of interest on student loans (30%)

#### Lowering tuition fees

In order to lower tuition fees, applicants would be most likely to favour:

- Graduates paying back their loans for longer (35%): More likely to be favoured by: those with a background of no parental higher education (42% versus 30% of those with a background of higher education); and those applying to more selective universities (40% versus 27%).
- Graduates pay back more every month (30%): More likely to be favoured by BAME applicants (43% versus 25% of white applicants).
- None of these even if university places have to be reduced (21%): More likely to be favoured by those from a background of parental higher education (25% versus 15%); those applying to less selective universities (30% versus 15%).

#### Give students a higher loan to help with living costs

In order to give students a higher loan to help with living costs, applicants would be most likely to favour:

- Graduates paying back their loans for longer (34%): More likely to be favoured by those applying to the most selective universities (41% versus 23% of those applying to less selective universities).
- Graduates pay back more every month (27%): no significant differences by demographic group.
- None even if that meant taxpayers had to pay more (26%): no significant differences by demographic group.

### Lower the rate of interest on student loans

The favoured options for lowering the rate of interest on student loans would be:

- Graduates paying back their loans for longer (37%); graduates paying back more every month (28%); graduates start paying loans off sooner (18%); and none of the options, even if university places have to be reduced (18%).
- There were few statistically significant differences by demographic group, although those from a background of parental higher education were more likely than those without to say 'none of these, even if university places have to be reduced' (23% versus 13%).

### **Students**

In terms of suggested changes to the student finance system, students would be most likely to say they wanted to:

- A) Lower tuition fees (58%)
- B) Give students a higher loan to help with living costs (39%)
- C) Lower the rate of interest on student loans (32%)

### Lowering tuition fees

The favoured options for students, in rank order, were as follows:

- Graduates paying back their loans for longer (28%). More likely to be favoured by white students (31% versus 16% of BAME students)
- None even if university places have to be reduced (28%). More likely to be favoured by female students (32% versus 22% of males) and those applying for the most selective universities (32% versus 24% of other students)
- Graduates pay back more every month (26%): no significant differences by demographic group.

### Lowering rates of interest on student loans

Students' favoured options, in rank order, were as follows:

- Graduates paying back their loans for longer (29%): no significant differences by demographic group.
- None even if university places have to be reduced (25%); more likely to be favoured by female students (29% versus 20% of males).
- Graduates pay back more every month (23%): no significant differences by demographic group.

### Graduates pay back less each month

The favoured options of students, in rank order, which were as follows:

- Graduates paying back their loans for longer (29%): no significant differences by demographic group.
- None even if university places have to be reduced (24%): no significant differences by demographic group.
- Graduates start paying loans off sooner (22%): no significant differences by demographic group.

### **Graduates**

In terms of suggested changes to the student finance system, graduates would be most likely to say they wanted to:

- A) Lower tuition fees (58%)
- B) Lower the rate of interest on student loans (41%)
- C) Let graduates have higher salaries before paying back their loan (29%)

### Lowering tuition fees

The favoured options for graduates, in rank order, were as follows:

- None even if university places have to be reduced (30%). More likely to be favoured by female graduates (33% versus 25% of males) and those without a background of parental higher education (36% versus 20% of those with).
- Graduates paying back their loans for longer (27%); more likely to be favoured by those with a background of parental higher education (34% versus 22% of those without).
- Graduates pay back more every month (25%); more likely to be favoured by those aged 26+ (37% versus 19% for 18-21s and 23% for 22-25s), males (34% versus 19% of female graduates) and those with a background of parental higher education (30% versus 21% of those without).

### Lowering rates of interest on student loans

Graduates' favoured options, in rank order, were as follows:

- Graduates pay back more every month (29%); more likely to be favoured by those aged 26+ (44% versus 25% of 18-21s and 27% of 22-25s) and males (36% versus 25%).



- None even if university places have to be reduced (29%), more likely to be favoured by those without a background of parental higher education (32% versus 21% of those with).
- Graduates paying back their loans for longer (26%); more likely to be favoured by those aged 26+ (44% versus 22% of 18-21s and 22% of 22-25s) and those with a background of parental higher education (32% versus 22% of those without).

### Allowing graduates to earn higher salaries before they pay back loans

Graduates' favoured options, in rank order, were as follows:

- Graduates paying back their loans for longer (31%); more likely to be favoured by white graduates (34% versus 20% of BAME graduates) and those with a background of parental higher education (35% versus 26% of those without).
- Graduates pay back more every month (29%); more likely to be favoured by males (34% versus 25% of female graduates) and white graduates (31% versus 22% of BAME graduates).
- None even if university places have to be reduced (23%), more likely to be favoured by BAME graduates (33% versus 20% of white graduates) and those without a background of parental higher education (26% versus 18% of those with).

## **Views on cost of living support**

Participants were provided with information about how much students currently receive as a loan to support their costs of living while at university, and then asked to what extent they agreed or disagreed (on a 5-point scale, 1 being Disagree strongly and 5 Agree strongly) with the following three statements relating to support for living costs.

1. *Students should receive grants instead of loans to support their living costs, even if this means that they receive lower amounts while at university.*
2. *Students from poor backgrounds should receive grants instead of loans to support their living costs, even if this means that students from middle-income backgrounds have to pay more.*
3. *Students should receive grants instead of loans to support their living costs, even if this means that the number of university places has to be reduced.*

The highest level of agreement was returned for the second statement (students from poor backgrounds receiving grants rather than loans). Analysis by respondent type showed that:

- *Statement 1:* graduates were more likely than applicants or students to agree (51% versus 40% and 39%).

