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The Role of Finance in the
Decision-making of Higher
Education Applicants and Students

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The Role of Finance in the Decision-making of Higher Education Applicants and Students

(Findings from the Going into Higher Education Research Study)

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Executive Summary

This report summarises findings from the *Going into HE* research project. From the outset, the aim has been to develop a clear understanding of:

- the role and importance of finance in the decision-making process of English-domiciled people from different groups who are considering entering full-time Higher Education (HE) in the UK; and
- the impact of the support arrangements on their decisions.

When taken alongside quantitative studies on HE participation and student finances, also published by DIUS/BIS, the qualitative research presented here contributes to an overall assessment of current student finance arrangements and should help to inform future developments.

Key findings

- Financial factors tend not to dent HE aspirations among those planning to apply. Indeed, they tend to be outweighed by a range of non-financial factors, especially for younger people. Insofar as finance is important in decision-making, it is in determining *where* to apply and study rather than what to study or whether to study at all.
- Applicants tend to underestimate the amount of student financial support for which they will be eligible. Some of them arrive at key HE decisions having accessed very little information and having cursorily discounted certain options.
- Insofar as fees are seen as an inevitability, there is broad support among students for financing these through loans for tuition. Preferences regarding loans for maintenance, however, are more divided: some students are receptive to bigger loans as a means of financing study while many mature and non-traditional students would be prepared to contemplate a lower total support package within which non-repayable support such as grants and bursaries would make up a higher proportion, leading to lower indebtedness.

Methodology

The *Going into HE* study ran from autumn 2007 to winter 2008 and was conducted by the Institute for Employment Studies (IES) on behalf of the Department for Innovation, Universities and Skills (DIUS). This research encompasses the views and experiences of 156 or more applicants, parents, staff and students, gathered through 248 separate interviews and six focus groups. A longitudinal approach was adopted, in that those interviewed early in the research as potential applicants were then followed-up when they received their exam results and finally were re-interviewed at university, having completed their journeys into HE. As well as confirming and refining early findings, this follow-up fieldwork has made it possible to explore how the reality of student finance matches up to earlier expectations for those undertaking this journey. A number of qualitative methods were deployed, including biographical timelines, sort cards and repertory grid in order to facilitate and enrich comparison between cases.

Findings

Financial and non-financial factors in HE choices

Applicants and students were nearly unanimous in seeing HE as an investment in career and earnings potential although some of them were worried about whether their investment would perform well over time. Despite this view, non-financial considerations, especially location and setting, outnumbered financial factors for applicants deciding between HEIs. For applicants whose backgrounds are less traditional in terms of HE entry (as gauged from social class, local area and prior HE experiences within the family), these location and setting considerations often equated to proximity to home, which has attendant cost advantages. Ideas of location and setting also tended to divide into mainstream concerns, such as an area's student-friendliness, and a set of more horizon-limiting concerns such as whether a person might feel culturally or racially out of place in a given area.

Applicants to HE were firmly set on the idea of studying towards a degree: in hypothetical scenarios, they were not easily dissuaded from HE by the introduction of a range of drawbacks and the prospect of fee increases. This finding suggests that, for those already set on applying, somewhat increased fees may not have a great dissuasive effect. Such an interpretation would be consistent with the continued rise in student numbers that followed the introduction of tuition fees and variable fees (also known as 'top-up' fees). This study has found that the effects of fee increases are more likely to be felt in the specifics of applicants' HE decisions than in the overall intention to study towards a degree.

Differential fees are likely to affect HEI choice. Applicants tended not to hold firm views on paying more (or less) to study at a given institution: in hypothetical scenarios, they could often be swayed either way by arguments based on quality or price. Importantly, however, non-traditional applicants - precisely those already choosing HEIs close to home to save money - were less likely to give any initial consideration to a more expensive institution. Such fee differentials, unless carefully managed, could further limit the HEI choice horizons of non-traditional applicants.

Differential fees are less likely to affect degree subject choice. By contrast with their reaction to HEI price differentials, many applicants (and indeed their parents) were receptive to the idea of paying more for a degree course that would offer better opportunities. Despite this receptiveness, applicants were easily worried by the costs. The influence of background factors on these preferences appears to be far less salient than in other decisions such as HEI choice. This may imply that somewhat increased fees for particular courses would be palatable to potential applicants, although they would need to be sure their decision making is sound both educationally and financially.

For non-traditional potential applicants, the main impact of a variable fee and support regime might therefore be on where they choose to study. Currently, course choice is often the key element of applicants' decision-making and this research suggests many would be open to the idea of paying more for certain subjects. However, any future variable fee regime would engender some specific guidance needs to help those navigating the system think through the financial ramifications of their choices.

Knowledge and understanding of current arrangements

Overall, in spite of a hard core of individuals with very low levels of knowledge, most applicants had a reasonable understanding of student financial support (neither particularly good, nor particularly bad). Students can access funds from a wide range of sources and our applicants exhibited a very wide range of levels of knowledge (and confidence) about the sources upon which they might rely in HE. There is little discernible pattern in who knew what, although it may be that younger applicants fared a little better than their older counterparts did.

When applicants talked, unprompted, about the money they might rely on in HE, they often mentioned loans for maintenance and help from family. Applicants usually had an idea about these two sources of money, even if they had no idea about any other source of money (a high penetration rate). Maintenance grants occupied an intermediate position in this respect, while bursaries and scholarships tended to be mentioned only by those more knowledgeable applicants who had been more exhaustive in mentioning other sources of finance as well.

When subsequently talked through a prompted list of seven possible sources of finance (loan for maintenance, maintenance grant, bursary, scholarship, job, family, savings/borrowings), some applicants were capable of confidently identifying five or more as sources upon which they could (or could not) rely. However, around one in four were unable to do this for any more than two possible sources. Generally, applicants were quite confused about exactly who provided different types of student support.

Knowledge and awareness of student loans for maintenance was reasonably good among applicants (and, indeed, among their parents). They knew that these, and the loans for fees, could be relied upon. They knew these loans are repayable and they were aware of the repayment conditions (although knowledge of repayment holidays had yet to filter through).

There was, however, a pessimism bias in applicants' responses. There was a tendency to underestimate the maximum value of loan available and to overestimate future repayments. There was a very strong tendency to assume that the household income threshold for partial grant eligibility was lower than it really was¹. When applicants were wrong, they tended to think eligibility requirements across the board were more stringent than was the case and to guess high rather than low when they did not know the exact level of tuition fees. Given this pattern, it may be that some HEI choices are based on an incorrect view of what is affordable. Follow-up interviews confirmed this trend, with significant numbers of students eventually getting more money than they had originally anticipated from loans, grants and family. This pattern did not hold, however, for bursaries, scholarships and jobs.

Applicants may have a sense they cannot definitively count on non-personal sources of funds such as grants until the money from these sources is actually received. This can be seen from the large number of responses indicating that applicants were aware of a given source of funding but did not know whether they were eligible nor how much money they might receive. In large part, this may be attributable to the approach taken to student finance in schools, whereby explanations of financial support are often delayed until later in the year, for a variety of reasons. Staff themselves sometimes reported not being able to advise individuals authoritatively of the amount of money they would be able to access.

Applicants, students, parents and staff preferred loans for fees to upfront payment (although parents' level of understanding of this point was not good). They were relatively amenable to the idea of financing tuition through debt. Beyond the consensus on tuition fee loans, however, there seemed to be a real divide between the portion of students who maintained they would rather incur less debt for maintenance, even if this meant making do with less, and those individuals who, for a variety of reasons, would have liked more money in the here and now and who did not object to higher indebtedness. This finding in relation to loans is interestingly congruent with the finding regarding willingness to pay. On the one hand, tuition fee loans were generally acceptable, as was paying a premium for a specific course: both were seen as directly related to HE and were - relatively speaking - easy to justify. Meanwhile, opinions on loans for maintenance were divided, as were opinions on paying a premium for a specific HEI: both of these were seen to relate to the slightly looser idea of student experience and were - relatively speaking - more likely to discompose students and applicants.

¹ The fieldwork relating to this finding was undertaken after the initial raising of the threshold but before the threshold was subsequently revised down again.

The key message about the affordability of student loan repayments does seem to have got through to applicants. However, many applicants and students were still worried about the headline level of debt they would accrue, irrespective of the repayment conditions.

Indeed, the way many students talked about repayments was not wholly consistent with the favourable loan conditions they professed to understand. Headline financial figures such as overall costs or debts incurred are objectively of great significance to people contemplating HE, but they are outside the range of experience of most potential applicants and therefore have the potential to worry some of them.

Timing of information, influences and decisions

Most applicants were relatively conventional in the timing and order of their HE decisions, usually starting early with general HE aspirations, then refining these over time with more specific course and institution choices. Adherence to this pattern does not seem to correlate with intensity of HE information usage.

Reassuringly, most applicants looked at some general HE information before choosing HEIs. However, a large minority of applicants did not start looking at information until after they had set their minds on a degree subject. While most applicants had accessed a fair amount of HE information by the time they applied, specific financial information may not have been available or offered at the best time in the best place. Often, it was delivered after applications had been submitted. Left to their own devices, some applicants sought out, and sought to understand, the relevant information. In practice, many made finance-blind decisions.

Recommendations

For the review of fees and support:

- Differential fees between courses should be considered. Potential applicants, especially non-traditional ones, may be more open to such differentials than they are to differentials between HEIs.
- There should be an exploration of ways of mitigating or counteracting the influence of financial factors on where people choose to apply and to study. This may involve ensuring that non-traditional applicants are encouraged to give due consideration to more expensive options rather than screening these out precipitously.
- Maintenance of the status quo of full tuition loan support (negating the need for upfront payment of fees) should be considered as a near-universal preference among students.
- There should be consideration of whether support for maintenance can more flexibly meet the preferences of those debt-averse individuals who might opt for a smaller total support package based on a higher proportion of non-repayable support (such as grants and bursaries).

For the implementation of any revised fee structures and support systems:

- All stakeholders should consider carefully how to communicate and justify student finance arrangements. In particular, higher prices raise the expectation that students will get something 'extra'.
- For individuals' decisions to benefit from forward-looking consideration of the costs and benefits of different degree options, some focused information, advice and guidance (IAG) needs to be made available when Level 3 subject choices are firmed up (well in advance of the HE application process). Links need to be made between this help, mainstream HE preparation activities and overall efforts to improve financial capability in the target population. Innovative and effective approaches to these challenges in schools and colleges may often benefit from external support.
- HEI and course information, advice and guidance for potential applicants should cover the aspects of HE experience known to matter to students, such as quality and quantity of support and contact time. A keen applicant can already find such information (for instance, by consulting UCAS course search entry profiles online) but he or she may not yet appreciate the full importance of these factors at the time of applying.

1 Introduction to the Research

This report summarises findings from the three stages of the Going into HE *qualitative* research project, conducted by the Institute for Employment Studies (IES) for the Department for Innovation, Universities and Skills (DIUS). These stages ran from autumn 2007 to winter 2008 and encompassed the views and experiences of 156 or more individuals, gathered through 248 separate interviews and six focus groups. The project was designed explicitly to sit alongside a wide range of *quantitative* research on the current student finance regime.¹ Taken as a whole, this programme of research aims to build up a body of evidence, much of it in the form of numbers, impacts and correlations, which can inform any future decisions on university fees and student support. The present study's distinctive remit is to find out *how* HE applicants' decisions are made and *why*, with financial considerations, and particularly student support, as the main focus. In order to meet the aim of understanding the role of finance in decision-making, three broad areas are considered:

- timing of information, influences and decisions
- knowledge and understanding of current arrangements
- financial and non-financial factors.

This introduction covers the motivation for the research, provides more detail on the research objectives and briefly introduces the three phases of the study.

1.1 Motivation for the research

Student finance has undergone radical changes in the recent past with the stated aim of increasing the resources available for HE, whilst making the system for supporting students fairer and ensuring that every individual who has the qualifications and potential to succeed in higher education is given the opportunity to participate². Most students are now required to contribute to the cost of their education by paying towards their tuition fees and their living costs. The support available to students has also changed, with developments in the fields of grants, loans and subject or institution-specific bursaries.

This situation continues to change, with substantial uplift of thresholds for eligibility to grants (subsequently lowered again somewhat) and the introduction of five-year repayment holidays for student loans (subsequently reduced to two years). Administrative developments are also ongoing, with the roll-out of the Customer First programme from 2008, involving centralisation of student finance roles within the remit of the Student Loans Company and the streamlining of information and applications.

A solid understanding of this increasingly complex matrix of costs and benefits is essential for potential students seeking to make the right choices about university. It also matters to policy-makers seeking to encourage and widen participation in HE. The success of existing (and potential new) support arrangements thus depends directly on applicants' understanding and reactions.

¹ Government departments have commissioned a wide range of studies within the areas of student demand and attainment, student finances and debt, HEIs' finances and provision and international comparisons.

² As set out in *The future of Higher Education*, DfES, 2003.

1.2 Research objectives

The objectives of this study are to provide qualitative insights that help to answer the following sets of questions, grouped under three broad headings¹. For each question, the research aims to highlight any specificities pertaining to mature students, and any variations according to social background and circumstances. Issues relating to disability, age, ethnicity or region are raised where applicable.

Timing of information, influences and decisions

1. When does finance become a consideration (if at all)?
2. Do these considerations evolve over time?

Knowledge and understanding of current arrangements

3. Do potential students understand the financial support available? And how do they become aware of the various elements?
4. How do potential students conceptualise the elements of support?
5. Do students have preferences for 'balance' of support packages?
6. Does the deferral of loan repayments allay the fear of indebtedness?

Financial and non-financial factors

7. In what way (if at all) do financial factors affect subject, course or institution choices?
8. In what way do financial factors affect decisions to apply / study?
9. How do students react to prices and assess the affordability of different options?
10. How important are factors such as location, subject and accommodation compared to financial support?

1.3 Three stages of Going into HE research

The initial stage of the project - henceforth referred to as HEI case studies - involved focus groups with current students and interviews with university staff in the autumn term of 2007. An internal report on findings was provided to DIUS in early 2008. This was used to scope the terrain, refine research objectives and methodologies and provide some preliminary answers. How the findings were used is indicated in Appendix 1.

The second phase - henceforth referred to as baseline interviews - involved the constitution of a cohort of 81 (potential) applicants preparing for full-time HE entry in 2008, along with some of their parents and teachers. An internal report on findings was provided to DIUS in

¹ There are many, dense interlinkages between these questions that straddle the broad headings. For instance, the timing of finance information (under the first heading) impacts on when knowledge and understanding is gained (second heading), which may or may not be in time to influence decisions (third heading). The current ordering is chosen such that the reader can gain an understanding of the complexities of timing and understanding before engaging with the more sensitive topics relating to HE choice factors. Interlinkages are, however, indicated throughout using cross-references.

late 2008. This phase generated a huge quantity of information which was extensively coded and analysed to provide the bulk of the information required to meet the objectives of the research, particularly relating to what applicants know, think and do in relation to HE and student finance. It also established a basis for individualised follow-up. Much of this material is reproduced in Appendix 2.

The final phase - henceforth referred to as interim and follow-up interviews - tracked the cohort established at the baseline stage through to HE, with interim interviews in August and September of 2008 and follow-up interviews in November and December 2008 with the students (erstwhile applicants) who took up HE places. This material is analysed and reported here for the first time. As well as confirming and refining the messages that emerged from previous stages, this follow-up fieldwork allows detailed comparisons between expectations and reality and was an opportunity to address more complex issues such as the 'balance' of the student support package.

The longitudinal elements, and the case studies of existing students, are summarised in Table 1.1 below (which prefigures some of the methodological components detailed in the second chapter), with an indication of how each contributes to answering the principal research questions.

Table 1.1 - Contribution of stages and methodological elements to the overall research

Desired information	HEI case studies	Baseline applicant interview	Interim structured telephone interview	Follow-up student interview	Principal ways desired information was obtained
How does decision-making vary according to disability, age, ethnicity, region and social background?		✓ ✓	✓ ✓	✓ ✓	Recruitment of diverse participants (in carefully selected institutions)
How does decision-making differ between mature and traditional entrants?		✓ ✓	✓ ✓	✓ ✓	
When does finance become a consideration (if at all)?	✓	✓ ✓	✓ ✓	✓ ✓	Use of timelines and tracking of cohort over time (e.g. inviting interviewees to reflect on previous responses)
Do these considerations evolve over time?	✓	✓	✓	✓	

Desired information	HEI case studies	Baseline applicant interview	Interim structured telephone interview	Follow-up student interview	Principal ways desired information was obtained
Do potential students understand the financial support available?	✓	✓ ✓	✓	✓	Short multiple-choice test of understanding and specimen budget exercises
How do potential students conceptualise the elements of support?	✓ ✓	✓		✓ ✓	Focus group discussions, mind maps and interview questions
Do students have preferences for 'balance' of support packages?	✓	✓		✓ ✓	Interview questions and choice exercises
Does the deferral of loan repayments allay the fear of indebtedness?	✓ ✓	✓ ✓		✓ ✓	Discussed throughout the interviews
How important are factors such as location, subject and accommodation compared to financial support?	✓ ✓	✓ ✓	✓ ✓	✓ ✓	Personal construct elicitation, interim interview questions
How do applicants react to prices and assess the affordability of different options?	✓ ✓	✓ ✓			Scenarios and value for money questions
In what way (if at all) do financial factors affect subject, course or institution choices?	✓	✓ ✓	✓ ✓	✓	All elements of the methodology

Source: IES 2007

1.4 How to use this report

In the following chapters, some of the detailed methodological considerations are addressed, particularly the cohort introduced above, and then the findings are presented under the three broad themes of timing, knowledge and factors, blending in data obtained from all three stages. Much of the detailed analysis is reproduced in the appendices for reference.

The main point of reference in the study is, necessarily, the current student financial support arrangements. For English-domiciled students entering full-time HE in 2008/2009, the main elements were:

- Maintenance Grant (up to £2,835) administered via Student Finance Direct - with eligibility based on household income.

Introduction to the Research

- Student Loan for Tuition Fees covering fees in full (up to £3,145) from the Student Loans Company - with universal eligibility for those within the scope of this study.
- Student Loan for Maintenance (up to £4,625 if living away from home, more if studying in London, less if receiving higher levels of help through the Maintenance Grant) from the Student Loans Company - with universal eligibility for those within the scope of this study.
- University/College bursaries (amount determined by HEI and regulated by OfFA) - with eligibility criteria determined by the individual HEI.

Discussions of support, however, were often contextualised by reference to the costs associated with HE, and these are sometimes referred to in passing within the report though costs were not extensively analysed.

Throughout, illustrative quotations from applicant / student cohort members are attributed using self-assigned pseudonyms. Occasionally, where further information can enrich understanding or help with contextualisation, these citations are expanded to include certain salient details from an individual's circumstances. HEIs are referred to by region and university group membership¹.

Much of the detailed description and analysis of the many methodological stages and components is contained in the appendices to maintain clarity in the main body of the report. However, footnotes and cross-referencing are provided in order to make it easy for the reader to track back from discussion of findings to specific evidence and analysis.

¹ The groupings are the Russell Group, the University Alliance, Million + and the 1994 Group.

2 Methodology

This chapter sets out the different parts of the study and how they fit together, with particular emphasis on the longitudinal components. It indicates why each aspect of the approach has been adopted and references greater methodological detail in the appendices where appropriate. Both the approach to recruiting participants to the study and the achieved cohort are described in some detail.

2.1 Research design considerations

The prospective, longitudinal design of this study, based on a cohort of (potential) HE applicants, is necessary to ensure the capture of valid information on the phenomenon of applicants' choices as these take place over a period of time. This design is less susceptible to invalidating selection effects¹ and post hoc rationalisation² that can be a problem for retrospective studies using existing students. Accordingly, we have interviewed a group of individuals from around the time when they applied to university in winter 2007/08 and followed them through to their arrival in HE in autumn 2008. By targeting applicants for 2008 entry, the study encompasses the effects of the July 2007 changes announced by the Secretary of State, whereby the family income threshold for eligibility for full support was raised to £25,000 and five-year repayment holidays were made available for new student loans.

While timing of the fieldwork is key because of selection effects, recall issues and the danger of post-hoc rationalisation, there are also very important cross-sectional considerations related to who goes into HE. The progression rate from A-Levels into HE for young people is around 84 per cent (DFES calculation based on Cohort 11, Sweep 4 of the Youth Cohort Study). This suggests that for large swathes of the potential applicant pool, HE entry is a near certainty and, where this certainty is combined with a relatively wealthy background, the impact of finance on HE decisions is likely to be limited. Where HE entry is very unlikely (primarily, where an individual is not on course to achieve a Level 3 qualification), financial factors are - by default - unlikely to have a bearing. Thus, *a priori*, we hypothesised that the greatest influence of financial considerations on HE decisions is likely to occur (if at all) for an intermediate stratum of potential applicants who are neither so 'near' to HE that finance is not critical, nor so 'far' that finance is not a consideration.

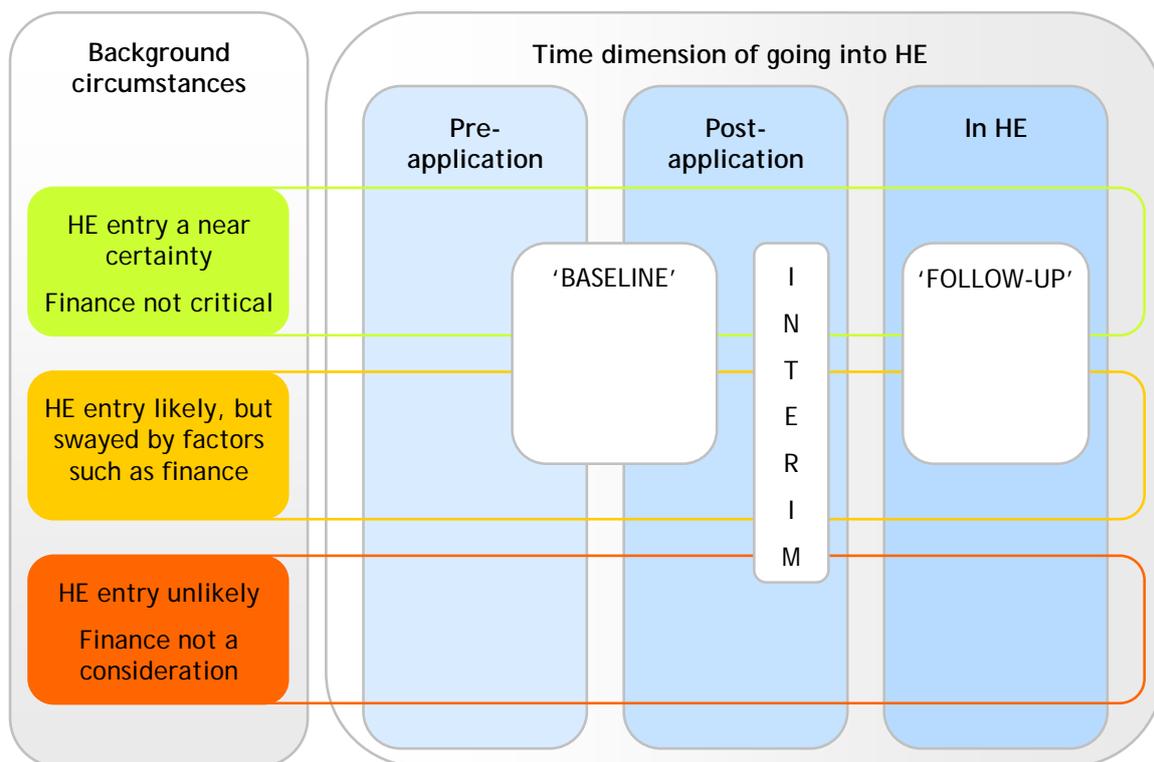
2.2 How the overall design and methods fit together

Figure 2.1 illustrates how longitudinal elements of this study, starting with (potential) applicants who are then followed-up until they are in HE, intersect with the cross-sectional, background characteristic considerations that may have a bearing on how the prospect of HE is approached. Note that those least likely to apply to HE are excluded from the cohort (see sub-section 2.2.2 below). The key objective of interviewee recruitment for this study (described in more detail in the next section) has been to target those in the intermediate tranche, but we have also interviewed individuals likely to be 'near' to HE to provide an appropriate comparator group.

¹ Potential applicants who had not gone to university for financial reasons would be excluded and these are perhaps the most critical constituency for any policy addressing the impact of finance on participation.

² Applicants may fit accounts of past thoughts and facts into coherent (and cognitively non-dissonant) life narratives. This would result in data that may not truly reflect processes as they occurred. Such bias towards acceptable responses and self-justification might stem from an aversion to external disapproval or ridicule and/or from a subconscious avoidance of internal 'guilt'.

Figure 2.1 - Intersection of the longitudinal aspect of the methodology and the intended cross-sectional scope



Source: IES 2009

2.2.1 Methodological components of the research

This research was commissioned as a qualitative study into HE decision-making. Nevertheless, the intention from the outset has been for this to approach to yield data of quantifiable outcomes that can be exhaustively analysed and that are an appropriate basis for comparisons within groups:

'As the data from this study are expected to be qualitative in nature, there will be a significant element of analysis that involves converting subjective responses and perceptions to objective "hard" outcomes and this may involve significant amounts of coding ... while [the objectives are] open-ended, we do need to have analysis that allows us to present recommendations on any changes required'

(Going into HE research specification)

The main interviews with our cohort of applicants have been conducted accordingly, comprising a series of exercises that provide data that is comparable across groups. To analyse the results of the interviews, we have used a Computer Assisted Qualitative Data Analysis Software (CAQDAS) package called Atlas.ti. This uses full transcripts to ensure rigorous and systematic analysis of quite varied qualitative information. It allows a systematic exploration of themes, ensures that all the interview data are used, and promotes consistency in analysis of large numbers of in-depth interviews across a number of researchers.

A list of 80 overlapping respondent categories ('families') was derived from sample and response data (type of institution, confidential background information, multiple-choice scores, decision styles and so on), to aid exploration of issues affecting different groups of people. For example, one transcript might belong to families indicating a respondent i)

Methodology

studying at a school with a high proportion of EMA-recipients, ii) in receipt of EMA, iii) who scored highly in the multiple-choice test, and so on. A code list was defined based primarily on question areas (with care to ensure consistency) and all the transcript content was coded by the research team in an iterative, collaborative process. Thus, for example, transcript material relating to the specimen budgeting exercise was coded as such and further coded to identify the specific sources of finance discussed, as well as to identify passages in which attitudes to finance were expressed. Full lists of codes and families are provided at the end of appendix section 2. Once transcripts were coded and assigned to families, it was possible to achieve easy and systematic retrieval of information falling under different headings.

This approach has been used throughout the study to clarify certain points arising from the various elements of the research or to deepen understanding. The fully coded transcripts remain a research asset for use within the research team should any clarification or further investigation be required in the immediate future. Where insights from the analysis have been illustrated using quotations from the interviews, all names have been changed.

The exercises included at the baseline were:

- A timeline, to establish rapport with the interviewee, to provide a baseline of knowledge and to build up a picture of decision-making and information-seeking activities to date.
- A scaled-down repertory grid exercise to explore applicants' personal constructs relating to the universities they chose for their UCAS forms and providing insights into how applicants differentiate between universities.
- A budgeting exercise to explore the breadth of knowledge applicants have around student finance and to talk about their own personal circumstances, attitudes and expectations.
- A multi-choice exercise to test knowledge of some detailed aspects of student finance.
- A series of decision-making scenarios, to explore reactions to aspects of paying for HE and assess the receptiveness applicants might have to different messages in this respect.

Further background information was gathered through a confidential information sheet and a Socio-economic Classification (NS-SEC) questionnaire. Quantifiable outcomes in relation to exam results and HEI offers and acceptances were gathered during the interim interview. The follow-up interviews, while still coded within the same framework, were slightly less tightly structured, in order to allow time for individualised exploration of issues and experiences. In addition to the guided discussion, the follow-up interviews used:

- Mind maps of students' financial circumstances, to create a visual record of unprompted information revealing how the elements of the support package are conceptualised and contextualised.
- Revisiting the budgets from the baseline interviews to assess how financial support actually received compares to what was anticipated at the time of applying.
- A choice exercise to determine any preferences regarding the balance of financial support.

The appendices provide more detail on the methods used throughout the study.

2.2.2 Some caveats and limitations

As has been explained, this study takes a qualitative approach throughout. Considerable effort goes into ensuring that such research reflects the greatest possible diversity of viewpoints and experiences, but - unlike large-scale survey research - the results cannot be interpreted as being statistically representative of the wider population¹. For instance, the proportion of applicants telling us they have made a certain decision cannot be used to infer the overall proportion of all applicants making this decision. We do, where relevant, reference quantitative studies to contextualise our findings.

As well as eschewing statistical representativeness, this study is limited in its scope. This is because depth of insight in qualitative research is achieved at the expense of breadth of scope. This study as a whole aims to gather richly detailed data on applicants' and students' knowledge of and attitudes to a complex array of financial factors. The detailed questions designed to achieve this can only reasonably be asked of people who have given HE some serious consideration. For many other (potentially interesting) categories of people, these questions would be largely irrelevant and therefore something about which they could or would have little to say. An understanding of the reasons and influences applicable to such people would require a separate, qualitative research project. Within the scope, therefore, are:

- existing students who started HE in 2006 or 2007
- a range of staff advisers
- (potential) applicants for 2008 HE entry, who have been followed up after their exam results and then in HE where applicable
- parents of some of the younger (potential) applicants.

We have not spoken to a comparator group of learners who have opted against applying at this stage and therefore we cannot speculate on the reasons potential applicants may fail to enter HE (although we do have a few examples of successful applicants subsequently opting against HE entry). We also have little evidence on the experiences of (mainly mature) potential students preparing for HE entry outside formal learning environments. Other groups not represented in this study include applicants who choose to defer for a year, those applying for HE after the main UCAS deadline in January 2008 and those opting for part-time HE.

¹ The purpose of qualitative research is very different. While the many ongoing quantitative studies in this area can tell us about the incidence of certain views, decisions or experiences, this research should enable a much more detailed understanding of the nature and content of those views, decisions and experiences. Qualitative research always faces a challenge in establishing criteria for accountability equivalent to quantitative standards of sampling, reliability and validity. For some thoughtful, yet practical, prescriptions we have been influenced by the criteria elaborated by Professor Gaskell, the Director of the Methodology Institute at the London School of Economics. See Gaskell M and Bauer M (2000), 'Towards Public Accountability: beyond Sampling, Reliability and Validity', in Gaskell M and Bauer M (ed) (2000), *Qualitative Researching with Text, Image and Sound: A Practical Handbook*, Sage.

2.3 Establishing the cohort

As noted above, a key aim of the study is to explore the decision-making process as it unfolds with a range of potential HE entrants. In order to ensure that a variety of personal circumstances were captured at the baseline stage and at the follow-up, while allowing a margin for attrition, a target was set for 75 interviews at the baseline. The recruitment of the applicant cohort occurred in two stages, within three geographic areas chosen to encompass a diversity of individual and local circumstances (East London, Nottinghamshire, and South Yorkshire):

- 1) Selection and contacting institutions based on average UCAS tariff (230+) and Educational Maintenance Allowance (EMA) take-up (above and below 35 per cent) for the schools and sixth form colleges, and based on LSC / Aimhigher recommendations for the Adult Learning / Access course institutions.¹
- 2) Institution-led selection and recruitment of individuals for interview.

In the first stage, an opt-out message was sent to local authorities, and institutions were subsequently approached and invited to participate in the research. This process started in October 2007. The first point of contact was usually the institution's UCAS 'Apply' co-ordinator. In practice, some of the recruitment in 'adult' institutions yielded interviews with young people, so additional visits to a further two such institutions were required to meet (and exceed) the target of 15 interviews with this group. Consequently, the total number of younger interviewees was also higher than planned. The table below records the target profile of the fieldwork and the achieved profile, showing the overall objectives were broadly met.

Table 2.1 - Target and achieved fieldwork institution profiles

Planned (achieved)	Adults	High EMA	Low EMA	Total institutions
Nottinghamshire	1 (2)	3 (1)	1 (2)	5 (5)
South Yorkshire	1 (2)	3 (2)	1 (1)	5 (5)
East London	1 (1)	3 (4)	1 (1)	5 (6)
<i>Total institutions</i>	<i>3 (5)</i>	<i>9 (7)</i>	<i>3 (4)</i>	<i>15 (16)</i>

Source: IES baseline interviews, 2007/08

In the second stage, where institutional participation was secured, the needs of the research were discussed at greater length and IES supported the contact person within each institution to constitute a voluntary sample of - typically - five applicants preparing for 2008, full-time, undergraduate HE entry. We asked these contacts to ensure representation of a range of circumstances and abilities. Dates were arranged for IES researchers to visit each institution and conduct individual, face-to-face, recorded interviews with the participants and the institutional contact. This approach was granted Star Chamber approval.

¹ In this sense, the circumstances of the 16 adult learners included within this study are less typical of their peers (many of whom prepare for HE entry independently) than those of the 65 younger applicants. For the recommendations, we are grateful to - among others - Adriane Marriot-Mills, Jed O'Neill, Dave Coppock, Mary Brittain and Susan Mueller (Aimhigher) and Emer Clarke (LSC).

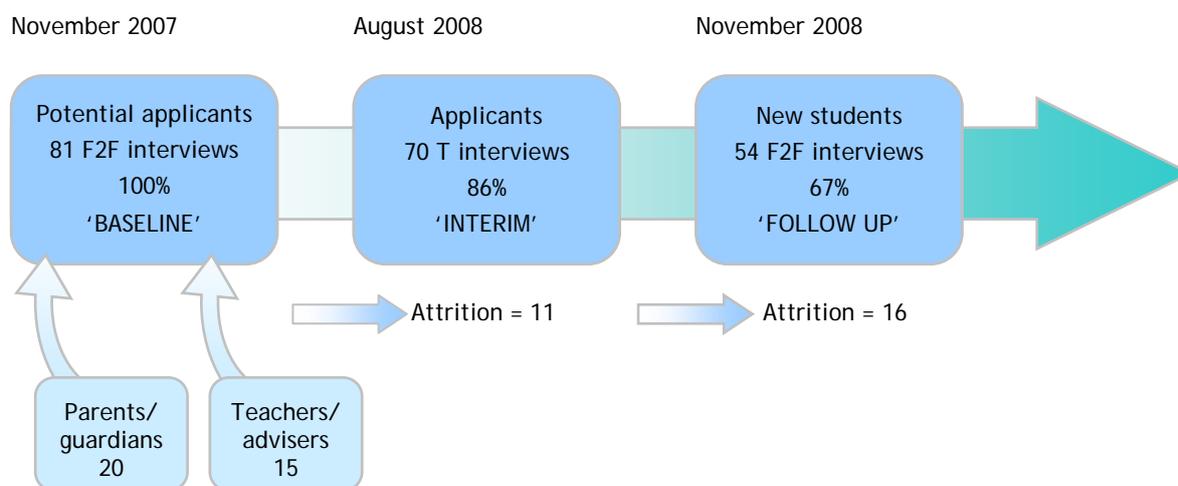
2.3.1 Fieldwork

The fieldwork with the applicant cohort spanned November 2007 to December 2008 and included the views and experiences of at least¹ 116 people in a total of 242 interviews. As already seen in Table 1.1, the three cohort interview stages were:

- Eighty-one in-depth, face-to-face baseline interviews (against a target of 75) with potential applicants in the institutions preparing them for HE entry, along with 15 interviews with staff representatives from those institutions. Fieldwork was conducted from November 2007 to January 2008, with most of the interviews completed in December 2008. The parent or guardian of 20 (against a target of 20) of the younger applicants was also interviewed by telephone in early 2008.
- Seventy semi-structured, interim telephone interviews with potential and actual applicants (against a target of 80 baseline interviewees who agreed to be recontacted). Fieldwork was conducted in August and September of 2008. Of the 70 applicants, 62 were still on track for 2008 HE entry.
- Fifty-four in-depth, face-to-face follow-up interviews with new students (out of the maximum possible total of 62 who thought they were still on track before the start of the academic year²). Fieldwork was carried out in November and December of 2008.

These stages are represented in Figure 2.2.

Figure 2.2 - Longitudinal interview stages



Source: IES baseline, parent, teacher, interim and follow-up interviews 2007/2008

¹ Occasionally, teacher interviews were conducted with more than one interviewee present.

² Data could not be exhaustively compiled on the nature of attrition between the interim and follow-up stages, but anecdotally there were a couple of people who had not been able to start HE, including one who had unexpectedly been assessed to be ineligible for domestic fees.

2.3.2 Description of the cohort

We gathered background information on interviewed HE applicants relating to family income (for which receipt of means tested support served as a proxy variable), social capital (family members' experiences of HE), and socioeconomic classification (self-completed, five point NS-SEC¹²). The interim interview gathered information on academic achievement (the most important determinant of HE participation).

The sections below describe the achieved cohort of 81 applicants (and the diminished cohort at the interim and follow-up stages) in terms of their background. It should be stressed that, owing to the qualitative design of the study, all of these figures are provided for descriptive purposes only (and, where possible, for comparison to existing statistics) and are not a basis for inferences about the wider applicant or student population. Table 2.2 provides an overview of the numbers in each demographic category:

Table 2.2 - Cohort profile

Variable	Category	Baseline (N)	Follow-up (N)
Age	Young	65	45
	Mature ¹³	16	9
Ethnicity	Asian	12	8
	Black	10	8
	Chinese	1	0
	White	46	32
	Mixed	7	6
	Other	2	0
	Missing	3	0
Sex	Male	29	20
	Female	52	34
Region	East London	33	26
	South Yorkshire	25	16
	Nottinghamshire	23	12
Disability	Yes	4	3
	No	74	51
	Missing	3	0

Source: IES baseline and follow-up interviews, 2007/08

¹² See <http://www.ons.gov.uk/about-statistics/classifications/current/ns-sec/self-coded/index.html>

¹³ In this context, the age categories are dependent on the nature of the interview: where the interview is dealing with a young person who has been in education continuously, they are classed as a young person, whereas if the interview is dealing with issues relating to leaving and returning to education, that person, even if aged 21 or younger, has been classed as mature.

Home and family background

Home influences are thought to be a major factor in educational achievement and progression to HE. In terms of (means assessed) financial background, 27 of our sample - 41 per cent of the young people - were in receipt of EMA, which is comparable to the national average of 43 per cent. Seven of the adult learners - almost half - were in receipt of adult learner grant (ALG), which is above the national average (although strictly comparable figures for such learners on Access courses within FE colleges who are applying for university are not available). Eleven of the applicants were also in receipt of other (unspecified) forms of financial support, sometimes in the form of benefits or other remittances. It should be noted that for EMA and ALG, receipt is indication of a means assessed need, but not a measure of the degree/intensity of that need. In terms of educational background, applicants were asked about experiences of HE within their families as an indicator of closeness to HE. Within the sample, there was a core of applicants with a degree of contact with HE through family members: 21 applicants reported having a father who had been to university, 17 reported a mother and a further 24 one or several siblings. Overall, 19 applicants had two or more such relations who had been to university, while 40 had none, indicating that HE experience was quite concentrated within a subset of the sample. Table 2.3 summarises these details for the baseline and follow-up stages.

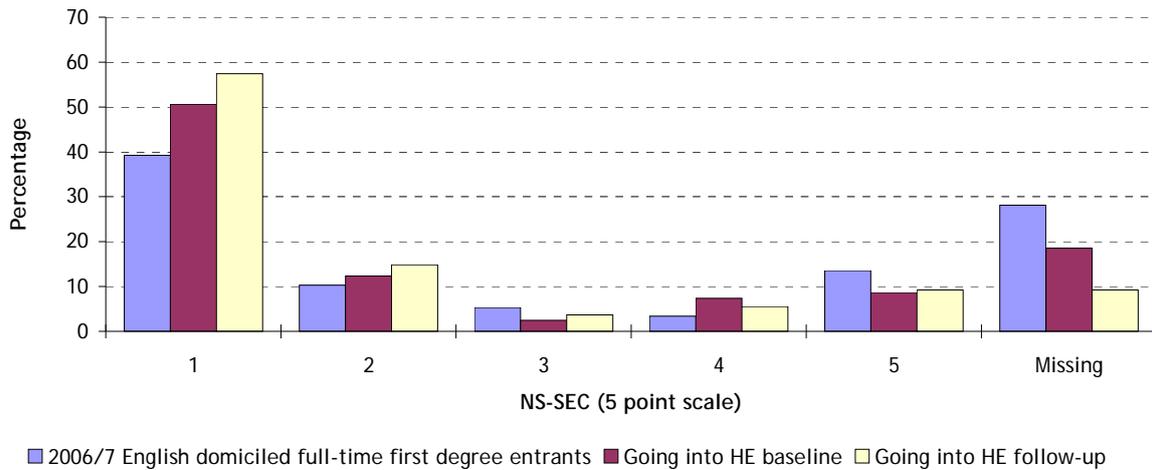
Table 2.3 - Home and family background of cohort

Background measure	Baseline (n)	Remaining at follow-up (n)
Individual in receipt of EMA	27	17
Individual in receipt of ALG	7	3
Individual in receipt of other financial support	11	6
No family members experienced HE	40	29
Father experienced HE	21	41
Mother experienced HE	17	12
Sibling(s) experienced HE	24	18
Two or more of father / mother / sibling(s) experienced HE	19	14

Source: IES baseline and follow-up interviews, 2007/08

Socio-economically, the applicants we spoke to follow a classification distribution that is comparable to the picture for university entrants nationally, as shown in Figure 2.3.

Figure 2.3 - Comparison of Going into HE respondents and the broader HE population by NS-SEC

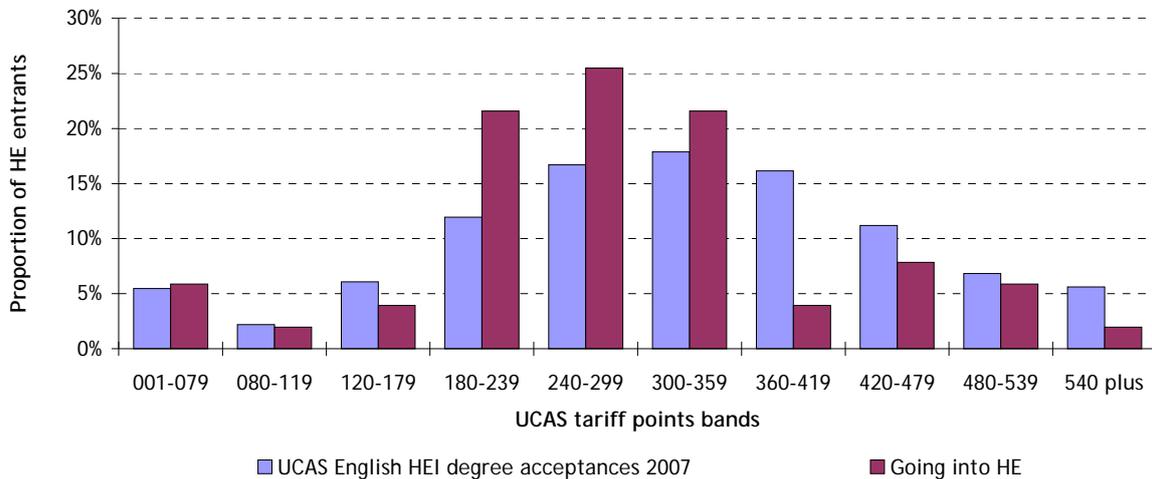


Sources: HESA student record 2006/07 (percentages supplied by HESA)
 IES baseline and follow-up interviews, 2007/08 (adapted NS-SEC self-completion questionnaire)

Educational achievement

UCAS tariff points were calculated for all those providing sufficient information at the interim interview. Points achieved by those who were then followed-up in HE are shown in Figure 2.4 alongside comparable national figures. The comparison indicates a slight over representation of the lower middle range and an under representation of the upper middle range, but otherwise a good spread of abilities.

Figure 2.4 - Going into HE entrants, compared to national average



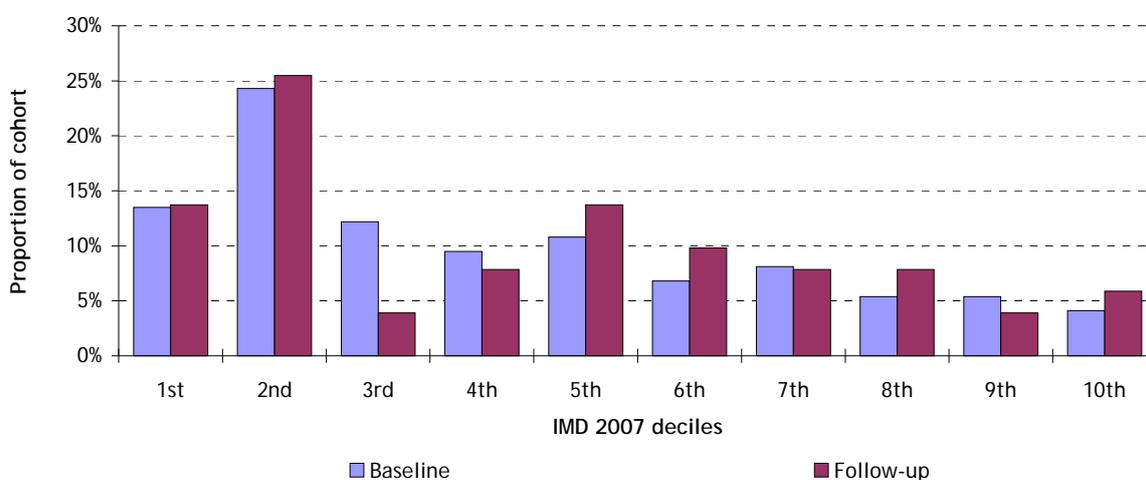
Note: Those with no UCAS points have been excluded in calculating the proportions

Sources: IES interim interviews, 2008, UCAS annual datasets

Local background and environment

Social and environmental circumstances beyond the home are also strongly determinative of life chances. Based on the postcodes of the applicants we interviewed, we can say that 50 per cent of our applicants resided in 30 per cent of the most deprived lower-layer super output areas in the country (small postal geography areas with 1,500 to 3,000 inhabitants), as measured by the Index of Multiple Deprivation (2007). Our sample is therefore somewhat skewed towards more disadvantaged areas. This is important in allowing us to pinpoint individuals for whom finance is likely to affect participation and HE decisions. It is worth remembering, however, that not all people in deprived areas are deprived, and not all deprived people live in deprived areas. Figure 2.5 illustrates the full distribution of our cohort according to the Index of Multiple Deprivation. This shows that the spread of the cohort has been very well maintained at the follow-up stage.

Figure 2.5 - Index of Multiple Deprivation for addresses of Going into HE cohort



Sources: Department of Communities and Local Government IES baseline and follow-up interviews, 2007/08

We have obtained data from the Learning and Skills Council (LSC) on the numbers of applicants receiving EMA in the schools we visited. This was combined with data from the DCSF performance tables (or, where necessary, from the Education Authorities Directory) to produce an estimate of the proportion in receipt of EMA. In order to achieve a diverse sample, we went to some institutions where relatively high proportions of students receive EMA (35 per cent or more) and some institutions where fewer students are in receipt (up to and including 34 per cent). Thirty-seven of the achieved interviews were conducted within seven high EMA schools, while 22 of the interviews were in four low EMA schools. It is worth remembering (especially when looking at HE applicants) that interviewees may not be representatives of the institutions in which they are learning. Table 2.4 summarises these figures.

Table 2.4 - Educational background of traditional age cohort

Background measure	Baseline (n)	Remaining at follow-up (n)
High proportion of EMA at institution	37	32
Low proportion of EMA at institution	22	13

Source: IES baseline and follow-up interviews, 2007/08

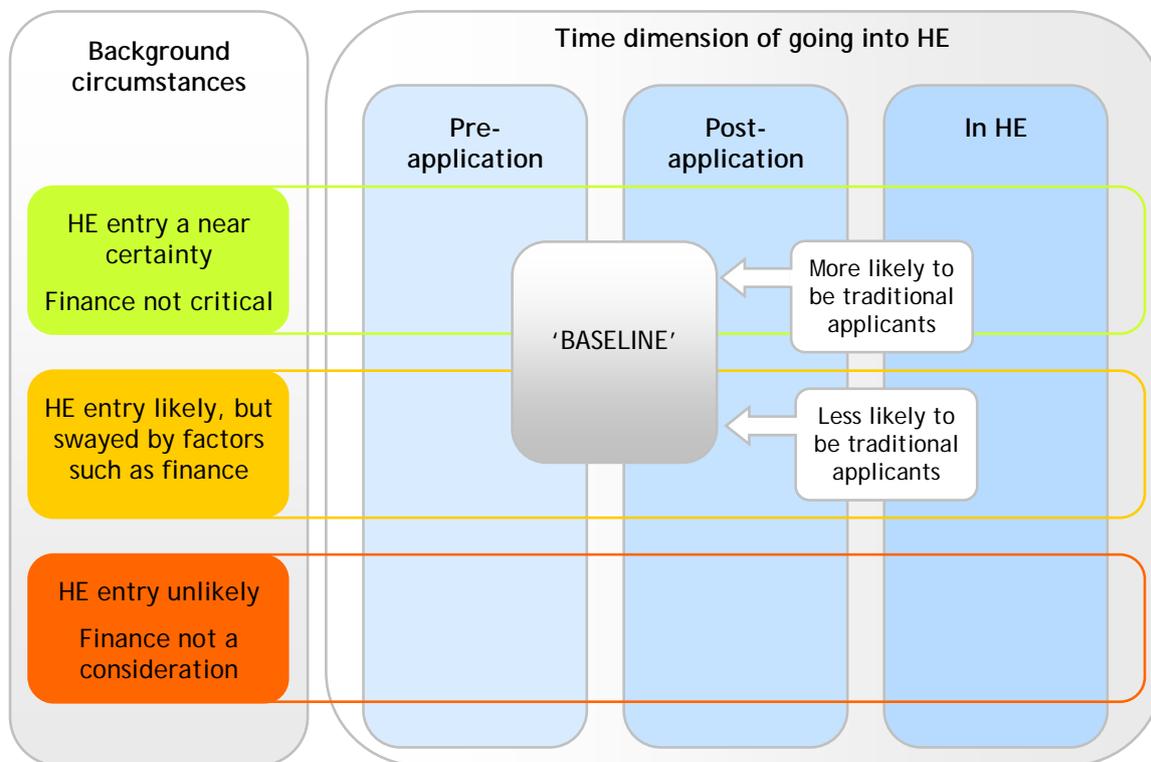
Summary of background factors

Each of the background measures presented so far is of interest as a proxy for economic and educational advantage or disadvantage. Each on its own is subject to certain limitations. For the purposes of this study, these measures are of interest in as much as they help to test the ‘distance’ hypothesis outlined earlier: namely, the idea that there are some individuals whose backgrounds place them:

- so ‘near’ to HE that going into HE is a near certainty (and finance may not be dissuasive) - relevant to the present study as a comparator group; or
- so ‘far’ from HE that going into HE is very unlikely (and finance is unlikely to come into consideration) - and are therefore excluded from this study, in that they are not potential applicants; or, finally
- at an intermediate ‘distance’ such that going into HE might realistically be swayed by a range of factors (including finance) - the most interesting group from the point of view of this study.

As the cohort described above comprises only potential applicants, it is presumed that the individuals conceptually fall into the ‘near’ or ‘intermediate’ categories. Further, as a working hypothesis, it is presumed that the individuals with the most advantages in terms of location, education, family finances and parental education within the cohort are more likely to be ‘near’ and those with the fewest are more likely to be ‘intermediate’. Figure 2.6 represents these ideas.

Figure 2.6 - How background circumstances in the cohort could relate to likely impact of financial considerations



Source: IES 2009

In order to test these hypotheses and any relationships between background circumstances and HE decision-making efficiently, we have derived a simple composite measure of 'distance' from HE using the individual background factors already mentioned. In cases of missing data, the cautious assumption that the individual would be closer to HE was used, such that no individual be erroneously identified as being 'further' from HE than he or she really is. This was computed (using a simple additive formula¹⁴) for every individual and the measure thus yielded was banded to produce three groups with roughly equal numbers of members. Henceforth, the first band is referred to as 'traditional' and the third as 'non-traditional'¹⁵. The intermediate category allows us to examine our data for signs of continuous relationships.

Does the resulting traditional / non-traditional classification make sense in relation to established socio-economic measures? The table below shows - for the 66 respondents for whom NS-SEC could be computed - how individuals compare in relation to composite 'distance' and NS-SEC. It is apparent that all 13 respondents in NS-SEC 4 and 5 are classed highly in terms of composite 'distance', while those at intermediate NS-SEC classes 2 and 3 are split between medium and high levels. This helps to confirm that our composite measure is consistent with NS-SEC, and therefore, as an analytical tool is - at the very least - no worse than the next most preferred measure. The principal advantage of our measure, however, is that it allows us to split-out the large numbers coded (possibly erroneously) within NS-SEC 1, to identify a subset that may be further from HE than socio-economic classification alone might suggest.

Table 2.5 - Relationship between NS-SEC and our composite 'distance' measure

NS-SEC	Composite 'distance' (score)			Total
	1. Near (more 'traditional')	2. Further (intermediate category)	3. Furthest (non/least-'traditional')	
1	17	16	8	41
2	0	7	3	10
3	0	1	1	2
4	0	0	6	6
5	0	0	7	7
<i>Total</i>	<i>17</i>	<i>24</i>	<i>25</i>	<i>66</i>

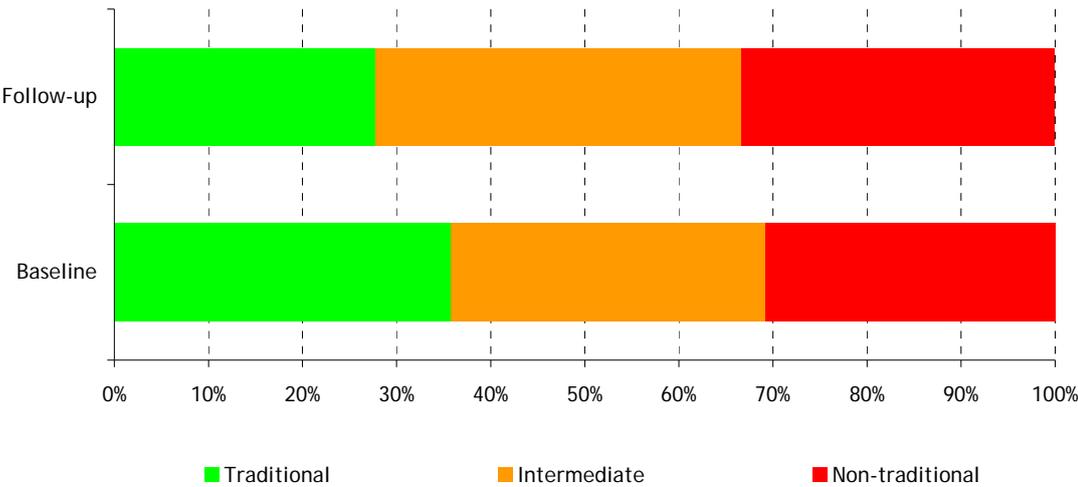
Source: IES baseline interviews, 2007/08

An ancillary benefit of the measure is that it provides at least a partial summary of background for some of the 15 applicants for whom NS-SEC could not be computed: 12 of these have low scores and the remaining three are medium. It should be stressed again that these are all individuals who are (close to) applying for HE entry. Starting from near equal numbers in each category at the baseline stage (by design), it is clear from the figure below that the overall composition of the cohort has been maintained through to the follow-up stage. If anything, there is a slight improvement in relation to the numbers in the 'intermediate' and 'furthest' categories.

¹⁴ This is formulated such that a person receiving means-tested financial support, classed in NS-SEC 5, whose parents and siblings have not been through HE and who lives in the 10 per cent of most deprived areas scores maximum points while a person not receiving support, in NS-SEC 1, whose parents and siblings have been through HE, living in the 10 per cent of least deprived areas scores minimum points.

¹⁵ This terminology is used merely as a shorthand for the sum of background and individual factors. Its use here is specific to this study and thus only approximates to usage of 'traditional' and 'non-traditional' in the wider literature.

Figure 2.7 - Proportions of the cohort within each composite 'distance' category



Source: IES baseline and follow-up interviews, 2007/08

3 Analysis and Discussion of Findings

This chapter's three sections address the broad themes identified in the objectives for the research, namely:

1. Timing of information, influences and decisions;
2. Knowledge and understanding of current arrangements;
3. Financial and non-financial factors in HE choices.

Where relevant, the findings presented here contain analysis of all three phases of the research and may well encompass many of the specific qualitative techniques used. However, it is often the case that one question was primarily addressed using one technique. Each section starts with an introduction mentioning the main sources of evidence relied upon.

3.1 Timing of information, influences and decisions

In this section, we explore patterns in the sequence and timing of the information-seeking and decision-making behaviours associated with applying to HE. We consider how and when the desire to undertake higher education is first established; the differing priorities afforded to choice of institution, subject and career; and the relative influence of information sources such as prospectuses, open days and outreach events, as well as the role of parental advice. We are particularly interested in exploring when (if at all) finance becomes a consideration, and in what context.

As part of the analysis, in order to bring some cohesion to a diverse range of data, we highlight some contrasts between what we have conceptualised as 'conventional' and 'unconventional' paths to HE, and develop a broad typology of decision-making styles. These may be of interest to those responsible for communications or information, advice and guidance strategies targeting potential HE applicants.

The information on which this section is based derives largely from the timeline exercise conducted with potential applicants in the baseline interviews. This part of the interview involved facilitating the interviewee to construct a visual map of their educational path, indicating the points in time at which various decisions about HE had been made and the different sources of information that they had consulted or been recipients of in this process (see Appendix 2 for full details).

In addition, where relevant, we draw on other elements and stages of the overall research methodology to highlight points of interest relating to the sequence and timing of decision-making, and to introduce longitudinal perspectives as appropriate.

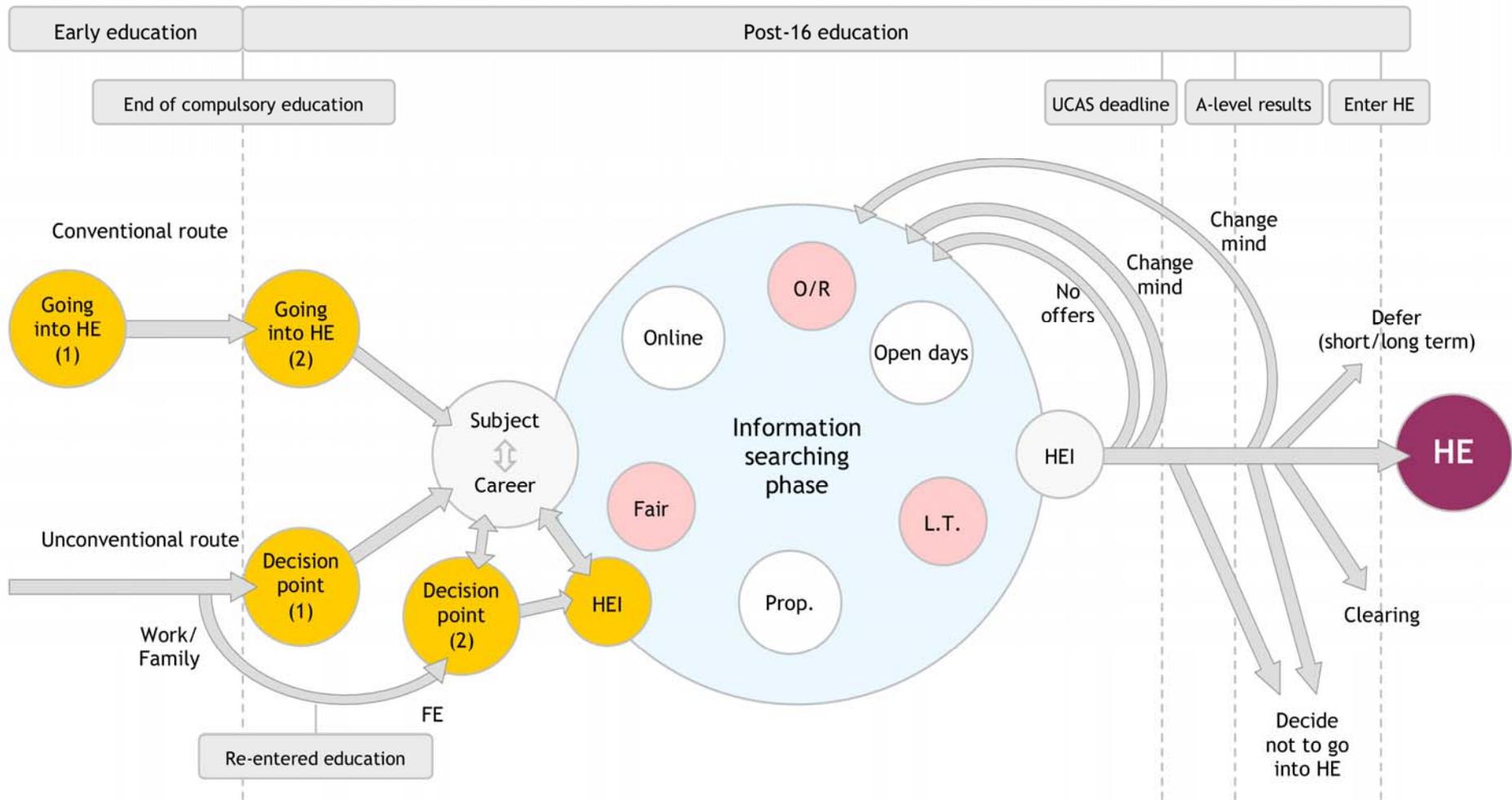
3.1.1 Summary of findings about timing

Figure 3.1 presents a broad conceptual overview of the main patterns of decision-making and information usage depicted by potential applicants in their timelines. At this stage, two key types of decision makers are distinguished, namely 'conventional' and 'unconventional'. This distinction is elaborated more fully in Box A. The diagram shows that both conventional and unconventional potential applicants go through a similar phase of seeking, or being presented with, a variety of information sources concerning higher education, before emerging to finalise their decisions about HE. However, the timing and sequence of choices leading up to and after this phase, together with the relative importance of external

Analysis and Discussion of Findings

information sources, varies somewhat between the two groups. Most importantly, the decision to go into HE is only finalised rather late in the day among those taking an 'unconventional' path. These variations are discussed in the following section, where a 'walk-through' of the diagram is also provided.

Figure 3.1 - Conventional and unconventional routes into HE



Key: O/R: Outreach, L.T.: league tables, Prop.: prospectuses

Box A - Conventional and unconventional decision paths

One way in which the timeline data can be broken down is to contrast those applicants who took what might be considered a 'conventional' decision-making path with those who were more ad hoc or unconventional in their decision processes. These two approaches might be defined broadly as follows:

Conventional: Decision to go into HE made at an early stage of educational career or simply 'always known'. Subject and career decisions made around the GCSE period or shortly into post-16 phase. Institution choices finalised during last year of full-time education.

Variations on conventional path:

Choice of institution made earlier in process, often stemming from desire to remain living at home.

Subject and institution preferences confirmed, but individual still unsure of likely future career.

Career and institution preferences confirmed, but more than one course applied for so precise subject still undecided.

Unconventional: Starting point usually subject or career rather than HE per se. Decision to go into HE finalised at a later stage, perhaps following positive exam results or encouragement from others.

3.1.2 Specific findings relating to timing of information, influences and decisions

Conventional decision paths

As noted in Box A and as depicted in Figure 3.1, conventional and unconventional decision makers initially follow somewhat differing trajectories towards HE. 'Conventionals', who in this research made up approximately three-quarters of the sample (and were drawn relatively evenly from all types of backgrounds), typically decide or assume from an early stage of their educational career that they intend to go into higher education. Whilst the 'conventionals' whom we interviewed could not always fully articulate the reasoning behind this decision or assumption, further probing of their background and motivations often pointed to family, cultural or social influences as being key. Comments from teachers / advisers and from parents tended to convey a similar impression.

'When I went to university it was a choice, an ambition, an adventure and a life change. My impression these days with young people - not all of them, I am generalising as a whole - it is almost now expected of them to go to university and so it becomes almost an extension of school. They don't attack it with the same relish that we did and the excitement. It is almost like, "Well I suppose I will go to university" because they have nothing to do and they might as well go ... they seem almost jaded about it.'

Teacher / adviser, Nottinghamshire school

'When I went to university about three per cent of the student population went to university. Today I think around 46 to 48 per cent of the student population go to university. I think expectations have changed and I think that people have a much wider range of reasons for going to university ... a lot of it is the fact is that it's just expected of them, so people do that. I think going to an institute of higher learning is a social experience for a lot of people - it is what their friends are doing so they want to do it and I think it's also, perhaps in a negative sense, perceived as something of a failure not to go.'

Parent of Ruby

For this group, a sufficiently good set of GCSE results generally ensures the transition to post-16 education, after which point the individual starts to give more detailed consideration to their HE options and enters a period of information seeking (see later section for comments on the varying intensity of information usage across potential applicants). Information is largely sought out in a proactive way, for example by sending off for prospectuses and arranging to attend open days, but there is also likely to be some more passive receipt of information, for example at talks and outreach events organised by the school or college that the individual attends (see Box B for more details, plus the sections on 'Manner of information usage' for comments on the finance-specific information accessed from these sources, and 'Timing of external information and advice provision' for a more thorough discussion of this area).

Box B - HE-related support and information provision from schools and colleges

The schools and colleges within our research sample reported a range of activities to support applicants in making decisions about HE, and some innovative approaches were identified, including one-to-one coaching, HE education fairs, interactive sessions in the style of *The Price is Right*, budgeting workshops, visits from representatives of various professions, visits from and to universities, and more involved project activities set within universities with undergraduates as mentors. Support was provided by a wide range of actors including tutors, dedicated careers staff, Aimhigher staff, Connexions staff, university representatives including current HE students ('Student Ambassadors'), and Local Authority finance staff.

One or two institutions - particularly those catering to adult learners - noted how they retained good links with former students and often involved them in talking to applicants, giving their own experience of making the transition to university. Most schools and colleges appeared to have very good links with their local universities.

It would appear that most effort goes into helping applicants make choices based on their academic interests and ability and into working towards successful applications. Student finance topics are almost always covered, usually in groups, though sometimes after applications have been sent in.

Conventional decision makers tend to have given some initial thought to their choice of degree subject, preferred institution and likely future career before they enter the information-seeking phase, but as noted in Box A, there is evident variation in the sequencing of these decisions. However, it is apparent that external information sources are more often used to narrow down and finalise a potential applicant's choice of institution than their choice of subject or career. By implication, HEI choices (which are often made later) are likely to be better informed than degree subject choices.¹⁶

The UCAS submission deadline constitutes a provisional 'point of no return' for potential applicants, although a small proportion will go on to revoke or revise their original plans after this point. In our sample, there were incidents of potential applicants later changing their minds about the subject they wanted to study, or having to rethink their choices because they did not receive any UCAS offers.

For most potential applicants following a conventional path, A-Level results represent the final milestone in their timeline. At this stage, a majority will be able to confirm their first or second choice institution offers and go on to enter HE the same year. Smaller numbers may proceed to HE via Clearing, either because their A-Level results did not meet the required standard or because they have a late change of mind relating to subject or institution choice. Of the small number of applicants in our sample who went through Clearing, only one cited financial factors in deciding which institutions to consider at this stage. The individual in question could not afford to move out of home and therefore only looked at institutions within commuting distance.

Still others may elect to defer a university place in either the short or longer term, or make a late decision to drop off the HE trajectory altogether. Of the small number of applicants in our sample to whom this applied, two cited finance as the main factor in their decision. One was assessed as dependent on her parents and was therefore not eligible for financial support even though her parents were not able to help financially. The other could not afford the living costs for HE, even with bursaries and student loans. Both reported looking at several ways to get around their financial problems, with the first individual hoping to be able to complete their degree through work, and the other planning to reapply independently within the next three years.

Unconventional decision paths

The most notable way in which 'unconventional' potential applicants differ from their 'conventional' counterparts is that there is generally no long-standing or implicit assumption about going into HE underlying the pre-16 education phase. For some of this group, thoughts about HE may occur for the first time after the receipt of GCSE results; possibly because these were better than expected and prompt the individual to reconsider their potential for more advanced academic study. Others (and this was often the story of the mature applicants within our sample) will have initially left full-time education at or before the end of their compulsory schooling, whereupon they may have entered the labour market or become full-time homemakers. A variable length of time then passes before this group returns to full-time study - some with a clear aim in mind of setting themselves on a path to higher education, and others initially looking no further than an FE qualification. It is not until some way through this process that the latter group begins to consider the option of HE; perhaps because they discover a heretofore dormant interest in or aptitude for a particular subject, or because a new career plan forms in their minds that would demand or benefit from their obtaining a degree.

¹⁶ Futuretrack finds that subject preferences are strongly influenced by cultural expectations. This may explain why subject choices are made with less reference to HE information. Alternatively, it may be that - as subject choices for A-Levels and HE are strongly linked - information is built into school-level advice and not explicitly given in terms of HE.

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In the same way as for 'conventional' applicants, 'unconventionals' tend to use external information sources primarily to establish which institutions to apply to. However, for some potential applicants (particularly those of adult age), the choice of institution may be considerably constrained by factors such as needing to remain within the local area due to family or mortgage commitments.

With their choices provisionally finalised, those on the unconventional decision path merge into the same trajectory as conventional applicants, progressing through the milestones of the UCAS deadline and exam results into the commencement of higher education, or an alternative final route.

Sources of information used

In the timeline exercise, interviewees were asked whether and when they had received or accessed six key sources of information about HE, namely open days, information fairs and events, outreach activities, prospectuses, league tables, and personal online research. They were also invited to name any other sources of information of which they had made use. The pattern of findings varied little across the body of potential applicants. Broadly, open days, prospectuses and online research emerged as the most widely accessed information sources, whilst information fairs and events, outreach activities and league tables were cited less frequently; this contrast was indicated graphically in Figure 3.1 (see also section 3.1.2 on manner of information usage). Within our sample, and at the time of our baseline interviews, potential applicants reported having accessed an average of five different sources of information about HE.

The accessibility and breadth of online resources available to potential HE applicants clearly makes internet research a popular option during the information-seeking phase. Within our sample, the most commonly used websites tended to be those of the particular institutions to which interviewees were considering applying, followed by the UCAS website. In relation to financial information, the Directgov website was also mentioned by some individuals.

Other cited sources of advice included friends, family and teachers, many of whom were reported to be graduates themselves and were hence seen as passing on valuable first-hand insights. It is clear that many young people's HE choices are influenced by their parents, even if there is a taboo preventing parents from admitting this, and this is elaborated more fully in the following section.

In general, the new students whom we interviewed in the follow-up stages did not report having received or consulted any more specific finance-related information since the time of our baseline interviews. Their main dealings with finance issues since that time had been in administrative tasks such as filling in forms to apply for loans. However, a few had approached finance representatives at their new universities in order to find out details of specific support mechanisms, such as bursaries.

Parental influences

All of the parents of potential applicants who were interviewed as part of our research reported talking about going to university as a family¹⁷ - yet few felt that they had exerted any direct influence on their child in this regard. Some parents expressed certain subject preferences, often for vocational subjects with what they considered better employment prospects. In some cases there were parental preferences towards certain universities or colleges with better reputations and graduate outcomes or, conversely, towards local

¹⁷ As is discussed later, however, it would seem many of these avoid talking about finances.

Analysis and Discussion of Findings

institutions that entail fewer additional costs. Many felt strongly that the decision was up to their child and it was clear from responses that they would not be at ease with the perception that they may have been an influence, as this is the 'wrong thing to do'.

'One thing I am not trying to do is put pressure on her to make a decision, all I am trying to do is give her advice and let her decide what she wants to do ... she knows that I have been through it myself and I am paying off my debts at the moment, so she knows it is a serious decision to make.'

Parent of Sarah

'Ideally I wanted her to go to another university but she wanted to go to [university name] and if that is going to make her happy then that is alright.'

Parent of Elizabeth

'If [name] had said, "I want like to go to university and study Golf Studies for three years" I wouldn't have thought much of that. It had to be relevant, something that was going to be worthwhile for her in terms of giving her a good potential future income My only concern was that she would pick something that was reasonably known for its quality in terms of the subjects she wanted to study. But other than that I really have no problem with what she picks in terms of college to go to I have no particular idea about keeping her close to home or whatever. As long as she was making the choice for the right reason to go to a university, which was anything other than, "It's got a nice night life" or something.'

Parent of Ruby

Only one or two parents did feel that they had influenced their child to try to ensure a more 'useful' or 'safer' outcome from the university experience - but this tended to be in terms of the subject or course choice rather than institutional choice.

'By looking at what kinds of degree she wants to do, I have tried to influence her choice, make it something that is going to be more useful.'

Parent of Simone

Young people were more likely to admit to being influenced by their parents than their parents were to admit that they had been an influence on their offspring. In more than a quarter of the matched interviews, parents denied any influence over their son or daughter while their child stated that their parents had been an influence on their decisions about going to university.

'We always try not to [influence her] but we will support her and she knows that - whatever her decision.'

Parent of Francesca

'Yes they have helped me look through the prospectus and stuff and just helped me decide which five I should apply to

WOULD YOU SAY THAT THEY HAVE BEEN QUITE INFLUENTIAL IN YOUR DECISION?

Yes'

Francesca

The young people told of a variety of ways in which parents had influenced their decision-making. They cited their upbringing and an encouraging family environment as being one of the main ways they were influenced; they had seen that their parents or older siblings had been to university or had parents that had expectations that they would go on to university.

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'My mother always said to me, "I want things for you that I never had and never had a chance to do, so I'd like you to go to university", and from there I've always wanted to do it.'

Amar

There were also specific influences from the parents that their children reported, such as receiving advice about employment prospects, or being actively encouraged by their parents to do research and find out certain information. There were few examples of either parents or their children citing parental influences over course choice and these examples were often from children aspiring to their parents' careers. In one such case, relating to medicine, this influence was overt.

'HAVE THERE BEEN ANY PEOPLE YOU'VE APPROACHED FOR HELP?

Mum and Dad.

HAVE THEY BEEN ABLE TO ADVISE YOU?

Yes. Mum works at blood transfusion and knows loads of people. She can ask them about future prospects.'

Ross

The most frequent parental influence over accommodation cited by the young people related to staying closer to home or living at home to keep costs down. In one exception, the parental influence was the reverse of this pattern.

'My mum said I had to be independent so I am not staying at home.'

Dionne

Parents reported mixed experiences of support from the school or college in making decisions about HE (much as staff talked of mixed experiences trying to engage parents). Some parents had not talked to teachers about their child's HE options or decisions, whilst others had done so but with varying degrees of success.

'They [teachers] have guided [name] in a sense and they have boosted his confidence by saying he is capable of university.'

Parent of Derry

'They [teachers] don't seem that well equipped to guide him as to the sort of course that he should be applying for, he appears to have done most of it through his outside interests.'

Parent of Brendan

Manner of information usage

Analysis and coding of the interview transcripts suggested some marked qualitative differences in the ways that different sources of information were used, and highlighted the varying availability of financial information through each source.

Prospectuses were often the primary source of information. In most cases, applicants were aware that prospectuses contained a few pages on finance (usually at the back), but these pages may well have been ignored. If applicants sought financial information in prospectuses, this was often in relation to (where relevant) figures on accommodation costs or specific course expenses.

Open days were generally valued as a source of advice and as an opportunity to meet real students and ask questions. They often had a big influence on UCAS choices. Typically, however, these days were not focused on finance. If there was a finance talk scheduled into the visit, it was not necessarily (nor attentively) attended. Applicants' use of these days was often purposive and their reason for attending was to find out about courses, facilities, etc. rather than to learn about student finance. By the time an applicant had invested the time, energy and money to attend an open day they were often, but by no means always, quite advanced in their decision making, and were sensing whether the place would feel right.

UCAS / HE fairs were typically accessed as organised class outings and were therefore used less proactively and individualistically. Where applicants reported a value to these, it was in terms of broadening horizons, raising awareness of the existence of certain universities, which were sometimes then brought into the scope of their decision-making. For many, however, these visits simply did not come at the right time: either it was too early and they did not know they were looking for (simply an opportunity to pick up prospectuses) or, in some cases, it came too late, when institutions were already firmly selected. Finance was mentioned in a couple of cases as something that was raised and that might need to be looked into.

Outreach was, of all the types of sources of information, probably the one most positively reviewed by those who had experienced it. In some of the best examples, former pupils/students had returned to talk about their experiences at university and answered questions on finance. Reading between the lines, applicants felt they were getting their information from real students who were in many senses close to home. The question and answer sessions were disinhibited by being in a familiar setting and there was no hard sell. Where outreach was less appreciated, it was often focused more on marketing the institutions using videos etc. Previous research (e.g. UUK 1999) indicates that applicants are wary of being 'sold' a message and are mistrustful of some sources of information. It would seem that outreach, appropriately delivered, is potentially one of the most effective mediums for communicating messages about student finance. The teachers and advisers interviewed in this research lent their support to this view:

'I think the thing that works best for us is bringing ex-students back and them talking about their experiences, and particularly what [prospective students] are interested in is how they have coped financially. That's probably the single most important thing because they see other people from similar backgrounds who have done well out of it, and that then spurs them on and makes them believe that it is possible for them.'

Teacher / adviser, FE College, South Yorkshire

Timing of provision of information and advice

Students had multiple opportunities to receive support over their time at school and college, and even beyond (for those considering HE as an option a few years after completing their studies), and support started early. After the early guidance work to help applicants consider courses, universities and careers, later sessions focused intensively on the application process and, in particular, in supporting individuals to develop their personal statement. One institutional representative noted how with those on one-year courses the decision-making period was too short and that it was difficult for this group to cope with the demands of the application process within such a short time period. In an interesting contrast, some institutions reported that they made all their A-Level students register and apply, regardless of whether they intended to go to university, and that this opt-out rather than opt-in strategy for maximising progression was made possible by the early UCAS deadline.

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Although in some cases there was ongoing, generic financial education in areas such as budgeting, specific student finance issues were not introduced until after applications had been submitted. This was often to ensure use of the most up to date information, but it was also because the timing of the 'finance message' was critical. In their experience, staff found that introducing the topic too early had no impact, because the information 'falls on deaf ears'. Even when delivering the message at a later point in students' educational careers, some staff reported a lack of receptiveness.

'I have to say that they kind of tune out in the first year, particularly the younger students. I think it feels remote and that it is going to happen to someone else. It is only when they start getting their offers in and they believe that they are going that I think they will actually start coming and asking questions about exactly how much money they are likely to get ... I think for some of them probably it won't even be real until they are at university and they see their end of year statement of what they actually have let themselves in for.'

Teacher / adviser, FE College, East London

In one school, financial support and costs were deliberately not raised as an issue until support levels were set in March (although staff were available to answer questions informally), for fear the cost and debt messages would contribute to a self-fulfilling fatalism.

'Lots of girls here are not from graduate families. If you tell them about debt, many of them would use it as an excuse to work less hard, "because I wasn't going to get the grades anyway".'

Teacher / adviser, East London School

Overall, the delivery and timing of student finance messages had been given considerable thought in most schools and colleges. The main challenge is finding the right time to deliver a complex message that may seem very abstract to applicants until they have received offers (or even later). The earlier guidance is offered, the less likely applicants are to be receptive. Separately to the timing of the message, some staff felt that the complexity of the system makes it difficult to help individual students to assess their total costs, support and debt in a manner that fully reflects their circumstances and choices.

Casting a longitudinal perspective on this issue, a proportion of students in our early university case studies conveyed the sense that they would have valued more impartial advice on the student experience before applying. Some professed to have known very little about financial support options before coming to university, feeling that this information had simply not been made readily available to them. Thus, students in a focus group at a University Alliance university in the North of England said:

'I know they give finance talks here but they split the parents from the students so the parents get the talk but not the students.'

'When I was at college I stayed at [Name of] University for a week and did trial lectures and they tried to give us the student lifestyle, so we stayed in halls and things like that but even then they didn't tell us about finance.'

The students compared amongst themselves the financial information they had received as sixth formers, both specifically relating to student funding but also more broadly in relation to good financial habits such as budgeting. There was a sense that arriving at university represented a major step up in financial opportunities, responsibilities and dangers - especially in relation to banks - for which many students were ill-prepared. Students at South of England 1994 Group university said:

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'Suddenly you are faced with this huge amount of money, all from different sources, all these banks offering loans and it is daunting.'

Thus, there were appeals in the focus group for more detailed and ongoing information to ensure students are better prepared for the costs of university, more aware of the options open to them, and kept updated on the money they owe:

'Things like grants and bursaries should be more widely known.'