- *Statement 2*: graduates were more likely than applicants or students to agree (65% versus 49% and 50% respectively), and least likely to disagree (17% compared with 26% and 32%).
- *Statement 3*: graduates were more likely than applicants or students to agree (53% versus 41% and 46% respectively), and least likely to disagree (23% compared with 35% and 30%).

**Table 26: Levels of agreement with statements about cost of living support**

Response	<i>1. Students should receive grants instead of loans to support their living costs, even if this means that they receive lower amounts while at university</i>	<i>2. Students from poor backgrounds should receive grants instead of loans to support their living costs, even if this means that students from middle-income backgrounds have to pay more</i>	<i>3. Students should receive grants instead of loans to support their living costs, even if this means that the number of university places has to be reduced</i>
<b>NET: Agree</b> Includes 'agree' and 'strongly agree'	44%	56%	48%
<b>Neither</b>	28%	19%	24%
<b>NET: Disagree</b> Includes 'disagree' and 'strongly disagree'	28%	25%	28%
Mean	3.2	3.5	3.3
<b>Base:</b> All participants (2,682) <b>Note:</b> When percentage values are significantly different to each other, significance at a 95% level is marked with a lower-case letter (e.g. 'a'), and significance at a 99% level is marked with an upper-case letter (e.g. 'A')			

### Attitudes towards cost of living statements: Demographic differences

The following demographic differences were revealed by further analysis, but no clear pattern has been identified.

## Applicants

- Statement 1: those applying to less selective universities were more likely to agree with the statement than those applying to the most selective (mean scores 3.3 versus 3.1).
- Statement 2: the following groups were more likely to agree with the statement:
  - Male applicants (mean score 3.4 versus 3.2 for females)
  - BAME applicants (3.6 versus 3.2 for white applicants)
  - Applicants from a C2DE background (3.6 versus 3.2 for those from an ABC1 background)
  - Those applying for STEM subjects (3.5 versus 3.2 or less for those applying for other disciplines)
- Statement 3: those applying to less selective universities were more likely to agree with the statement than those applying to the most selective (mean scores 3.3 versus 3.0).

## Students

- Statement 1: BAME students were more likely than white students to agree with the statement (mean score 3.4 versus 3.1).
- Statement 2: the following groups were more likely to agree with the statement:
  - BAME students (3.7 versus 3.2 for white students).
- Statement 3:
  - Those from a C2DE background were more likely to agree (3.4 versus 3.2 for those from an ABC1 background).

## Graduates

- Statement 1: the following groups were more likely to agree with this statement:
  - Those aged 26+ (mean score 3.6 versus 3.3 for 18-21s and 3.3 for 22-25s)
  - Male graduates (mean score 3.5 versus 3.2 for females)
  - BAME graduates (mean score 3.6 versus 3.3 for white graduates)
  - graduates living in London (means score 3.7 versus 3.4 or less for other English regions)
  - Graduates from a C2DE background (mean score 3.5 versus 3.3 for those from an ABC1 background)
  - Those graduating from less selective universities (mean score 3.4 versus 3.3 for those graduating from the most selective)
  
- Statement 2: the following groups were more likely to agree with the statement:
  - Males (mean score 3.8 versus 3.6 for females)
  - Graduates from a C2DE background (3.8 versus 3.6 for those from an ABC1 background)
  - Those with a background of parental higher education (3.8 versus 3.6 for those without)
  
- Statement 3: the following groups were more likely to agree with the statement:
  - Males (3.5 versus 3.3 for female graduates)
  - Those graduating from less selective universities (3.5 versus 3.3 for those from the most selective)

# 5. Technical appendix

# Annex A. Sample definition, quotas and weighting

## Sampling

All samples were drawn from the YouthSight panel. This means that the sample was not randomly selected, in that members of the panel have self-selected to take part in research. For more details on the panel and selection, please see the sections labelled “Source” and “Sampling Limitations” below.

To ensure that the sample was broadly representative, the three different samples included interlocking quotas for which detail is provided below. In addition, separate soft quotas were monitored during sampling (SEG across the full sample). The results for each of the samples were also weighted to the following:

- Students: HESA data on student population figures (2012/13) by age and gender
- Applicants: UCAS applicants 2017
- Graduates: HESA data on student population for third years (2012).

Three samples were recruited for comparative purposes:

- 1,049 English **students** in their first, second and third year of study at a publicly funded university in the UK (except London universities), on a full-time first-degree course, started their first year of their current course or programme of Higher Education study on or after 1st September 2012 and domiciled in England before starting their course (referred to as students throughout). Interlocked quotas were applied to year of study, age and gender.
- 473 English **applicants** who had applied to university but have not started university yet or planned to apply to university in the next year or so. Interlocked quotas were applied to age, gender and school type (referred to as applicants throughout).
- 1,160 English **graduates** who have completed an undergraduate degree between 2016 and 2018, and not completed a postgraduate degree. Interlocked quotas were applied to year graduated, age and gender.

Table 27 sets out the sample achieved:

**Table 27: Achieved sample, by respondent type**

	Total	Respondent Type		
		Students	Applicant	Graduates
England	2,682	1,049	473	1,160

## Sample definitions

The definitions for the sample are given below. In most cases, sample was selected based on meeting these criteria in panel data already on file (which is regularly rechecked and validated). For some criteria, responses were rechecked at the beginning of the survey (these criteria are marked in **bold**).