'[We need] more case studies There is a bit of a stigma in that you go to university and just live off the money you get given; your loan and your other costs like accommodation and stationery are disregarded. It all adds up. I didn't know anything about the costs, I just thought I would come here and do the work and do, to be honest. It hit me hard.'

'They are all happy and proud to accept you into their loan system but as soon as you have signed on and start getting the money through you don't hear much, you get a few statements now and again but not much information or updates.'

The same issue was raised on several occasions during the follow-up interviews with new students.

'I had a lot of information about "Apply for everything you're entitled to and get it done as soon as possible" ... they filled out all my mum and dad's details and then, like,

"This is what you're entitled to", and that was it: "You'll get it in three instalments". But it wasn't until you've got all this money and then it's like, right, now I've got to budget. Otherwise I'll spend it all in one week.'

Charlotte, non-traditional student

Thinking back to their sixth form experiences, the case study students suggested ways in which their support and advice could be improved. This included help with thinking through non-university options, general cost and support information, training in practical financial skills and information on earning prospects after university. There were conflicting thoughts on whether a forecasted end of degree indebtedness figure would deter or reassure applicants. It was a figure even final year students could be hazy about. However, there were appeals for more detailed and personalised information around financial options for HE. A student participating in the focus group at the Russell Group university in the North of England said:

'I think it would be great if they sent out with their packs a sample of what you need to live on at university for a realistic student. Not one who is never going to go out, but for a real student and say this is probably what you're going to need a week. You need to start thinking about it.'

A consideration of financial factors is no doubt of great value when deciding to embark on an HE course. For many students, however, finance seems to have become a concern only after arriving at university. Those for whom finance did play a part in decision-making often cited issues related to location or accommodation (rather than fees or bursaries), but these considerations were usually secondary compared to reasons related to courses.

Crucially, many students recalled learning of important differences in study costs and support well after applications were sent and offers accepted. Upon arriving at university, students start to discover the costs of study and may well learn the financial dimensions to all the decisions they had originally made on a non-financial basis.

There was a sense, with some exceptions, of schools and colleges having prepared candidates for their HE decisions academically but not personally. These students would have valued better information, advice and guidance at an earlier stage¹⁸, including real information about costs as well as about financial support. Even once at university, many students felt ill-informed and some staff spoke of students approaching key financial information with a certain degree passivity or desire to be spoon-fed.

3.1.3 Typology of decision makers

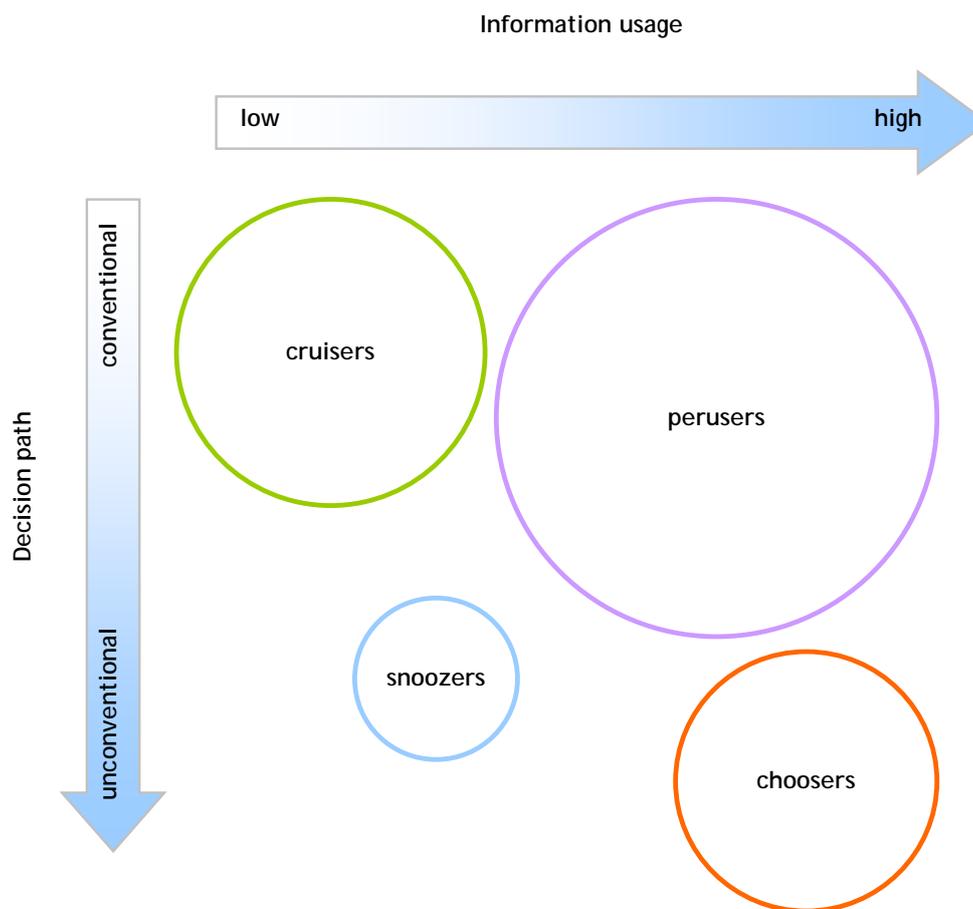
We cross-mapped two key aspects of the timeline data gathered in the baseline interviews, namely: type of decision path (conventional versus unconventional) and intensity of information usage (number of sources accessed) to create a fourfold typology of decision makers, which is depicted in Figure 3.2. This may be of use in the elaboration of HE information strategies.

For the purposes of this typology, applicants are categorised as 'low' level information users if they reported having accessed up to (and including) four different types of information source about going into HE. Conversely, applicants who reported having accessed five or more types of source are categorised as 'high' level information users. The classification of 'conventional' or 'unconventional' is determined according to the order in which decisions about going into HE, subject, career and institution were finalised (see Box A for details).

The coloured bubbles in Figure 3.2 indicate the relative prevalence of these categories among all potential applicants (no particular type of applicant or set of background characteristics seems to be strongly associated with these categories). It is important to note that both the information usage and decision path variables should essentially be regarded as continuums, with no clear point of demarcation at which a potential applicant 'switches' from one classification to another.

¹⁸ This is somewhat at odds with the emerging findings from Futuretrack (HECSU, 2007), which show almost 50 per cent of respondents saying they had received enough classroom based teaching on career or life planning (Figure 6.1) and over 70 per cent of respondents agreeing or strongly agreeing with the statement 'I had access to all the information I required on HE courses' (Figure 6.2).

Figure 3.2 - Typology of decision makers



Source: IES baseline interviews, 2007/08

The four 'types' of decision makers thus depicted can be thought of in the following broad terms:

Cruisers (conventional decision path, low level information usage): Having established their plans to go to university or college from a relatively early stage, these decision makers proceed to 'cruise' towards higher education without overly devoting their time to research the issues and options that surround this choice. 'Cruisers' make up around quarter of this sample, suggesting that a sizeable minority of applicants, despite having firm plans to enter HE, are not taking full advantage of the range of information available to support their decisions.

Perusers (conventional decision path, high level information usage): Whilst similarly set on their plans to enter HE from a young age, this group 'peruses' the available information about HE more extensively as they move along their chosen educational path. 'Perusers' represent just over half of the sample interviewed for this research, indicating that a substantial proportion of applicants both hold long-standing intentions to go into HE and are conscientious and thorough in finding out information to support them as they prepare for this transition.

Snoozers (unconventional decision path, low level information usage): Although rarely lacking in ambition or motivation, snoozers demonstrate little in the way of a proactive 'game plan' for entering HE, having come to the decision later on and sought out less in the way of direct information to support this process. 'Snoozers' make up the smallest subset of the

overall sample, implying that it is fairly uncommon for applicants to have made a late or more reactive decision to enter HE, but only to have accessed a few information sources to assist them in the planning process.

Choosers (unconventional decision path, high-level information usage): Conveying the sense that their educational future was a matter of some deliberation and is very much in their own hands, choosers take care to seek out a range of relevant information as they cement their delayed or more reactive decision to enter HE. Approximately two-thirds of the unconventional decision makers in our sample were 'Choosers'. This suggests that 'latecomers' to the HE entry process will often have sought a wide range of supporting information during or after arriving at their decision to apply to university or college.

3.2 Knowledge and understanding of current arrangements

This section examines respondents' knowledge and understanding of some of the key sources of student finance - grants, loans, bursaries, scholarships - as well as personal sources such as support from family, and jobs, both during the application stage and after they had arrived in HE. It also looks at the various ways in which students conceptualise the different elements of support, and whether they had preferences as to the 'balance' of the student finance package. These areas are quite diverse and require considerable contextualisation, and therefore the findings are not summarised together at the start of the section.

This section draws on a variety of information sources. At the baseline stage, applicants' general knowledge about student finance, such as the eligibility criteria for grants and the maximum amount available through loans, was tested through a multiple-choice questionnaire (see Appendix 2 for details). They were also asked which forms of support they felt they personally would (or would not) be able to access during their time in HE and how much they thought they were likely to receive from each. At the follow-up stage, they were asked what they were actually getting from each of the sources.

By comparing students' expectations with the money they actually received once at university, we can identify the areas about which students had the most accurate knowledge in relation to their own circumstances and ascertain which groups of students had particularly high or low levels of knowledge. The different ways that students conceptualised finance and the vagueness of answers at both stages (for instance 'I think I'm eligible, but I don't know for how much' and 'I'll probably get something between £500 and £3,000' precluded the possibility of comparing the total amount expected to total amount received, so each of the six main sources of finance that students are able to access (maintenance grant, maintenance loan, bursary, scholarship, paid work and family¹⁹) has been examined individually.

The ways that students conceptualised finance were ascertained through the 'mind maps' which students were asked to draw during the follow-up interviews, detailing their sources of income, how much each was worth, and any thoughts they had about each source. In particular, they aim to show whether students perceive the elements of student finance as a single 'pot' of money, or as distinct entities that may have been earmarked for different purposes. This task was supported by the balance preferences exercise, which sought to ascertain whether students have a preference as to the balance of their support package.

¹⁹ Student loans for tuition fees were discussed separately, as these do not provide cash to students.

3.2.1 Understanding the available support

Applicants exhibited a very wide range of levels of knowledge (and confidence) about the sources of finance upon which they might rely in HE. When talked through a list of seven possible sources²⁰ of finance, some applicants were capable of confidently identifying five or more as sources they would (or would not) be able to rely upon. However, a small proportion were unable to do this for any more than two possible sources.

When applicants talked, unprompted, about the money they might rely on in HE, they often mentioned loans for maintenance and help from family. Applicants would usually have an idea about these two sources of money, even if they had no idea about any other source of money (awareness of these had a high 'penetration rate'). Maintenance grants occupied an intermediate position in this respect, while bursaries and scholarships tended to be mentioned only by those more knowledgeable applicants who had been more exhaustive in mentioning other sources of finance as well. There was a very strong tendency to assume that the household income threshold for partial grant eligibility was lower than was actually the case. Generally, applicants were quite confused about exactly who provides these different types of student support.

Overall, in spite of a hard core of individuals with very low levels of knowledge, applicants had a reasonable understanding of student financial support (neither particularly good, nor particularly bad). There was little discernible pattern in who knew what, although it may be that younger applicants fared a little better than their older counterparts did. There was, however, a pessimism bias in applicants' responses: when applicants were wrong, they thought loans were smaller and repayments higher than they really are. Likewise for maintenance grants, where they thought eligibility requirements were more stringent than is the case. Furthermore, those applicants who did not know the level of tuition fees tended to guess high rather than low. Therefore, applicants' expectations about what they would receive tended to be exceeded when they began their HE studies.

In reality, many students rely on parental support as well as money from the government²¹ (indeed, this is what was often mentioned, unprompted, by applicants). When parents were interviewed at the baseline stage, they almost universally indicated that they would try to help their offspring (often by any means available to them) when they went to university. However, comparing what was said about parental support by parents and by their children reveals varying degrees of correspondence between what was expected by each party. Often, children expected more or more specific help. Generally, it would appear that these differences emerge from families not talking frankly about their financial planning.²² Therefore, reliance on 'the bank of Mum and Dad' may not be the surest financial basis for young people's university plans. The parental role in some cases may be that of a safety net: there may not be the available cash flow to help regularly, but when help is required, young people know they can turn to their families.

In this respect, the help available from the government is qualitatively different. Although loans, grants and bursaries provide substantial, scheduled payments, there may be a sense that applicants do not feel they can count on these until they are received. This is evidenced by the large number of responses indicating that applicants were aware of a given source of funding but did not know whether they were eligible nor how much money they might

²⁰ Loans for maintenance, bursaries, scholarships, maintenance grants, family, other borrowing, and paid work.

²¹ See, for example, *Who is Heading for HE?*, DIUS 2009. The most recent Student Income and Expenditure Survey corroborates this heavy reliance on parental support, but also finds that it is falling to a lower level under the new support arrangements.

²² See section on parents and guardians in Appendix 2.

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receive.²³ There was no discernable pattern in terms of which students had the more sophisticated knowledge in this respect; those who were eligible to receive means-tested support were just as unlikely to be aware of the mechanics of the system or eligibility levels as those who were not²⁴.

In large part, this may be attributable to the approach taken to student finance in schools, whereby explanations of financial support are delayed until later in the year, for a variety of reasons (as discussed in Section 3.1.2). Staff themselves sometimes reported not being able to advise individuals authoritatively of the amount of money they would be able to access.

Maintenance loans

The maintenance loan had the highest awareness penetration rate of all the forms of student finance, being the source most frequently mentioned unprompted by applicants, the details of which were clearest in respondents' minds. However, the multiple-choice test identified significant gaps in applicants' knowledge: while most knew that the loan had to be repaid eventually, and that the income threshold for repayment was £15,000, there was little awareness of the five-year repayment holiday for students graduating after 2011 (which applies to this cohort). Only around half of the students correctly identified the maximum loan amount available, while others assumed it was lower than it is. Further, applicants' anticipated loan repayments were around double what they should be, based on anticipated earnings (though this figure is based on a smaller number of applicants prepared to forecast both future earnings and future repayments).

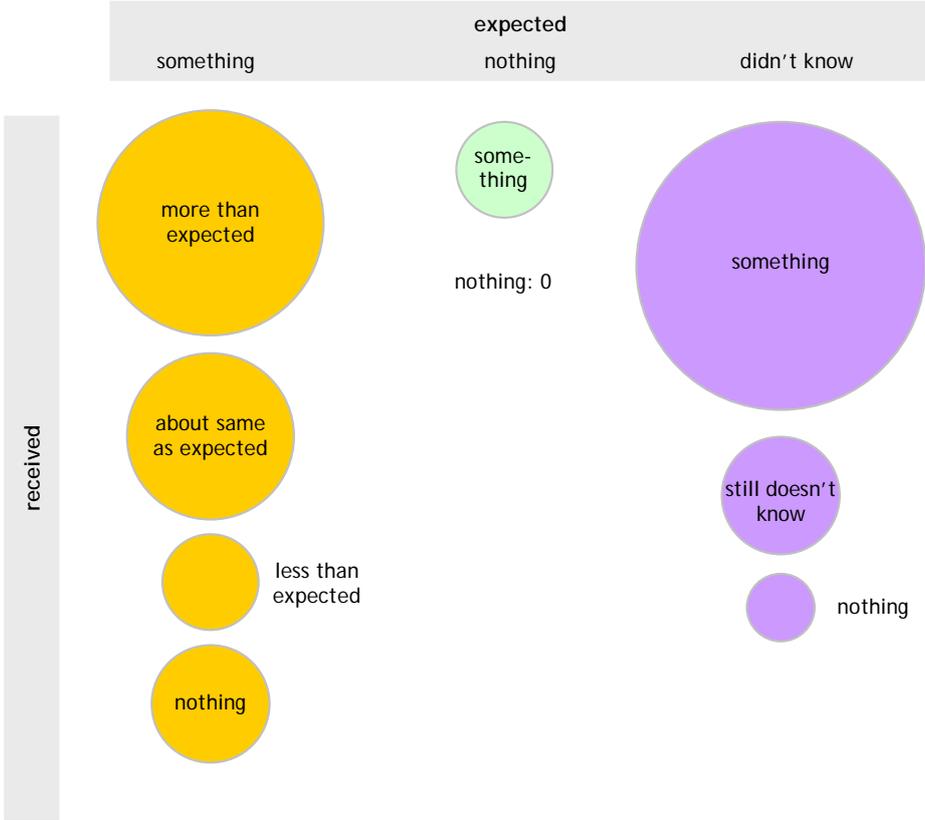
As Figure 3.3 below illustrates, respondents also tended to underestimate the amount that they personally would receive from a loan, and consequently most ended up receiving more money than they expected. This adds weight to the theory that emerged from the baseline interviews, labelled 'pessimism bias', whereby applicants tend to underestimate what they will receive in financial support, while overestimating the costs. However, there was one case in which a student had anticipated receiving a higher maintenance grant (and adjusted her loan expectations downward accordingly).

Though fewer in number, the students who received less than they had expected (circled in red) are potentially of more concern. In these cases, applicants may have made erroneous judgements about what HE decisions they could afford and may arrive in HE with expectations and/or needs that cannot be met. Reassuringly, only two students received less than expected (or nothing at all) from two or more possible sources of income.

²³ See section on budget exercises in Appendix 2.

²⁴ This is consistent with the findings in *Who is Heading for HE?* regarding perceived awareness of financial support among EMA recipients and non-recipients. This may change with the introduction of the EMA guarantee.

Figure 3.3 - Maintenance loans: what students expected vs. what they actually received



Source: IES baseline and follow-up interviews, 2007/08

As can be seen in the diagram, a large number of the applicants said they ‘didn’t know’ whether they would receive a maintenance loan and did in fact end up receiving one. Since applicants’ knowledge about loans was reasonable overall, it may be that the majority were not confident enough in their knowledge to be able to commit to a precise figure, even if they knew the vague region in which it was likely to fall. However, there was a small handful of individuals who were unsure whether they would be eligible for a loan at all, or whether the amount they received would be contingent on their parents’ income.

‘YOU THOUGHT THAT YOU’D HAVE A MAINTENANCE LOAN OF £1,000 PER YEAR?’

Actually, I’m surprised I put that there, thinking about it. I don’t know. Yeah, I remember it was £1,000 a year. I can’t really remember... Obviously, when I applied for a loan, probably that was when I learned more about them.’

Brendan

There was a particularly poor match between mature students’ income expectations and what they eventually received. While this may run counter to the expectation that mature entrants might plan their routes into HE more carefully and have greater financial awareness than younger students²⁵, it is perhaps not surprising considering the complicated interaction between student finance and other factors not usually relevant to young applicants, such as housing support and other benefits, savings and dependent children. One student felt that the quality of information on this topic was poor:

²⁵ See section on information usage in Appendix 2.

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'No-one really knows what the deal is if you're a student, am I entitled to this or that now I'm a student? They'll send you a letter saying we're stopping your housing benefit, we're stopping this and that, so you have to spend time going down to the office and speaking to an advisor who doesn't know what they're doing, then next thing you know you're getting another letter saying oh actually you are entitled to this or that.'

Alison, mature student

Another possible reason for mature students' uncertainty regarding loans may reflect not a lack of knowledge but their greater aversion to debt²⁶, meaning they are reluctant to take out a loan at all and therefore not receptive to loan-related information, even once in HE.

'I didn't apply for the maintenance loan At my age you don't want to add on debt, do you? ... I want to be able to earn the money and not have to be paying money back. I could still apply for [it]. I think it's up to February... but at the minute everything seems to be ok. My finances are quite stable'

Paul, mature student

Maintenance grants

Students' knowledge about grants was less extensive than about loans. Very few correctly identified the household income threshold for eligibility (£60,005 or under at the time of fieldwork), with most selecting the lowest multiple-choice option of £40,005 or under. There was some confusion as to the source of the grants, and a handful of students were unaware that they do not have to be repaid.

As was the case with maintenance loans, students often ended up receiving more than they expected, as illustrated below. A smaller number accurately predicted what they would be entitled to and fewer still overestimated what they would get.

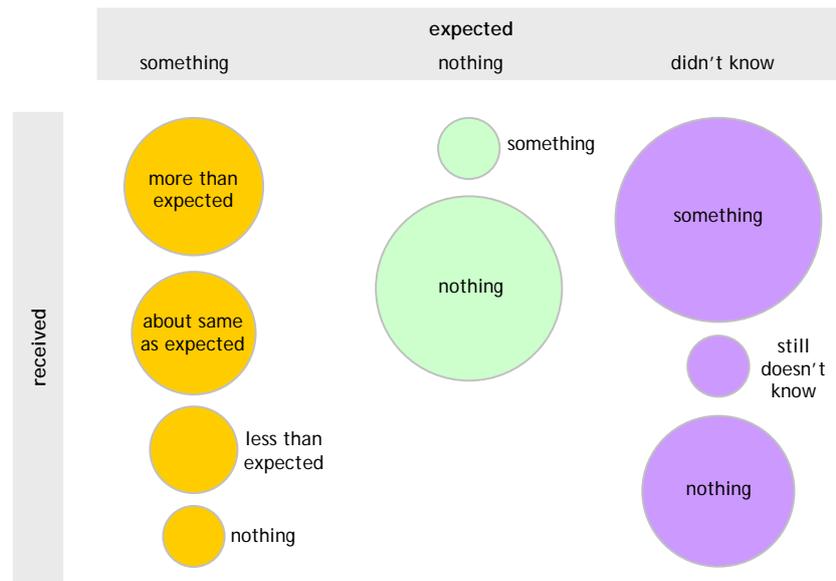
Interestingly, there is no apparent relationship between eligibility for a grant and depth of knowledge. This is contrary to the hypothesis that those who know the details about grants are likely to be those who are eligible to receive one²⁷.

Why would the ineligible know as much about grants, on average, as those who are eligible? It could be that some of those who are eligible just 'know', without having to research the specifics that the government will provide for them financially. This would account for some eligible, but not very knowledgeable applicants. Meanwhile, there may be applicants whose parents' income is above the threshold and who learned more about grants by researching to determine whether or not they would be eligible.

²⁶ As seen in *University is not just for young people*, DIUS 2008.

²⁷ However, other evidence (*Who is heading for HE?*) does demonstrate that those in receipt of EMA are more likely to feel they will be eligible for a grant than those who are not in receipt.

Figure 3.4 - Maintenance grants: what students expected vs. what actually received

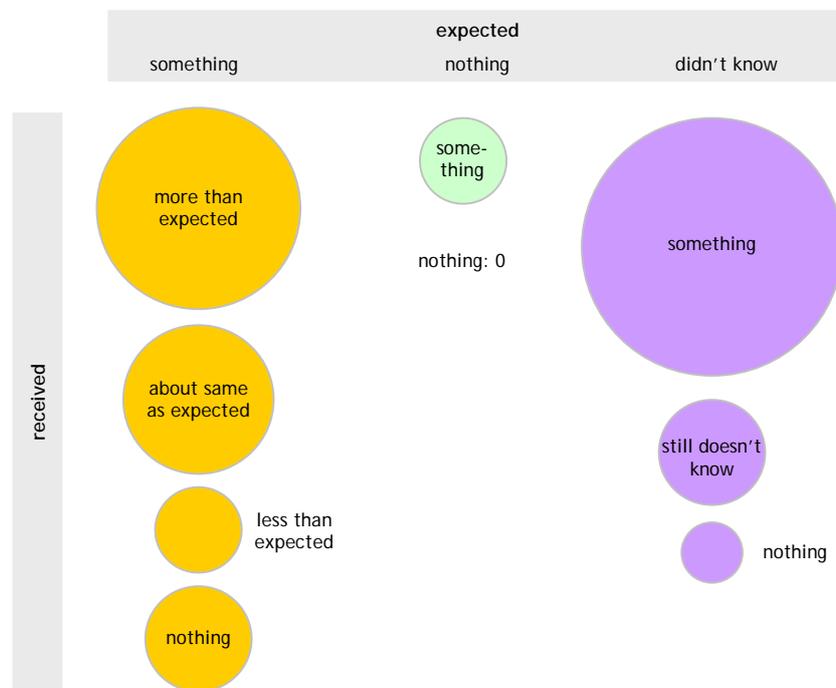


Source: IES baseline and follow-up interviews, 2007/08

Bursaries

The bursary is one of the sources of finance most seldom mentioned unprompted at the baseline interview stage, and generally applicants' knowledge of these was poor. Only around half the applicants were aware that bursaries came from HEIs and would vary depending on the course or institution they attended. A small number also thought that the bursary had to be repaid after graduating.

Figure 3.5 - University bursaries: what students expected vs. what actually received



Source: IES baseline and follow-up interviews, 2007/08

Analysis and Discussion of Findings

As can be seen in the diagram above, respondents' knowledge about what they might receive in relation to their own circumstances was also broadly inaccurate, although interestingly more optimistic than for loans and grants. Indeed, only a couple of applicants' bursary expectations were met and none were exceeded. In some cases, this is clearly because applicants simply did not know what to expect, and perhaps assumed that the levels might be roughly similar to those of grants and loans. Due to the smaller sums involved, inaccurate expectations of bursaries (and, indeed, of scholarships) have less of an impact on students' finances.

Interestingly, the majority of those who 'didn't know' whether they would get a bursary, or how much they were likely to receive, did in fact go on to receive something. Similarly, a couple of the students who thought they would not be eligible were receiving bursaries at the time of the follow-up. Bursaries differ between institutions and course, so - to the extent that applicants' HE destinations have not been finalised - it is not always possible to accurately predict bursary receipt. This situation highlights the difficulty of providing personalised information to applicants in a digestible way such that they are able to make informed decisions and plan their finances.

Even after students had been in HE for several months, many were still confused about bursaries, for instance whether they were eligible, how much the bursary was worth, how to apply for it, where the money came from and when it would be paid. The responses of students in the follow-up interviews - when invited to reflect on their responses at the baseline stage - are illuminating in this respect:

'OKAY, I ASKED YOU ABOUT UNIVERSITY BURSARIES AND WHETHER YOU THOUGHT YOU MIGHT GET ONE, AND YOU SAID YOU DIDN'T KNOW; IS THAT SOMETHING THAT YOU LOOKED INTO?'

'I haven't, I was just thinking about that the other week because my friend said she got a bursary, so I was thinking, I'm going to talk to the uni about it. I'm not sure if you apply for it or you get it; I'm going to have to do research on that.'

Sarah

'I don't know who gives [the bursary]. I was told it was the council but I'm sure they don't do it, so it might be the university but I'm not sure.'

Olivia

'[The university] said I might get £610 but I'm not sure, I might get it, I might not ... I think I'd get that in February or May.'

Ian

The finance officer at one university also commented on the fact that students found it difficult to distinguish between the different forms of support they were receiving:

'When people ring up and say 'I've got a question about the bursary', you've to check that they actually mean the bursary and they don't mean their grant, or their loan or anything else It can take quite a while to get through to what they actually want to talk about. I understand why, because there are so many things, that any one student could be getting: a loan, two kinds of loan, a grant, a bursary, an access to learning fund payment, etc.'

Where students did know about bursaries, their knowledge was often acquired randomly, rather than through any kind of systematic or purposeful approach to fact-finding. Even those whose knowledge was good were often caught out by details that would significantly affect their entitlement:

Analysis and Discussion of Findings

'Because my dad's changed jobs it was very uncertain about what's our income. Does it include pension? That's one thing possibly the university could be more clear on: when it states income does that include pensions and stuff? Maybe it's something they could improve on.'

Brad, traditional student

Scholarships

Very few students mentioned the scholarship as a possible source of income at the baseline stage and, when asked, the vast majority stated that they would not get one.

This was partly based on the assumption that the academic requirements would be too high, or the competition too great for them to qualify for any kind of scholarship. Further, since students are unlikely to find out if they have qualified for a scholarship until they receive their A-Level grades, they are likely to perceive scholarship money as an added bonus, rather than a basis on which to make their HE decisions.

Of those who said they did not know whether they would get a scholarship, none currently had one. The same applies - with one exception - to those who said they would definitely not have one. However, it is difficult to tell whether any of these students would have been missing scholarships for which they may have been eligible, since students are usually required to be proactive about applying for them, rather than receiving them automatically. However, one example where a student only discovered there were scholarships available after missing the deadline illustrates how a lack of information may impact on students' prospects of accessing additional money.

Scholarships were overall regarded by applicants as elusive and shrouded in mystery, and this is a view that does not always dissipate once students have arrived at university, as the following excerpt from the North of England Russell Group university focus group illustrates:

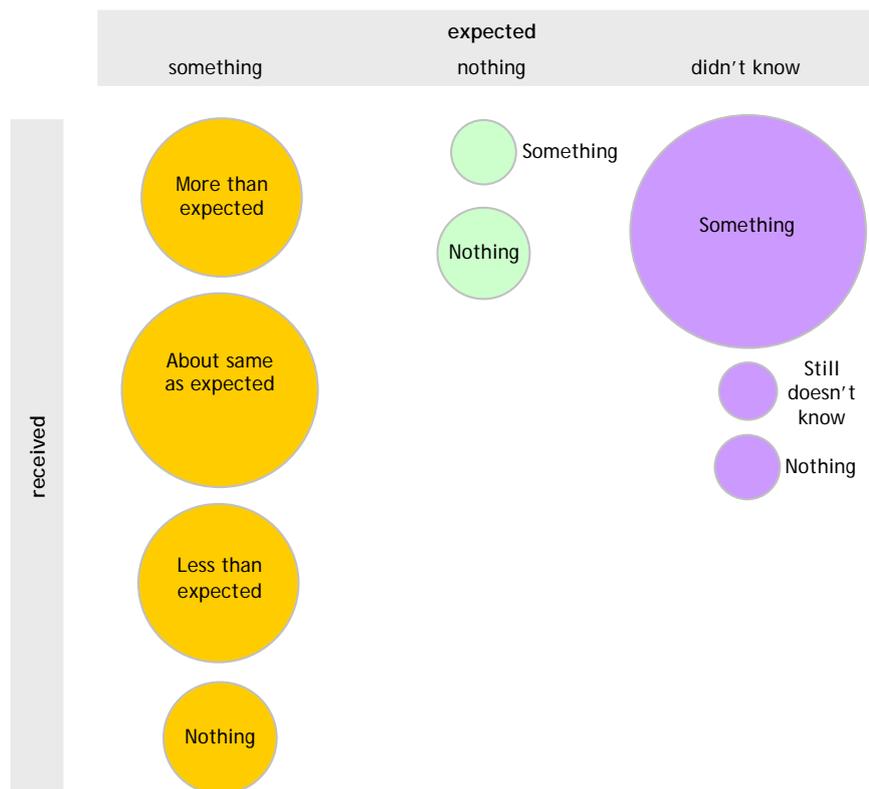
'Some are a bit weird: if your dad used to be an astronaut you can get a scholarship. They're really strange. If you're a run of the mill person you don't get anything.'

'There's a web site and you fill in all your information and it does a bursary and scholarship search nationwide for you but unless you've got some strange religious beliefs or some odd relatives that have done extreme things like won the Nobel Prize, they come up with nothing.'

Personal sources of finance: family

Most respondents expected to receive some kind of financial support from their families, and indeed, all of the parents we spoke to intended to provide for their children in some way. However only a handful of the students accurately predicted how much they would be getting, with some receiving less than they expected. The diagram below illustrates this graphically.

Figure 3.6 - Family: what students expected vs. what they actually received



Source: IES baseline and follow-up interviews, 2007/08

While, overall, support from parents was lower than students had expected, it should be borne in mind that the interviews were conducted in the first semester, when students had recently received their loan money and may still have had savings or overdrafts to rely on (and were unlikely to have needed to rely on the parental safety net). Thus, it is possible that reliance on family will increase as the year progresses and students' study commitments increase.

For some students, the mismatch between expectations and reality may result from the fact that children see their parents - and parents see themselves - as a form of income guarantee, who will plug a gap between incomings and outgoings. At the baseline stage, without knowing what the costs of university would be, or what other finance they would be able to access, students often expected to rely more (or less) on their parents than was eventually found to be necessary:

'GOING THROUGH ONE OR TWO OF THOSE, IT IS CLEAR THAT YOU'RE GETTING MORE MONEY FROM YOUR PARENTS THAN WHAT WAS EXPECTED. IS THAT SOMETHING THAT WAS DISCUSSED A LOT IN THE FAMILY?'

'Not really. It was kind of like a last minute thing so on the week that I was moving in to uni, the week before, my dad was like, "How much would you need to maintain yourself?" and I was saying £50 for two weeks and then he was like, "No, £100 for three", so yes. I think if I did take £50 for two weeks, I would be struggling.'

Elizabeth, traditional student

Analysis and Discussion of Findings

In the same way that the prospect of getting a job gives students a sense of control over their finances, parental support often acted as a form of safety net, which would be there in case of need, but ideally not drawn upon.

'YOU SAID THAT YOUR PARENTS MIGHT SUPPORT YOU WITH SOME MONEY, PERHAPS 50 OR 60 QUID?'

Yes, they haven't needed to but if I needed them to, they probably would.'

Charlotte

Where students had not expected to rely on parents at all, but ended up doing so, this was sometimes a result of 'falling back' on their support when other sources were inadequate²⁸. In spite of an intention to fund herself through university, one student accepted money from her parents:

'I wanted to pay as much as I could myself, and try and make my own way, but when they saw me struggling they decided to help me out.'

Olivia, non-traditional student

One of the key explanations for the mismatch between the expectations and the reality of parental support is a lack of communication between parents and their children at the early stages of the HE process. When the students were applying to university, the issue of finance had often not yet been discussed, and parents and children developed different ideas about how much support would be provided, or what form the provision would take.

In particular, parents tended to anticipate helping out as and when necessary – with expenses such as accommodation costs, clothing and bills – while their children may have expected a regular amount, as the following pair of statements from a young applicant and her parent illustrates:

'HOW MUCH WOULD YOU GET FROM FAMILY EACH WEEK?'

£50-60 a week for food.'

Charlotte

'IS THERE ANYTHING IN PARTICULAR THAT YOU THINK YOU WILL HELP WITH?'

No, just whatever.

JUST GENERAL LIVING EXPENSES?'

Yes.'

Parent of Charlotte

Where parents had discussed finance with their children, or shared similar ideas about how they planned to support them, this was often in broad terms, such as the type of contribution that the parents would make, rather than a commitment to a specific amount:

'I think she will have a student loan and I think her father will help her and I think she will work.'

Parent of Simone

²⁸ See also discussion of parental support as a financial factor in decision-making, Section 3.3.

Analysis and Discussion of Findings

'I will probably get a job in a bar or something like that My parents will probably help me out and I'll get student loans and stuff ... my dad should give me a bit of money to help with accommodation and things.'

Simone

In a number of cases, parents had agreed to support their children financially, but for various reasons, withdrew or changed their support between the application stage and entry into HE. There were a number of reasons for this. One was that parents shared their children's pessimism bias and patchy knowledge about student financial support arrangements, and were under the impression that their support would be necessary. Once it became clear how much their children would be receiving from other sources, they saw less need to help. As one student recalls:

'[They said], "Well, now you've got your loan, you've got a job, you can pay for yourself" ... but sometimes, especially when it's coming to payday, and money's not that much it's like, "Can I just have a fiver for a bit of lunch?" and they're like, "No, pay for it yourself".'

Ian

In many cases, the withdrawal of support was for the same reasons, but at the student's volition: many expressed a sense of guilt about relying on their parents, and preferred to support themselves if it was at all feasible:

'It was always there if I wanted it, but I've just decided not to take it because I'm doing all right at the moment by myself.'

John

Personal sources of finance: Jobs

After the student loan and contributions from family, paid work was the most frequently mentioned source of finance at the baseline stage (mentioned in roughly a third of cases). Indeed, throughout the research, respondents have indicated a strong reliance on personal sources of income to fund their time at university.

Around half those who expected to be in paid work had gone into some kind of employment, though only a minority met or exceeded their income expectations, as can be seen from Figure 3.7 below. Students expressed several reasons for this, perhaps the most prevalent being that, on arrival at university, they realised their expectations had been unrealistic and that fitting working around study was not feasible.

'AT WHAT POINT DID YOU REALISE YOU WOULDN'T BE ABLE TO WORK DURING YOUR COURSE?'

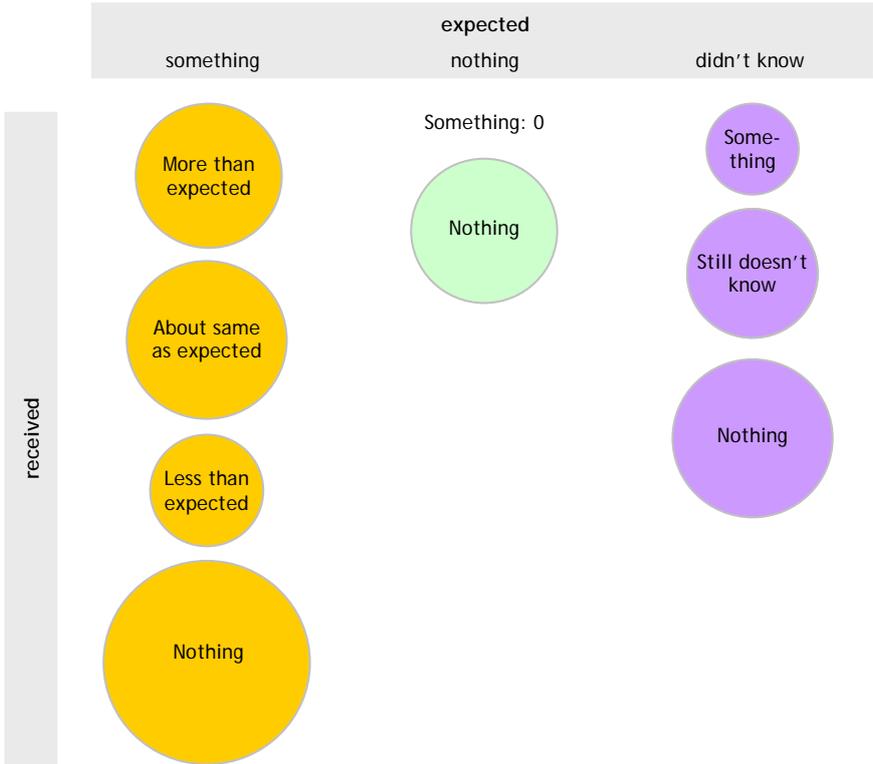
I guess it was probably about a month ago. It's just that the hours are too much and [the course tutors] told us it wouldn't be a good idea and we'd get too stressed out.'

Veronica

'It's very hectic To fit a job in as well is just too much ... I could do it. I could've gone home each weekend, but I decided it was too much. I just thought it was probably best to be here and be focused on the work rather than having to travel home every weekend, get everything done, so I just left it.'

Hannah

Figure 3.7 - Jobs: what students expected vs. what they actually received



Source: IES baseline and follow-up interviews, 2007/08

Others had intended to look for work but had found it difficult, either because there was competition for jobs - sometimes the Second Years had arrived earlier and beaten them to it²⁹ - or because employers would only take on staff who could commit to particular hours or stay in the area during the holidays.

'I tried everywhere and they were like, "Oh, we're only taking on students if they're going to be here for Christmas. If you're not here for Christmas, then we don't want you".'

Bobby

Indeed, those who were working cited their employers' flexibility as key to their ability to fit work around their studies:

'SO, YOU GET ABOUT £80 TO £200 A MONTH, DEPENDING ON ...?'

'On what hours I can do, really. They have a rota, they just put me down and then I'll just say if I can do it or I can't do it.'

Veronica

'I can say how many hours and they will just give it to me. So if I am really short of money, I can always work more hours.'

Adam

²⁹ This is consistent with the finding in the 2007/2008 Student Income and Expenditure Survey that first year students are less likely than students in subsequent years to engage in paid work and that paid work made up a lower proportion of their total income.

Analysis and Discussion of Findings

Interestingly, very few of the applicants said that they definitely would *not* get a job (and none of these had a job at follow up). Of those who 'didn't know' whether they would get a job, none had procured or were looking for work at the time of the follow-up.

This predominant expectation amongst applicants that they would be working through HE may result from low levels of knowledge about what they are entitled to receive in terms of loans, grants and bursaries, often accompanied by a lack of awareness about the costs of university. In this way the prospect of getting a job acts as a safety net; students can make HE decisions secure in the knowledge that they could 'top up' their finances by working if necessary.