The English **applicant** sample comprised those who:

- had to have applied for an undergraduate degree at an English university in the autumn of 2019, or planned to in the coming year
- **would be attending university for the first time**
- intended to study full-time
- **currently lived in England**
- were 16 years old or older
- were nationals of the UK or a UK Overseas Territory

The English **student** sample comprised those who:

- All started course from 2012/13 onwards
- were full-time undergraduate students
- attended a university in the UK
- All to be full-time students
- **lived in England prior to university**
- **were currently in their first, second or third year of university**
- **were 16 years or older when starting university**
- were nationals of the UK or a UK Overseas Territory
- none to have had a higher education qualification prior to studying the current course
- none to have completed a postgraduate degree

The English **graduate** sample comprised those who:

- all started course from 2012/13 onwards
- all to have been full-time students
- were nationals of the UK or a UK Overseas Territory
- none to have completed a postgraduate degree
- **were 16 years or older when starting university**

## Quotas

Owing to time and budget, completely random sampling was not possible for this study. As such, detailed interlocking quotas were assigned to the English applicant sample in order to ensure that it was broadly representative of the wider population.

The targets to be achieved for each of the strata (referred to as the quota targets) were determined based on 2012/13 HESA student data (graduates and students) and 2017 UCAS applicants data (applicants). First-year student numbers were used as a proxy for the applicant quotas. The quota targets for each sample group differed, as stated in the table below.

**Table 28: Student sample Quota targets**

Quota	Weighting matrix	
	Numerical target	Quota target
Student Year 1 male 18 under	79	7.369%
Student Year 1 male 19	46	4.291%
Student Year 1 male over 19	46	4.291%
Student Year 1 female 18 under	104	9.701%
Student Year 1 female 19	52	4.851%
Student Year 1 female over 19	65	6.063%
Student Year 2 male 18 under (on entry)	68	6.343%
Student Year 2 male 19 (on entry)	39	3.638%
Student Year 2 male over 19 (on entry)	33	3.078%
Student Year 2 female 18 under (on entry)	86	8.022%
Student Year 2 female 19 (on entry)	45	4.198%
Student Year 2 female over 19 (on entry)	51	4.757%
Student Year 2 female 18 under (on entry)	84	7.836%
Student Year 3 male 18 under (on entry)	41	3.825%
Student Year 3 male 19 (on entry)	37	3.451%
Student Year 3 male over 19 (on entry)	98	9.142%
Student Year 3 female 18 under (on entry)	47	4.384%
Student Year 3 female 19 (on entry)	51	4.757%
Student Year 3 female over 19 (on entry)	79	7.369%

**Table 29: Applicant sample Quota targets**



Quota	Weighting matrix	
	Numerical target	Quota target
Male 18 or under State	106	20.229%
Male 18 or under Private	15	2.863%
Male 19 State	42	8.015%
Male 19 Private	3	0.573%
Male 20 or over State	58	11.069%
Female 18 or under State	139	26.527%
Female 18 or under Private	15	2.863%
Female 19 State	50	9.542%
Student Year 3 female 19 (on entry)	3	0.573%
Student Year 3 female over 19 (on entry)	93	17.748%

**Table 30: Graduate sample Quota targets**

Quota	Weighting matrix	
	Numerical target	Quota target
Graduate Male this year	156	14.854%
Graduate Female this year	194	18.479%
Graduate Male previous year	156	14.854%
Graduate Female previous year	194	18.479%
Graduate Male two years	156	14.854%
Graduate Female two years	194	18.479%

## Source

All participants were drawn from the YouthSight OpinionPanel. As a result of recruiting from YouthSight's panel, some demographic information such as age, gender, nationality, socio-economic group, home region, current subject and subjects applied to were already known prior to survey.

This means that the sample is not randomly selected in that members of the panel have self-selected to take part in research. Panellists were selected on a random basis for being mailed an invite and exercised their choice whether or not to participate in this research. Several mailing batches were selected in order to meet the target sample size while fulfilling any quotas. Please see Table 30 below for the response rate achieved.

**Table 31: Number of invites and response rate by sample type**

<b>Respondent Type</b>	<b>Invites</b>	<b>Response Rate</b>
<b>Students</b>	18792	6%
<b>Applicants</b>	4987	11%
<b>Graduates</b>	7856	17%

## **Sampling limitations**

As noted above, the selection methodology was not random and respondent's own self-selection to join the YouthSight OpinionPanel Ltd., and to take part in this research is a potential source of bias. To help take account of this and ensure that the sample was broadly representative, the sample included interlocking quotas (as already detailed), and socio-economic group.

To remove self-selection bias by fielding a truly random selection of students, applicants and graduates would require a higher level of resources and time than that allocated to this study.

## **Weighting**

Due to the large number of interlocking quotas applied, these were not fully achieved in the final sample. In order to maintain attributes representative of the wider population, each final sample was weighted according to the quotas stated in tables 27-29 (all three samples were weighted as a whole). Please see Table 31 for a summary of the actual sample achieved and the weighting factors applied.

The weighting for each of the target groups were determined based on 2012/13 HESA student data (graduates and students) and 2017 UCAS applicant data (applicants). In addition, the data applied weights according to overall SEG fall out based on HESA data 2012/2013.

**Table 32: Weighting by target group**

	ABC1			C2DE			Other		
	Target	Achieved	Factor	Target	Achieved	Factor	Target	Achieved	Factor
Male 18 or under State	81	77	1.06	27	29	0.93	0	0	0.00
Male 18 or under Private	15	26	0.57	1	1	0.54	0	0	0.00
Male 19 State	25	9	2.74	18	7	2.61	0	0	0.00
Male 19 Private	3	3	1.02	0	0	0.00	0	0	0.00
Male 20 or over State	21	6	3.57	38	11	3.44	0	0	0.00
Female 18 or under State	110	111	0.99	32	39	0.83	0	0	0.00
Female 18 or under Private	14	33	0.43	1	3	0.41	0	0	0.00
Female 19 State	36	34	1.05	15	17	0.91	0	0	0.00
Female 19 Private	3	4	0.77	0	0	0.00	0	0	0.00
Female 20 or over State	61	39	1.57	34	24	1.41	0	0	0.00
Year 1 male 18 under	42	53	0.78	15	21	0.71	23	5	4.57
Year 1 male 19	24	34	0.71	5	7	0.65	16	4	4.12
Year 1 male over 19	28	28	1.00	12	15	0.83	5	1	4.80
Year 1 female 18 under	42	60	0.70	22	33	0.65	37	9	4.12
Year 1 female 19	26	37	0.71	6	9	0.66	20	5	4.09
Year 1 female over 19	23	33	0.71	17	26	0.66	25	6	4.14
Year 2 male 18 under	41	49	0.84	9	12	0.75	19	4	4.69
Year 2 male 19	33	29	1.12	5	5	0.99	0	0	0.00
Year 2 male over 19	13	17	0.77	7	10	0.70	13	3	4.37
Year 2 female 18 under	48	59	0.82	16	22	0.74	23	5	4.67
Year 2 female 19	20	30	0.67	6	10	0.63	19	5	3.74
Year 2 female over 19	18	27	0.68	11	17	0.63	23	6	3.75
Year 3 male 18 under	60	51	1.17	14	16	0.91	10	2	4.84

	ABC1			C2DE			Other		
	Target	Achieved	Factor	Target	Achieved	Factor	Target	Achieved	Factor
Year 3 male 19	26	30	0.85	7	9	0.77	9	2	4.70
Year 3 male over 19	18	34	0.53	5	10	0.51	13	4	3.32
Year 3 female 18 under	71	57	1.25	23	23	1.02	5	1	4.88
Year 3 female 19	28	33	0.85	11	14	0.77	9	2	4.71
Year 3 female over 19	25	41	0.62	12	21	0.59	13	3	4.21
Male this year	88	90	0.97	43	52	0.83	29	6	4.79
Female this year	102	170	0.60	40	70	0.57	56	14	4.03
Male previous year	99	120	0.83	32	43	0.75	28	6	4.69
Female previous year	116	154	0.75	46	66	0.69	37	8	4.60
Male two years	106	98	1.08	25	29	0.85	29	6	4.77
Female two years	116	165	0.70	34	52	0.66	49	11	4.42

## Margin of error

The margin of error is a statistic expressing the amount of random sampling error in a survey's results. It asserts a likelihood (not a certainty) that the result from a sample is close to the number one would get if the whole population had been queried. This calculation is used to estimate how representative the proportions in this report are of the wider population.

An estimate of margin of error for each of the different samples is stated below in table 32. For example, the margin of error of our student sample of 1,049 participants is 3.09 per cent on all percentages reported.

**Table 33: Margin of error by sample type**

Respondent Type	Total sample	Margin of error
<b>Students</b>	1,049	3.09%
<b>Applicants</b>	473	4.60%
<b>Graduates</b>	1,160	2.94%

This margin of error is calculated to a 95 per cent confidence rate. The margin of error is also calculated for the point of widest variation, which is a proportion of 50% (i.e. 50% of the group respond to a question in a certain way). At responses closer to 0% or 100% the margin of error will be somewhat less.

In addition, this margin of error applies to any statistics where the proportion reported represents the entire applicant sample. For sub-groups where sample sizes are smaller, the margin of error will be somewhat higher.

## Statistical differences

Percentage score differences between sub-groups are included in the text of this report only if considered statistically significant through t-testing. These calculations are used to estimate whether a difference between sub-groups is likely to reflect a real difference rather than standard variation within the specific sample tested. The confidence level used for significance testing in this report is 95 per cent and 99 per cent.

Naturally, where tables appear, percentage values are shown for all sub-groups regardless of whether or not they are considered statistically significant to others. In these cases, where a percentage is statistically higher than other sub-groups according to that variable, it is marked with a lower-case letter (e.g. a) for 95 per cent and an upper-case letter (e.g. A) for statistical differences of 99 per cent. For example, if the percentage for males is marked with an 'A', this implies that the percentage is significantly different at a 99 per cent confidence level compared to that given for females.

The same rule follows for all tables comparing the three sample targets (applicants, students and graduates), of which an example is given below in Table 33. In this example, the percentage for graduates is marked with 'A', and this implies that the percentage is significantly higher at a 99 per cent confidence level compared to applicants. A similar trend can be seen for the student sample.

**Table 34: Demonstrating statistical differences**

Statement	All	Applicants (Aa)	Students (Bb)	Graduates (Cc)
Availability of maintenance loans for living costs	51%	42%	52% A	53% A

## Annex B. Questionnaire text

Welcome to this survey which is all about student finance.

It will take about 15 minutes to complete.

**S8. Are you a university graduate?**

Yes

No (SCREEN OUT)

**S10. What year did you graduate in?**

**Please select one answer only.**

2018

2017

2016

2015 and earlier (SCREEN OUT)

**S9. What university did you graduate from?**

**Please write your answer below.**

**S18. How old were you when you when you started your undergraduate course?**

**Please write your answer below.**

**S11. How old are you?**

**Please write your answer below.**

**S12. How do you describe your gender?**

Male

Female

Other (SCREEN OUT)

**S13. What is/was the occupation of the chief income earner in your parental household?**

**Please select one answer only.**

A - Professional / higher managerial (e.g. doctor, lawyer, chairman or managing director of medium or large firm)

B - Manager / senior administrator (e.g. senior manager, owner of small business, head teacher)

C1 - Supervisor / clerical / skilled non-manual (e.g. teacher, secretary, junior manager, police constable)

C2 - Skilled manual worker (e.g. fireman, plumber, electrician, hairdresser)