Alternatively, it may also indicate the strong sense of moral obligation to help fund their studies which first emerged in the focus groups with university students. Many expressed guilt about taking money from their families - and to a lesser extent the taxpayer - and felt that getting a job, if feasible, was the right thing to do. With this in mind, it is possible that there was an element of social desirability bias in the interviews in that they may have felt that they need a good 'excuse' not to work.

3.2.2 Conceptualising the different elements of financial support

Section 3.2.1 has discussed the money in student budgets source-by-source and in relation to whether expectations were met. But does it all add up to enough? Clearly, quantitative studies, particularly the Student Income and Expenditure Survey, provide a more robust answer to this question than the present study. Nonetheless, it is worth reporting that the students we interviewed overwhelmingly thought they had enough to get by, even if some felt short-changed or would have liked more support. Nevertheless, some of those who felt they had enough were reluctantly relying on jobs or parental contributions. Similarly, among the few instances where the support was considered insufficient, some accepted that the shortfall could be made up from such sources. Concerns about rent levels in halls of residence equalling or exceeding loans and having nothing left to live off were mentioned by some for whom the support was insufficient³⁰.

The HEI case studies raised the issue of a perceived 'bad middle range' in financial support eligibility. This issue was linked to a perceived unfairness of eligibility assessments taking into account parental income. The baseline interviews confirmed this as a widespread concern, with an added dimension relating to the range of factors taken into account (such as siblings). And this issue remains a concern in HE, raised by several students at the follow-up interviews:

'My parents earn too much to qualify for anything, but they don't earn enough to be able to fund me through uni.'

Jack, non-traditional student

There were also a few cases in which students felt the system, though not causing them hardship, was making them reliant on parents and so potentially delaying their financial independence³¹. Despite these concerns, there were also instances in which the availability of parental finance had implicitly afforded students the opportunity to make better choices, or comforted them that they would not face certain hypothetical situations, such as having to drop out³².

³⁰ See Section 3.3.2 on hypothetical decisions to drop out of HE, where it is clear that students are not contemplating drop-out for financial reasons.

³¹ *Who is Heading for HE?* found those most likely to rely on parents (those from 'more advantaged' backgrounds) were more likely to be concerned about relying on parents.

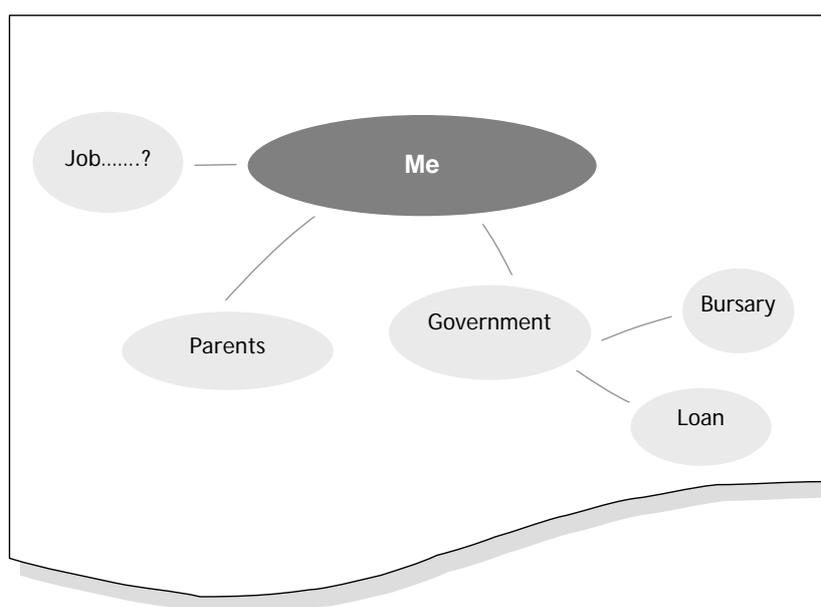
³² See also Section 3.3 on parental influences.

Analysis and Discussion of Findings

There were concerns among some students about the lumpiness and timing of receipt of financial support. The timing was stressful for some when late receipt of loan payments meant they had to approach their HEI and negotiate a delay in their rent payments. For many, the receipt of large lump sums was daunting and implied a need for financial responsibility that may not yet exist. While daunting, this situation is not wholly negative as taking responsibility and earning independence were seen by many younger students as very important aspects of personal growth integral to the HE experience.

The remainder of this section aims to illustrate, through 'mind maps' produced by the respondents at the follow-up interviews, how different students view or 'conceptualise' the elements of financial support.

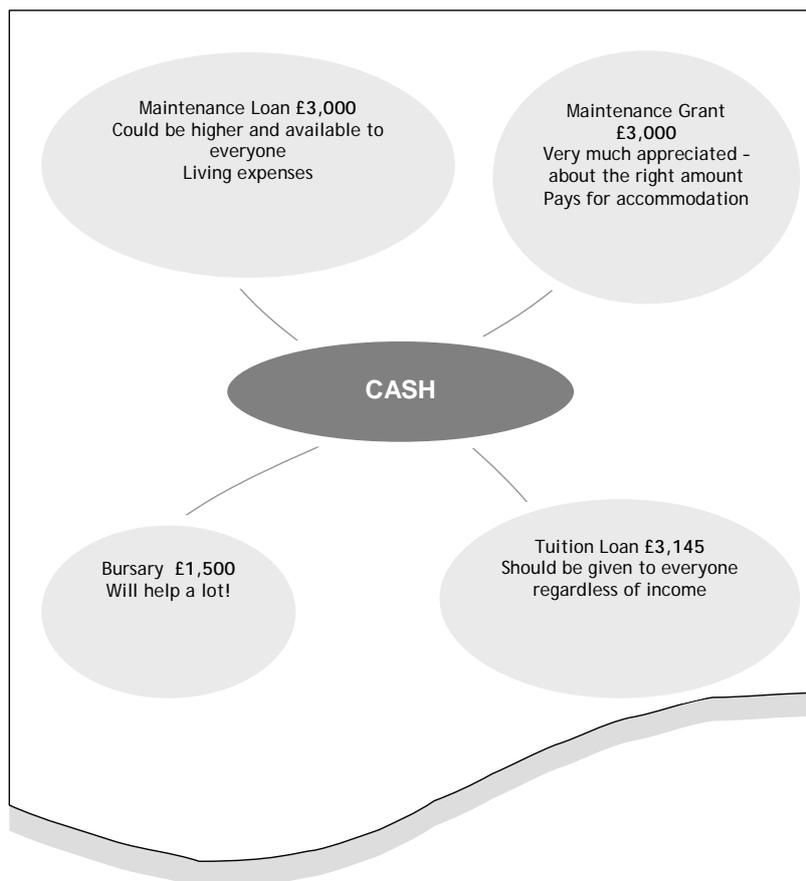
Figure 3.8 - Basic mind map (Suzy)



Source: IES follow-up interviews, 2008

1. The first, basic mind map represents the respondent's perception of student finance as a distinct 'package', separate from personal sources. This way of thinking was relatively common and was often accompanied by confusion about the difference between grants and bursaries, both of which are 'free' money, but come from different sources. When probed, this student was fairly sure that the money she was receiving was a government grant, but referred to it interchangeably as a grant and a bursary throughout the interview. This supports the findings from the early focus groups and interviews with current students and financial advisers, which highlighted the low levels of knowledge and understanding about the differences between bursaries and grants in particular. This way of 'conceptualising' finance was more prevalent amongst younger students whose parents were providing significant financial assistance, and for whom financial literacy and budgeting may be less crucial to survival.

Figure 3.9 - A more value-laden mind map (Simone)



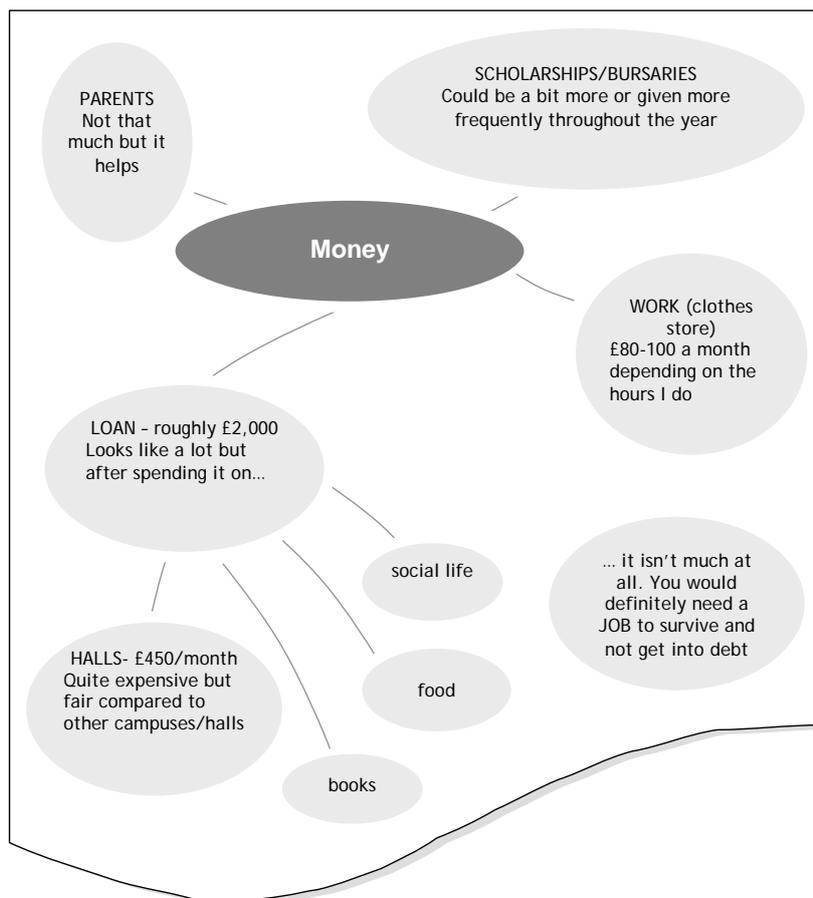
Source: IES follow-up interviews, 2008

2. The second, more value-laden mind map indicates a good level of knowledge about each individual source and quantity of financial support in relation to the student's own circumstances, but a more hazy understanding of the mechanics of the system, illustrated by a belief that the tuition loan and maintenance loan are means tested³³.

Students who conceptualised finance in this way were unlikely to have researched possible finance options at the application stage, and may have discovered their eligibility 'by accident', after sending off the standard form. The comments attached to each source indicate that the loan and the grant were perceived as the 'meat' of the package, and were earmarked for specific expenses, while the bursary was an added bonus, which, while appreciated, was not necessarily expected nor relied upon.

³³ The maintenance loan is means tested to the extent that it tapers with the grant, but this is not the point being made by the student in this case.

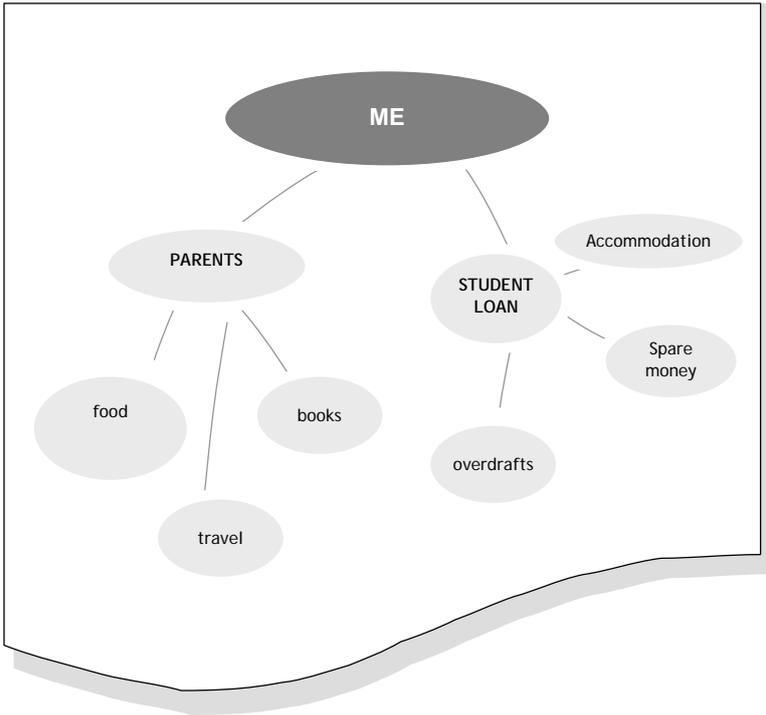
Figure 3.10: - A more sophisticated mind map (Dionne)



Source: IES follow-up interviews, 2008

3. The student behind the third, more sophisticated, mind map labelled four distinct sources of income and was able to specify what she was receiving from each one (with the exception of bursaries/scholarships which she had not yet received). The student loan was the main form of provision. Other forms of support (parental handouts, the bursary and income from a part-time job) served to 'top-up' total income and to straighten out the - perhaps unexpected - discrepancy between income and expenditure. The inclusion of some costs illustrates the finding that, even where students are well versed in what they are entitled to receive financially, the costs often come as a surprise.

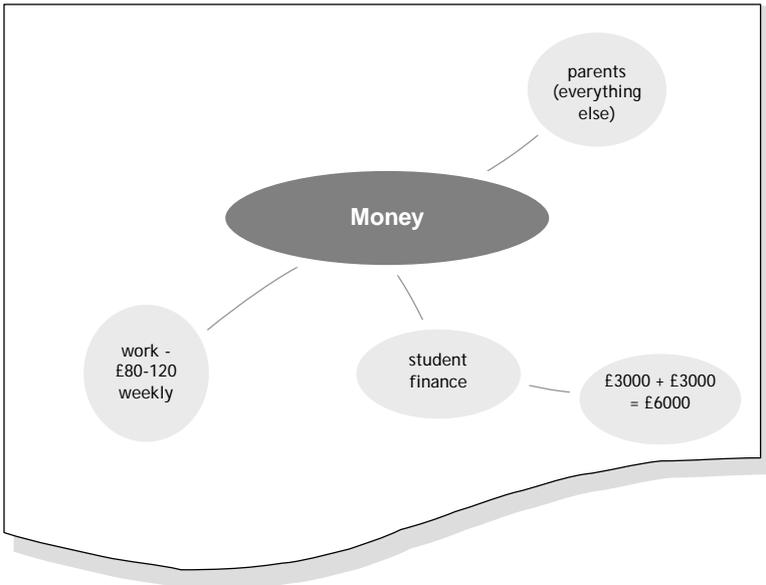
Figure 3.11 - Mind map illustrating earmarking (Elizabeth)



Source: IES follow-up interviews, 2008

- 4. For this student, two distinct sources are earmarked (a theme already evident in some of the previously discussed mind maps) to cover specific costs: key expenses such as books, food and travel are covered by parents, while the loan is spent primarily on accommodation, with any surplus kept in hand to allow for unbudgeted expenses or to cover existing debts.

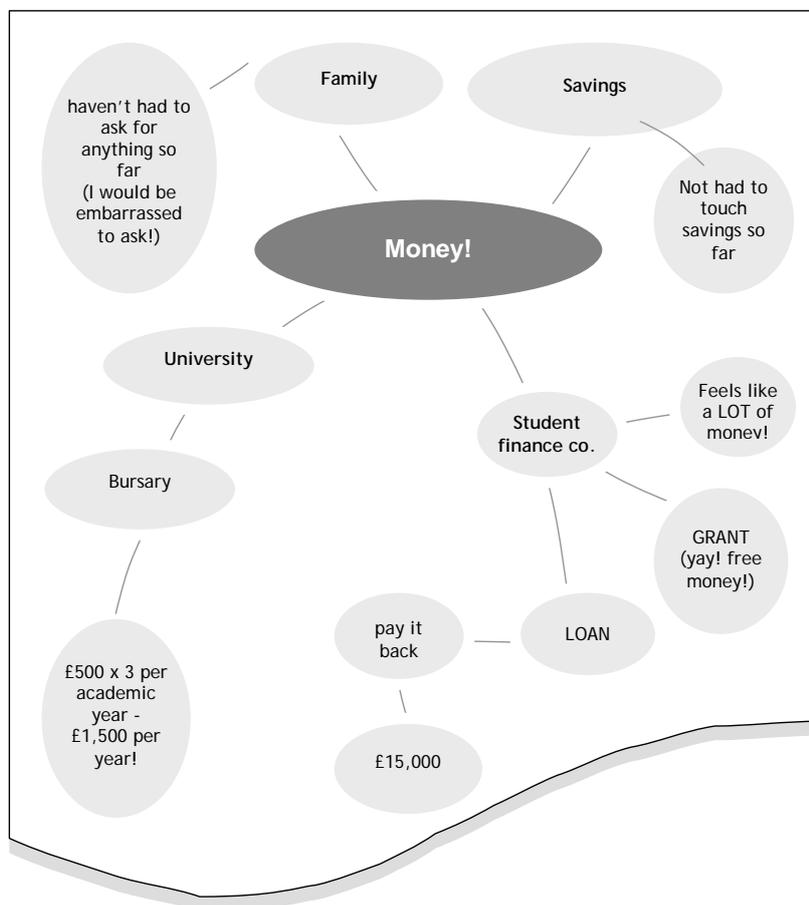
Figure 3.12 - Mind map showing student financial support as a single 'pot' (Alistair)



Source: IES follow-up interviews, 2008

5. This student also perceived student finance as a single 'pot', into which loan and grant money is paid. These two sources are not expressed as being qualitatively different, nor are they distinguished in terms of how they will be spent. Again the parental role here was to top up other financial sources.

Figure 3.13 - Mind map showing full understanding (Alice)



Source: IES follow-up interviews, 2008

6. The student behind this final mind map expressed perhaps the clearest knowledge of student finance (and could access all the relevant forms of support). She perceived the government-funded support (loans and grants) as a distinct area - indeed, one which felt like 'a lot' - but distinguished between the loan amount, which is repayable, and the grant, which is 'free money'. These sources, together with the university bursary, covered the student's main expenses, while savings acted as a buffer which could be drawn upon where needed. While the parents appear in the diagram, they were not expected to contribute, perhaps perceived as a last resort.

The six mind maps discussed here serve to illustrate a number of recurring themes from the interviews with applicants and students regarding the conceptualisation of student financial support (and students' financial situations more broadly):

- Earmarking of certain funds for certain purposes, including some kept back as a last resort.
- Divergence in whether the support constitutes a single 'pot' or package, or whether the individual elements are considered separately.

Analysis and Discussion of Findings

- The lump sums in which money is received as a concern ('feels like a lot', 'could be more times through the year').
- The distinction (though by no means universally applied) between repayable and 'free' money.
- The distinction between personal sources and student finance sources.
- Treatment of some sources as 'extras'.

3.2.3 The 'balance' of the support package

The current package of support is complex, with funding from various sources (and different students accessing different numbers of sources), some of which provide various amounts of money, with a range of features regarding earmarking and repayment conditions. To recap, the main, non-private, sources of funding for students are:

- Tuition fee loans/fees, which are universally available, to cover the entirety of tuition fees. They are essentially virtual (no cash is ever seen by the student) and they create a liability against future earned income;
- Loans for maintenance, which are universally available to a means tested maximum (varying according to whether the student is living away from home and/or in London) that covers less than the likely maintenance costs of a student living away from home. Students can take less than the maximum. Large, lump-sum instalments arrive in the student's bank account (hopefully) near the start of each term, creating a liability that is managed jointly with the loan for tuition fees;
- Maintenance Grants, which are means tested with the total amount dependent on the test, and no resulting liability;
- Bursaries, which are means tested, sometimes based on grant eligibility, managed by HEIs, and which are funded by the income stream from tuition fees.

We have addressed the complexity of this system in previous sections, assessing whether applicants and students understand the system and correctly anticipate the support they will attract. Here, we address slightly different questions:

- Taking the total support budget as a given, is there a good balance between sources of support, or is there scope for cost-neutral improvements to the system simply through reallocating money among the various elements?
- If more money were made available, where should it be applied; and conversely for funding cuts, what reductions would worry students the least?

To assess the range of students' preferences on these questions, we offered them a series of five specific options at the follow-up interview through which they could apply their preferences. A range of policy options was devised that, in successful interviews, pushed students to make and to justify potentially difficult choices about how they prefer their financial support. These choices have the potential to reveal whether students prioritise more cash-in-hand in the present or less debt in the future, and also whether the labels on sources of finance matter even when the pure financial upshot may be identical ('for maintenance' versus 'for tuition', 'lower fees' versus 'lower bursaries'). The policy options offered were:

Analysis and Discussion of Findings

- a. More money for fee support (not portrayed directly as reducing tuition fees in order to avoid knee-jerk reactions) vs. more money for grants.
- b. More money for loans (big increase) vs. more money for grants (small increase).
- c. Full tuition loan vs. partial loan with some upfront payment and a larger maintenance loan (ie same total amount of repayable support but relabelled).
- d. Full tuition loan vs. partial loan with some upfront payment (ie a reduction in total support).
- e. Lower fees/bursaries vs. higher fees / bursaries.

These options are conceptually challenging and difficult to grasp in an interview and therefore scrupulous care has been taken to read transcripts, assess exactly how questions were asked and understood, and to draw only appropriate conclusions, excluding cases where interpretation is difficult or where there was misunderstanding. The analysis shows that:

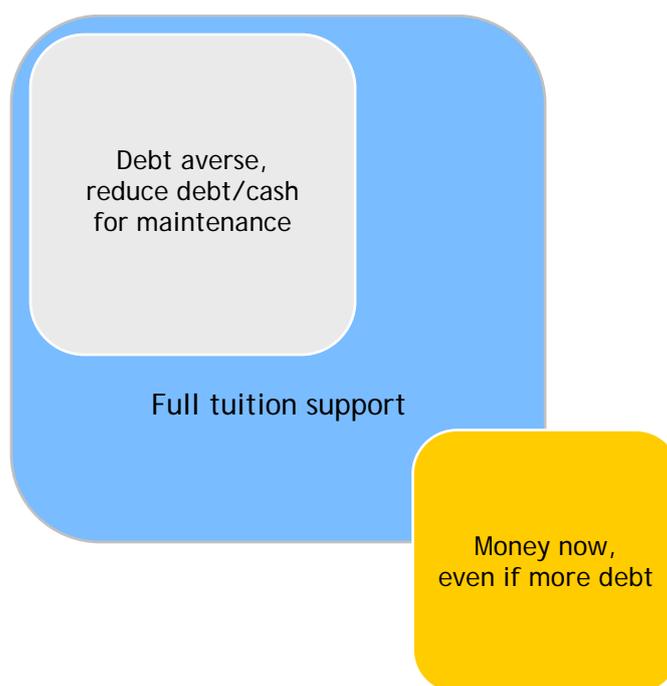
- For many, preferences were driven by fear of debt and principles of deferred gratification. This was particularly, but not exclusively, prevalent among the mature and non-traditional students. This fear could also lead to preferences being expressed that do not always seem logical.
- Where lower debt options were preferred, this preference usually fell short of preferring to pay for tuition upfront (which was widely and reflexively rejected in spite of the reduced debt it implies). In other words, it mattered what the debt was for. Debt to pay for tuition fees fixed at current levels (a merit good with a fixed price) seemed not to raise the same alarm bells as debt to pay for maintenance (seen as a slippery slope of discretionary spending).
- Relatedly, labelling and earmarking of funding sources mattered more than might be expected. Tuition and maintenance loans were not equivalent in most students' minds. For many, a revenue neutral transfer of loan funds from tuition (good, safe, out of sight) to maintenance (bad, temptation to spend cash) would constitute a deterioration in support³⁴.
- There was a significant alternative strand of opinion that valued any option to access additional loan cash and was less concerned about debt. This included mature students for whom cash flow was a matter of survival, traditional, younger students for whom cash flow was about making the most of their HE experience and financially sophisticated individuals who were attracted by the loan conditions and who felt they could manage the money flexibly to meet their evolving needs.
- There was also a breezy confidence about graduate employability and earning potential among a number of the traditional, younger students, which was a factor in feeling able to contemplate higher debt.
- Students found it hard to rationalise any preferences regarding bursaries that transcended their particular circumstances and self-interest, which they fully realised

³⁴ This finding sits well with the analysis of the factors relating to willingness to pay (scenarios) described in Section 3.3

and indeed felt uncomfortable about. Some saw bursaries as a bureaucratic distraction while others saw them as money in the bank and therefore good.

The pattern of preferences can be characterised thus: full tuition support, such that no fees need to be paid upfront, was a basic demand for most students, beyond which there was a large group willing to consider having less maintenance money in total if it meant less debt, and a somewhat smaller, less cohesive, group prepared to get further into debt in order to have more money now. Figure 3.14 represents this situation.

Figure 3.14 - Tuition support is central, opinions are split on maintenance



Source: IES follow-up interviews, 2008

The reasons given by students for preferring one set of support funding priorities over another are in themselves interesting and may be useful in terms of understanding the concerns of students and applicants (which are not always consistent). They may also help in identifying features of support arrangements that it would be desirable to maintain or reinforce. The lists below summarises the range of balance preferences identified among students. It should be noted that they do not convey the incidence of those preferences (more reasons implies more diversity rather than greater numbers).

Examples of opinions about prioritising grants:

- a way of limiting debt as a substitute for loans
- a way of limiting expenditure (if used instead of a larger loan)
- not a priority area for those who are ineligible.

Examples of opinions about prioritising loans for maintenance:

- a loan is vital to survival and staying on in HE and is required up to the threshold of need

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- bigger loans would help to replace riskier forms of borrowing
- a bigger loan would always be preferable because of the beneficial interest and repayment conditions - nobody is forced to take out the full amount, so it can always be used flexibly
- a bigger loan would encourage more spending, which might be enjoyable but could be regretted later on - it would be better if students could live within their means.

Examples of opinions about paying a proportion of tuition fees upfront:

- upfront payment would exclude those who cannot pay or may drive them towards commercial loans and is therefore highly inequitable
- thinking about paying for HE would distract from study, whereas the current loan for tuition is pleasantly out of sight and thus out of mind
- the need to consider the cost of HE upfront might force some people to re-evaluate how much they really want to study and could provide a desirable check in a system otherwise geared towards making HE the default option.

Examples of opinions about re-balancing fees and bursaries:

- everybody would benefit from lower fees, while only some would benefit from higher bursaries
- bursaries are not a key source of finance, even to some of those who benefit
- bursaries are an added layer of complexity and bureaucracy
- it is difficult to express a selfless preference
- the loan for tuition will take care of itself, whereas a larger bursary now would be nice.

3.2.4 Attitudes to student loans

As seen in the sections above, loans were generally well understood by applicants. Where repayment conditions were understood, this tended to have reassured applicants.

'... the general belief is you will get into £50,000 of debt, never pay it off and they'll take your home off you. I was pleasantly surprised that it wasn't as bad as people make out. It was a lot of money but the repayment scheme is really well organised.'

Charlotte

'I thought you'd have to be paying it back constantly so it kind of surprised me that they didn't mind you [not] paying back until you earn over a certain amount, so that kind of surprised me.'

John

However, as noted already from the focus groups with students (in the context of the HEI case studies), the issue of the total debt amount does remain a concern for some people, almost as a separate issue from the affordability of repayments. Moreover, there are certainly individuals who preferred not to think about the loans at all.

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'I was reassured that you don't have to pay back the loan until you earn a certain amount. I was shocked at the amount you had to pay back.'

Laura

'DO YOU KNOW MUCH ABOUT REPAYING STUDENT LOANS?'

You pay it back each month. I've put it to the back of my mind. Put it off.

WHEN WILL YOU THINK ABOUT IT?'

Pretty soon now.'

Serena

Sometimes, as with messages about the overall costs of HE, alarming messages were transmitted through informal channels, but even the measured advice of educational professionals could worry applicants who may have had little experience to help contextualise the monetary totals involved.

'WHERE DID YOU GET THE MESSAGE THAT IT'S EXPENSIVE?'

Staff, my brothers saying, "I'm 26, I'm still paying off my debt" ... that's what they always say That's what scares me. And lecturers say, "You will owe like £8,000", it's a lot of money.'

Sarah

Generally, as discussed in the following section on financial factors, applicants did see HE as an investment. Most applicants were favourable to the use of loans to finance this investment (although sometimes grudgingly so). A fair number were able to broadly describe the principles they might use to assess this investment, with methods ranging from arbitrary cut-offs for loans and future earnings to more sophisticated investment appraisals.

'HOW WOULD YOU DECIDE HOW HIGH YOU COULD GO?'

I'd have to compare what I had after my qualification and balance it off with that. I don't think there's any point in getting into that much debt if the maximum you can earn is £30,000.'

James

Although some applicants were able to describe in plausible terms how they might appraise the value of a loan-financed degree, there was not a single case of a student being able to show in concrete terms that they had appraised their chosen HE options in terms of both costs and benefits. This echoes the message from staff interviews, which tended to suggest that schools and other institutions were trying hard to support their potential applicants and that when potential applicants did not progress to HE this was usually not for financial reasons, though our interim interview evidence was mixed in this regard.

For their part, some parents regarded student loans positively. They were seen as a way for individuals to be able to afford university, learn about money and take financial responsibility for themselves. They were also considered better than other forms of borrowing, such as bank loans. However, other parents talked about Student Loans in a negative way, noting how they burden young people with too much debt in their early working life. Most parents were aware of the lower interest rate and the delayed repayment aspects of the loan, however there appeared to be little real understanding about the difference between loans for fees and loans for maintenance.

'I am not worried about the loan, I mean a lot of her friends, I have heard them talking about the loan and being in debt but I have been a student and I have got the loans and it really is no bother, so that I can say, don't worry about it You get the loans and you might end up a lot in debt, it sounds like a lot but they really don't take that much off you so it is not that big of a problem You don't have to worry and if you can't pay it you are not bound by a loan that is going to end you up in court, so it really is not a worry.'

Parent of Brittany

'I mean if the kids know the financial backing is there, and especially now they don't have to pay it back until they finish qualifying and they are earning over a certain amount, I think it is encouraging more kids to go to university.'

Parent of Charlotte

'I would ideally like her to be able to borrow the money and finance it [going to university] herself.'

Parent of Ruby

'It would be nice if they could do their studies without having to borrow money but I think if it pays off in the long run then I think, go for it.'

Parent of Natalia

'I think it [student loan] is wrong but there is no other option.'

Parent of Bobby

Among both applicants and their parents, therefore, a range of views was present regarding using loans to fund HE study, though broadly there was an acceptance that the loans were the only realistic option and there was reasonably widespread awareness of the soft loan conditions. As discussed in the section above on balance preferences among students, however, this acceptance was far less generalised as concerns loans for maintenance than it was with regard to loans for tuition. Furthermore, even where applicants, students and parents were aware that repayment is contingent on income, there was a tendency to talk about the loans as if they were a threat on the horizon and something to be worried about. Repayments should - as a matter of arithmetic - be of greater concern to those who earn well in the years following graduation; those who go into low-paid work or have interrupted careers may never fully repay student loans³⁵. Unfortunately, it was those applicants, parents and students who least needed to be concerned about repayments (those considering low-paying careers or mature students with fewer years of repayments) who were in fact the most concerned.

3.3 Financial and non-financial factors in HE choices

In this section, we review evidence from our research regarding the influence of a range of factors on choices related to higher education. In particular, we examine the extent and nature of finance-related considerations in potential applicants' decisions about whether to apply to university, where, and what subject to study. However, we are also interested in the relative importance of non-financial factors such as location, university facilities and institutional reputation. The data on which this section is based derives largely from the repertory grid exercise conducted in the baseline interview stage. During this part of the interview, potential applicants were asked to think about similarities and differences between the various HEIs they had applied to, thereby revealing 'constructs', or factors, that might be important to them in choosing where to study (see Appendix 2 for full details).

³⁵ The similarity of student loan repayments to a system of progressive taxation is explicitly discussed in the DfES paper *Student Loans and the Question of Debt*.

A second theme of this section is the way in which potential applicants think about and react to the costs associated with going into HE and assess the affordability of different options. Our evidence in this case is based primarily on the scenario exercise conducted in the baseline interview stage. During this part of the interview, potential applicants were presented with a series of three fictitious scenarios, each of which portrayed a prospective HE applicant facing a particular decision or dilemma relating to the financial aspects of higher education (see Appendix 2 for full details). In the first, they were to choose between differently priced HEIs, in the second between differently priced courses and in the third (only for younger applicants) between HE and a paid job after leaving education. Mature students were questioned on the desirability of accessing finance for HE secured against assets (their home) instead of the third scenario. In each scenario, applicants were invited to advise a 'friend' and their initial advice was tested with additional information changing the relative merits of the two scenario options.

In addition, where relevant, we will also draw on other elements and stages of the overall research methodology to highlight points of interest relating to financial and non-financial influences on HE decisions, and to introduce longitudinal perspectives as appropriate.

3.3.1 Summary of findings about financial and non-financial factors

Finance did appear to be an important element of many potential applicants' decisions about which HEIs to apply to, with the consideration - when it was present - often being framed in terms of an institution's proximity to the applicant's current home, with associated implications for travel costs and other benefits of remaining geographically close to one's family. Furthermore, it appears that these factors were also taken strongly into account at the stage of applicants narrowing down their final UCAS choices from among the offers they received. Overall, however, non-financial factors seemed to outweigh finance-related ones with regard to applicants' conceptualisations of the overall HE landscape.

Finance seemed less influential over the initial decision regarding whether or not to undertake higher education at all³⁶, possibly because (as noted in Section 3.1) this decision was often made at an almost subconscious level and/or from a young age, and never really questioned after this. However, finance may have been more of an overt consideration for those mature applicants with family and / or mortgage commitments.

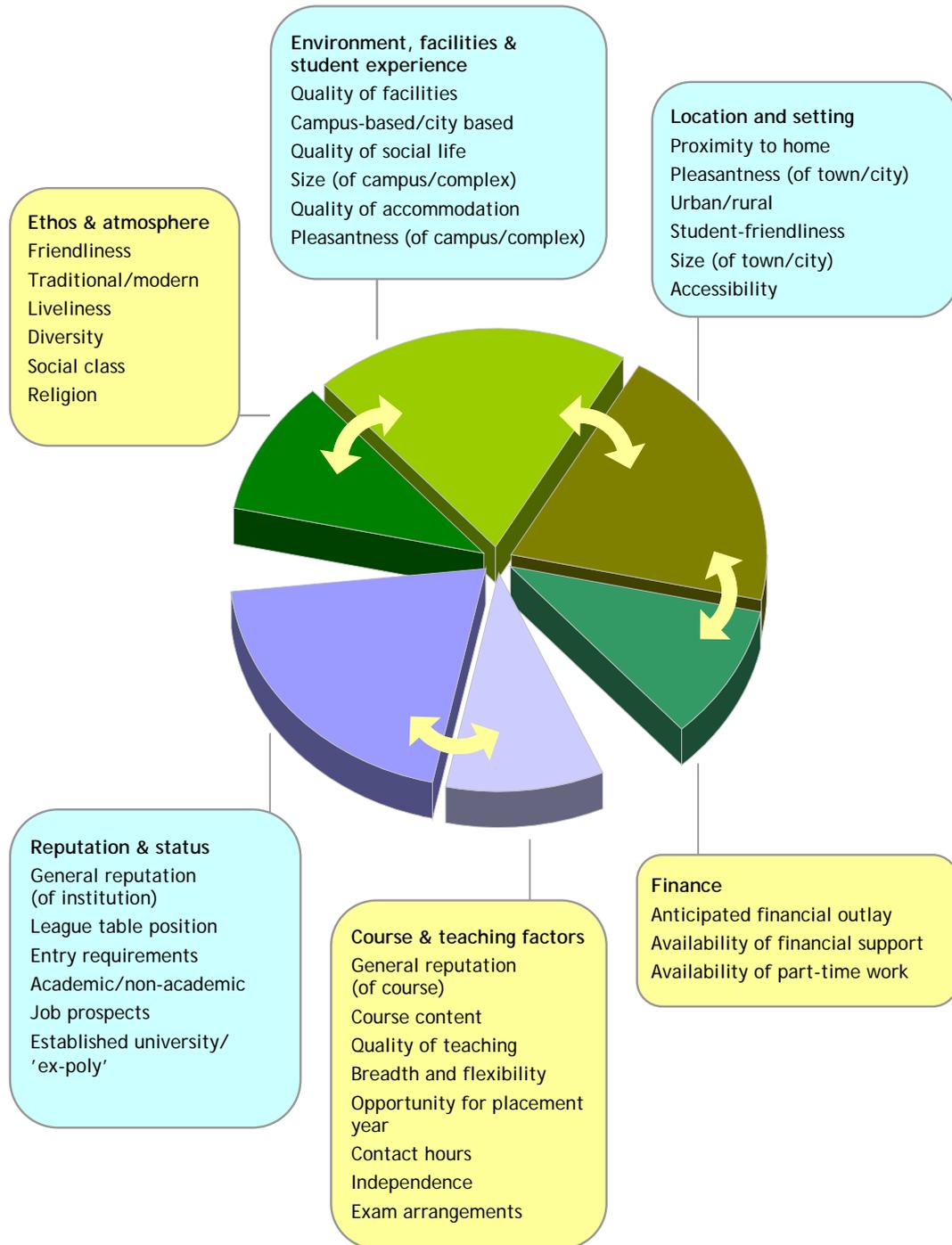
The scenario exercise reiterated the clear commitment of many of our applicants to the idea of higher education, with the enticement of a 'university experience' and the likelihood of improved future prospects outweighing the immediate financial benefits and potentially better security in the labour market afforded by taking a job straight out of school. Applicants evidently viewed the financial costs of HE as an investment against their future careers, and as such, paid close attention to the quality of the 'goods' they received as consumers in the HE process, notably the calibre of their lecturers and number of contact hours they received per week. They were more likely to consider hypothetically paying higher fees in return for a good quality course than paying more for facilities, accommodation or general university experience.

³⁶ As far, that is, as can be determined from this study, which did not speak to people who decided against HE.

3.3.2 Important factors in choosing an HEI

Figure 3.15 presents a conceptual overview of the main ‘compare and contrast’ factors cited by potential applicants in the repertory grid exercise, as ways of distinguishing between the different HEIs at which they were provisionally considering studying. The factors are depicted in the form of a pie chart, with the different sized ‘slices’ (large versus small) providing a broad indication of the relative frequency with which each factor was cited. The two-way arrows, linking particular slices to others, highlight interrelationships or conceptual crossover between factors.

Figure 3.15 - Main categories of personal constructs with which applicants compare and contrast HEIs



Source: IES baseline interviews, 2007/2008

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The diagram indicates that two of the most common ways in which potential applicants conceptualised their HEI choices were in terms of (1) geographical location and setting, and (2) perceived quality of the physical environment, facilities and likely student experience to be had there. There is some conceptual overlap between these factors, because certain elements of the university environment, such as the pleasantness of the surroundings and whether it is campus- or city-based, are likely to be closely related to aspects of its location and setting, such as the pleasantness of the area in general and whether the setting is more urban or more rural.

Location and setting additionally links to the 'finance' construct because one of the key aspects of university location that was highlighted in the repertory grid exercise - proximity to home - was frequently used by potential applicants as a proxy indicator of the financial cost of attending a particular institution. In talking around this descriptor, interviewees would often mention the unwelcome expense that would be incurred by travelling to and from a distantly located institution, or explain that they were planning to live at home and attend a local university or college in order to save money.

'I have a part-time job and I've been saving in my ISA. I might get a bit of help from my parents. It's going to be expensive: clothes, eating, going out. It is scary. I don't know what to do about that ... I want to go, but stay close to home.'

Evinder

Aside from the 'proximity to home' factor, there were relatively few direct references made to finance-related constructs. Furthermore, of the examples that were recorded, approximately half were not independently suggested by the interviewee, but only elicited after a general prompt was issued by the interviewer (along the lines of, 'Are there any ways in which these institutions are similar or different to each other in financial terms?').

Returning to the diagram, we note a further overlap between the environment, facilities and student experience afforded by an institution and its (less tangible) ethos and atmosphere. For example, a campus-based university or one with a good range of social activities on offer may convey a sense of being more friendly or lively. Perceptions of an HEI as being more 'traditional' or more 'modern' may be in part related to the quality of on-site facilities and accommodation.

The final two constructs to emerge from the repertory grid, 'reputation and status' and 'course and teaching factors', also interrelate to an extent. The former is more concerned with the standing of the institution as a whole, as manifested in (for example) its typical position in university league tables or the A-Level grade requirements for entry onto its degree courses. The latter incorporates more specific considerations about the quality and content of the course that the potential applicant hopes to study, but 'reputation' was still the most frequently mentioned sub-construct within this category (see Box A for further comments about the role of course choice in HE decisions).