D - Semi-skilled / unskilled manual worker (e.g. assembler, postman, shop assistant)

E - Receiving state benefits for sickness, unemployment, old age or any other reason

Other

Would rather not say (SCREEN OUT)

**S14. Which best describes your ethnicity?**

**Please select one answer only.**

White

Black Caribbean

Black African

Black other

Indian

Pakistani

Bangladeshi  
Chinese  
Other Asian  
Mixed  
Other (please specify)

Prefer not to say

**S15. Which religion do you see yourself as belonging to?**

**Please select one answer only.**

Christianity (including Church of England, Catholic, Protestant and all other Christian denominations)

Buddhism

Hinduism

Judaism

Islam

Sikhism

Any other religion (please write in)

None

Prefer not to say

**S16. Which of the following best describes your current living arrangement?**

**Please select one answer only.**

Live on my own

In a shared house / flat

Live with my partner/spouse

Live with my parents

Live with family (not your parents)

Live in a foster home/in care

Other (Please specify)

**ASK GRADUATES AND STUDENTS**



**S1. For at least the three years before you started your university course, in which nation were you living in the United Kingdom? That is, which country was your home even if you were travelling or working abroad over the summer?**

If you are unsure, think about where your student finance such as your tuition fees are/were paid from:

**Please select one answer only.**

**ASK APPLICANTS ONLY**

**S1. For at least the last three years, in which nation have you been living in the United Kingdom? That is, which country is your home even if you were travelling or working abroad over the summer?**

If you are unsure, think about where your student finance such as your tuition fees will be paid from:

**Please select one answer only.**

England

Wales (SCREEN OUT)

Scotland (SCREEN OUT)

Northern Ireland (SCREEN OUT)

British Islands e.g. the Channel Islands or the Isle of Man? (SCREEN OUT)

Other (SCREEN OUT)

**S17. Which region do you currently live in?**

**Please select one answer only.**

East Midlands

London

Northern Ireland

North East

North West

Scotland  
Eastern  
South East  
South West  
Wales  
West Midlands  
Yorkshire and Humberside  
Outside the UK - in the EU  
Outside the UK - not in the EU

**ASK YOUTH AND APPLICANTS ONLY**

**S2. Which of the following applies to you?**

**Please select one answer only.**

Have started university [SCREEN OUT]  
Have applied to university but have not started university yet  
Plan to apply to university in the next year or so  
Do not plan to apply to or go to university in the future [SCREEN OUT]

**ASK STUDENTS ONLY**

**S3. Did you start your first year of your current course or programme of Higher Education study on or after 1st September 2012?**

**Please select one answer only.**

Yes

No (SCREEN OUT)

**ASK STUDENTS ONLY**

**S4. Is your course full time or part time? If you are on a sandwich course, please answer 'full time'.**

**ASK GRADUATES ONLY**

**S4. Was your course full time or part time? If you were on a sandwich course, please answer 'full time'.**

**Please select one answer only.**

Full time

Part time [SCREEN OUT]

**ASK STUDENTS**

**S5. Have you completed an undergraduate degree?**

**Please select one answer only.**

Yes (SCREEN OUT)

No

**ASK GRADUATES ONLY**

**S6. Have you completed a postgraduate degree?**

**Please select one answer only.**

Yes (SCREEN OUT)

No

**ASK STUDENTS ONLY**

**S7. Which qualification are you currently studying for?**

**ASK APPLICANTS**

**S7. Which qualification are you going to study?**

**ASK GRADUATES, SINGLE CODE**

**S7. Which qualification did you study?**

**Please select one answer only.**

Any Bachelor Degree (e.g. BA, BSc, LLB, BEd)

Any Integrated Masters course (e.g. MEng, MPharm, MChem)

Any Initial Teacher Training or related course (e.g. PGCE/QTS, PGDE, DET)

Foundation Degree

Higher National Diploma / Certificate (e.g. HND, HNC)

Diploma of Higher Education (e.g. DipHE),

Certificate of Higher Education (e.g. CertHE)

Other (e.g. a university Certificate / Diploma)

Other, e.g. any postgraduate course other than PGCE, any qualification below University Certificate/Diploma **(SCREEN OUT)**

### ASK APPLICANTS

**S20. When considering which university or college to apply to, how important do you think each of these factors are? Please select one answer per row.**

### ASK STUDENTS AND GRADUATES

**When considering which university or college to apply to, how important were each of these factors to you? Please select one answer per row.**

Reputation of university or college

The course content

Job prospects after graduating

Salary after graduating

Whether I feel/ felt I would fit in

### SCALE:

Not important at all

Of little importance

Moderately important

Very important

Unsure

### **Section A – Concern about current student finance system**

This next set of questions asks about your opinions on the current student finance system.

#### **ASK STUDENTS AND GRADUATES**

**A1. When deciding to attend university, were you worried at all by the associated costs?**

**Please select one answer only.**

#### **ASK APPLICANTS, SINGLE CODE**

**A1. When thinking about applying for university, are you put off at all by the associated costs?**

**Please select one answer only.**

Yes, a lot

Yes, a little

Not a lot

Not at all

#### **ASK ALL WHO ANSWER CODE 1, 2 @ A1**

**A2. When it comes to the associated costs of university, which of the below statements most applies to you?**

**Please select one answer only.**

## STUDENT & GRADUATE WORDING

I was worried about the tuition fees

I was worried about living costs

I was equally worried by tuition fees and living costs

I was worried about another cost [please specify]

## APPLICANT WORDING

I am put off by the tuition fees

I am put off by the living costs

I am equally put off by tuition fees and living costs

I am put off by another cost [please specify]

## ASK STUDENTS AND GRADUATES WHO ANSWER CODE 1,2 @ A1

**A3. Which, if any, of the following helped you make the decision to go to university despite being worried about the costs?**

**Please select one answer only.**

## ASK APPLICANTS WHO ANSWER CODE 1, 2 @ A1

**A3. Which, if any, of the following is helping to persuade you to apply to university despite being put off by the costs?**

**Please select all that apply**

Availability of loan for tuition fee

Availability of maintenance loans for living costs

Availability of disability/parental/care allowance

[INSERT DYNAMIC TEXT FOR APPLICANTS: Prospect of] a bursary, scholarship or fee waiver from the university

Not needing to repay until I earn £25,000

Parents able to support me financially

Able to support myself with earnings or savings

None of the above [FIXED, EXCLUSIVE]

Other [please specify] [FIXED, EXCLUSIVE]

#### ASK ALL

#### A4. To what extent do you agree with the following statements?

*Please select one answer for each row.*

I am worried about the total amount of debt I [APPLICANT & STUDENT WORDING: will be, GRADUATE WORDING: am] in from student loans

I am worried about the level of interest [DYNAMIC TEXT FOR APPLICANTS: that would be] charged on my student loan

I feel worried about the number of years it will take to repay my student loan

**GRADUATES ONLY:** The loan repayments that I have to make each month from my salary are affordable

**APPLICANTS AND STUDENTS ONLY:** The loan repayments that graduates have to make each month from their salaries are affordable

**GRADUATES ONLY:** I do not have enough to live on each month once I've made my student loan repayment

**STUDENTS ONLY:** I worry about having enough to live on each month once I've made my student loan repayment

**APPLICANTS AND STUDENTS ONLY:** I am worried about not getting a good job when I finish university.

**GRADUATES ONLY:** I am worried about not getting a good job now that I've finished university.

**APPLICANTS ONLY:** I am worried about making the right choice about which subject to study.

**STUDENTS and GRADUATES ONLY:** When making my choices about university, I was worried about making the right choice about which subject to study.

**APPLICANTS ONLY:** I am worried about making the right choice about which institution to study at.

**STUDENTS and GRADUATES ONLY:** When making my choices about university, I was worried about making the right choice about which institution to study at.

**SCALE:**

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

**Section B – Knowledge of the finance system**

This set of questions asks about your understanding of the student finance system. Please do not worry if you do not know the answers. There is no need to look up the correct answer as we are interested in what you currently know.

**ASK APPLICANTS ONLY**

**B1. How knowledgeable would you say you are about the costs of attending university for you personally?**

**Please select one answer only.**

I know a lot

I know a fair amount

I do not know much at all

I do not know anything



**ASK STUDENTS AND GRADUATES ONLY**

**B1. Before starting your course, how knowledgeable would you say you were about the costs of attending university for you personally?**

**Please select one answer only.**

I knew a lot

I knew a fair amount

I did not know much at all

I did not know anything

**ASK ALL**

**B2. Student loans start to be repaid once a graduate earns over a certain amount of income. What do you think this income threshold is?**

**Please select one answer only.**

£17,000

£21,000

£25,000

£30,000

Don't know

**ASK ALL**

**B3. Students get charged interest on their loans. Do you think that the interest rate is the same for all graduates, or does it depend on income?**

**Please select one answer only.**

Same interest rate for all graduates

Interest rate charged depends on income

Don't know

**ASK ALL, SINGLE CODE**

B4. There is a time limit on loans taken out after 2012 in England, after which any outstanding student loans are written off. What do you think this time limit is?

**Please select one answer only.**

20 years

30 years

40 years

50 years

Don't know

**ASK ALL, SINGLE CODE**

**B5. Once they earn over a certain amount, graduates must pay back a bit of their undergraduate student loan every month. How much do you think they have to pay back (of everything they earn over a certain amount)?**

**Please select one answer only.**

2%

6%

9%

15%

Don't know

ASK ALL

**B7. How do you think that the cost of a student's education is paid for?**

**Please select one answer only.**

Students pay all the costs themselves through tuition fees

Costs are paid for by students and tax payers

Don't know

ASK THOSE SELECTING 2 AT B7

**B6. On average, how much do you think that tax payers pay towards the costs of a student's higher education?**

**Please select one answer only.**

25%

45%

65%

85%

Don't know

### **Section C: Fairness about finance system**

This next set of question asks about your views about a university education. Please note there is no right or wrong answer.

ASK ALL, SINGLE CODE

**C1. Do you think the government spends too much money, too little money, or about the right amount on higher education?**

**Please select one answer only.**

Much too little

Too little

About the right amount

Too much

Much too much

Don't know

**ASK ALL, SINGLE CODE**

**C2. Do you feel that opportunities for young people in the UK to go onto higher education, to study at a university, should be increased or reduced, or are they at about the right level now?**

**Please select one answer only.**

Increased a lot

Increased a little

About right

Reduced a little

Reduced a lot

Don't know

**SHOW ALL**

It is possible to study for degree-level qualifications at further education colleges. Further education colleges often offer a diverse mix of qualification types and are usually less traditionally 'academic'.

**ASK ALL**

**C3. Do you feel that opportunities for young people in the UK to go onto higher education, to study at a further education college, should be increased or reduced, or are they at about the right level now?**

**Please select one answer only.**

Increased a lot

Increased a little

About right

Reduced a little

Reduced a lot

Don't know

**ASK ALL**

**C4. To what extent do you agree with the following statements?**

**Please select one answer for each row.**

I think that it is fair for university students to make some contribution to the cost of their education.

I think that the amount that university students pay towards their education should depend on their household income.