Box A - Course choices

Futuretrack³⁷ has found that course availability is the top reason for institution choice and that, especially for more traditional applicants, course choices lead to institution choices. If these considerations are very important, it is likely that most or all of an applicant's UCAS form HEIs will offer similar courses. Consequently, course-related constructs will not necessarily discriminate between the institutions and will therefore have less salience in the repertory grid exercise. This hypothesis is not easy to test given the information collected, but it is supported circumstantially by some of the transcripts:

'The courses are nearly the same content. Different accommodation.'

Holly

'Well, the thing is that there's only 12 dental schools in the UK so it's quite narrowed down in a way'

Mark

'They all do my course. They all do my course at the same level requirement.'

Sarah

It is apparent that the top course-related constructs elicited in our research were broad (reputation, content, quality), but that a range of highly specific issues were also considered. Interestingly, contact hours - the subject of much comment by existing students in the university case studies and the most potent factor in the scenario exercises - gets only one mention here.

Some basic mapping of the repertory grid constructs against the 'distance from HE' measure did not generally suggest strong associations between the two, on either the financial or the non-financial dimension. The possible exceptions to this statement relate to course and teaching factors, which are mentioned far less often by those who are 'non-traditional', and reputation and status factors, mentioned slightly more often by the more 'traditional' applicants.

The role of finance

When the student focus groups looked back on their decision-making in the HEI case studies, finance was often described as playing a minor role in institution and course choices, if only because of a lack of relevant knowledge in the run-up to the UCAS deadline. Where financial factors were mentioned, these were often in relation to incidental costs such as accommodation,³⁸ rather than directly comparable course and institution considerations such as fees and bursaries. Ultimately, living costs emerged as the only financial consideration to have directly influenced institutional choice: no weight was given to variable tuition fees or the availability of extra financial support (eg scholarships) from particular universities.

Within the repertory grid exercise conducted with potential applicants (in the baseline interviews), location and setting and (as a separate factor) proximity to home were the constructs most often used by applicants to compare and contrast HEIs. For certain subsets of applicants, the focus on proximity to home was related to a desire to save on costs by living with parents or guardians whilst studying at university. Thus, one of the foremost ways

³⁷ HECSU (2008)

³⁸ This is consistent with results emerging from the Futuretrack research project (HECSU, 2007; Figure 4.1), showing that the course offered and HEI reputation are the elements cited by most students to explain university choice (although financial options were not presented in the survey question).

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in which financial factors influence decisions about HE is likely to be in terms of encouraging certain categories of applicants to consider only or mainly local HEIs.³⁹ Existing research evidence shows that (finance-related) decisions to study close to home are prevalent in some communities⁴⁰ and among older students.

Where potential applicants contrasted HEIs in financial terms directly and without prompting, this was usually in terms of the cost of accommodation and general living, with occasional references to the costs of socialising, travelling to and from the institution, and buying course-related books and equipment. Only a few applicants mentioned university-specific outlets of financial support (such as bursaries) and the likelihood of obtaining part-time work in a given area. This is not to say that these factors are not important: it was evident from asking applicants how they would support themselves in HE that many had thought about these issues.⁴¹ Nevertheless, they are evidently not a major part of how applicants see the HEI landscape.

When our potential applicants were initially followed up (in between receiving their A-Level results and starting HE), around one-third maintained that financial factors were important in their selection both of their final two 'hold' offers, and their ultimate firm acceptance. Proximity to home remained one of the key influences over applicants' final decisions, with living costs in particular HEI locations mentioned only occasionally. Older students tended to be more concerned about finance than their younger counterparts were. Financial factors can act as enablers as well as barriers, and this was sometimes the case in relation to the range of options applicants could consider because of parental financial back-up.

'WERE THERE ANY FINANCIAL FACTORS PLAYING A PART AT THAT STAGE [AFTER CONDITIONS AT A LOCAL UNIVERSITY WERE NOT MET]? WERE YOU THINKING, "OH, I COULD GO TO HERE THROUGH CLEARING BUT MAYBE I COULDN'T AFFORD IT"?'

No, I don't think so. Even now I'm still completely reliant on my parents. I always knew that I would need the cash so it didn't really bother me too much.'

Ruby

Both the HEI case studies and the baseline interviews yielded some additional, indirect references to financial considerations relating to the perceived costs of studying at a London-based HEI, which in many cases was completely dismissed as a possibility.

'I never considered London because I knew I wouldn't be able to afford it.'

Serena

'The jobs I want to do are in London but I can't afford to go there.'

Olivia

'I looked a little bit at studying in London and I know that through the loan you got a bit extra if you were going to be studying down there, but it still didn't make it valid enough to go down there because the prices of accommodation are a lot higher.'

Student at a group in a Russell Group university in the North of England

³⁹ *Who is Heading for HE?* finds that the debt-averse and those from lower socio-economic groups were more likely to prefer to study at an HEI where they could live at home. Information from the Student Loans Company provided for this study suggests that around 20 per cent of 2006-07 full-time applicants required loans for living at home.

⁴⁰ HECSU (2007); Figure 4.2.

⁴¹ See also Callender & Jackson (2008)

There was little difference in the relative importance attached to financial factors between those applicants who did and did not receive EMA, nor in relation to most factors pertaining to individuals' backgrounds. There was some variation in the constructs elicited across decision styles, however. Taking the less intensive information users (in our typology, 'cruisers' - see Figure 3.2), it is apparent these were more likely to identify financial differences between HEIs. The two types of active information users (perusers, taking a conventional path towards HE and choosers, straying away from the conventional path) exhibited some notable differences. The choosers were least likely to distinguish on financial grounds and most likely to mention both ethos and atmosphere and course and teaching factors. The strongest link, however, is with grades: academically stronger students were less concerned with finance. The relationship is not driven by outliers at the extremes of high or low achievement. This finding requires, of course, quantitative corroboration.

The bigger picture: non-financial factors

In relation to institution choice, a wide variety of factors may be at play. Applicants often had a highly developed set of perceptions and expectations regarding the institutions they listed in their UCAS applications, even where - sometimes - they claimed not to be knowledgeable about certain institutions. Clearly, non-financial considerations outnumbered financial factors for applicants deciding between HEIs.⁴²

As noted previously, location and setting emerged in the repertory grid exercise as being of key interest to potential applicants. For those whose backgrounds were less traditional in terms of HE entry, location and setting often equated to proximity to home, with its attendant cost advantages. Furthermore, the other aspects of location and setting could be viewed as dividing into mainstream concerns, such as an area's student-friendliness, and a set of more fearful, limiting concerns, such as whether a person might feel culturally or racially out of place in a given area.

Geographical location was likewise frequently mentioned in the HEI case study groups as students discussed why they had made particular HEI choices. The critical factors ranged from proximity to home, to the desirability of the surrounding area, to comparative costs of living in a particular town or city.

An HEI's reputation and status was another consideration for applicants, although this was often expressed in general terms, rather than in specific reference to league table position or entry requirements. There was some evidence that those furthest from HE in terms of their background considered this slightly less frequently. Applicants also raised a wide range of factors relating to environment, facilities and student experience, including accommodation, but no one factor was mentioned very frequently. Thus, non-financial factors partially differentiate between applicants according to social background.

Differences between courses were often mentioned by applicants, usually in terms of general reputation. Beyond this, a wide range of rather specific course factors emerged, relating to content, teaching, flexibility, job placements etc., although these arose slightly less frequently for those with non-traditional HE backgrounds. Within the HEI case study focus groups, it was quite common for students to have taken into account the quality of the relevant course or department at their chosen place of study.

⁴² A quantitative study, based on observed HEI choices, would be required to robustly estimate the relative impacts of these factors.

Interestingly, contact hours - a hot topic for students in our early university case studies - were mentioned only once in the baseline repertory grid exercise. This cannot be because contact hours do not matter to applicants. Indeed, in the scenario exercise, applicants were often more receptive to the idea of higher fees when these were linked to increased contact hours, while other non-financial inducements were less enthusiastically received. Rather, it is likely to reflect the low profile of the issue at this stage. This raises questions about whether applicants are making choices that are inadequately informed from the viewpoint of their future selves. As discussed in the following section, many students at the follow-up stage expressed concerns in relation to this point. The mismatch also begs the question of contact hour data availability. If this area were given the same salience in course booklets and prospectuses as some of the other topics such as course options, then it might register more in applicants' consciousness.

One caveat might be entered to the pre-eminence of non-financial factors. Many students will rule out certain options from the very start without even giving them consideration. This automatic exclusion of certain options may have a financial dimension. One instance of this could be in the exclusion of London universities within the choices of students living far away from London. If pressed as to reasons, these students may refer to the costs of living in London, but this may just be a post hoc rationalisation.

3.3.3 Finance and the prospect of dropping out of HE

It was noted across the five HEI case studies that many students did not fully understand the financial landscape when making their decisions and yet many of them nevertheless ended up going to university; and once there, most of them did find they could afford it. The same general sense emerged from the follow-up interviews, in which most students, irrespective of their circumstances, were reluctant to contemplate even the idea of dropping out from HE due to financial difficulties. Some were adamant they would never get to that stage and this was particularly the case among certain young people from traditional and ethnic minority backgrounds. Many, but by no means all, would think of contacting their HEI's financial advice services before taking any decision to drop out, and there seemed to be a widespread feeling that their HEI would be able to help in some undefined way. A number of drop-out avoiding strategies were suggested by students:

- dropping out for a year to earn money
- getting a job (or increasing shifts) alongside study
- getting (more) money from parents, especially among traditional students
- getting more debt from any source available, though this was ruled out by several of the mature students
- moving back in with parents (potentially changing HEI to do so).

Where students were willing to contemplate the idea of dropping out due to financial difficulties, they could identify certain benefits to this, principally from working full time. However, these were strongly outweighed by the disadvantages of giving up on chosen careers (or advancing more slowly, where professional alternatives to HE were available) and never getting back the money already sunk in HE. This is consistent with the reluctance, evinced by applicants in the scenario exercises, to consider alternatives to HE because of the opportunity costs incurred (see next section).

3.3.4 How do students react to prices and assess the affordability of different options?

The scenario exercises at the baseline stage explored applicants' reactions to different cost options for higher education, as well as the ways in which their decisions could potentially be swayed by various contingent factors.

In the first - HEI choice - scenario, responses were initially spread evenly between the choice of a fictitious university with lower tuition fees and standard facilities and one with higher tuition fees but premium facilities. However, a large majority of those who initially advised the fictitious applicant to opt for the cheaper option were persuaded to change their minds by additional specific inducements such as higher student satisfaction ratings, newer and / or guaranteed accommodation and more contact hours. Conversely, almost all of those who initially selected the more expensive option were eventually deterred by the suggestion of tuition fee increments (of up to two and half times the original figure given), and reverted to advising the fictitious applicant to choose the cheaper option instead.

Both mature and young applicants were evenly split in terms of their initial HEI recommendation in the first scenario. Interestingly, all of those receiving EMA initially recommended the least expensive option and overall non-traditional applicants were slightly more likely to recommend the cheaper option. In this respect, it is possible that raised fees could further deter applications to certain prestigious universities that are already struggling to widen their intake.

For the second - subject choice - scenario, the vast majority of our interviewees began by recommending studying a fictional subject with higher tuition fees yet better job prospects over the cheaper option with less promising prospects. Once again, however, these stated preferences appeared less than firmly anchored, with around two-thirds of the initial expensive option group switching their recommendation to the less expensive option when faced with the prospect of higher tuition fees than those originally stated (up to twice the value of the first figure given). Of the very small number who opted for the cheaper course, around half were convinced to change their minds when a figure of up to £30,000 was attached to the prospective starting salary afforded by the costlier course option.

When presented with the third - HE versus job - scenario, the young applicants in our research sample (selected, it should be restated, for their interest in pursuing HE entry) overwhelmingly recommended going to university rather than taking a job after leaving school. They were unlikely to change their advice in the face of details such as the fictitious applicant having to work a part-time job and/or live at home while studying – quite possibly because these were often real considerations for the interviewees themselves. However, when told that the fictitious applicant was concerned about her ability to complete the degree satisfactorily and uncertain about her job prospects as a result, around half of the interview sample reverted to the option of taking a job straight from school, even if this offered only average pay and progression prospects.

Those who initially selected the 'job' option were presented with a further range of contingencies, such as cut-price HE opportunities, to see if any of these would lead them to change their advice. However, the numbers taking this route in the first instance were too small to comment on the overall effect of these secondary decision factors. Not surprisingly, applicants were generally convinced of the benefits of HE, despite the opportunity costs and the fees. This seems to have been the case irrespective of background. These beliefs were rather more firmly set than some other HE attitudes around the value of particular courses or institutions. The prospect of higher opportunity costs does not seem particularly dissuasive.

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This message was confirmed in the interim interviews, in which the majority of applicants taking non-HE routes post-A Level to that of HE (or postponing HE), did so having changed their minds about the subject they wanted to study, or having failed to get the grades required. One implication of these findings for any future, variable fee and support regime is that for those already set on applying, somewhat increased fees may not have a great dissuasive effect. This is consistent with the continued rise in student numbers after the introduction of tuition fees and variable fees.

Finally, the alternative third scenario (directed at a smaller number of mature applicants only) found that, overall, more applicants were against the idea of taking out a second mortgage to fund a degree than were in favour of it⁴³.

It was evident from applicants' reactions to the differently priced options that – in principle – affordability would be assessed by weighing up costs and benefits. However, there was no evidence of applicants actually quantifying both costs and benefits in their own decision-making. The probing around the scenarios found that, while paying a premium was more palatable in relation to courses than in relation to institutions, neither of these views was particularly firmly entrenched by comparison with the (already accepted) payment of fees and the opportunity costs of going to university instead of working. It is worth bearing in mind these findings on willingness to pay among applicants when considering the next section on students' (payers') assessments of value for money in HE.

Value for money

The students in our early HEI case studies clearly saw HE as an investment in their future careers and this was an important motivator for attending university for some. University was seen as a good use of time and money and indeed as (often) the only option, even if - at the time of applying - students had not understood the true costs. Since arriving at university, students had generally come to feel that, by working or by relying on alternative sources of support, they could just about afford university from month to month, even if they did experience a range of financial worries (see also Section 3.3.3).

While the notion of higher education as an investment in career and earnings potential found near universal support, some students nonetheless expressed their anxiety that it could take a while to see the benefits of a degree in the graduate labour market (especially without further study) and that some graduates might see no benefit at all. Despite this forward-looking view of HE as an investment, when it came - whether prompted or unprompted - to discussing the value for money of HE, students were less likely to consider long-term benefits and more likely to talk in terms of facilities, services and everyday student experience. Many of these new consumers of higher education would assess this by considering whether they got a better or a worse 'deal' than their peers.

In terms of value for money, learning resources and contact hours emerged as the foremost means by which students assessed the immediate return on investment of their university fees. Certain focus groups explicitly identified the quality of teaching (as opposed to mere quantity) as a gauge of money well spent. Two of the case study institutions charged below full fees, but at neither place did we find evidence of students having been attracted by a cut-price offer. This suggests that price sensitivity is not an important factor for small price differences. Interestingly, both institutions represent the fee reduction as equivalent to a universal bursary, but this view was not reflected in the focus groups.

⁴³ This finding is based on fieldwork carried out prior to the credit crunch and the downturn in the housing market.

Analysis and Discussion of Findings

Overall, the strongest message to arise from the HEI case studies was that students are consumers who are assessing the value for money they are getting from their institutions and who are not always satisfied. Students want their fees used on them, and - as with financial support - the fees set-up prompted a series of invidious comparisons among students (*'Why do they get a new building?'*). When assessing the value they get for their money, however, students are not aware of the extent to which the cost of their course is still subsidised by the taxpayer⁴⁴.

What also emerged was evidence of limitations in basic financial assessment skills and habits among a subset of students. These were apparent when students assessed value for money and affordability without factoring in projected future earnings, when students rejected the idea of loan repayment deferral out of hand, and when students saw inflation-only loans as financially usurious.

Within our main research sample, when questioned at the follow-up stage about their perceptions of the value for money they were getting in HE, students applied a range of heuristics in order to provide an assessment of 'value'. Often this assessment was made comparatively, with students benchmarking themselves against other subsets of their peer group (students on other courses/at other HEIs) to determine whether they were getting a good deal.

'It's one of the better priced universities ... it's a lot cheaper than some of the others. I've got a friend who's gone to [London HEI] and I know he's paying a lot more.'

Jane, mature student

'I've been talking to everyone else. In Chemistry what we get for our tuition fees is quite a lot more than [other subjects] ... the taught hours, all the practical time, and all the equipment and stuff. That's really good.'

Annette

As in the early case studies, contact hours and teaching quality were frequently mentioned. Value for money was often assessed on a lecturer-by-lecturer or module-by-module basis, with students noting particular annoyance at lecturers who consistently finished sessions early, or at cancelled lectures not being rescheduled. There is a suggestion here that lectures are perhaps seen as the most tangible element of what the institution is 'giving' or 'doing for' the student in the present moment, and therefore that these become a key gauge of quality in relation to financial investment, at least during the early stages of the HEI experience.

'My timetable is pretty packed, so for what I'm paying, I'm getting a lot of lectures, whereas people I know doing History, that have about eight hours of lectures a week, they're paying the same as me for nothing. So I think I'm doing all right really.'

Jack

'Yeah, [value for money is] pretty good. I mean, £3,000 for the year is a lot and it blows my mind to think of it. But, I suppose because it's all the facilities and the lecturers we've got are so brilliant, they're world-class, so, yeah, I think it's worth it I'm going to be paying it off for the rest of my life, but it's worth it, yeah.'

Alice, non-traditional student

⁴⁴ The Learning and Skills Council is piloting learner financial statements to address an equivalent issue in Further Education.

Analysis and Discussion of Findings

Another prominent theme in the follow-up interviews was that of unexpected costs at the beginning of university, usually relating to course books and/or equipment, but also to unanticipated expenses for sports and social activities. The following quote was a fairly typical example:

'I joined the swimming team and I had to pay £55 for that and then I had to pay £35 for the kit. For geography, when we first started, we had to buy a first aid kit and a clipboard thing for £17. Yes, it's just everything we do we have to pay for it.'

Kate, traditional student

Notably, however, very rarely did students react with more than mild surprise or irritation to the not inconsiderable sums they had been required to pay out for books and other sundries at the start of term. There was very much a sense that these costs were unavoidable, and a worthwhile investment in terms of having the necessary resources for the course being studied. Students felt it would have been helpful had there been some 'heads-up' about book prices in the prospectus or welcome materials produced by the university, but few were particularly indignant that this had not been the case.

4 Observations and Recommendations

The following sections conclude the main body of this report. They draw out some key findings and observations from the preceding analysis, discussing where these may have implications for policy makers and other stakeholders concerned with HE applicants and students. Recommendations are provided at the end.

4.1 Timing of information, influences and decisions

Most applicants were relatively conventional in the timing and order of their HE decisions, usually starting early with general HE aspirations, then refining these over time with more specific course and institution choices. Adherence to this pattern does not seem to correlate with intensity of HE information usage.

Reassuringly, most applicants looked at some information before choosing HEIs. However, a large minority of applicants did not start looking at information until after they had set their minds on a degree subject (and we know from Futuretrack that subject preferences are strongly driven by cultural expectations). Given that subject choice has long been thought to be the driving factor behind a range of other HE choices for applicants, this presents a potential paradox: one of the most important choices is tackled with less HE-specific information.

The timing challenge

The paradoxical absence of HE information usage when some potential applicants are deciding on degree subjects is a problematic situation because HE decisions are path dependent, contingent - critically - on subject choices at school and on availability or feasibility of a desired course of study. This means that the effects of ill-informed early choices can persist in subsequent HEI choices. Given the investment dimension to HE decision-making and the notable variation in the individual returns to different degrees, such absence could have financial consequences for individuals and so the issue (also identified in Futuretrack) merits further, preferably quantitatively robust, investigation.

While most applicants accessed a fair amount of HE information before applying to HE, specific financial information was not always available nor offered at the best time in the best place. Sometimes, it was delivered after applications were submitted. But where costs and support differ between courses and institution - as they already do - financial considerations should have a bearing on HE decision-making. For this to happen adequately, those charting out their course into HE need timely inputs of financial information, advice and guidance (IAG). Within the schools and colleges involved in this study, such timely inputs were not consistently being provided (although there were cases of one-to-one, ad hoc conversations with teachers). Left to their own devices, some applicants would independently seek out, and seek to understand, the relevant information. In practice, though, this study has seen that many made finance-blind decisions. From the point of view of progression rates, this may not be an altogether bad thing, but in any future fee and support regime in which the financial differentials are much greater, such decision-making may prove to be more problematic.

Providing appropriate information

The current student finance arrangements are more complex than in the past. The quantity of debt that the average student will take on has increased (even if support on offer has become more generous). The personal investment required is now high for those contemplating HE, and it would be comforting to know that applicants consider the likely return on their investment carefully. Current policies require of students a greater degree of

Observations and Recommendations

financial awareness and acuity, but young people's predominant concerns are likely to have remained much the same as they always were (namely A-Levels and experiencing greater independence). To address this shortfall in awareness and capability, better, earlier, repeated help and IAG (especially for traditional young HE entrants) is one policy response that is worth considering. This could involve an effort to mainstream certain key parts of the finance message and to deliver these alongside the already copious course and institution choice guidance.

Recommendation: For individuals' decisions to benefit from forward-looking consideration of the costs and benefits of different degree options, some focused information, advice and guidance (IAG) needs to be made available when Level 3 subject choices are firmed up (well in advance of the HE application process). Links need to be made between this help, mainstream HE preparation activities and overall efforts to improve financial capability in the target population. Innovative and effective approaches to these challenges in schools and colleges can benefit from external support.

Of course, information usage does not guarantee knowledge acquisition and, conversely, some applicants may find out what they need to know without attending numerous open days and HE fairs. The challenge for any IAG drive will therefore be to impart financial information that is timely, relevant, noticed, understood and remembered to a client group hitherto fully concentrated on maximising A-Level results. The staff and applicant experiences reported here suggest this may not be easy, though outreach involving real students talking about what applicants need to know would appear to be part of the solution. Staff themselves sometimes reported not being able to advise individuals authoritatively of the amount of money they would be able to access. And efforts to make applicants more aware of the financial aspects of HE at an earlier stage need to recognise that there is no axiomatic correspondence between knowledge and reassurance. Headline figures such as overall costs or debts incurred are objectively of great significance to people contemplating HE, but they also have the potential to worry applicants who have no experience of dealing with comparable sums of money.

4.2 Knowledge and understanding of current arrangements

Students can access funds from a wide range of sources and applicants exhibited a very wide range of levels of knowledge (and confidence) about the sources on which they might rely in HE. When applicants talked, unprompted, about the money they might rely on in HE, they often mentioned loans for maintenance and help from family. Applicants would usually have an idea about these two sources of money, even if they had no idea about any other source of money (high penetration rate). Maintenance grants occupied an intermediate position in this respect, while bursaries and scholarships tended to be mentioned only by those more knowledgeable applicants who had been more exhaustive in mentioning other sources of finance as well.

When talked through a prompted list of seven possible sources of finance, some applicants were capable of confidently identifying five or more as sources they would (or would not) be able to rely upon. However, around one in four were unable to do this for any more than two possible sources. So what sources of finance do applicants know about? Knowledge and awareness of student loans for maintenance was reasonably good among applicants (and, indeed, among their parents). They knew that these, and the loans for fees, could be relied upon. They knew these loans are repayable and they were aware of the repayment conditions (although knowledge of repayment holidays had yet to filter through). However, there was a tendency to underestimate the maximum value of loan available and to overestimate future repayments: applicants' anticipated loan repayments may be around double what they should be based on anticipated earnings. There was a very strong

Observations and Recommendations

tendency to assume that the household income threshold for partial grant eligibility was lower than it really was. Generally, applicants were quite confused about exactly who provides these different types of student support.

Overall, in spite of a hard core of individuals with very low levels of knowledge, most applicants had a reasonable understanding of student financial support (neither particularly good, nor particularly bad). There is little discernible pattern in who knew what, although it may be that younger applicants fared a little better than their older counterparts. There was, however, a pessimism bias in applicants' responses, already alluded to in the context of loan amounts and repayments. Further to pessimism regarding loans, when applicants were wrong about maintenance grants, they thought eligibility requirements were more stringent than was the case. And those applicants who did not know the level of tuition fees tended to guess high rather than low. Thus, HEI choices for some applicants could be based on an incorrect view of what is affordable. The existence and prevalence of this pessimism bias was corroborated in the follow-up interviews, which found significant numbers of students getting more money than they had anticipated from loans, grants and family. This pattern did not hold, however, of bursaries, scholarships and jobs.

The nature of the application process means it is unlikely that students will miss out on loans and grants due to lack of knowledge or confidence about what is available to them at the application stage. The unresolved question, which this research could not address, is whether there are potential applicants who never get as far as applying as a result of failing to adequately research the financial support that might be available.

Personal sources of finance

In reality, many of the students interviewed for this research rely on parental support as well as on money from the government (indeed, this is what was often mentioned, unprompted, by applicants). But what is parents' knowledge of student finance arrangements? The parents we spoke to were themselves generally aware of tuition fees (though often sketchy on the mechanics of how these are funded through loans). They almost universally indicated that they would try to help their offspring (often by any means available to them) when they go to university. Matched parent and young applicant interviews, however, raised questions about the degree of communication within families regarding financial planning for HE. Reliance on ad hoc payouts from 'the bank of Mum and Dad' may not, therefore, be the surest financial basis for young people's university plans, even where applicants implicitly feel that family is the one institution guaranteed to try to help.

The help available from the government is qualitatively different to parental support in this respect. Although loans, grants and bursaries provide substantial, scheduled payments, there may be a sense that applicants do not feel they can count on these until they are received. This can be seen from the large number of responses indicating that applicants were aware of a given source of funding but did not know whether they were eligible nor how much money they might receive.

Student loans and the balance of support

Applicants, students, parents and staff preferred loans for fees to upfront payment (although parents' level of understanding of this point was not good). They were relatively amenable to the idea of financing tuition through debt. Beyond the consensus on tuition fee loans, however, there seems to be a real divide between the portion of students who claimed they would rather incur less debt to cover living costs, even if this meant making do with less, and those individuals who, for a variety of reasons, would like more money in the here and now and did not object to higher indebtedness.

Recommendation: Maintenance of the status quo of full tuition loan support (negating the need for upfront payment of fees) should be considered as a near-universal preference among students.

Recommendation: There should be consideration of whether support for maintenance can more flexibly meet the preferences of those debt-averse individuals who might opt for a smaller total support package based on a higher proportion of non-repayable support (such as grants and bursaries).

These findings in relation to loans are interestingly congruent with the finding regarding willingness to pay, raising a point about how individuals justify investing in HE. On the one hand, tuition fee loans were generally acceptable, as was paying a premium for a specific course: both were seen as directly related to HE and were - relatively speaking - easy to justify. Meanwhile, opinions on loans for maintenance were divided, as were opinions on paying a premium for a specific HEI: both of these were seen to relate to the slightly looser idea of student experience and were - relatively speaking - more likely to discompose students and applicants. This may have a bearing on how different groups approach the current (or any future) menu of financial support options and components.

The key message about the affordability of student loan repayments did seem to get through to the applicants and students interviewed for this research. However, many of these were still worried about the headline level of debt they will accrue, irrespective of the repayment conditions, and the way many students talked about repayments was not wholly consistent with the repayment conditions they professed to understand.

4.3 Financial and non-financial factors in HE choices

Applicants often had a highly developed set of perceptions and expectations regarding the institutions they listed in their UCAS applications. The personal constructs they used to compare and contrast HEIs were, broadly: location and setting (mentioned most frequently); followed by reputation and status; environment, facilities and student experience; course and teaching factors; and finally, financial factors and ethos and atmosphere (each mentioned less frequently).

Non-financial considerations outnumbered financial factors for applicants deciding between HEIs. For applicants whose backgrounds are less traditional in terms of HE entry, location and setting often equated to proximity to home, which has attendant cost advantages. Furthermore, the other aspects of location and setting may divide into 'traditional' concerns, such as an area's student-friendliness and 'non-traditional' concerns such as whether a person might feel culturally or racially out of place in a given area.

An HEI's reputation and status was another consideration for applicants, although usually this was expressed in general terms, rather than in specific reference to league table position or entry requirements. There was some evidence that non-traditional applicants considered this slightly less frequently. Applicants also raised a wide range of factors relating to HEIs' environment, facilities and student experience, including accommodation, but no one factor was mentioned very frequently. Thus, non-financial factors partially differentiate between applicants according to social background.

Contact hours, a hot topic for students picked up in our focus groups, were mentioned only once. This is not because contact hours did not matter to applicants. Indeed, applicants were often more receptive to the idea of higher fees when these were linked to increased contact hours (other non-financial inducements were less enthusiastically received). Rather, it is because the issue has a low profile at this stage. At the follow-up stage, value for money was often rated on just such factors. This begs the question of contact hour data availability. If this area were given the same salience in course booklets and prospectuses as some of the other topics such as course options, then it might register more in applicants' consciousness.

Recommendation: HEI and course information, advice and guidance for potential applicants should cover the aspects of HE experience known to matter to students, such as quality and quantity of support and contact time. A keen applicant can already find such information (for instance, by consulting UCAS course search entry profiles online) but he or she may not yet appreciate the full importance of these factors at the time of applying.

Assessments of price and value

Applicants' views on paying more for a given institution were not firmly set: they could often be swayed either way by arguments based on quality or on price. Importantly, however, non-traditional applicants were less likely to give any initial consideration to a more expensive institution. Taken together with findings on the basis on which applicants differentiated between HEIs, this suggests that such fee differentials, unless carefully managed, could further limit the HEI choice horizon of non-traditional students.

Recommendation: There should be an exploration of ways of mitigating or counteracting the influence of financial factors on where people choose to apply and to study. This may involve ensuring that non-traditional applicants are encouraged to give due consideration to more expensive options rather than screening these out precipitously.

Nevertheless, for those already set on applying, somewhat increased fees may not have a great dissuasive effect, as suggested by applicants' scenario responses to choices between HE and non-HE progression routes and by testimony from staff preparing applicants for HE entry. This would be consistent with the continued rise in student numbers after the introduction of tuition fees and variable fees. At the interim interview stage, there were a few instances of financial factors intruding on whether to proceed to HE or on choice of HEI, but the numbers are too small for conclusive analysis.

By contrast with their reaction to HEI price differentials, many applicants (and indeed their parents) were receptive to the idea of paying more for a degree course that offered better opportunities. This may be congruent with the finding that students were more comfortable with loans for tuition, directly linked to a course, than they were with loans for maintenance, more loosely associated with a student 'experience'. Despite this receptiveness, applicants were easily worried by the costs. The influence of background factors on these preferences appears to be far less salient than in other decisions such as HEI choice. This may imply that somewhat increased fees for particular courses would be palatable to potential applicants, although they would need to be sure their decision-making was sound both educationally and financially.

Recommendation: Differential fees between courses should be considered. Potential applicants, especially non-traditional ones, may be more open to such differentials than they are to differentials between HEIs.

With regard to mature applicants, our findings suggest that increasing opportunities to borrow against accumulated assets may not be an effective policy lever for widening adult participation in HE. Widening participation efforts for this age segment may require targeted subsidies rather than reliance on incentivisation through individual capture of the returns to HE. Within this group there was some acceptance of tuition fee loans (though many opted for courses with specific bursaries to cover tuition), but less enthusiasm for the idea of getting into debt to finance living costs while studying. It should be noted that the mature applicants and students we spoke to were relatively few in number and were not particularly typical in that they prepared for (full-time) HE in FE.

Observations and Recommendations

Taken as a whole, the real message from these scenarios is that, for non-traditional potential applicants, the main impact of a variable fee and support regime might be on where they choose to study. Currently, course choice is often the key element of applicants' decision-making and these scenarios suggest many would be open to the idea of paying more for certain subjects. However, any future variable fee regime would engender some specific guidance needs to help those navigating the system think through the financial ramifications of their choices.

Recommendation: All stakeholders should consider carefully how to communicate and justify student finance arrangements. In particular, higher prices raise the expectation that students will get something 'extra'.

4.4 Summary of recommendations

Based on the discussion of the findings above, the recommendations from this study for the review of fees and support are for a consideration or exploration of the following ideas:

- Differential fees between courses.
- Encouragement for non-traditional applicants to consider more 'expensive' HE options.
- Retain the status quo in which the tuition loan completely covers fees.
- Retain and develop the flexible menu of maintenance support comprising both repayable and non-repayable components.

The recommendations from this study for the implementation of any revised fee structures and support systems are that the various stakeholders should:

- Communicate changes carefully - those paying extra expect something extra in return.
- Mainstream HE finance IAG and start delivering focused elements prior to Level 3 subject choices.
- Increase the salience of HEI and course information, advice and guidance for potential applicants on aspects of HE experience known to matter to students, such as quality and quantity of support and contact time.

Appendix 1 - HEI Case Studies

The purpose of these case studies is to shed light on the role of finance in students' decision-making in a variety of contexts. The aim is absolutely not to reflect on the universities involved in any way. Indeed, the methodology used does not support any generalised statements or claims regarding any of the universities involved. Researchers carried out visits to six universities chosen for their diversity and geographical spread. Thames Valley University and the University of Greenwich, both in the South East / London are two universities that have opted to charge variable fees below the maximum allowed. The University of Sussex represents an out of town 'campus' university and the University of Sheffield, Sheffield Hallam University and Nottingham University together complete a spread of types of universities and geographical locations.

The case studies - provided in an interim report to the DIUS steering group - consisted of interviews with staff, focus groups with existing students and some contextual statistics on five of these universities (a complete case study was not done for the University of Nottingham as the participants in the focus group did not match the desired criteria). The interviews and focus groups were recorded with the participants' consent and these recordings were subsequently transcribed. The three elements are briefly outlined below.

Staff

Interviews were arranged at each university with one or more staff involved in either financial support or widening participation roles in parallel to the focus groups in each of the universities visited. These aimed to provide context to the students' discussions in terms of the types of support and information that are available and to obtain another view on any particular issues arising from the focus groups.

Existing students

Focus groups with students were arranged within universities, with the help of staff contacts. The precise mode of recruitment varied from case to case but the common objective was to achieve groups of ideally six to eight existing students who could meet for over an hour to discuss a range of topics around student finances. The core of these groups was students subject to the current financial support arrangements (English domiciled, first or second year, full-time undergraduates), but involving other students was also a way to stimulate discussions about the merits of different arrangements.

A total of 34 students across six universities participated in our focus groups, but the smaller Nottingham focus group has not formed the basis of a case study, because the desired participant profile was not achieved. This means the detailed results were written up for only 31 students. Our intention at the outset was to obtain a diversity of viewpoints by speaking to students of varied ages and from a mix of cultural and financial backgrounds. The demographic information displayed in Table A1.1 (supplied voluntarily by the participants) indicates that this aim was indeed met through the sample we achieved⁴⁵.

⁴⁵ A very simple confidential information sheet was used to collect these data. Within this constraint, it was not established which funding/fee regime applied to each of the students.

Table A1.1 - Demographic profile of focus group participants (number of students)

Gender	Male	13
	Female	18
Age	18-21	18
	22-30	9
	Over 30	4
Disability	Yes	2
	No	29
Ethnicity	Asian	3
	Black	4
	Chinese	1
	White	23
Religion	Christian	11
	Hindu	1
	Muslim	2
	None	17
Financial support received*	Maintenance grant	11
	Bursary	8
	Scholarship	2
University graduates in family*	Parent(s)	10
	Sibling(s)	13
	None	14

*Note possible multiple responses or non-response to these items

Source: IES case studies, 2007

In terms of content, the groups started with discussions about reasons for institution choice. Awareness of study costs and sources of money was elicited by means of spider diagrams drawn by the groups on flipcharts. There was further probing on knowledge and perceptions of the similarities and differences between sources of money using two card-sorting exercises (the first on all sources of money, the second focusing on public/university financial support). This was then the basis for a series of facilitated discussions on the different elements of support, tuition fees, and the system as a whole.

Contextual statistics

It is noted that the focus groups consisted of only small numbers of students who were not necessarily representative of the universities at which they were studying. A range of contextual statistics has therefore been interspersed into the case studies to give the reader a broader overview of each university and a sense of how the students we spoke to and the experiences they described fit into the overall profile of each institution. The following information was provided for each case study:

- Background
 - some background information, including its location, history and the size of its student body

Appendix 1 - HEI Case Studies

- Student profile
 - the three most popular subject categories for first degree choices, including the percentage opting to study each
 - the percentage of full-time undergraduate entrants who are classed by the Higher Education Statistical Authority (HESA) as 'young entrants' and, of these, the percentage who come from i) NS-SEC classes 4-7 and ii) low participation neighbourhoods (backgrounds with traditionally low HE participation).
- Financial factors
 - the tuition fees charged for the academic year 2007/08 and how these compare with the maximum amount permitted nationally
 - the percentage of variable fee income which is spent on financial support for lower income students; with some indication as to how this compares with the national picture (a more detailed summary of support offered by each institution is included in the appendix).
- Student experience factors
 - the university's expenditure per student on staff and student facilities, with some indication as to how this compares with the national picture
 - the university's score in the National Student Survey, with some indication as to how this compares with other universities nationally.
- University prestige and degree value factors
 - the university's position and score in 'The Times Top 10 Universities 2007 League Table'
 - the percentage of first degree students obtaining first and upper second class degrees, against the overall national figure
 - the percentage of students i) in full-time paid work six months after graduating and ii) going on to further study after graduating, against the overall national figure.

The Good University Guide (2008). Retrieved from:
www.thegooduniversityguide.org.uk/single.htm?ipg=6524

HESA online data (2007). Retrieved from: www.hesa.ac.uk/index.php/content/view/586/141

HESA (2007), *Students in Higher Education Institutions*, HESA report, Cheltenham

Times Higher Education (2008). Accessed online at
www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=400312&c=2
www.timeshighereducation.co.uk/hybrid.asp?typeCode=32&pubCode=1

Use of findings from case studies

In addition to the material reported in the main section of this report, the findings in these case studies led to the following approaches being taken in the subsequent stages of the research:

- Assessing level of understanding using multiple-choice questions ranging from very easy to fairly difficult.
Reason. The case studies found that existing students often have a poor understanding of the financial package available to them. It is important not to assume certain knowledge at the next stage with potential students who are likely to know even less. The study needs to be calibrated such that it can detect differences between poor and moderate levels of understanding.
- Exploring potential students' decision-making and the reasons behind decisions before assessing degree of knowledge of financial factors. In particular, to explore participants' own constructs relating to potential universities using the repertory grid technique.
Reason. Students recalling their own decision-making around university choice rarely mentioned financial factors in the first instance. Where levels of knowledge and understanding are found to be poor, it is important to discover on what alternative basis decisions are being made and participants should not be steered towards finance-related responses.
- Exploring potential students' reactions to substantial (rather than marginal) differences in the cost of university using scenarios.
Reason. The focus groups in Greenwich and Thames Valley suggested that slightly reduced fee levels had not been a factor in students' decision-making.
- Assessing and exploring potential students' understanding and conception of the differences between student loans and other forms of credit.
Reason. The possibility of deferring loan repayments for five years - financially worthwhile in any net present value calculation - was (counter intuitively) unpopular in several of the focus groups. One possible reason for this is a failure to understand the nature of student loans.
- Analysing any linkages between degree of eligibility for means-tested support and views of the system (after the follow-up interviews).
Reason. Students in the focus groups felt that the current means-testing procedure for grants is not entirely fair or transparent. Applicants are thought to be particularly disadvantaged if their parental income falls only just above the eligibility threshold (which was been raised by the time our interviewees got to university). The focus groups were often specific about receipt of money but vague about amounts, so it is important to gauge whether the sense of fairness would be greater if students appreciated that the amount (eg maintenance grant) tapers down to small amounts for middle-income ranges.
- Seeking to discover whether potential students see university as a career investment.
Reason. One might expect this to be related to a willingness to borrow to finance studies, but the focus groups suggested such a view is not universal.
- Establishing how potential students judge a course's value for money using scenarios.
Reason. The case studies suggested that contact hours, facilities and quality of teaching are important to existing students, but these are often difficult for potential students to find out about.

Appendix 2 - Baseline Interviews

This annex describes the methods used at the baseline stage, including the cohort interviews and the interviews with teachers and parents as well as case studies of individual applicants. Research instruments are reproduced where appropriate.

Timelines

Method

At the beginning of each interview, applicants participated in a timeline building exercise designed to provide a baseline picture of their education to date, together with an overview of information they had obtained and decisions they had made with regard to HE. The exercise also served to build an initial rapport between the interviewer and interviewee and to get the interviewee thinking about relevant issues to do with HE, with the opportunity to talk unprompted about how decisions were made, without imposing finance as a frame of reference.

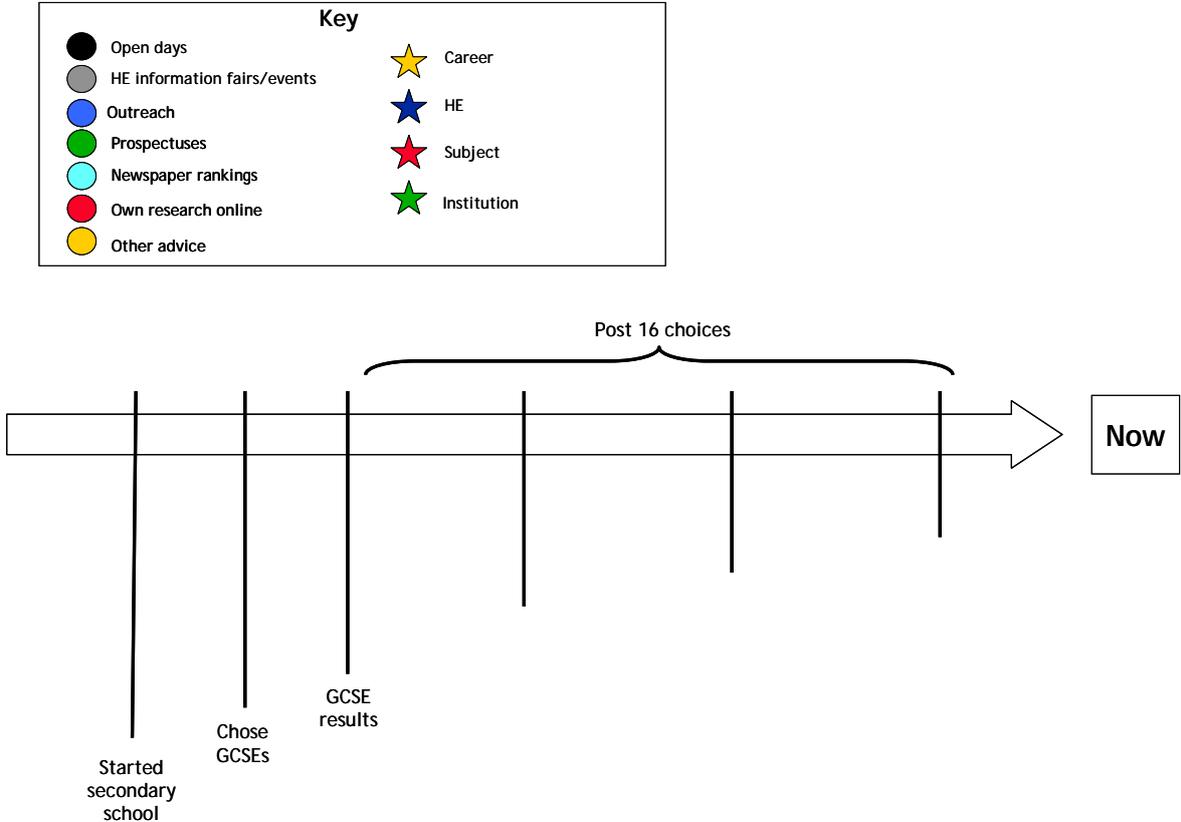
The template timelines (reproduced here) represented the period from when the interviewee had started secondary school until the present day. For younger applicants, the template was marked with some key milestones representing starting secondary school, choosing GCSEs and obtaining GCSE results. For mature entrants, the milestones were starting secondary school, leaving full-time education for the first time, and re-entering education. Further marker points on the timeline were left blank and interviewees were invited to use these to record additional milestones in their educational path, for example 'chose AS Levels', 'obtained AS results', 'submitted UCAS application', thus bringing them to the present day. Participants were then invited to annotate the timeline further using a range of colour-coded stickers corresponding to different sources of information about HE and different decisions made in relation to HE. They were asked to place one or more of each coloured sticker onto the timeline to indicate the approximate point(s) in time at which the information was received or the decision taken. As they did so, the interviewer followed up each choice of sticker with some further questions and probes.

Respondent profile

All 81 applicants who were interviewed participated in the timeline exercise. In just a small number of cases, certain elements of individual timelines were missing, incomplete, or too unclear to be included in the analysis.

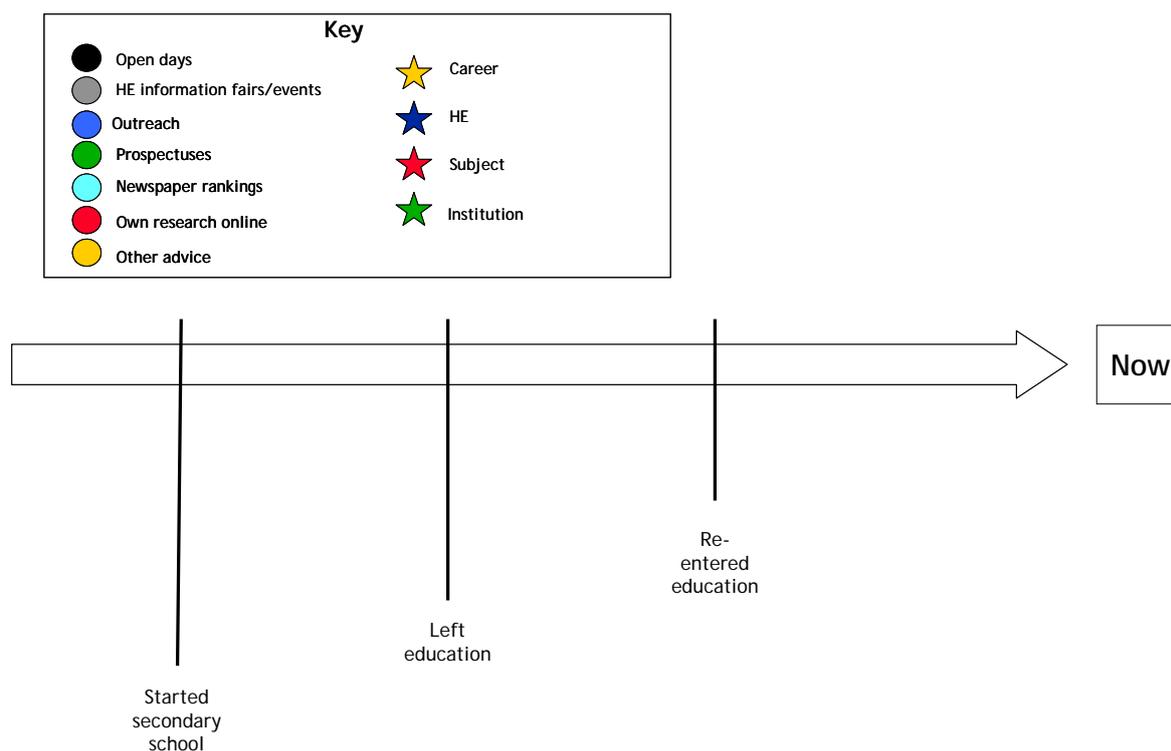
Templates

Figure A2.1 - Young person timeline



Source: IES, 2007

Figure A2.2 - Mature applicant timeline



Source: IES, 2007

Sources of information used

Interviewees were asked whether and when they had received or accessed six key sources of information about HE, namely: open days, information fairs and events, outreach, prospectuses, league tables, and personal online research. They were also invited to name any other sources of information they had used.

The data indicate that the most commonly cited source of information among the interview sample was HEI prospectuses: over 90 per cent of participants reported consulting at least one prospectus. A similar proportion had researched information on the Internet, with the most frequently cited websites being those of the HEIs of interest, followed by the UCAS website. In relation to financial information, the Directgov website was also mentioned by some applicants. In addition, a large majority (80 per cent) had attended university and college open days. Somewhat fewer participants, though still over half of the sample, had attended outreach events at their school or college, and just under half had been to external HE information fairs or events, often identifiable as UCAS fairs, but not always clearly remembered. Other sources of advice included friends, family and teachers, with some interviewees stressing that their adviser had themselves studied at university.

Intensity of information usage

Table A2.1 provides an indication of the variety of information sources being used by different applicants. 'One source' denotes one of the six key information outlets listed above. The participant group noted as having used seven or more information sources comprises those applicants who mentioned having accessed all of the above named sources, together with additional types of information that were not included in this list. It should be noted that 'usage' signals purely that a source was accessed in some form on at least one occasion, and does not take account of how frequently or intensely that particular source was used (for

example, how many prospectuses were consulted or open days attended). While in some cases this was clarified during the interview, the exhaustive probing required to elicit this information from every interviewee would not have been possible within the time permitted for this exercise.

Table A2.1 - Intensity of information usage

Number of sources	N
2	5
3	8
4	14
5	29
6	12
7 or more	12

Source: IES baseline interviews, 2007/08

These data indicate that the applicants within our interview sample tended to be quite wide-ranging in their search for information about going into HE. According to the information given in the timelines, applicants had accessed an average (mean) of just under five different information sources at the time of our discussions.⁴⁶ It is acknowledged, however, that some instances of information provision will have been imposed rather than voluntarily sought. Examples might include outreach events organised as part of the school timetable, or whole-class attendance at HE fairs.

Timing of information usage

The vast majority of younger applicants start looking at HE information sometime between their GCSE results and their AS Level results. For the mature applicants we spoke to, the information search tended to start earlier as the decision to re-enter education was often linked to planning to progress to HE.

The timelines were further analysed to explore the order and timescale in which applicants had made decisions about going into HE, their preferred course of study, which institution(s) to apply to, and the type of career they wanted. Career clarity is known to increase the chances of a successful application and to be more prevalent in certain subject areas and among young, white / Asian, male applicants.⁴⁷

It is evident that a large majority of interviewees had followed what we would describe as a conventional decision-making route, with just less than one-quarter displaying a more unconventional process of choices about HE.

When analysed against demographic variables, the differences in decision path were not as great as might have been anticipated. There were found to be no notable differences in the type of decision-making process undertaken according to the gender of the interviewee. There was little to contrast between mature entrants and those of traditional undergraduate age. The further from HE an applicant (on our composite measure), the (slightly) more likely they are to take an unconventional career path. The biggest contrast, however, is among the traditional age applicants, between those with and without EMA, where, slightly puzzlingly, those in receipt of EMA are rather more likely to exhibit conventional career paths.

⁴⁶ This is broadly consistent with Futuretrack’s finding of 3-5 sources of information.

⁴⁷ Futuretrack, *ibid.*

Typology of decision-makers

An amalgamation of the timeline data, as pertaining to information usage and decision processes about HE respectively, yields a fourfold typology of decision-makers. A total of 73 applicants (out of the 81 who completed the timeline exercise) provided adequate information about both their information usage and decision-making processes to be included in this typology. The percentages shown therefore relate to this subset of interviewees only.

For the purposes of this classification, applicants are categorised as 'low' level information users if they reported having accessed up to (and including) four different types of information source about going into HE. Conversely, applicants who reported having accessed five or more types of source are categorised as 'high' level information users. For decision-making to be considered 'informed', it is also a necessary condition for information usage to precede decision-making. This can be partially assessed using the timelines by observing the relative position of timeline annotations and stickers representing decisions and information usage. Information usage is often spread over several periods so only the time of first information usage has been considered in order to make the analysis tractable. Based on the school age timelines, it is apparent that around two-thirds of individuals have started to use sources of HE information before choosing a degree subject (around half for the adult education timeline) and this rises to more than nine in ten when HEI choices are made (around three quarters for adults). By implication, HEI choices (which are often made later) are likely to be better informed than degree subject choices.⁴⁸

⁴⁸ Futuretrack finds that subject preferences are strongly influenced by cultural expectations; this may explain why subject choices are made with less reference to HE information. Alternatively, it may be that - as subject choices for A-Levels and HE are strongly linked - information is built into school-level advice and not explicitly given in terms of HE.

Repertory grid exercise with university choices

Why use repertory grid?

During the student focus groups forming the first stage of this research, finance was relatively rarely cited as a factor driving institution choice. References to finance, when made, tended to be oblique. It was therefore important, at this stage, to consider carefully how institution choice factors could be elicited without imposing finance as a default frame of reference.

The key advantage of the repertory grid technique is that it permits the elicitation of the interviewee's personal constructs without a particular frame of reference being imposed or suggested by the researcher. Such an imposition can, admittedly, be useful in gathering focused data, but it is not ideal when the topic investigated is the interviewee's (not the research team's) perceptions and construal of that topic. In such cases, prejudging and imposing which issues and questions matter has obvious (logical) drawbacks. Often, and particularly with survey-based social research, there is no alternative but to prejudge the framing of an issue, whether through the answer categories available or the very wording of questions.

In educational research, studies very frequently impose frames of reference that may or may not be fully appropriate in terms of gaining real insight into perceptions and decisions. These are often dictated by research or policy agendas as well as by convenience. One of the most common instances is asking interviewees or survey respondents about 'barriers' (to participation, retention, achievement, progression etc.). The concept is attractive for policy makers because where a barrier is identified it can readily be interpreted as a problem to address. The interviewee, however, is thinking about their own (private) affairs and not an abstract policy problem, so when a prescriptive 'barriers' question is asked⁴⁹, the interviewee may cast around for a plausible, socially acceptable, externalised reason (such as lack of time/money) rather than reveal their intimate concerns and possible attitudinal or psychological reasons⁵⁰.

In a face-to-face, more interactive context, however, the repertory grid technique can help avoid such drawbacks. Using this method, perceptions are examined in a manner that is centred on the interviewee. This is achieved by proposing a range of elements (in this case, UCAS choice HEIs) and using a series of prompts to explore the constructs the interviewee might use to differentiate between them. Thus, the only researcher imposition is the concept of a bipolar scale (differentiation), while the actual scale is itself provided by the interviewee.

Repertory grid steps adopted in the interviews

In this case, the exercise was kept to a relatively small scale (in terms of numbers of elements and constructs) because of time constraints. To obtain the necessary background information, interviewees were first asked to list all the institutions they had applied to for admission onto an undergraduate course, in any order and regardless of whether or not they had received confirmation of an offer. The interviewer noted the names of these institutions across the top of the repertory grid.

⁴⁹ Along the lines of 'What (if anything) might prevent you from doing [xxx]?'.

⁵⁰ McGivney V (1990), *Education's for Other People: Access to Education for Non-Participant Adults*, NIACE.

Eliciting constructs

To begin the exercise, the interviewer named two of the listed HEIs at random and asked the interviewee to state whether they saw these institutions as being more similar to or more different from each other. The interviewee was then probed as to what was similar or different about the two institutions.

If the interviewee highlighted a similarity between the two institutions (e.g. 'they both have high grade requirements'), they were asked what they would consider the opposite of this descriptor. Whilst the answer often came in the form of a straightforward reversal (in the case of the above example, this would invariably be 'low grade requirements'), sometimes it required more thought and could elicit a range of 'opposites' from different applicants (e.g. the opposite of 'academic' was variously identified as non-academic, vocational and 'laid back').

The first named construct was noted in the repertory grid as the 'emergent pole' and its opposite as the 'divergent pole'.

If the interviewee highlighted a difference between the two institutions (e.g. 'one is a campus university while the other is spread across a city'), these two constructs were noted as the emergent and divergent pole respectively, and no further probing was required. The interviewer repeated the process of selecting pairs of universities and asking the interviewee to compare or contrast them until the student could think of no new constructs, or, when time constraints were higher, until at least three constructs had been identified.

Rating institutions

In the second part of the exercise, the interviewer returned to the first construct identified and asked the student to visualise a scale running from one to five, in which one represented the extreme emergent pole of this construct (e.g. 'very high grade requirements') and five represented the extreme divergent pole ('very low grade requirements'). The interviewee was then asked to give each of their chosen institutions a number between one and five to indicate where it fell on this scale. This process was repeated for each of the listed constructs.

Finally, the interviewee was asked to indicate which was their preferred institution out of those they had applied to and why, and conversely which was their least preferred and why. A total of 64 applicants completed a repertory grid exercise. Participants who had applied to fewer than four institutions were excluded from this section of the interview.

The exercise generated a wide range of interesting constructs across the 64 interviews. In the first instance, the bank of constructs was reviewed for descriptors that were essentially synonymous (e.g. 'high ranking' and 'good league table position'). Once this initial sifting and consolidation was complete, the resultant descriptors were grouped into six higher-level clusters, namely: location and setting (of the institution); reputation and status; environment, facilities and student experience; course and teaching factors; financial factors; and ethos and atmosphere. The sub-descriptors within each of these clusters are presented in Table A2.2, in order of frequency. It should be noted that these data refer to cases rather than individual applicants, as interviewees would often mention more than one sub-descriptor of the same overarching construct, and all these occasions have been included in the total.

Table A2.2 - Constructs for differentiating HEIs

Main construct	Sub-descriptors
1. Location and setting	Proximity to home Pleasantness (of town / city) Urban / rural Student-friendliness Size (of town / city) Accessibility
2. Reputation and status	General reputation (of institution) League table position Entry requirements Academic / non-academic Job prospects Established university / 'ex-poly'
3. Environment, facilities and student experience	Quality of facilities Campus-based / city-based Quality of social life Size (of campus/complex) Quality of accommodation Pleasantness (of campus / complex)
4. Course and teaching factors	General reputation (of course) Course content Quality of teaching Breadth and flexibility Opportunity for placement year Contact hours Independence Exam arrangements
5. Financial factors	Anticipated financial outlay Availability of financial support Availability of part-time work
6. Ethos and atmosphere	Friendliness Traditional / modern Liveliness Diversity Social class Religion

Source: IES baseline interviews, 2007/08

Applicants most frequently compared and contrasted their chosen HEIs on constructs relating to geographical location and setting, and to the reputation and status of the institution. Between 50 and 60 examples were recorded of each of these two key descriptors. The second most commonly cited constructs (between 40 and 50 cases) were those referring to the environment, facilities and anticipated student experience at each institution, together with factors relating to the chosen course of study and quality of teaching. Applicants were least likely to compare and contrast their chosen HEIs on issues relating to finance and to the perceived ethos and atmosphere of the institution. In both cases, there were 30 instances of these factors being mentioned.⁵¹

Financial constructs

As noted above, there were fewer direct references made to finance-related factors than to most of the other high-level constructs. Furthermore, of the 30 recorded examples, approximately half (16) were not independently suggested by the interviewee, but only elicited after a general prompt was issued by the interviewer (along the lines of, 'Are there any ways in which these institutions are similar or different to each other in financial terms?'). However, on reviewing the interview transcripts, it became apparent that the (almost always unprompted) construct of 'proximity to home' (initially categorised under 'location and setting') was frequently being used as a proxy indicator of the financial cost of attending a particular institution. In talking around this descriptor, applicants would often mention the expense of travelling to and from a distantly located HEI, or explain that they were planning to live at home and attend a local HEI in order to save money. When the finance-related construct was broadened in this way to include 'proximity to home', the total number of cases increased to fifty-eight.

'I have a part-time job and I've been saving in my ISA. I might get a bit of help from my parents. It's going to be expensive: clothes, eating, going out. It is scary. I don't know what to do about that ... I want to go, but stay close to home. Warwick and Aston for that reason would be good.'

Evinder, young applicant, Nottinghamshire

After proximity to home (mentioned in 28 cases), the most common financial sub-descriptor identified was anticipated financial outlay. This was usually defined more specifically as the cost of accommodation and general living, with occasional references to the costs of socialising, travelling to and from the institution, and buying course-related books and equipment. The (perceived) costs of studying in London are a further issue and one that is under-represented within the repertory grid exercise because applicants in Nottinghamshire and South Yorkshire often excluded London institutions from their UCAS applications.

'I never considered London because I knew I wouldn't be able to afford it.'

Serena, young applicant, Nottinghamshire

'The jobs I want to do are in London but I can't afford to go there.'

Olivia, young applicant, Nottinghamshire

A total of six cases were recorded of applicants mentioning the availability of financial support such as scholarships. Just one interviewee contrasted their chosen institutions on the likelihood of obtaining a part-time job while studying there (an important factor in some recent research⁵²).

⁵¹ This pattern is similar to that found, using a different methodology, in the Futuretrack study.

⁵² Callender and Jackson, 2008.

There was little difference in the relative importance attached to financial factors between those applicants who did and did not receive EMA.

Non-financial constructs

The five broad categories of non-financial constructs elicited in the exercise are presented below.

Location and setting

There were 58 references to factors pertaining to the location and setting of different institutions. It is clear that by far the most commonly mentioned element of an HEI's location was its proximity to the student's current home. As previously noted, this construct was often framed in financial terms as an indicator of the relative cost of attending different institutions. Between five and ten references were made to the general pleasantness of the surrounding area (safety was also a consideration here), whether the institution was in an urban or rural location, and how 'student-friendly' (also defined as vibrant or lively) the town or city in which it resided was thought to be. Only a small number of applicants (under five cases) differentiated their chosen institutions on the size of the town or city in which they were set, and their accessibility by public transport.

Reputation and status

There were 56 cases of applicants comparing and contrasting their choices of HE institutions on factors relating to reputation and status. This construct was exemplified in a range of different ways. The majority of applicants who alluded to reputation and status factors used general terms such as reputation, prestige, popularity and profile to compare and contrast their chosen institutions. There were also ten mentions of relative league table position and eight of entry requirements (ie A-Level grades or other admissions criteria). Less frequently, there were references to how 'academic' different institutions were thought to be; the quality of job prospects after graduation; and, in two cases, whether the institution in question was the main or established university in a particular town or city, vis-à-vis its newer, 'ex-poly' counterpart (eg Sheffield versus Sheffield Hallam).

Environment, facilities and student experience

There were 47 cases of applicants comparing and contrasting their choices of HE institution on factors relating to environment, facilities and student experience. These were spread relatively broadly across six subcategories.

Course and teaching constructs

There were 43 cases of applicants comparing and contrasting their choices of HE institution on course and teaching-related factors. Interestingly, these constructs were slightly less common than location and reputation-related constructs, and more thinly spread across eight subcategories.

Futuretrack has found that course availability is the top reason for institution choice and that, especially for more traditional applicants, course choices lead to institution choices. If these considerations are very important, it is likely that most or all of an applicant's UCAS form HEIs will offer similar courses. Consequently, course-related constructs will not necessarily discriminate between the institutions and will therefore have less salience in the repertory grid exercise. This hypothesis is not easy to test given the information collected, but it is supported circumstantially by some of the transcripts:

'The courses are nearly the same content. Different accommodation.'

Holly, young applicant, South Yorkshire

'Well, the thing is that there's only 12 dental schools in the UK so it's quite narrowed down in a way.'

Mark, young applicant, Nottinghamshire

'They all do my course. They all do my course at the same level requirement.'

Sarah, young applicant, East London

It is apparent that the top course constructs are broad (reputation, content, quality), but that a range of highly specific issues are also considered. Interestingly, contact hours - the subject of much comment by existing students in HEI case studies and the most potent factor in the scenario exercises - gets only one mention here.

Ethos and atmosphere

There were 30 cases of respondents comparing and contrasting their chosen institutions on factors relating to HEI ethos and atmosphere.

Putting all the constructs together

Any summary indicators using counts of numbers of applicants (eg for comparison across background circumstances) is tricky to interpret, given that some will have given more constructs than others and some background categories have more members than others. It is therefore necessary to reduce these measures to percentages, even though this can obscure the varying base sizes (the numbers across categories and backgrounds can be very different). The constructs mentioned tend not to be strongly associated with background in terms of distance from HE. The possible exceptions to this statement relate to course and teaching factors, which are mentioned far less often by those who are furthest from HE and reputation and status factors, mentioned slightly more often by those nearest HE.

There is some variation in the constructs elicited across decision styles. Taking the less intensive information users ('cruisers')⁵³, it is apparent these are more likely to identify financial differences between HEIs. The two types of active information users (perusers, taking a conventional path and choosers, straying away from the conventional path) exhibit some notable differences. The choosers are least likely to distinguish on financial grounds and most likely to mention both ethos and atmosphere and course and teaching factors. Intriguingly, both choosers and cruisers (conventional decision paths, irrespective of information usage) are more likely to mention location and setting than are perusers (unconventional decision paths but seeking out a lot of information). Of the 18 perusers who do mention location, 13 are from high EMA schools, though they are not necessarily any further from HE than any other group. Examination of 17 available peruser transcripts where location and setting are mentioned reveals that 13 of these express something to do with having a good (often 'traditional') university experience, rather than staying close to home.⁵⁴ By contrast with these outward looking considerations, there only were four more cautious and limiting constructs: two constructs in which London/non-London was a proxy for ethnic make-up of an area, one where areas within London were assessed according to familiarity and a final one where location was related to travel costs. This suggests that the construct has potentially very different interpretations according to social milieu.

⁵³ The other type, 'snoozers' are excluded here because of low numbers.

⁵⁴ Four of the constructs relate to the vibrancy of an area or its nightlife, two relate to leaving home, four are broadly to do with urban/rural distinctions, two are related to the cosiness or spread of the university and a final one assessed the availability of private instrumental tuition.

In discussions of HEI choice, applicants raise a wide range of non-financial factors more frequently than financial factors. Where applicants contrast HEIs in financial terms directly and without prompting, this is usually in terms of the general expense of studying there. A few specifically mention financial support or the availability of part-time work. This is not to say these factors are not important: it is evident from asking applicants how they would support themselves in HE that many have thought about these issues. Nevertheless, they are not a major part of how applicants see the HEI landscape. This could be because some applicants never even get to the stage of considering certain elite, London-based or distant HEIs that may be more expensive, having screened these out prior to any detailed consideration of HEIs' relative merits (this hypothesis remains untested).

Our method found that location and proximity to home were the constructs most often used by applicants to compare and contrast HEIs. While these factors were salient across groups, our method showed that for certain subsets of applicants interest in HEI location was related to a desire to save on costs by living at home. Thus, the effect of financial factors is most likely to be in terms of encouraging certain categories of applicants to consider only or mainly local HEIs.⁵⁵ There is some indication that those applicants using the fewest sources of information may be more likely to consider financial distinctions between HEIs.

Budgeting exercises

Budgeting exercises were carried out in both the baseline and follow-up interviews. These have been described in some detail in the main body of the report, due to the longitudinal aspect. This appendix provides some additional details and some of the exploratory interim analysis.

After the repertory grid exercise, in which - depending on the individual - financial issues may or may not have been mentioned, interviewees were invited to think more directly about financial factors for students and graduates. They were talked through two hypothetical budgeting exercises set:

1. a year in the future, if and when they get in to their preferred or most likely HEI (income and expenditure)
2. five years in the future, if they have graduated from their HEI and gone into their anticipated line of work (income and expenditure).

In these, they were first asked open questions about the sources of money (and categories of expenditure) that might be relevant to them and then prompted to give a monetary value for these budgetary items. After probing, and where time allowed, applicants were prompted for potential items that had not been mentioned. Discussion of each item was facilitated by a series of further probes to elicit: where a given piece of information had come from; what the applicant's view was of a given item; whether they thought a given amount of paid work was compatible with their studies and so on.

⁵⁵ Information from the Student Loans Company provided for this study suggests that around 20 per cent of 2006-07 full-time applicants required loans for living at home.

Funding study

The most important element of these exercises was the budgeting of income at university, because this provides some indication of the applicant's knowledge of the student finance regime, especially as might apply to their own circumstances. In general, it is not economically feasible to analyse the amounts expected by each individual in relation to their particular circumstances (which is why they have been analysed in relation to amounts received at the follow-up stage).

Some basic summary figures can nevertheless be reported from the baseline stage, although a degree of interpretational caution is required, as there will have been variations in the extent of probing between different interviewers and from case to case depending on time pressures. It is apparent from these responses that applicants at this stage are very conscious of student loans, and this consciousness is present across all groups. Besides loans, the expectation of help from family is more widespread than the expectation of help from government / HEIs⁵⁶. This is consistent with some of the staff interviews that pointed to difficulties advising individual applicants of the state support for which they might qualify. These findings are also worth considering alongside the analysis of parent interviews, that indicated some young people are anticipating more parental help than parents are anticipating giving and that, often, parents have made few, if any, plans for the expense of supporting their offspring through HE.

In most cases applicants would mention two to four sources of funding before prompting. The data were examined for patterns in relation to the knowledge shown. In particular, it is of interest to understand what is known by those with higher levels of knowledge and what is known by those with lower levels. A simple way of approaching this issue is to consider the average number of unprompted sources being mentioned by those mentioning each individual source (the conditional mean). This calculation yields the finding that those mentioning student loans and family as sources of money are - on average - mentioning the fewest sources, while those mentioning scholarships are, on average, mentioning the most. From the point of view of publicly funded student support, the finding suggests a reasonably good penetration of awareness of student loans and - to a lesser degree - maintenance grants, but a rather lower level for bursaries and scholarships.

For each source of finance discussed (whether prompted or unprompted), the interviewee was asked how much, in monetary terms, they could expect to receive. A lot of the time, the answer to this question was '*don't know*' or indeed the question was turned back on the interviewer because the applicant thought the interview could be an opportunity to find out. In the remaining cases, an answer would be given, whether in the form of a value (or value-range) or some other indication (such as '*I don't think I'll get that*', or '*nothing*' or '*not applicable*'). These answers have been summed for analysis. Because '*zero*' and '*n/a*' answers are included in the count, this measure partially gets around the problem that different students will attract different numbers of sources of funding and it therefore provides a rough and ready measure of the extent of what interviewees think they know about sources of finance. The previous warnings regarding probing and prompting are applicable here also. A further caveat to this measure is that some apparent differences between interviewees could stem from their confidence in committing to a figure as much as to differences in knowledge.

⁵⁶ This is consistent with Futuretrack for each source except family, which is only the fifth most mentioned source of finance among the applicants they surveyed. However, analysis of SIES 2004/5 does underscore the importance of family help in applicants' income (76 per cent of full time English-domiciled applicants got help from their parents and early indications are that this may rise in SIES 2007/8).

Appendix 2 - Baseline Interviews

- 36 committed themselves regarding 4 or more sources of income;
- 36 committed themselves regarding 3 or fewer sources of income.

Looking to the future

The focus groups also suggested that many students viewed a degree and its associated costs as an investment in their future career but that this view was not universal. This was tested in the future budget income discussion. Based on the answers given, it is evident that most applicants do view it as an investment⁵⁷. Indeed, some were able to express this in startlingly clear terms.

'What you're looking for is the return on your investment, what you've given out and whether you're going to make that money back.'

Brendan, young applicant, Nottinghamshire

Applicants were asked three principal pieces of information about their financial circumstances five years in the future: their expected earnings, accommodation costs and student loan repayments. Each of these was estimated by roughly one-third of those asked and roughly one-third of those asked estimated at least two out of the three figures. These are based on low numbers (24 applicants) and exhibit a huge range of dispersal. Applicants expected, after university, to be (means are calculated net of outliers):

- Earning £25,000
- Paying £8,500 for accommodation
- Paying back £1,560 per year of student loan.

These figures require extreme caution for the reasons given above (a quantitative study would be required for corroboration). Nevertheless, there is realism in relation to salary and accommodation expectations (which, while possibly optimistic are not an order of magnitude away from what graduates face). However, there is not realism regarding loan repayments - forecast at 7% of income on average (whereas the 'true' figure calculated by IES based on the information provided would be 4%. See also the analysis of multiple-choice results for other examples of this 'pessimism bias'). Interestingly, there is no apparent relationship in the data between graduate salaries expected by applicants at the baseline stage and academic achievement (as measured in UCAS tariff points) by the interim interview stage.

Multiple-choice questions

Method

At the end of the interview, applicants were presented with two A4 pages of multiple-choice questions in order to assess their knowledge and understanding of the current financial support arrangements for HE. They were asked to complete these questions on their own, filling in the answers with a pen in the spaces provided. They were invited to take as long as they needed to do this. Where they did not know the answer to a particular question, they were advised to guess. In the few cases where applicants did not answer a particular question, it was assumed that they did not know the correct answer.

⁵⁷ This is consistent with the UNITE/MORI (2003) survey finding that 87 per cent of applicants think a degree is a worthwhile investment.

Most applicants stayed on in the interview room to complete the questions. A small number however, because they needed to leave promptly at the end of the interview, completed the questions elsewhere in their own time and then returned them to the interviewer at the end of the day.

The questions were compiled according to the information provided on the Directgov website and were applicable to the applicants' own potential HE year group (ie that starting in 2008/2009 and finishing in 2011 or later). The first stage of the research suggested that, often, students' knowledge and understanding of financial support arrangements is sparse. For this reason, some questions were pitched at a very basic level. The intention was for the questions to range in difficulty in order to pinpoint applicants' levels of knowledge at any point on a wide spectrum.

Multiple-choice questionnaire

- Which of the following types of student support eventually have to be repaid? Tick all that apply:
 - Bursaries
 - Scholarships
 - Loans for tuition fees
 - Maintenance grants
 - Loans for maintenance

- The maximum annual tuition fee that students starting full-time HE in 2008/2009 can be charged is:
 - £1,225
 - £2,700
 - £3,145
 - £3,700

- Students starting full-time HE in 2008/2009 will get at least a partial maintenance grant if their household income is:
 - £70,005 or under
 - £60,005 or under
 - £50,005 or under
 - £40,005 or under

- The maximum maintenance loan students starting full-time HE in 2008/2009 are entitled to is: (please answer in the column which best describes your own future circumstances)

Students living at home	Students living away from home outside of London	Students living away from home in London
£4,580	£5,625	£6,475
£3,580	£4,625	£5,475
£2,580	£3,625	£4,475
£1,580	£2,625	£3,475

- At what point will students leaving HE in 2011 or later be required to start paying back any loans they have taken out?
 - As soon as they have completed their course, regardless of earnings.

Appendix 2 - Baseline Interviews

- Once they have completed their course and are earning over £15,000.
- Once they have completed their course and are earning over £15,000 (but a five year repayment holiday can be taken at any time).
- Five years after they have completed their course, regardless of earnings.
- Draw lines to match the types of financial support available to students to the organisation(s) which provide(s) them.

Loans for fees	Local Education Authorities (LEAs)
Loans for maintenance	
Bursaries	Universities
Maintenance grants	
Scholarships	Student Loan Company

Repayment of financial support

The first question listed five forms of financial support for HE (bursaries, scholarships, tuition fee loans, maintenance grants, and loans for maintenance). It asked the applicants to indicate which of these eventually have to be repaid, by ticking all that applied. Most respondents correctly identified that tuition fee loans have to be repaid and loans for maintenance have to be repaid. Only 51 out of 79 however answered this question correctly overall (ie by identifying both these two types of support *and* no others). The responses shown below serve two purposes: first, to illustrate that there is a residual number of respondents whose knowledge falls below this threshold; and, second, to provide a benchmark against which to interpret answers to the subsequent questions.

Maximum annual tuition fee

The second question asked applicants to indicate the maximum annual tuition fee that students starting full-time HE in 2008/2009 could be charged. 43 out of 79 respondents gave the correct answer of £3,145. It is notable here that 29 out of 79 overestimated the level of fees and incorrectly gave the answer as £3,700 (an arbitrary figure). A further seven answered £2,700 (the maximum amount available through a maintenance grant) but only one gave £1,225 (the maximum amount charged for courses that started prior to September 2006). Knowledge of fee levels is widespread but not universal.

Threshold for maintenance grants

The third question asked applicants to indicate the household income threshold for receiving at least a partial maintenance grant, for students starting full-time HE in 2008/2009. Only 19 out of 79 respondents indicated the correct income of £60,005. There was a strong tendency to underestimate here, with 43 respondents giving the answer as £40,005 or under and a further 14 giving £50,005 or under, while the higher threshold of £70,005 was only selected by four respondents. It should be noted that, at the time of the fieldwork, the upwards revision of grant eligibility thresholds was relatively recent. Nonetheless, this finding tallies with the first stage of *Going into HE* in suggesting that some applicants may underestimate the generosity of the grants regime, particularly as regards partial grants.

Contrary to expectations, there is no apparent relationship between composite 'distance' from HE, nor even current receipt of means assessed financial support, and ability to answer this question accurately. This means that awareness and understanding of grants may be low among those entitled to full grants as well as those entitled to partial grants.

Maximum maintenance loan

The fourth question asked applicants to indicate the maximum maintenance loan available to students starting full-time HE in 2008/2009. As this amount differs according to whether students are i) living at home (£3,580), ii) living away from home outside London (£4,625), or iii) living away from home in London (£6,475), three columns of possible responses were provided. Applicants were asked to answer in the column which best described their own future circumstances. A few applicants failed to do this and answered in all three columns. In these instances - where one or two, but not all three, responses were correct - researchers checked back to the transcripts of the applicant in question to see what their circumstances were and thus which response should be included.

Only 27 out of 79 respondents correctly answered this question.

Loan repayment

The fifth question asked at what point those leaving HE in 2011 or later (which would be the case for this particular group of applicants) will be required to start paying back any loans they have taken out. Only 11 out of 79 correctly answered that they will be required to pay back their loans once they have completed their course and are earning over £15,000 (but a five-year repayment holiday can be taken at any time). The vast majority thought the answer was simply once they have completed their course and are earning over £15,000, which is the case for students graduating *before* 2011. The information many of them have is therefore not up-to-date, but applicants' understanding is - in the broadest terms - fundamentally correct.

Providers of financial support

The sixth and final question presented the applicants with five types of financial support available to those in HE (loans for fees, loans for maintenance, bursaries, maintenance grants and scholarships). The applicants were asked to draw lines to match these to the organisations that provided them (from either Local Educational Authorities, universities or the student loan company). In the few cases where applicants drew more than one line, their answer was discounted. While scholarships are strongly associated with institutions, the source of other types of financial support is less firmly established in applicants' minds.

Overall scores

Each applicant was given an overall score out of ten for the full set of questions (made up of one mark each for each of the first five questions, and then five marks across the five parts of the sixth question). These scores ranged from one to eight. The mean score was 5.28 and the median and mode were both six.

Curiously, the 14 mature applicants scored lower than the group as a whole (although the absolute numbers are small). Other than in relation to age, there was very little differentiation between respondents' scores either by background factors or by the number of types of information source they had used.

Scenarios

Method

During the interview, applicants were presented with a series of three scenarios, which were read out loud to them by the interviewer. The applicants' responses to these were recorded and transcribed. The purpose of the scenarios was to explore how applicants would react to prices and assess the affordability of different options, with a view to possible changes to student finance in 2010. The focus groups previously conducted with existing students suggested that teaching contact hours were a key value for money consideration for students; these scenarios investigate whether consciousness of such factors is present also among applicants.

Each scenario consisted of a fictitious decision situation (with a financial dimension) faced by an individual to whom the interviewee would offer advice. Several questions followed each scenario to test what might make the interviewees change the advice given.

Scenario 1. (All interviewees): choice between two universities that are identical in all respects other than the fees charged (£3,000 per year in one, £6,000 per year in the other) and facilities (better at the more expensive university).

Scenario 2. (All interviewees): choice between two courses that are identical in all respects other than the fees charged (total loan for maintenance of £10,000 in one, £20,000 in the other) and the job prospects afterwards (better for the more expensive course).

Scenario 3a. (Young people): choice between a paid job after leaving school and going to university, living frugally and accumulating debt (but improving longer term prospects).

Scenario 3b. (Mature applicants): having not been to university and regretted it ever since, the decision is whether to take out a second mortgage to help fund this cherished ambition. The scenarios offer stark choices, in financial terms, because the focus groups with students at Greenwich University and Thames Valley University (two HEIs with fees slightly below the current cap) suggested that students did not consider small differences in price to be relevant choice factors. It was emphasised to the applicants that the information contained in the scenarios was entirely fictitious and that there were no right or wrong answers to the questions posed. In many cases, the applicants asked for further details about the situation described. All interviewers had been instructed however *not* to give any additional information and to tell the applicants to assume that any factors not mentioned were held constant.

Scenario 1 - Fictional universities

Suzie has been offered places at both Valley University and the University of Newtown and she genuinely doesn't know which offer to accept. Valley University is well-known for its good facilities. It charges tuition fees of roughly £6,000 a year. The University of Newtown has fairly standard facilities, however it only charges tuition fees of £3,000 a year. Which university would you recommend to Suzie?