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

**ASK ALL, SINGLE CODE**

**C5. Some graduates do not manage to pay off their student loans; for example, if they do not go on to earn high salaries. Who do you think should pay the remaining costs of their education?**

**Please select one answer only.**

Tax payers (including people who don't have a university education)

Other graduates

Only higher earning graduates

Other [please specify]

**ASK ALL, SINGLE CODE**

**C6. On average, the tax payer contributes 45% of the costs of a student's higher education. In your opinion, is this amount...**

**Please select one answer only.**

Too high

About right

Too low

Don't know

**ASK ALL**

**C7. Some subjects that people study at university can lead to less well-paying jobs (compared with other subjects that tend to lead to higher paying jobs). This means that graduates may be less likely to pay off their student loans, and tax payers need to pay more for these students.**

Thinking about this, which of these is closest to your own views...

**Please select one answer only.**

Students should choose a course based on how much they are likely to earn after graduating

Students should choose a course based on how interested they are in the subject

I have a different view (please specify) [FIXED]

Don't know [FIXED]

**ASK ALL**

**C8. Thinking about the course students choose to study, which of the below statements best describes your views?**

**Please select one answer only.**

Everyone should be able to study any subject they choose, even if this means that tax payers have to pay more

There should be some restrictions on subject choice

It depends [FIXED]

Don't know [FIXED]

**DISPLAY TO ALL**

Some people think that graduates should pay a larger proportion of their salary a month to repay their student loans, whereas others feel that graduates should pay a smaller proportion. The next questions ask which of these opinions comes closest to your view.

**ASK ALL**

**C9. If a graduate earns £27,000 per year before tax their contribution is currently £15 per month (£180 per year).**

**What is your opinion of this amount?**

**Please select one answer only.**

It is too high

It is about right  
It is too low  
Don't know

**ASK ALL**

**C10. If a graduate earns £35,000 per year before tax their contribution is currently £74 per month (£888 per year).**

**What is your opinion of this amount?**

**Please select one answer only.**

It is too high  
It is about right  
It is too low  
Don't know

**ASK ALL**

**C11. If a graduate earns £40,000 per year before tax their contribution is currently £112 per month (£1,344 per year).**

**What is your opinion of this amount?**

**Please select one answer only.**

It is too high  
It is about right  
It is too low  
Don't know

**Section D: Trade off questions**

These days, more people than ever before go to university.

This is made possible partly by money from tax payers, many of whom haven't been to university themselves.

The Government has difficult choices to make about how to spend tax payers' money fairly.



## ASK ALL

**D1: If you could change the student finance system, how important would the options below be to you personally?**

**Please select one answer per row.**

### **Lowering tuition fees**

Students currently pay a maximum of **£9,250** per year in tuition fees.

### **Lowering the rate of interest on student loans**

Students **pay interest** on their loans. This varies from RPI (currently at 3.5%) for lower earners, to RPI plus 3% (i.e. 6.5%) for higher earners.

### **Letting graduates pay less back each month**

Graduates with student loans pay back **9%** of every £ they earn over £25,000.

- So, if they earn £27,000, they pay back £15 per month.
- If they earn £40,000, they pay back £112 per month.

### **Letting graduates wait until they have higher salaries before they start to pay back loans**

When they graduate, students will start paying back their student loans when they earn over **£25,000**.

### **'Writing off' loans earlier**

Student loans are written off **30 years** after graduating, no matter how much students still owe.

### **Giving students a higher loan to help with living costs.**

Depending on their circumstances, students currently receive a loan of between £7,097 and £11,354 to support the cost of living while at university

1 - Not important at all

2

3

4

5

6

7

8

9

10 – Most important

**ASK IF CODE 1 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE**

**D2: In order to lower tuition fees, which of the options below would be acceptable to you?**

**Please select all that apply.**

Students get less support with living costs

Graduates start paying their loans off sooner (i.e. before they start earning £25,000)

Graduates pay back more every month

Graduates pay back their loans for longer (for example, until they retire)

Higher interest on student loans

None of these, even if this means that the number of university places has to be reduced  
[FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED,  
EXCLUSIVE]

ASK IF CODE 2 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE

**D3: In order to lower rates of interest on student loans, which of the options below would be acceptable to you?  
Please select all that apply.**

Higher tuition fees

Students get less support with living costs

Graduates start paying their loans off sooner (i.e. before they start earning £25,000)

Graduates pay back more every month

Graduates pay back their loans for longer (for example, until they retire)

None of these, even if this means that the number of university places has to be reduced  
[FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED,  
EXCLUSIVE]

ASK IF CODE 3 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE

**D4: In order to let graduates pay back less each month, which of the options below would be acceptable to you?  
Please select all that apply.**

Higher tuition fees

Students get less support with living costs

Graduates start paying their loans off sooner (i.e. before they start earning £25,000)

Graduates pay back their loans for longer (for example, until they retire)

Higher interest on student loans

None of these, even if this means that the number of university places has to be reduced  
[FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED, EXCLUSIVE]

ASK IF CODE 4 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE

**D5: In order to let graduates wait until they have higher salaries before they start to pay back loans, which of the options below would be acceptable to you?**

**Please select all that apply.**

Higher tuition fees

Students get less support with living costs

Graduates pay back their loans for longer (for example, until they retire)

Higher interest on student loans

Graduates pay back more every month

None of these, even if this means that the number of university places has to be reduced [FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED, EXCLUSIVE]

ASK IF CODE 5 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE

**D6: In order to 'write off' loans earlier, which of the options below would be acceptable to you?**

**Please select all that apply.**

Higher tuition fees

Students get less support with living costs

Graduates start paying their loans off sooner (i.e. before they start earning £25,000)

Higher interest on student loans

Graduates pay back more every month

None of these, even if this means that the number of university places has to be reduced  
[FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED,  
EXCLUSIVE]

ASK IF CODE 6 @ D1 WAS IN TOP 3 HIGHEST RATED OPTIONS IF RATED FROM 7-10, MULTI CODE

**D7: In order to give students more support with living costs, which of the options below would be acceptable to you?**

**Please select all that apply.**

Higher tuition fees

Graduates pay back their loans for longer (for example, until they retire)

Higher interest on student loans

Graduates pay back more every month

Graduates pay back their loans off sooner (i.e. before they start earning £25,000)

None of these, even if this means that the number of university places has to be reduced  
[FIXED, EXCLUSIVE]

None of these, even if this means that tax payers have to pay more [FIXED,  
EXCLUSIVE]

ASK ALL

**D8: Depending on their circumstances, students currently receive between £7,097 and £11,354 to support the cost of living while at university. They receive the money as a loan.**

**To what extent do you agree or disagree with the following statements....**

**Please select one answer for each row.**

Students should receive grants instead of loans to support their living costs, even if this means that they receive lower amounts while at university

Students from poor backgrounds should receive grants instead of loans to support their living costs, even if this means that students from middle-income backgrounds have to pay more

Students should receive grants instead of loans to support their living costs, even if this means that the number of university places has to be reduced

- Agree strongly
- Agree
- Neither agree nor disagree
- Disagree
- Disagree strongly

### **Section E: Closing demographics**

Thank you for taking the time to complete this survey. We'd like to end by asking you a few demographic questions, to ensure we gather the views of individuals from various backgrounds. Some of these questions will cover personal information, but if you would prefer not to answer a question in this section, please just select the 'prefer not to say' option.

#### **ASK ALL**

#### **E1. Which of the below best applies to you?**

**Please select one answer only.**

Married and living with a husband/wife/civil partner

Living with a partner

Single, never married

Divorced or separated

Widowed

Prefer not to say

**ASK ALL**

**E2. Have either of your parents studied at university or a college of higher education?**

**Please select one answer only.**

Yes

No

Don't know

Prefer not to say

**ASK ALL**

**E3. Are you currently suffering from a health condition, long term illness or disability that limits your day to day activities?**

**Please select one answer only.**

Yes

No

Prefer not to say

**ASK ALL**

**E9. Do you have any children?**

**Please select one answer only.**

None

One

Two

Three or more

ASK THOSE CODING 2, 3, 4 AT E9, SINGLE CODE

**E6. How many children do you have aged 16 or under?**

**Please include the children of any spouse or partner if they live with you in your household.**

**Please select one answer only.**

One

Two

Three or more

None

Prefer not to say

ASK THOSE CODING 2, 3, 4 AT E9, SINGLE CODE

**E7. How many children do you have aged 17 or 18 who you have financial responsibility for?**

**Please include the children of any spouse or partner if you have financial responsibility for them.**

**Please select one answer only.**

One

Two

Three or more

None

Prefer not to say



**ASK ALL, SINGLE CODE**

**E8. While in compulsory education, which of the following did you attend?**

Fee paying school or college

State funded school / college

Other

**ASK STUDENTS AND GRADUATES, SINGLE CODE**

**E4. Did you take out either a tuition fee loan or maintenance loan (or both) from the Student Loans Company also known as Student Finance England for your undergraduate course?**

**Please select one answer only.**

Yes, took out a tuition fee loan

Yes, took out a maintenance loan

Yes, took out both a tuition fee loan and maintenance loan

No

Prefer not to say

**ASK APPLICANTS**

**E5. Do you think that you are going to take out either a tuition fee loan or maintenance loan (or both) from the Student Loans Company also known as Student Finance England for your undergraduate course?**

**Please select one answer only.**

Yes, taking out a tuition fee loan

Yes, taking out a maintenance loan

Yes, taking out both a tuition fee loan and maintenance loan

No

Prefer not to say

**ASK STUDENTS AND GRADUATES CODING 1, 2, 3 @ E4, SINGLE CODE**

**E5. What was the total value of the Student Finance Loan or loans (tuition fee and or maintenance loan) that you took out? Please provide the total value of the loan received across all years of undergraduate study**

**Please select one answer only.**

**ASK APPLICANTS CODING 1, 2, 3 @ E4, SINGLE CODE**

**E5. What is the total value of the Student Finance Loan or loans (tuition fee and or maintenance loan) that you think you will take out? Please provide the total value of the loan received across all years of undergraduate study – it's alright if this is just an estimate.**

**Please select one answer only.**

Less than £3,000

£3,000 to less than £9,000

£9,000 to less than £18,000

£18,000 to less than £27,000

£27,000 to less than £40,000

£40,000 to less than £50,000

More than £50,000

Don't know

Prefer not to say

## Annex C. Sample profiles

This section describes the key demographics and characteristics of the samples participating in the survey (English applicants, students and graduates) to help understand what the populations involved in the research looked like. The information provided is based on survey responses unless otherwise indicated.

### Age and Gender

#### Students:

#### Applicants:

In the English **applicant** sample, 93 per cent are aged 21 years old or under, and 21 per cent are aged 22 years old or over. Slightly more females than males have applied or intend to apply for an undergraduate degree (57 per cent Females vs 43 per cent Males)

#### Students:

84 per cent of the English **student** sample are aged 18-21 years old. The gender split among English students was 56 per cent female and 44 per cent male.

#### Graduates:

In the English **graduate** sample, 66 per cent are aged 22-25 years old, whilst 18 per cent are aged over 26 years old. The gender split among English applicants was 55 per cent female and 45 per cent male.



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