(These are the only details; all other factors are completely equal between the universities).

Why would you recommend Valley / Newtown?

If Valley is recommended, probe with:

Now imagine I change the example a little bit [remember, there are no right or wrong answers].

Would you change the advice you give to Suzie if instead of £6,000, Valley charged £7,000?

£8,000?

£9,000?

£10,000?

Why?

How would you decide how much is too much to pay for a better student experience?

If Newtown is recommended, probe with (note how far in 1-6 if needed):

Now imagine I change the example a little bit [remember, there are no right or wrong answers].

Would you change the advice you give to Suzie if:

The nightlife was better at Valley?

Valley got consistently higher student satisfaction scores?

Valley had newer and more comfortable accommodation?

Students at Valley could stay in University accommodation for two years while students at Newtown got only one year?

Students at Valley received significantly more contact hours (lectures/seminars) compared to those at Newtown?

IF 1-6 sufficient: Which of these factors is most important?

IF 1-6 insufficient: Is there anything that Valley University could offer Suzie that would make you recommend it over Newtown?

What if the fees at Valley were reduced to £5,000? £4,000?

£3,500?

Scenario 2 - Fictional subjects

Sam greatly enjoys both Upology and Downology and is having difficulty deciding which to study at university. Tuition fees for Upology are a lot more expensive than tuition fees for Downology and would require him to take out a loan for tuition of £20,000 instead of £10,000. However, his job prospects afterwards are likely to be better. Which subject would you advise Sam to study?

Why would you advise Sam to study Upology / Downology?

If Upology chosen, probe with:

Now imagine I change the example a little bit [remember, there are no right or wrong answers].

What if the loan needed for Upology was £25,000?

£30,000?

£35,000?

£40,000?

How would you decide how much more Sam should be willing to pay for an Upology degree?

If Downology chosen, probe with:

Is the thought of being in debt off-putting to you? Is this a reason for your advice to Sam to do Downology and take out a smaller loan?

Or do you feel it is necessary and inevitable for students these days?

Would the thought of Sam being able to get a graduate job starting at £22,500 make you feel differently about him taking on more debt to study Upology?

What about £25,000? £27,500? £30,000?

How certain would you have to be of Sam getting a better job? Would you advise him to be prepared to take some element of risk?

Scenario 3 (School-aged applicants only)

Hannah is 18 and coming to the end of her time at Sixth Form College. She has been offered a permanent job with a highly-regarded company which she could begin in the summer. Although the pay and progression opportunities are fairly average, she would be earning money straight away and her future would be reasonably secure. However, she has also been offered a place at Hillside University. If she were to accept this, she would be cash-strapped for the next three years and would have to take out a loan. Yet she would ultimately be likely to get a higher paid job with better progression opportunities. What advice would you give to Hannah?

PROMPT: *Would you advise Hannah to go to university or to take the job?*

Why would you recommend job / university?

If accepting the university place is chosen, probe with:

Now imagine I change the example a little bit [remember, there are no right or wrong answers].

Would it make a difference if: Hannah needed to work during term time to support herself?

Hannah would only be able to afford university if she continued to live at home?

Hannah was worried she might not get a good degree and might then struggle in the graduate labour market?

If accept the job is chosen, probe with:

Now imagine I change the example a little bit [remember, there are no right or wrong answers].

Would it make a difference if:

Hannah could do a degree at Hillside that was compressed into two years?

Hannah could be guaranteed university accommodation for her whole period of study?

Hannah could access enough grant and bursary money to ensure she didn't need to work during term time?

IF these are sufficient: Which of these factors would be most important?

IF these are insufficient: Is there any kind of additional student support that could make you recommend studying over working?

Do you think Hannah should consider working for now and maybe think about reapplying to university in five or ten years' time? Why (what might be the pros and cons)?

If Hannah could get an apprenticeship, do you think that might be as good as (or better than) going to university?

Scenario 4 (Mature applicants only)

John is in his late 40s. He has been reasonably successful in his working life and has managed to buy a home of his own. However, he regrets that he did not have the opportunity to go to university when he was younger. He has often thought about going back to studying but has been discouraged by how expensive it would be. Recently though, he has been thinking about taking out a second mortgage to help him cover the cost. What advice would you give him about this idea?

PROMPT: *Would you advise him to take out a second mortgage to cover university costs? Why / why not?*

How risky would you consider this option to be? How would you decide whether it was worth it?

For what kinds of reasons do mature students go into HE?

Are there situations where mature students going into HE is less appropriate?

Responses

This section provides a quantitative breakdown of the major responses. It should be stressed that these are not quantitative findings that can be generalised to the wider population, owing to the qualitative design of this study. Furthermore, responses cannot be interpreted fully in isolation; in particular, those recommending a course of action might not decide like that themselves (talk is cheap), though their answers do indicate a receptiveness to certain messages. Many responses will have been influenced by the way the scenarios are

presented (indeed, the scenarios are designed to push responses this way and that). However, the differences in responses across scenarios are extremely instructive. The responses to individual scenarios are analysed here, followed by a comparison between the results.

Scenario 1: Universities - 58 analysable responses

Responses to this scenario were evenly balanced: 33 applicants initially recommended the less expensive university with standard facilities, whereas 25 were in favour of paying extra for the university with better facilities. These stated preferences were, however, not particularly firmly set. Only four out of 58 respondents maintained their initial decision after the scenario was fully discussed. A further six did not arrive at a definite decision but rather expressed pros and cons of both universities and / or stated that they would need more information about the circumstances of the individual concerned to be able to give advice. Twenty-one out of 25 recommending the more expensive university were deterred (indeed panicked) by increments in price while 27 out of 33 recommending the cheaper option were swayed by a range of inducements, including additional contact time.

As a whole, both mature and young applicants were evenly split in terms of their initial decision. Interestingly, all of those receiving EMA initially recommended the least expensive option. In terms of our composite measure for 'distance' from HE, both initial decisions are represented at each level, but there does seem to be a slight inverse relationship, in which those furthest from HE are most likely to recommend the cheaper option (albeit one for which significance testing is not possible). This is consistent with the demographic contrasts between those currently applying to and attending, for instance, Russell group universities, and Million+ universities (which is itself related to the localism of certain groups' university aspirations). In this respect, it is possible that raised fees could further deter applications to certain universities that are already struggling to widen their intake.

Scenario 2: Courses - 62 analysable responses

An overwhelming 57 out of 62 respondents initially recommended studying the subject with higher tuition fees yet increased job prospects and only five recommended the cheaper option. These stated preferences were, as with those to the first scenario, not very firmly anchored. Only six respondents maintained their original choice when given more information, with a further 15 unable to make up their minds. Of the five recommending the cheaper option, two were convinced to change their minds by guarantees of graduate prospects and earnings, while of the 57 initially recommending the more expensive option, 39 were dissuaded by (typically small) price increments.

No pattern of initial choice by background factors is discernible (unsurprisingly, given the overwhelming number opting for the more expensive subject).

Scenario 3a: HE - 47 analysable responses

Young applicants overwhelmingly recommended university over taking a job after school (by 45 to 2). This preference was also more firmly set than those relating to price sensitivity in the previous scenarios: only 25 respondents changed their minds, while a further 10 came to no firm conclusion.

These preferences did not vary by background.

Scenario 3b: Mortgage - ten analysable responses

It is difficult to provide a statistical analysis here as only 10 mature applicants participated in the scenario. However, overall, more were against the idea of taking out a second mortgage to fund a degree than were in favour of it.

The implication of this finding is that increasing opportunities to borrow against accumulated assets may not be an effective policy lever for widening adult participation in HE. Widening participation efforts for this age segment may require targeted subsidies rather than reliance on incentivisation through individual capture of the returns to HE.

The scenarios as a whole

Taken as a whole, the real message from these scenarios is that, for those whose backgrounds are furthest from HE, the main impact of a variable fee and support regime might be on where they choose to study. Currently, course choice is often the key element of applicants' decision-making and these scenarios suggest many would be open to the idea of paying more for certain subjects. However, any future variable fee regime would engender some specific guidance needs to help those navigating the system think through the financial ramifications of their choices.

The probing around the scenarios found that, while paying a premium was more palatable in relation to courses than in relation to institutions, neither of these views was particularly firmly entrenched by comparison with the (already accepted) payment of fees and the opportunity costs of going to university instead of working.

Attitudes to student loans

Throughout the scenarios, applicants were asked about their reactions to differently priced HE options, and these differences were often translated into totals of the loans for fees that might cover the costs. Thus, discussions around the scenario options can also yield some insights into the idea of using loans to finance HE (this area will be explored in more detail in the follow-up interviews). Loans were generally well understood (see also p94-95). Where repayment conditions were understood, this tended to have reassured applicants.

'... the general belief is you will get into £50,000 of debt, never pay it off and they'll take your home off you. I was pleasantly surprised that it wasn't as bad as people make out. It was a lot of money but the repayment scheme is really well organised.'

Charlotte, young applicant, South Yorkshire

'I thought you'd have to be paying it back constantly so it kind of surprised me that they didn't mind you paying back until you earn over a certain amount ...'

John, young applicant, East London

However, as noted already from the focus groups with students, the issue of the total debt amount does remain a concern for certain individuals, almost as a separate issue from the affordability of repayments. Moreover, there are certainly individuals who prefer not to think about the loans at all.

'I was reassured that you don't have to pay back the loan until you earn a certain amount. I was shocked at the amount you had to pay back.'

Laura, young applicant, Nottinghamshire 3020

DO YOU KNOW MUCH ABOUT REPAYING STUDENT LOANS?

'You pay it back each month. I've put it to the back of my mind. Put it off.'

WHEN WILL YOU THINK ABOUT IT?

'Pretty soon now.'

Serena, young applicant, Nottinghamshire

Sometimes, as with messages about the overall costs of HE, alarming messages are transmitted through informal channels, but even the measured advice of educational professionals can worry applicants who may have little experience to help contextualise the monetary totals involved.

WHERE DID YOU GET THE MESSAGE THAT IT'S EXPENSIVE?

'Staff. My brothers saying "I'm 26, I'm still paying off my debt" ... that's what they always say That's what scares me. And lecturers say "You will owe like £8,000" – it's a lot of money.'

Sarah, young applicant, East London

Generally, as noted earlier, applicants do see HE as an investment. Most applicants are favourable to the use of loans to finance this investment (although sometimes grudgingly so). A fair number were able to broadly describe the principles they might use to assess this investment, with methods ranging from arbitrary cut-offs for loans and future earnings to more sophisticated investment appraisals.

HOW WOULD YOU DECIDE HOW HIGH YOU COULD GO?

'I'd have to compare what I had after my qualification and balance it off with that. I don't think there's any point in getting into that much debt if the maximum you can earn is £30,000.'

James, young applicant, East London

Although some applicants were able to describe in plausible terms how they might appraise the value of a loan-financed degree, there was not a single case of a student being able to concretely show that they had appraised their chosen HE options in terms of both costs and benefits.

Not surprisingly, applicants are generally convinced of the benefits of HE, despite the opportunity costs and the fees. This seems to be the case, irrespective of background. These beliefs are rather more firmly set than some other HE attitudes around the value of particular courses or institutions. The prospect of higher opportunity costs does not seem particularly dissuasive.

Teachers and advisers

Schools and colleges also have an influence in the decision-making process of applicants.⁵⁸ Help from teachers tends to be better received than careers advice delivered within school.⁵⁹ During our fieldwork visits to all but one of the schools and colleges (or later by telephone), we were able to interview key staff representatives about institutional policies and practices. These interviews focused on institution background and activities to help potential applicants

⁵⁸ Notably, recent Sutton Trust research has shown the effects certain schools have on applications and entrance to elite universities.

⁵⁹ Futuretrack, *ibid.*

with their HE decisions, particularly in relation to financial information and advice. We were also able to elicit their perceptions of the level and nature of applicants' concerns in relation to the costs and support available in HE and the extent to which this impacts upon applicants' decision-making.

A range of individuals was interviewed including those with a specific remit to provide careers advice and, in some cases, HE finance specialists; all had direct contact with applicants making decisions about HE. We should note that these discussions took place in winter 2007/08, before the 'Customer First Programme' simplification of support and application arrangements.

HE awareness activities

The schools and colleges reported a range of activities to support applicants in making decisions about HE, and many were proud of their work. Some innovative approaches were identified, and activities often went beyond group tutorials to involve: one-to-one coaching, HE education fairs, interactive sessions in the style of *The Price is Right*, budgeting workshops, visits from representatives of various professions, visits from and to universities, and more involved project activities set within universities with undergraduates as mentors. Support was provided by a wide range of actors - including tutors, dedicated careers staff, Aimhigher staff, Connexions staff, university representatives including current HE students ('Student Ambassadors'), and Local Authority finance staff.

One or two institutions - particularly those catering to adult learners - noted how they retained good links with former students and often involved them in talking to applicants, giving their own experience of making the transition to university. Most schools and colleges appeared to have very good links with their local universities.

'I think the thing that works best for us is bringing ex-students back and them talking about their experiences, and particularly what [prospective students] are interested in is how they have coped financially ... that's probably the single most important thing because they see other people from similar backgrounds who have done well out of it, and that then spurs them on and makes them believe that it is possible for them.'

Staff / teacher, FE college, South Yorkshire

Not all the support is directed at applicants, with staff reporting various activities to inform parents. Staff appeared, however, to be somewhat disappointed with the levels of take-up and engagement amongst parents.

'We do an evening for parents in May ... we get a good turnout, but by no means all the parents, maybe half the parents ... it would be nice to see more parents involved in their children's applications. As I said, I think they [parents] are ambitious, but they don't always get involved and support their children, many times the kids have to do it themselves.'

Staff / teacher, school, East London

'We tried a parents' evening and it wasn't terribly well attended so the following year we decided not to bother.'

Staff / teacher, school, South Yorkshire

Guidance work

In most cases the schools and colleges had high proportions going on to HE (in some cases up to 95 per cent), and progression in an institution into post-16 attendance (or on to an Access course) was felt to indicate a clear intention to progress to university: *'There was quite a strong interest in HE right from the start so with most students it's like pushing an open door'*. In these cases, early support activities (e.g. in Year 11/12) were therefore focused less on decisions about whether or not to participate, and instead were focused on making decisions about what and where to study - about raising awareness of opportunities often through student-centred research and university visits - to ensure applicants get the most from their future HE experience.

Some staff reported success in their course and university choice guidance work, but others still struggled to overcome applicants' entrenched preferences, especially the reluctance to move far from home. Indeed, leaving home was felt by some staff to be one of the key concerns applicants have about HE. This appears to be particularly prevalent in the case of some black and minority ethnic groups in East London and some of the schools in Nottinghamshire and South Yorkshire with higher proportions of students receiving EMA. One or two staff felt that some young people are set on a particular subject and do not research all their options or just move on to university without serious thought - that going to university was a 'non-choice'.

'The main challenge is to get them to the right university for them ... we still have an issue with making sure that students pick the right course at the right university in order for them to stay at the university, not drop out. Initially my focus was to get them to the right university ... they were not applying to, I would say, the higher tier of university and they certainly weren't applying outside of [region]. Now it is a lot better ... the trend is that students are now looking further afield, they are not just trying to choose for convenience but to go and look further. We have students all over the country now ... A few years ago the issue was the calibre of the university and getting more of a scope, but now it is a question of course choice, you are getting them to look more discerningly at the courses that they are opting for, making sure that they are doing the right thing ... they're now looking at various things like the employability rate after the course.'

Staff / teacher, school, East London

'Some kids are quite parochial and tend to just want to go to a local university so they can live at home. They are scared of leaving home ... if we looked at where they went to university it would be in a radius of 100 miles for the majority.'

Staff / teacher, school, South Yorkshire

'And even this year we've had two students who said, "Well I'm only going to apply for four, because they are the only four universities in London that do the courses that I want to do.'

Staff / teacher, school, East London

'When I went to university it was a choice, an ambition, an adventure and a life change. My impression these days with young people - not all of them, I am generalising as a whole - it is almost now expected of them to go to university and so it becomes almost an extension of school. They don't attack it with the same relish that we did and the excitement. It is almost like, "Well I suppose I will go to university" because they have nothing to do and they might as well go... they seem almost jaded about it.'

Staff / teacher, school, Nottinghamshire

Appendix 2 - Baseline Interviews

Others talked about some applicants' lack of maturity to be able to make such serious decisions, in contrast to the experience of mature applicants.

'The mature students actually take it more seriously and are probably more determined to get there, they know exactly where they are going. The younger students ... are not taking it seriously and are forever changing their minds.'

Staff / teacher, FE college, Nottinghamshire

Timing of information and advice

Students had multiple opportunities to receive support over their time at school and college, and even beyond (for those considering HE as an option a few years after completing their studies), and support started early. After the early guidance work to help applicants consider courses, universities and careers, later sessions focused intensively on the application process and, in particular, in supporting individuals to develop their personal statement. One institutional representative noted how with those on one-year courses the decision-making period was too short and that it was difficult for this group to cope with the demands of the application process within such a short time period. In an interesting contrast, some institutions reported that they made all their A-Level students register and apply, regardless of whether they intended to go to university, and that this opt-out rather than opt-in strategy for maximising progression was made possible by the early UCAS deadline.

Although in some cases there was ongoing, generic financial education in areas such as budgeting, specific student finance issues were not introduced until after applications had been submitted. This was often to ensure use of the most up-to-date information, but it was also because the timing of the 'finance message' was critical. In their experience, staff found that introducing the topic too early had no impact, because the information '*falls on deaf ears*'. Even when delivering the message at a later point in students' educational careers, some staff reported a lack of receptiveness.

'I have to say that they kind of tune out in the first year, particularly the younger students. I think it feels remote and that it is going to happen to someone else. It is only when they start getting their offers in and they believe that they are going that I think they will actually start coming and asking questions about exactly how much money they are likely to get ... I think for some of them probably it won't even be real until they are at university and they see their end of year statement of what they actually have let themselves in for.'

Staff / teacher, FE College, East London

And in one school, financial support and costs were deliberately not raised as an issue until support levels were set in March (although staff were available to answer questions informally), for fear the cost and debt messages would contribute to a self-fulfilling fatalism.

'Lots of girls here are not from graduate families. If you tell them about debt, many of them would use it as an excuse to work less hard "because I wasn't going to get the grades anyway".'

Staff / teacher, school, East London

Tuition fees and debt

There was some feeling that the message about the level of tuition fees has been received but that the amounts involved can be somewhat daunting, especially when costs of living are factored in. Staff reported that the sheer size of the likely debt level on completion is often a concern for applicants and for their parents and that reports in the media about graduate debt have fuelled individuals' concerns. Most staff work hard to reassure applicants that the

Appendix 2 - Baseline Interviews

eventual repayments are manageable - and they work to put this into perspective for young people whose financial perspectives are not the same as those of people working and earning money, using scenarios and language that young people find accessible.

'You know what it is like when you hear the headlines and all you hear [about] is student debt, and everyone is graduating with £20,000 debt, which of course they are, but no-one is asking you to pay that back straight away. I think it is getting the message across that you pay it back gradually. And yes, it is not funny and it is a serious amount of debt and you should think very carefully about your choices, choose the right university and course because it is going to cost you money, so you should be investing your money in the right product.'

Staff / teacher, FE College, East London

'It seems to be all over debt. That's their main worry. It really scares them. The average [student] coming out now is £14,000 debt and for an 18 year old that is a lot of money. It is difficult to explain that when you get into the working world, although that is a lot of money, it is perfectly doable and the way it is paid back is manageable. They see it as a huge amount of money.'

Staff / teacher, school, South Yorkshire

'I usually start the session by asking, "How much do you spend on your mobile phone a month?" and they come up with whatever they come up with and I write that on the board. Then we go through the presentation, all the questions and answers and at the end I remind everyone what they said they spend on their mobile a month, just to get the panic out of it: that you are quite happy to spend £20 a month on your mobile phone calls and yet you are panicking about paying that back or a little bit more back for your degree. So they realize: although it is a lot of money, no one is asking for it all at once.'

Staff / teacher, FE college, East London

Despite these very real concerns, there is a feeling that the costs and likely debt involved do not necessarily deter individuals, especially now that fees are not paid up front. Instead of being a core consideration, finance could just be one of a number of considerations that contribute to the decision not to participate. Instead, some staff noted the resurgence of the gap year as a strategy to cope with the financial burden.

'I wouldn't say it necessarily stops them from doing it but I think they see it as a little black cloud on the horizon.'

Staff / teacher, FE college, East London

'I have seen more people actually thinking about having a year out and then going, which I think is probably down to finances again, they want some money behind them before they go on ... gap years seem to be coming back, just to get a bit of pocket money.'

Staff / teacher, FE college, Nottinghamshire

'We are getting more and more students who will take a gap year out to earn money before they go to university I think it can be a good thing because it means that they are going to university after having experienced working life and seeing the tedium and it can be a spur on. Some of them need to get the confidence and grow up a bit more before going. I don't think there are many who say they are not going once they have been out working for a year.'

Staff / teacher, school, Nottinghamshire

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However, one staff representative often encountered adult learners with real concerns about the affordability of studying for a degree.

'When I get someone [who is worried] I would try and sit down with them and make sure they have explored it enough and not just rushed to that decision. If someone comes on an Access to HE course and decides they can't afford it, it's a shame. I also suggest alternative options.'

Staff / teacher, FE college, South Yorkshire

In a few more cases, staff expressed their own concerns about the financial viability of HE study; not in relation to the cost or support, but rather - given the numbers progressing to university - in terms of the eventual returns. This particularly was a concern in relation to older individuals returning to education. Staff also noted that this was an issue raised by applicants and particularly by their parents.

'In reality, when you put together the fact that they are aiming for less well paid occupations, that there is age discrimination, and that they have actually got less time to get the benefits of being in a better paid job'

Staff / teacher, FE college, South Yorkshire

'Once upon a time in order to get that good start in life, a degree was the ultimate. Now it is just not. There are so many kids out there with degrees, just having a degree isn't enough, they have to stay on and do a masters.'

Staff / teacher, school, East London

'For the first time, they are starting to be put off by the fact that so many graduates are unemployed or are chasing jobs where twenty years ago they were done by people with O-Level education.'

Staff / teacher, school, Nottinghamshire

Staff also commented on the complexity of the system and how they could not be expected to be experts on all its intricacies - often leaving this to local authority staff. They also talked about the difficulties of the application process for financial support.

'The whole minefield is applying for loans and the maintenance grants and the bursaries. The bursaries are just sort of amazing ... every university has got their own little take on bursaries, and kids don't always know what is going on.'

Staff / teacher, school, East London

'I think the problem is ... and I think this is a real difficulty ... the system of financial support now is so complicated and it's hard for students to get their heads around. Yes, in theory they could look up a particular subject like Psychology and then compare all the institutions in terms like the bursary, and that is something I tell them about and that they should know how to do ... it makes it quite hard for students to calculate what level of income they are going to get and therefore whether they are going to be able to afford it.'

Staff / teacher, FE college, South Yorkshire

'Calculating the level of loan to which you are entitled is a nightmare. The process is if you apply for the full entitlement to full loan the level of documentation you've got to provide is horrific. You end up with a folder-full.'

Staff / teacher, school, Nottinghamshire

Main findings from the staff interviews

Schools and colleges are doing a lot of proactive, often innovative work to raise awareness of HE. Besides facilitating (even mandating) their students' applications, the main concern for staff was usually to support their students to decide which courses and universities would be best for them. These efforts were sometimes, but by no means always, successful. When these efforts fail, staff attribute this to cultural and family background rather than to financial factors.

The delivery and timing of student finance messages had been given considerable thought in most schools and colleges. The main challenge is finding the right time to effectively deliver a complex message that may seem very abstract to applicants until they have received offers (or even later). Separately to the timing of the message, some staff felt that the complexity of the system makes it difficult to help individual students to assess their total costs, support and debt in a manner that fully reflects their circumstances and choices.

Parents and guardians

The applicant interviews in this study suggest a major parental or family role in HE decision-making for some individuals. The importance of this role has been described in previous research into HE participation (see for example Purcell et al (2008), *Futuretrack*, HECSU). It is therefore worthwhile to explore the parental perspective on our applicants' decisions - the role they felt they had and their understanding of the financial aspects of participation.

The younger applicants were asked if their parents would be willing to help with the research and to share their thoughts about higher education, and we were able to speak with a parent or guardian of 20 of them. The parents were spread across the three geographical regions and approximately half had been to university (or equivalent), representing families with some experience of higher education, and half had no experience of higher education and so their child was the first in their family to plan to go to university. The broad topics covered in these, relatively short, semi-structured telephone interviews were:

- The parent's own experiences of education.
- The parent's views on university (exploring the extent to which it is considered an investment or a life experience).
- Any parental attitudes towards specific subject areas.
- Whether and in what terms the parent had talked about university to their offspring.
- What choices the parent would like their offspring to make (and why).
- Whether the parents had expressed these preferences; whether the parents had sought to influence their offspring in this way (more sensitive).
- What the parents thought it would cost for their offspring to go to university; where did they get their information; would they be able to afford to make a financial contribution; did they intend to contribute financially (right at the end).

The benefits of HE

Generally, the parents who had not been to university noted how, at the time they left school, it was something that very few people did, it was not the norm and was not encouraged during school, and some could not wait to leave education. In addition, one or two felt that they were not clever enough to have gone.

'The age I am very few of you went to university. I think when I was at school, out of the whole of my year there were only about three people that were going to university ... I think we knew very little about it really, we thought it was for people who wanted to be professional people like doctors, lawyers, solicitors or something like that.'

Parent of Ian, young applicant, Nottinghamshire

However, all the parents, whether they had been to university or not, recognised the benefits that higher education could bring. Those who had been to university talked about doing so to improve their job and earning prospects, gain life experiences and gain independence. However, a few talked about using university as a tactic to delay entry to the labour market:

'[Like] my brother, who didn't know what he wanted to do, so he went to university.'

Parent of Ross, young applicant, South Yorkshire

This was not the predominant view among the applicants who instead tended to speak about university as a means of bettering oneself or to improve job prospects and to rise faster and higher than non-graduates.

'If you have a degree it puts you above people who haven't.'

Parent of Hayley, young applicant, South Yorkshire

'You're going to come out of uni and be in pretty much the same situation had you gone directly for a job. Working your way up would be a lot faster with the degree.'

Parent of Charlotte, young applicant, South Yorkshire

Generally, parents and guardians thought university education still brings independence and long-term career advantages. However, there was an undercurrent of feeling that worthwhile alternatives to HE were lacking, making degrees almost a necessity.

'In today's climate it is an advantage ... because everyone is looking for qualifications.'

Parent of Charlotte, young applicant, South Yorkshire

'There are so many careers now where you can't even get entry without a degree ... that hopefully with a degree there is even more chance of getting employment afterwards. But it is not guaranteed is it? I think it is more a minimum requirement these days.'

Parent of Ross, young applicant, South Yorkshire

'When I went to university about three per cent of the student population went to university. Today I think around 46 to 48 per cent of the student population go to university. I think expectations have changed and I think that people have a much wider range of reasons for going to university ... a lot of it is the fact is that its just expected of them, so people do that. I think going to an institute of higher learning is a social experience for a lot of people - it is what their friends are doing so they want to do it - and I think it's also, perhaps in a negative sense, perceived as something of a failure not to go.'

Parent of Ruby, young applicant, East London

One parent felt that too many people now go to university, which reduces the benefits.

'I don't think the benefits are the same. I think your potential for getting a better job has lessened now ... too many people go and it devalues the degree.'

Parent of Simone, young applicant, Nottinghamshire

Overwhelmingly, the parents felt that going to university was a good idea for their child, and some expected their children to go to university – following their example.

'Myself and my husband ... we have been to university ourselves and we think that university is very important for her to get her degree so that she is able to get a proper job and not rely on the state ... as parents we are looking forward to our children going to university because that is part of how we have been brought up, that we go to learn and better our lives and be financially independent.'

Parent of Elizabeth, young applicant, East London

'My wife has got a couple of degrees, I've got a couple of degrees- people just expect that their children will at least do an undergraduate degree.'

Parent of Ruby, young applicant, East London

Decisions about HE

Nearly all the parents reported that the decisions of their children to go to university had been made early on, with many talking about having *'always known'* that their son or daughter would progress on to degree level study. Where parents and their children had both commented on when the young person had decided to go to university there was generally consensus, with each reporting having made the decision at a similar time. Like the parents, many of the young people reported that they had *'always wanted to go'* to university. Many had not ever considered any other option, mainly due to parental expectations.

'Oh, it's just the done thing; I couldn't imagine not going to University ...

SO YOU NEVER CONSIDERED ANY ALTERNATIVE OPTIONS?

There is no alternative option.'

Ruby, young applicant, East London

All parents also reported talking about going to university as a family⁶⁰ - yet few felt that they had exerted any influence on their child. Some parents expressed certain subject preferences, often for vocational subjects with what they considered to be better employment prospects. In some cases there were parental preferences towards certain universities or colleges with better reputations and graduate outcomes or, conversely, towards local institutions that entail fewer additional costs. Many felt strongly that the decision was up to their child and it was clear from responses that they would not be at ease with the perception that they may have been an influence, as this is the *'wrong thing to do'*.

'One thing I am not trying to do is put pressure on her to make a decision, all I am trying to do is give her advice and let her decide what she wants to do ... she knows that I have been through it myself and I am paying off my debts at the moment so she knows it is a serious decision to make.'

Parent of Sarah, young applicant, East London

⁶⁰ As is shown later, however, it would seem many of these avoid talking about finances

Appendix 2 - Baseline Interviews

'Ideally I wanted her to go to another university but she wanted to go to [university name] and if that is going to make her happy then that is alright'

Parent of Elizabeth, young applicant, East London

'if [name] had said "I want like to go to university and study Golf Studies for three years" I wouldn't have thought much of that. It had to be relevant, something that was going to be worthwhile for her in terms of giving her a good potential future income ... My only concern was that she would pick something that was reasonably known for its quality in terms of the subjects she wanted to study. But other than that I really have no problem with what she picks in terms of college to go to I have no particular idea about keeping her close to home or whatever. As long as she was making the choice for the right reason to go to a university, which was anything other than "its got a nice night life" or something'

Parent of Ruby, young applicant, East London

Only one or two parents did feel that they had influenced their child to try to ensure a more 'useful' or 'safer' outcome from the university experience - but this tended to be in terms of the subject or course choice rather than institutional choice

'by looking at what kinds of degree she wants to do, I have tried to influence her choice, make it something that is going to be more useful'

Parent of Simone, young applicant, Nottinghamshire

Young people were more likely to admit to being influenced by their parents than their parents were to admit that they had been an influence on their offspring. In more than a quarter of the matched interviews, parents denied any influence over their son or daughter while their child stated that their parents had been an influence on their decisions about going to university.

'We always try not to but we will support her and she knows that - whatever her decision.'

Parent of Francesca, young applicant, East London

'Yes they have helped me look through the prospectus and stuff and just help me decided which five I should apply to ...'

WOULD YOU SAY THAT THEY HAVE BEEN QUITE INFLUENTIAL IN YOUR DECISION?

Yes'

Francesca, young applicant, East London

The young people told of a variety of ways in which parents had influenced their decision-making. They cited their upbringing and an encouraging family environment as being one of the main ways they were influenced; they had seen that their parents or older siblings had been to university or had parents that had expectations that they would go on to university.

'My mother always said to me I want things for you that I never had and never had a chance to do, so I'd like you to go to university and from there I've always wanted to do it.'

Amar, young applicant, South Yorkshire

Appendix 2 - Baseline Interviews

There were also specific influences from the parents that their children reported, such as: receiving advice about employment prospects or being actively encouraged by their parents to do research and find out certain information. There were few examples of either parents or their children citing parental influences over course choice and these examples were often from children aspiring to their parents' careers. In one such case, relating to medicine, this influence was overt.

'HAVE THERE BEEN ANY PEOPLE YOU'VE APPROACHED FOR HELP?'

Mum and Dad.

HAVE THEY BEEN ABLE TO ADVISE YOU?'

Yes. Mum works at blood transfusion and knows loads of people. She can ask them about future prospects.'

Ross, young applicant, South Yorkshire

The most frequent parental influence over accommodation cited by the young people related to staying closer to home or living at home to keep costs down. In one exception, the parental influence was the reverse of this pattern.

'My mum said I had to be independent so I am not staying at home.'

Dionne, young applicant, East London

Parents reported mixed experiences of support from the school or college in making decisions about HE (much as staff talked of mixed experiences trying to engage parents). Some parents had not talked to teachers about their child's HE options or decisions whilst others had done so but with varying degrees of success.

'They [teachers] have guided [name] in a sense and they have boosted his confidence by saying he is capable of university.'

Parent of Derry, young applicant, Nottinghamshire

'They [teachers] don't seem that well equipped to guide him as to the sort of course that he should be applying for, he appears to have done most of it through his outside interests.'

Parent of Brendan, young applicant, Nottinghamshire

Financial aspects - costs and support

Many of the parents did not feel very well informed about the costs of HE and felt significantly less well informed about the support available. There was no real difference in this respect between those parents with HE experience and those without. However (and perhaps fortunately) most felt that their children were better informed than them, and indeed some parents were of the opinion it was solely their child's responsibility to find out this information. One guardian still felt concerned that young people need proper financial advice:

'They need to be advised properly about the financial implications because I don't think a lot of them realise how much debt they are getting themselves into. Not only student loans but credit cards, overdrafts and things like that and for some people it gets too much and they get into so much debt they just break down.'

Parent of Sarah, young applicant, East London

Many parents were able to give accurate figures for tuition fees, with one or two specifically mentioning the fees were too high:

'I mean some of my friends' sons go to university for 8 hours a week and they are paying over £3,000 a year and it seems an awful lot of money for 8 hours a week.'

Parent of Ross, young applicant, South Yorkshire

This knowledge of fee levels suggests at the very least that fees are an aspect of the student finance system that has been absorbed by parents. There was far less knowledge, however, of exactly when and how the fees were paid. And most parents knew nothing about the eligibility criteria for the financial support elements such as bursaries, scholarships or maintenance grants, or else showed confusion about these aspects.

Parents' key sources of information about financial support were prospectuses, general university guides, the Internet (particularly universities' own web pages) and direct contact with universities through open days etc. Indeed, one parent noted how they were expecting the university to get in touch to explain *'exactly how much it would be'*. One parent talked about a useful web-based financial calculator:

'There are some financial planning websites that you can go on. I think [university name] have got one that you can put in all your information and find out how much you have got or you might get and you also find out how much you will need to live etc.'

Parent of Brittany, young applicant, Nottinghamshire

Generally, parents acknowledged that the cost of living in an area could have an impact on the relative cost of studying at a university - making some more expensive than others - yet they felt this had not influenced their child's decisions.

Some parents speculated on the likely living costs their child would face, mostly in terms of accommodation, and these varied widely. However, many more felt unable to estimate these costs and very few reported actively looking into this aspect of university study. Many were concerned about the overall expense involved (including both fees and living costs).

'There are so many stories about how expensive it is and it is quite frightening really.'

Parent of Derry, young applicant, Nottinghamshire

'It's going to cost an arm and a leg.'

Parent of Ross, young applicant, South Yorkshire

A small number of parents specifically referred to some institutions charging higher fees than others. One parent could see that it would be easy to justify paying more for a good university (compared to paying less to attend a 'bad' university), but that the decision becomes less easy the less divergent universities are.

'If the choice was between a good university and a marginally better university which was costlier then it would be a more difficult choice to make.'

Parent of Ruby, young applicant, East London

Their child - and indeed most of the interviewees - viewed this same decision in terms of the job prospects after university.

'I think you would have to weigh it all up, like how serious the job prospects are at the end of it, how much are you going to be making. Like if you paid the £40,000 grant and then it's not guaranteed that you are going to be getting a better paid job at the end of it I think that's just stupid, but if you are guaranteed a job'

Ruby, young applicant, East London

Two parents also talked about the relative costs of some courses (Performing Arts and Veterinary Science) compared to others, but not as a factor that had influenced their preferences and decisions. One of the young people did feel, however, that course cost had been a factor.

'I looked at it and thought this is great and then thought hang on, how much does it cost?'

Brendan, young applicant, Nottinghamshire

One of the parents disagreed with the idea of paying higher fees for courses that lead to a potentially more lucrative career, which contrasts with the finding, established in the analysis of the scenario exercises, that young people are receptive to the idea of higher fees for specific courses as an investment in their future.

'People are willing to pay, so perhaps, yes, they would pay more; but I don't think it is correct and I don't think it is right.'

Parent of Ross, young applicant, South Yorkshire

'What you're looking for is the return on your investment, what you've given out and whether you're going to make that money back.'

Brendan, young applicant, Nottinghamshire

Many of the parents speculated about the level of debt that their child or their family would incur, or the overall cost involved, and this ranged from about £15,000 to £50,000⁶¹. There was a general feeling that the government should provide more support for individuals (not just young people) to go to university as costs can impact on decisions to go to HE, and the economy will benefit from more highly qualified workers.

'I think the cost is becoming prohibitive for some people going to university. On the other hand, if so many people go then I really don't know what else to do ... I think it can be crippling for families.'

Parent of Simone, young applicant, Nottinghamshire

Additionally one parent strongly felt that some families can miss out on support due to *'outmoded definitions'* of a low income family and that a more realistic assessment was required to take account of the family experience of the long term financial commitment required for a degree programme. Parents with several children studying or applying to university made similar points.

Strategies

Parents reported various strategies for coping with the financial costs of going to HE. These usually combined their child working part-time, taking out a student loan and some form of family support. A few parents also talked about their child choosing to study close to home, which would enable them to live at home and reduce costs.

⁶¹ Thus, the Government's own best estimate (based on the new funding regime and evidence from the Student Income and Expenditure Survey) is at the very bottom of this speculative range: <http://www.dcsf.gov.uk/hegateway/uploads/Debt%20-%20FINAL.pdf>.

Appendix 2 - Baseline Interviews

The vast majority of parents felt that working whilst studying would not adversely affect HE study, as long as the student was careful to balance work with study time, and some felt that it could bring beneficial work experience⁶². Work was often regarded as a way for the young person to be able to afford the social activities of university life.

'She is an adult now and she has to prioritise her school work. She will have some free time and whatever free time she has, she has to divide it into two, some for free time and some for work. When she is on holiday she can always do some work ... with the work they will at least be getting themselves ready for when they finish and want to save.'

Parent of Elizabeth, young applicant, East London

Some parents regarded Student Loans positively. They were seen as a way for individuals to be able to afford university, learn about money and take financial responsibility for themselves. They were also considered better than other forms of borrowing, such as a bank loans. However, other parents talked about Student Loans in a negative way, noting how they burden young people with too much debt in their early working life. Most parents were aware of the lower interest rate and the delayed repayment aspects of the loan however there appeared to be little real understanding about the difference between loans for fees and loans for maintenance.

'I am not worried about the loan, I mean a lot of her friends, I have heard them talking about the loan and being in debt but I have been a student and I have got the loans and it really is no bother, so that I can say don't worry about it You get the loans and you might end up a lot in debt, it sounds like a lot but they really don't take that much off you so it is not that big of a problem You don't have to worry and if you can't pay it you are not bound by a loan that is going to end you up in court, so it really is not a worry.'

Parent of Brittany, young applicant, Nottinghamshire

'I mean if the kids know the financial backing is there and especially now they don't have to pay it back until they finish qualifying and they are earning over a certain amount. I think it is encouraging more kids to go to university.'

Parent of Charlotte, young applicant, South Yorkshire

'I would ideally like her to be able to borrow the money and finance it [going to university] herself.'

Parent of Ruby, young applicant, East London

'It would be nice if they could do their studies without having to borrow money but I think if it pays off in the long run then I think go for it.'

Parent of Natalia, young applicant, South Yorkshire

'I think it [student loan] is wrong but there is no other option.'

Parent of Bobby, young applicant, East London

Most parents expected to help out their child financially, essentially to top up other forms of support, and this - in contrast to influencing decisions - was the 'right thing to do' and was almost perceived as the duty of a good parent. However, few had made any clear plans in this regard - either in terms of how and what they would support or in terms of setting aside monies ready for university entry. Parents (rather than the wider family) tended to anticipate

⁶² This is contrary to research evidence suggesting that the odds of getting a good degree for applicants working 16 hours per week are only 60 per cent of those for applicants not working at all (UUK/HEFCE 2005).

helping out with accommodation costs, clothing and bills - as and when necessary rather than providing a regular amount. Few talked about saving up; instead, parents had other ad hoc strategies such as working extra hours, or returning to full-time work, or 'going without' - to be able to provide additional financial support.

Parents' ideas about the type of support they were going to provide either matched or were broadly similar in half of the matched interviews. Where they were similar, this was in terms of knowing the type of contribution that the parents would make.

'I think she will have a student loan and I think her father will help her and I think she will work.'

Parent of Simone, young applicant, Nottinghamshire

'I will probably get a job in a bar or something like that My parents will probably help me out and I'll get student loans and stuff ... my dad should give me a bit of money to help with accommodation and things.'

Simone, young applicant, Nottinghamshire

Where parent and young person's statements agree Table A2.3 below shows the types of parental support mentioned, and the matched cases in which parent and child agreed. Both unclear cases and cases where one or other of the matched interviews is not sufficiently informative are excluded from this analysis.

Table A2.3 - Where parent and young person's statements agree

Type of help	Number of cases	YP whose accounts matched their parents'
General living expenses / helping out	6	Sarah, Elizabeth, Ross, Ruby, Natalia, Francesca
Accommodation	2	Ruby, Damian
Tuition fees	2	Brendan, George
Food	1	Hannah
No financial help	0	

Source: IES baseline and parent interviews, 2007/08

From this table, it is clear that there is a good degree of consistency in parent/child statements regarding help with general expenses. This is also the vaguest of the possible descriptions for help that parents might extend. This may in some cases suggest that no clear plans have been drawn up about how the family will contribute to the young person's financial arrangements. The only two families who had discussed and agreed that the parents would contribute towards tuition fees are both the families of young people who are planning to study Performing Arts.

'I think they'll pay the tuition fees, all of them. That's £3,000 a year. I don't know about the rest of it.'

Brendan, young applicant, Nottinghamshire

'Well we will pay for his fees, we will pay for his accommodation and we will top up his loan.'

Parent of Brendan, young applicant, Nottinghamshire

Appendix 2 - Baseline Interviews

The next table shows the reverse of this, namely the other half of cases in which the matched interviews do not provide consistent accounts of the parental help expected / planned. At a glance, it is clear that there is more disagreement than agreement (again, cases where there is insufficient information are excluded).

Table A2.4 - Where parents and young people disagree

Type of support	Parent expects/child does not		Child expects/parent does not	
	N	(parents of)	N	(parents of)
General living expenses / helping out	5	Charlotte, Simone, Brittany, Suzy, Kate	4	Ian, Bobby, Sasha, Rihanna
Accommodation	3	Derry, Ian, Sasha	1	Simone
Tuition fees	0		1	Suzy
Food	0		1	Charlotte
No financial help	2	Bobby, Rihanna	3	Derry, Brittany, Kate

Source: IES baseline and parent interviews, 2007/08

From this second table it is possible to see that the highest frequency of occurrences of disagreement is, again, in the general living expenses category. This shows that as well as being the most agreed upon type of financial support envisioned, it is also the point where young people and their parents disagree. In most cases, the disagreement comes from one person thinking that the contribution is going to be more specific than the other person has stated. Taking the two tables together, around three quarters of the matched interviews show one or both parties referring to parental support for general living expenses. In a further five cases, either the parent or the young person expects there will be no parental help. In two cases where a young person had stated that they would receive general living expenses their parents stated that they would not be providing financial support.

Notably, the consensus and disagreement matched cases are distinct (no cases appear in both tables). In other words, there is a tendency for families to know or agree on either everything or nothing in respect of parental financial help. At the same time, it is evident that parents are not noticeably more specific about the types of help than their children are. This suggests that the consensus and disagreement cases differ because of lack of communication within families, rather than being explained by deeper, diverging financial priorities and preferences of the two parties.

Where parents' and children's answers did diverge was in relation to the finer detail of how financial assistance would be paid (although these areas were probed more intensively with the young people). Whereas parents were more likely to have made few clear plans regarding how the financial support would be manifested, their children often had specific ideas about the support they were expecting from their family and were able to give specific amounts that they expected from their parents.

'HOW MUCH WOULD YOU GET FROM FAMILY EACH WEEK?

£50-60 a week for food.'

Charlotte, young applicant South Yorkshire

'IS THERE ANYTHING IN PARTICULAR THAT YOU THINK YOU WILL HELP WITH?

No just whatever.

JUST GENERAL LIVING EXPENSES?

Yes.'

Parent of Charlotte, young applicant, South Yorkshire

Most parents had not even considered (and did not want to) what would happen if they were not able to help their child out financially. Some parents noted the potential difficulties in supporting more than one child through university, and how the support systems did not seem to consider this.

'I have always said to him that I would support him where and whenever I could. It is not a case of saving up because I haven't got the money. I would go and get an extra job ... I would take three more jobs if I had to.'

Parent of Derry, young applicant, Nottinghamshire

'I will provide the mobile phone, food and other little bits because obviously I will pay for stuff and I will give her some money to live off ... I am definitely going to help out with anything she needs to buy, like food or clothing and things like that, so I will do as much as I can.'

Parent of Brittany, young applicant, Nottinghamshire

'I have always said I would support her if she needs help. So like I said, I have been there myself so I know the problems she is going to have, so I will keep an eye over her and if she needs money I will help her out.'

Parent of Sarah, young applicant, East London

'From my point of view, I can't imagine not making an investment in my children but it's not been the easiest investment ... we have made choices and there are things that we haven't done as a result of the children going to university.'

Parent of Ruby, young applicant, East London

'I think he will be relying heavily on the purse of Mum and Dad.'

Parent of Ross, young applicant, South Yorkshire

In the main, there was little understanding about other support mechanisms available to students. Generally, parents had not looked into/researched bursaries, scholarships or grants, and so tended to be unsure of their eligibility status. There was some feeling that these types of financial support would become available when and if they were needed (as some sort of financial safety net) but with no real information to support this supposition.

Use of computer aided qualitative data analysis software (Atlas.ti)

As described in the report, computer aided analysis of transcripts was employed to ensure all available data was systematically and uniformly treated, to aid in the exploration of themes and trends within the large volume of data and, finally, as a quote retrieval tool to generate material for reporting. Provided below is a list of document 'families' and textual 'codes' used by the analysis team to perform these tasks. Several of the background families are directly derived from the data used in the description of the cohort in section 2.3.2.

Table A2.5 - Families used for Atlas.ti analysis

Background families	Full list
Age	young, mature
School ID	[list of institution ID numbers]
EMA proportion at institution	high, low
Ethnicity	Asian, Black, other, White
Sex	male, female
NS-SEC	high, low, unknown
Religion	Christian, non-Christian, none
Financial support received	yes, no
HE in the family	yes, no
Composite distance	high, low, medium
Families based on knowledge, decisions and preferences	Full list
Finance mentioned in repgrid	missing, no, yes (prompted), yes (unprompted)
Financial factors	yes, no
Financial factors relating to proximity	yes, no
Decision path	conventional, unconventional
Location as a factor	mentioned, not mentioned, missing
Multi-choice test score	high, medium, low
Scenario 1 (2, 3) choice	cheap, expensive, none
Scenario 1 (2, 3) changed	yes, no
Scenario 3b choice	against, for, neither
Number of sources of finance mentioned	high, medium, low
Typology	cruiser, chooser, peruser, snoozer

Table A2.6 - Codes used in Atlas.ti analysis

Code	Description
0.0 Follow-up	All text deriving from follow-up interviews
0.1 Experience of HE	Any text describing HE experiences
0.2 Value for money	Any text discussing HE in terms of value for money (only used in the follow-up interviews)
10.2 Loan	Any text (incl. parents and teachers) relating to student loans (both maintenance and tuition fees)
10.3 Grant	Any text (incl. parents and teachers) relating to Maintenance Grants.
10.4 SB	Any text (incl. parents and teachers) relating to Scholarships and bursaries
20.0 Dec	Any text outside the timeline (incl. parents and teachers) about making HE decisions (incl. full range of influences)."
20.1 Info	Any text outside the timeline (incl. parents and teachers) about seeking HE information"
20.2 Know	Any text (incl. parents and teachers) about understanding and knowledge of HE finance (including whether it is easy/difficult to understand).
20.3 Pack	Any text (incl. parents and teachers) regarding student support as a whole, including administration, adequacy, fairness, alternatives etc.
20.4 Finspec	Any text (incl. parents and teachers) regarding specific financial worries (or conversely, to financial confidence) related to going to HE (i.e. excluding general money worries)
20.5 Finatt	Any text (incl. parents and teachers) revealing underlying attitudes to finance (may not be related to HE), including whether worried or not worried
30.1 GQ	For use with particularly useful illustrative quotes noticed during coding exercise.
A Timinf	Segment of timeline where timing of information discussed
B Timdec	Segment of timeline where timing of decisions discussed
C Rep	Repertory Grid exercise
D Repfin	Repertory grid follow up question relating to financial factors
E Budinc	Budget degree income
F Budexp	Budget degree expenditure: Interviewee knowledge and comments regarding expenditure during degree
G Futbudinc	Future budget income: Interviewee knowledge and comments regarding income in five years' time
H Futbudexp	Future budget expenditure: Interviewee knowledge and comments regarding spending in five years' time
I Sc1	Section relating to scenario 1. This deals with choosing between differently priced institutions.
J Sc2	Section relating to scenario 2. This deals with choosing between differently priced courses.
K Sc3a	Section relating to scenario 3a (aka3). This deals with career choices (university versus job/apprenticeship) for young applicants.
L Sc3b	Section relating to scenario 3b (aka 4). This scenario deals with funding (remortgaging) options for mature applicants.
P Home background	Information around parental background

Code	Description
Q HE Attitudes	Anything relating to attitudes to HE, the value of HE, perceived benefits, who it is for etc (but not about HE finance).
S School Background	General quotes regarding the school or college's background and student profile.
S School HE activities	Specific quotes regarding what the school or college does in relation to sending students into HE.
W Costs	Material relating to costs of university and/or understanding those costs
X Parent interview	All text from parent/guardian interviews
Y Not transcript	Material not obtained from transcript (notes etc).

Case studies of individual applicants

The following three case studies illustrate a range of issues raised across the research and tie in the findings from every part of the methodology. No one interview is representative, but it is hoped a holistic look at these individuals' circumstances, choices and aspirations can help bring to life the findings.

A 'passive' younger applicant: Natalia

Background

Seventeen year old 'Natalia' from South Yorkshire had taken a conventional route through education, proceeding straight from GCSEs to A-Levels, and at the time of our interview had just submitted her UCAS application to study either Social Work or Nursing at university. Natalia's school was classed in the 'high EMA' bracket (over one-third of students in receipt of Educational Maintenance Allowance), although Natalia's household income level was such that she did not qualify for EMA. According to the Head of Sixth Form at this school, around 90 per cent of leavers each year progress to higher education.

Attitudes to higher education

Unlike a large proportion of our interviewees, Natalia did not fall into the category of having 'always assumed' she would go to university. She had arrived at the decision only relatively recently, but with hindsight believed it was the best option for her:

'I didn't think that I was going to do well in my exams but then I got good GCSE grades, so I thought I should stay on at sixth form and then go to university ... I think it is a good job I am applying because I don't know what I would do otherwise.'

For her part, Natalia's mother felt that her daughter's change of mind came about because 'she realised her capabilities'.

Natalia chose to apply for both Social Work and Nursing on the basis of having enjoyed studying Health and Social Care at A-Level and through considering the type of careers that would form a natural progression from that. She was open to taking up either of the courses she had applied to, depending on 'where I can get in first - if I get into both I would probably pick Social Work'.

Appendix 2 - Baseline Interviews

No-one in Natalia's immediate family had been through higher education, but her parents were reportedly supportive and encouraging of her decision to apply. Natalia's mother reflected on the contrast between herself and her daughter in their attitudes towards educational progression:

'... she is sort of more strong-headed and sensible, whereas I just couldn't wait to get away from school.'

She confirmed her open-minded support of Natalia taking the higher education route:

'I hope that I have said "I would like you to", and I am there to support her but also if she is really against it I don't want her to go.'

Information-seeking behaviour

It emerged that Natalia had done little in the way of independent research around her university and funding options. At the time of our interview she had not attended any institutional open days, with the justification that *'I had a lot of work on so I didn't want to go and miss lessons and a lot of them were during the day'*. She had visited the UCAS website and come across some financial information, but was unable to recall the content in any great depth:

'I know there is something on your parents' income, like you can be means tested and then get an allowance. I think there are student loans, which you pay back. I think there is something else you can get but you don't have to pay it back.'

Notwithstanding this apparent vagueness, Natalia scored an above average (for the sample group) six out of ten on the multiple-choice test relating to availability, amounts and sources of student finance.

Around the end of her AS year, Natalia's school had organised a visit to a large Education Fair held at a local venue, with prospectuses and other literature on offer. Natalia recalled that the literature she collected did contain *'little sections'* of financial information, but on the whole she had found it more useful for reading up on *'what the courses consisted of and what grades you needed to get, so whether it suited me really'*.

Natalia additionally commented that *'our teachers give a lot of advice, especially [the Head of Sixth Form] and when we are applying for UCAS everyone had a mentor and she was my mentor. If there were any problems she would help me out'*. The Head of Sixth Form herself gave a rather more detailed account of the assistance given to university applicants, particularly with regard to financial issues, yet Natalia did not mention any details of these events:

'We have an HE evening in June when they're in Year 12 and it's all explained to parents and students. We also have the LEA come and talk to them about finance and how the bursaries work. We do a lot of work on budgeting and earning money whilst a student.'

Choosing a university

Natalia was clear that she wanted to live at home during her university studies and had made her choices of institution accordingly, applying to four courses at her local university and one within commuting distance:

'I just didn't want to leave home, I don't think it was specifically because they were a good university for what I wanted to do, which would have been a more sensible idea, but I think I just wanted to stay at home with my family, I didn't want to go away on my own not knowing anyone.'

Thoughts about finance

By her own admission, Natalia was somewhat ill-informed about the financial aspects of going to university and less than confident that she would be able comfortably to pay her way through her studies. Whilst reassured to an extent by the knowledge that she would be living at home and therefore making substantial cost savings on accommodation, she confessed:

'I don't know enough. I don't know how much money I will be entitled to and how much I have to pay out. I don't know how much [books] will cost or if I have to pay for tuition fees.'

In a separate part of the discussion, however, Natalia mentioned that she believed there were no tuition fees payable for her selected courses '*because they are involved with the NHS*'.⁶³ She was keen to stress that this was not a deciding factor in her choice to apply for these degrees:

'I didn't pick these courses just because I would not have to pay tuition fees; it was just what I wanted to do. If I had to pay tuition fees I would still do it.'

The only area of expenditure that Natalia mentioned unprompted was books and course materials, although as just indicated she was uncertain what her likely outlay per term or year would be for this. When prompted, she also agreed that she would probably spend a fair amount on her social life as a student:

'I think that will be expensive, everyone is always out socialising. If you want to fit in then you will have to spend a lot of money.'

Natalia was aware of maintenance grants and was cautiously confident that she could cover her living expenses out of this fund, despite being unable to attach a figure to it. At the same time, she pondered:

'I don't know because everyone at university always says that they have no money so it probably isn't enough. Some girls I work with said that they got money three times a year but I don't know if it was a loan or grant.'

She understood the basic premise of the student loan system, but again displayed a lack of clarity and detailed knowledge about this:

'There is not so much interest and you don't pay it back until you are earning a certain amount and if you are not earning that amount, then after a certain length of time it will be reduced. I know it is not a lot but I don't know, I think student loans are supposed to be the best loans you can take out but I don't know how much you have to pay back.'

⁶³ This is correct for Nursing. Applicants undertaking Social Work degrees are eligible for bursaries from the General Social Care Council.

Appendix 2 - Baseline Interviews

Natalia intended to gain extra income from a part-time job, ideally related to her course of study if possible, and indicated that her parents would also support her 'as much as they can'. Her mother backed this up:

'... me and her dad have said if [money] is the only thing in your way we want to support you where we can, if it means us giving up something for her to go ... I would try everything to sort of get her there, do you know what I mean? If I had to take a bank loan out myself.'

Whilst recognising that there was more she needed to find out regarding student finance options, Natalia seemed inclined to delay seeking this information until her exams had passed and university offers been secured. Even so, she could not say where at this point she would go for the necessary advice:

'If I do go to university then I think when I finish school I will need some more advice about it, but I don't know where I will go. I know I can ask in school but apart from that I don't know.'

Long-term prospects

Natalia conveyed a strong sense of regarding university as an investment against future earnings and career progression. She believed she could earn around £19,000 a year as a graduate nurse or £22,000 as a newly qualified social worker, and reflected:

'£19,000 a year isn't a lot but I suppose if you do well and work your way up then it is worthwhile. I think if it was £19,000 for the rest of your life then I think you could not go to university and still get a job that pays that much.'

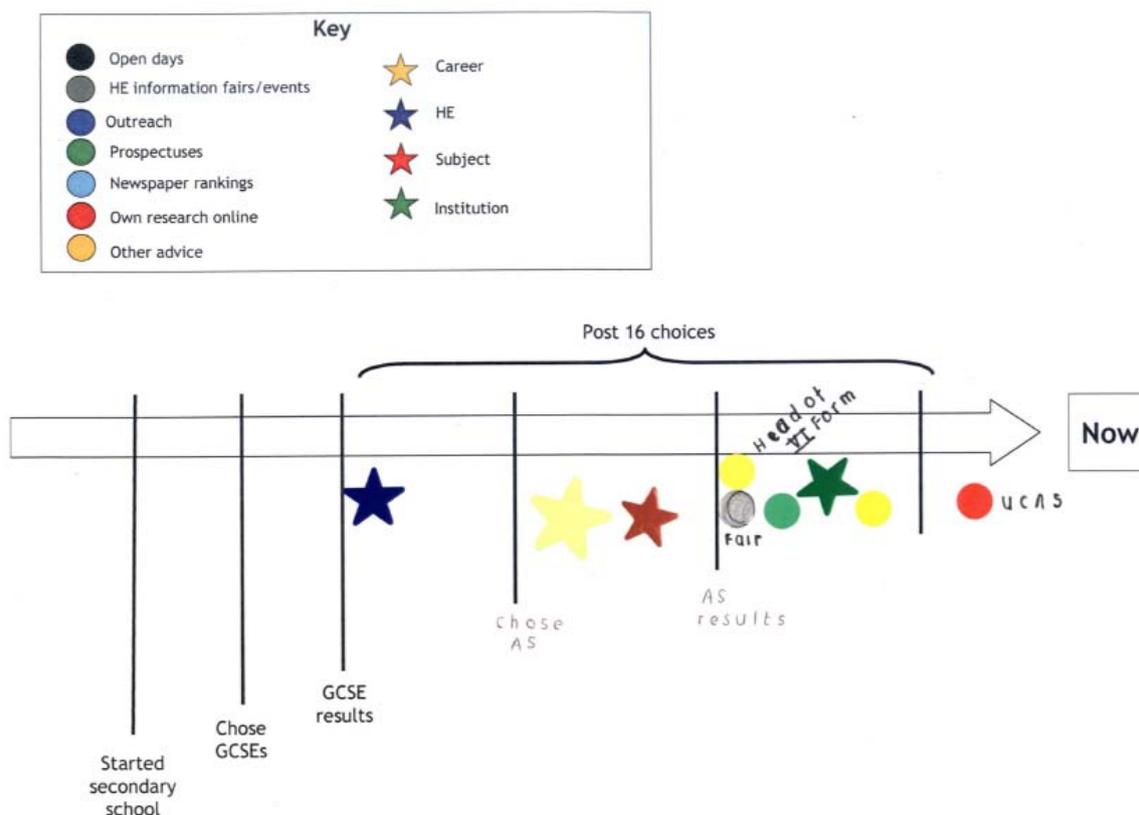
In the scenario exercise (see previous section), she signalled a willingness to pay higher tuition fees in return for good university facilities, and related this to future work outcomes:

'... it might be more expensive but if she gets more facilities that she needs and then a better education then she will probably be earning more money to pay it back anyway.'

Likewise, of the hypothetical school leaver choosing between university and an immediate (low-paid) job start, she commented:

'It is not worth [taking the job] for the rest of your life when if you take three years out it would probably be a lot better and she would earn the amount back that she would earn in the three years she would be working. If she got a better job then she would get more money to compensate for the time she missed out making no money.'

Figure A2.3 - Natalia's timeline



Source: IES baseline interviews, 2007/2008

A 'proactive' younger applicant: Bobbie

Background

'Bobbie' was 17 and in her last year at a mixed comprehensive school in East London. The area immediately local to the school falls within the middle range of the nationwide Index of Multiple Deprivation, and there is considerable variation in levels of affluence in the surrounding borough. For the purposes of our research, the school was classed as 'high EMA', meaning that over one-third of students were in receipt of Educational Maintenance Allowance, with Bobbie herself included in this number. Bobbie's parents were separated and she lived with her mother, who was interviewed shortly after the visit to Bobbie's school. Bobbie's academic interests lay in the humanities and social sciences, and she had applied to five universities over widespread geographical areas (London, the West Country, northern England and Scotland) to read Social Policy, in some cases combined with Political Studies where this option was available.

Attitudes to higher education

Like many of the applicants interviewed, Bobbie conveyed a sense of having always assumed that she would go to university. In part this seemed due to strong parental influence and encouragement ('... my mum has always brought me up to go to uni'), which was reiterated in the subsequent interview with Bobbie's mother ('... it has been her choice but from when they were really young it was always a path that we instilled in them'). This parental single-mindedness concerning higher education appeared to stem primarily from concerns about the competitiveness of the graduate job market:

'I think there are a lot more people in the country and there is a lot more competition from foreign students that settle here, especially the area that we live in now. You need a degree to get in the door don't you?'

Bobbie's mother had not herself gone through higher education; a seemingly common occurrence for her peer group (*'I think probably no-one went to university at the school I went to'*), but something she appeared to look back on with a degree of regret and disappointment (*'I have always wanted to go into Criminology but it has not been possible for me so far. I will be too old by the time it is.'*) Of Bobbie's choice of degree subject, she reflected that she might have preferred to see her daughter follow a more vocational course of study - *'a bit more specified if you like'* - and implied that she would, at least in principle, be willing to make a greater financial contribution to a degree that led more explicitly into a particular career path.

As if by way of affirmation for her implicit choice to go to university, Bobbie mentioned that her present part-time job in the retail sector had given her something of a glimpse of an alternative career path, one in which she believed *'you are not really going anywhere and it is a dead end job'*. This drive to attain qualifications and open more doors was reflected in Bobbie's response to the hypothetical scenario of a school leaver choosing between a well paid and secure (if mundane) job, and a university degree. Bobbie was clear as to the advice she would offer:

'Go to university, because although you are studying for three years, at the end of it you would have a lot more qualifications and you would have a better chance of getting a job.'

Information-seeking behaviour

Bobbie had voluntarily sought out and consulted a wide range of information to underpin her decisions about university. She went to her first open day whilst still in Year 12, and made an independent visit to another university in her own time. At the time of our interview, she had three more open days lined up in the coming weeks. Whilst impressed with the friendliness of the staff and the way in which the institutions were 'sold' through these events, she felt that the open days she had been to had merely *'skimmed over'* financial information. In her view:

'... it was quite obvious they wanted to get it out of the way ... they just spoke about how people like international students had to pay more.'

Bobbie was evidently proactive in her use of university prospectuses, of which she claimed to have looked at *'loads'*. As well as seeking to get an overall 'feel' for each university and its surrounding area, she had been interested in finding information on course content, pass rates and graduate employment figures. She had also accessed relevant information online, usually from institutional websites but occasionally via speculative Google searches. In addition, Bobbie reported consulting higher education league tables on a regular basis, stating confidently, *'I want one of my unis to be in the top ten or best for my course.'* She refused to be swayed on this by the appeal of a lively university or one in which she already knew people:

'I have been to a couple and stayed with friends on campus, and it was really fun and everything and as much as I would love to go to some of the unis that they are at, they are not that good for my course.'

On reflection, Bobbie felt that prospectuses had been her best source of information relating to costs and financial provision for university: *'Each one has a section for bursaries and scholarships and government grants and it explains it more ... that is what I used with my mum and my dad to find out about costs.'* Interestingly, however, when it came to the multiple-choice test on finance options for HE (see previous section), Bobbie answered only one of the questions correctly (relating to the timing and conditions of student loan repayments).

External input

Bobbie's year group was taken to an HE fair at the beginning of Year 12, which she considered really too early in the HE decision process to be of much use, and consequently a little haphazard:

'A lot of people at that time didn't know what they wanted to do so were picking up loads of stuff.'

As far as Bobbie knew, there had not been any explicit financial information on offer at this event, and she reiterated her earlier hypothesis that *'I think unis try to stay clear of it ... there was more on how to apply and what you need.'*

The school had additionally screened a number of videos relating to UCAS applications, as well as inviting current students in to talk about university life. Of these external speakers, Bobbie recalled, *'they highlighted finance situations and what it is like when you are at uni'*, but again she felt that this information had perhaps come too early in the day (around the beginning to middle of Year 12) to be of direct relevance and use at the time. Bobbie had also had a careers interview, but this had apparently involved little more than explaining her choice of degree subject to an advisor and being given information on A-Level grade requirements that she already knew.

Choosing a university

Bobbie described how she had taken 'ages' to finalise her five UCAS choices. She was evidently thorough and discerning in her selection process, using varied sources of information to decide between the available options. Her mother recalled:

'She initially picked five, we looked at the league tables, we looked at job prospects and what the degrees were worth from different universities, and I think she changed two of them because of that.'

Bobbie herself confirmed that *'job prospects was a major thing'* and named this as a construct in the repertory grid exercise (see Appendix 1). In the later scenario exercise, she speculated that it would be worth taking out a student loan of up to £25,000 for a course that guaranteed a good job.

Bobbie also identified the university setting (rural versus urban) as a factor in choosing between institutions to apply to (*'... because it is essential to feel comfortable where you are'*), and likewise the quality of the social life. In the scenario exercise, Bobbie suggested that she would be prepared to pay double tuition fees for a university that had 'some' social life, as opposed to none at all. It was these thoughts that had latterly turned her off the London university she had applied to:

'... much as it's an amazing uni I won't have the university experience that everyone talks about.'

This stood in contrast to her mother's endorsement of this particular institution from several angles:

'I would like her to go to London (a) because it is nearer, (b) easier on her financially because she wouldn't have to pay accommodation, and (c) because I think the degree is worth a bit more if you get it from there as opposed to somewhere else.'

Bobbie did highlight finance as an important consideration, especially the availability of non-repayable financial assistance such as bursaries, but clearly had unanswered questions here:

'Finance is a massive deal, I would be living away for all unis but looking to Edinburgh, my mum was saying that you can get like bursaries and stuff and Edinburgh on the website it was more helpful and they have lower fees there as well. I think it's because it's Scottish But I don't know if that is for every uni or whether Edinburgh made it more clear.'

This uncertainty was exemplified when, in the repertory grid exercise, Bobbie admitted she did not have enough information to be able to rate her university choices on the extent of financial support available from them.

Thoughts about finance

Bobbie showed a good awareness of the variety and extent of the expenditure involved in studying at university, providing well researched estimations of the costs of accommodation, books and study materials, socialising and travel. Retrospectively she admitted, *'I didn't realise the cost of living'*. Both Bobbie and her mother regarded student loans for maintenance as something of a necessary evil, with Bobbie emphasising again the importance of making informed choices about university before committing oneself to taking out a loan.

'I don't want to take out a student loan but I think I am going to have to. It is not very appealing. I know people who have left uni because they have said they don't want to have a pointless degree and be £30,000 in debt They weren't really told what they were doing before the course.'

Bobbie's mother likewise expressed a degree of resignation to the inevitability of student debt, coupled with some anxiety:

'I think it is wrong but there is no other option. I know the interest is a lot lower but they are basically the same [as bank loans] aren't they? It is still a loan – when you look at it you can be 22 and be £50,000 in debt. That is a worry, isn't it?'

Bobbie was aware that she was likely to be eligible for a bursary on the basis of being a first generation university student and from a single-parent home. She seemed to regard this as a valuable boost to her student finances, stating, *'we are only looking at places that are offering these'*. However, she was somewhat unclear about the details of bursary schemes:

'I don't know how much - my mum said something about Edinburgh and £1000 but I don't know if that's how much you pay or get off.'

Appendix 2 - Baseline Interviews

Bobbie had had some preliminary discussions with her father about helping her out financially at university, and Bobbie's grandmother was also said to be putting aside some savings for her. She planned to look for a part-time job alongside her studies that would earn her extra spending money:

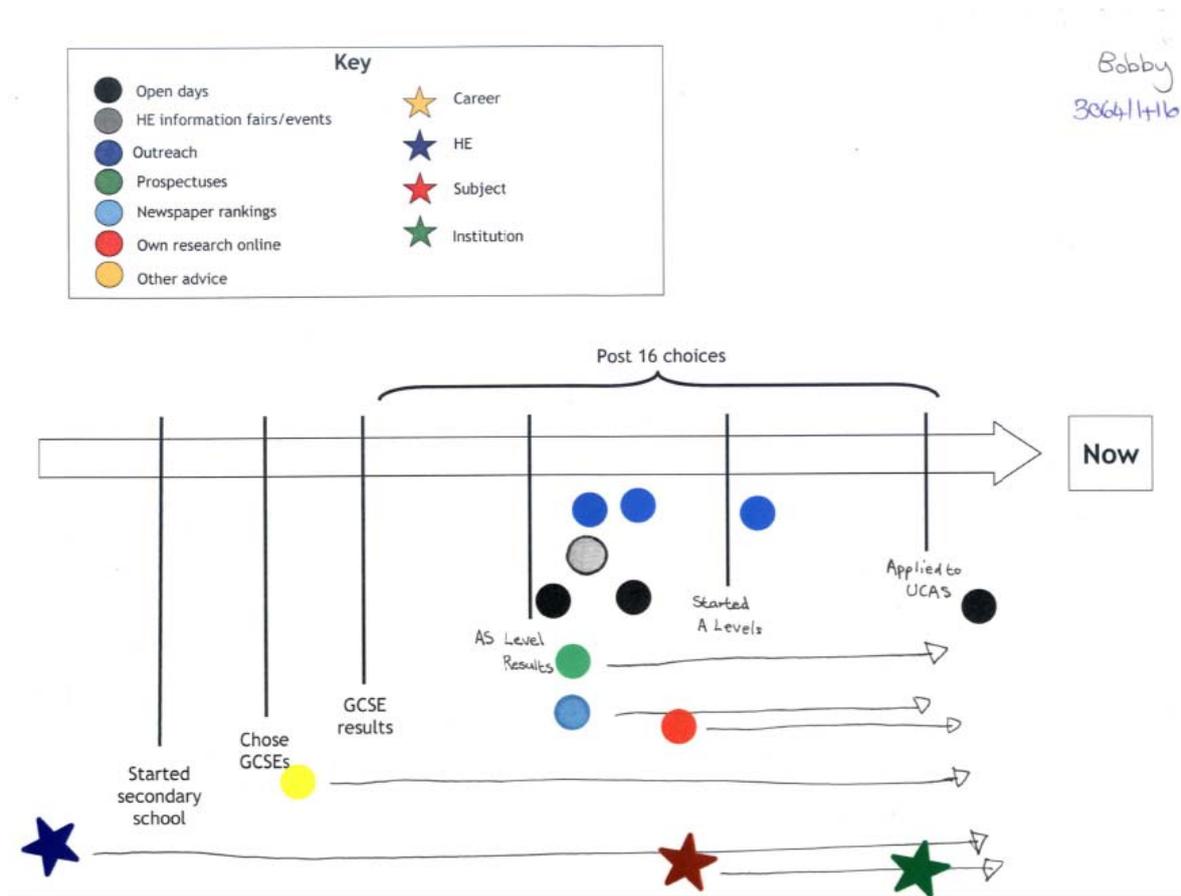
'Maybe about £30 a week ... it is a lot when you are at uni. My friends who are at uni now, none of them work, but they are finding it very hard going to afford things.'

She acknowledged that this was not an ideal situation, a sentiment her mother echoed:

'I don't think they should [work] but they have to because they have no choice.'

Bobbie recognised that she would likely have to undertake further study in order to progress into her preferred career (*'I would like to work for the government but in a smaller sector – education, welfare or selective body really'*) but held perhaps an overly optimistic view of her future earnings as a graduate: *'realistically I would say £30,000 per year'*.

Figure A2.4 - Bobbie's timeline



Source: IES baseline interviews, 2207/2008

An older applicant: Joanne

The path to higher education

'Joanne', aged 39, left school at 16 feeling strongly that she had not reached her full potential. She married, had two children and was a housewife until 2005, when she took a job as a customer service assistant in a small supermarket. She rapidly became disheartened by the work and began to consider alternative options:

'... working in a shop at ten o'clock at night when you've been bringing all the tins forward for two hours, I'm thinking I can do a bit better than this.'

Although initially lacking the confidence to return to full-time study, she undertook some short courses *'and surprised myself and that's when I thought, oh hang on a minute, I ought to think about going to further education here, and that was it really.'*

Whilst still holding down her job part-time, Joanne enrolled on an Access course at an FE college in South Yorkshire, and by the end of the first semester had made the decision to apply to university the following year; though she admitted, *'I would never have thought about it if I hadn't been here'*. She chose to study Social Work, based on a strong sense of vocation for this career path, in part due to her own life experiences:

'As a household we have had a lot of problems to deal with and issues to overcome and I thought, let's think about this, I can use education, I can do something with this and try and do something for the better for myself and for other people as well.'

Access to information

Joanne described her experience of applying to university as *'a haze of chaos trying to get everything done'* and explained that she had simply not had enough time to do as much independent background research as she would have liked. She went to one open day, looked through some prospectuses and briefly visited the UCAS website, but reflected that ideally she would have spent more time on online research and perhaps consulted some newspaper league tables. Notwithstanding, she had found the one open day she attended extremely informative, including in relation to financial information:

'Really, really good. I learnt a lot about the financial side of things, it was absolutely fabulous. If I could have gone to every single university like that it would have been absolutely brilliant There was a set thing for financial stuff and they went through everything, everything was understandable, it was really good and I mean even in the social work lecture itself they did tell you about the financial side of things as well, so it was like a double helping of financial information.'

When probed as to the nature of the financial information given, Joanne explained it was *'the costs of studying, the bursary, sort of grant you get with it, I've got it all written down. There were the maintenance grants, the loans, everything was covered'*. She was particularly pleasantly surprised to discover that she would be eligible for a bursary from the General Social Care Council (GSCC) to help cover the costs of her course, with the upshot that *'if I work ten hours then I can break even and not incur any serious debt or anything'*. She felt that funds such as these should be made more visible in order to encourage people (especially, but not exclusively, mature applicants) to take up degree courses:

'... there's definitely a need for some more advertising because I think if people are my age and got kids they just don't think it's doable financially.'

Appendix 2 - Baseline Interviews

Joanne was also very positive about the assistance provided by her college for university applicants. An ex-student of the college, now at university, had come in to talk about his experiences and gave what Joanne regarded as a valuable first hand and impartial account of the financial aspects of higher education:

'He gave us like a real wide range of information about everything, even to do with the fact that you'd have to think about your bus fares even and everything's going to be a lot dearer there. He went through everything really, he estimated costs and so on He's got nothing to gain by coming and telling us about that, so yes, really valuable information there.'

The careers co-ordinator at Joanne's college agreed:

'I think the thing which works best for us is bringing ex-students back and them talking about their experiences and particularly what they're [prospective students] interested in is how they've coped financially, so that's what works really well for us. That's probably the single most important thing because they see other people from similar backgrounds who've done well out of it and that then spurs them on and makes them believe that it's possible for them, so it's the role model thing really.'

Joanne briefly mentioned having had input from a programme called Higher Futures. The careers co-ordinator explained that this sub-regional initiative was designed to support the transition from further to higher education, especially in more vocational subject areas. According to him:

'... it is very much around self awareness, opportunity awareness, decision-making, looking at transitions, looking at the implications of module choice for progression onto HE or progression into certain career areas.'

Choosing a university

Recognising that her family commitments meant she would have to stay within the local area, and keen to maximise her chance of acceptance onto a course, Joanne had applied to four universities in the Yorkshire region. In the repertory grid exercise she compared and contrasted her university choices on factors largely relating to size, 'feel' and location. In discussing her preferred institution of the four, she admitted having been strongly influenced by the visiting ex-student, who was now studying at one of the universities she had applied to and had highly recommended it, and felt that this was her current top choice. She also noted that this university was one of the most easily accessible from where she lived – an important consideration given that *'I'm stuck to school runs and stuff and that's a bit of a problem'*. Joanne did not believe that financial factors had influenced her choice of university at all, and conveyed a sense that in any case she could not afford to be too fussy:

'I think basically they're all going to be about the same anyway when it all boils down to it, and I know there's going to be a lot of competition out there, so basically it's a case of just trying to get in.'

Thoughts about finance

Prior to the interview, Joanne had already done a set of income and expenditure calculations that set the earnings from her part-time job, bursaries from the GSCC and Higher Futures and a maintenance grant against tuition fees, her mortgage and general household costs. The latter two would be partially covered by her husband's income. From these calculations, Joanne had worked out that she would need to do ten hours a week of paid work while studying, and was prepared to be flexible (*'it would have to be the weekend or night time,*

fitting it round somehow). With further probing it emerged that Joanne had not factored the costs of course materials or travel into her calculations, but her overall assessment was *'I will just have to try and live as frugally as possible'*.

Joanne's pragmatic approach to considering higher education options was reflected in her responses to the scenario exercise. Of the student deciding between a cheaper university with average facilities or a doubly expensive one with good facilities, Joanne stated, *'she'd have to look at her finances, pure and simple, no doubt about it, and see which one she could afford'*.

Joanne was keen to avoid taking out a loan for fees if at all possible, hoping instead to cover this cost with her GSCC bursary. Nonetheless, in principle she endorsed the student loan system as a means of paying for higher education, even for mature applicants who may have a wider range of finance options open to them. Given the hypothetical scenario of a 40 year old considering whether to remortgage his house to pay for a degree, she insisted:

'No, I would tell him to definitely go through the loans that are available through university because of the repayment system, because I know for a fact that once they've completed you don't even have to pay anything back until you're earning £15,000 and I know their rates aren't that bad.'

Looking ahead to after her degree, Joanne believed that she would be able to earn around £17,000 per annum in her first job as a social worker. She evidently viewed this prospect as a vast improvement on her current situation:

'I'm going to be able to work full-time then, that's the key thing, so not only am I going to be on a better wage anyhow to get that job but it's going to be doubled as well It will be absolutely fantastic.'

This clear sense of vision and ambition also came through in the scenario exercise: of the student debating whether to pay double fees for a course with guaranteed passage to a high-earning career, she said:

'I would tell her to go for the one with the better job prospects at the end ... I mean we can all go through a degree and then end up in a burger bar or something like that, the key thing is the prospects at the end for sure.'

Case study summary

Both Bobbie and Joanne have been proactive in their information seeking and decision-making about HE (though Joanne has had less time to do this to her satisfaction). Whereas Bobbie's HEI search was meticulous and wide-ranging, Joanne's circumstances limited her options geographically. In neither case did finance play a role at this stage, although both were very focused on their future finance arrangements. Both were grudgingly positive about loans, and very positive about non-repayable support (bursaries for Bobbie and Social Work bursaries for Joanne). As Joanne put it: *'there's definitely a need for some more advertising because I think [people my age] just don't think it's doable financially'*. Joanne illustrates well the 'life-change' impulse that characterises a lot of adult education, along with a hard-nosed and realistic assessment of the financial implications. Bobbie is taking a more 'traditional' route and – as voracious as her appetite for HE information may be - she remains hazy about some of the financial aspects of what awaits her. And Bobbie is better informed than some of her peers.

Appendix 2 - Baseline Interviews

By contrast, Natalia had accessed little information about HE and her story illustrates the path dependency (or 'cumulative' nature) of HE choices: degree influenced by A-Level, in turn influenced by GCSE results. By the time HE was considered, the scope of the choice was narrowed to Nursing and Social Work and this was not because of a strong sense of vocation. Likewise, the preference for living at home with her parents limited the spectrum of HEIs she considered. Her level of financial planning and awareness in advance of HE was low and, as with many young people, she preferred to wait until passing her exams before rectifying this. Although Natalia was aware of the career benefits of HE, the case study gives an overall impression of the education system conveying a relatively passive young person towards HE in cumulative steps.

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