



FUTURETRACK is following a cohort of students from UCAS application until they get their first job in order to build a 'real-time' picture that reveals how, when and why students make decisions.

The study is helping the government, careers advisers and education professionals to provide the best possible information and guidance to students throughout their academic careers.

Student Finance & Employment

Higher education funding & student employment

Higher education funding has increasingly been seen as a politically-contentious issue as students and their families have been required to contribute to its cost. Futuretrack explores two themes that are central to higher education policy and practice: the growth of student employment, particularly during term-time, and the extent to which debt and anticipation of debt affect students' experience of higher education and their aspirations for the next stage of their lives.

From 1962 until the 1980s, students from low-income households were provided with means-tested grants to cover their living costs while they studied at university. In the 1990s, student loans were introduced, initially alongside and then in lieu of student grants. In 1999, grants were replaced by loans, and students started to contribute towards their tuition fees. When tuition fees were first introduced, students were charged a fixed fee of £1,150 per annum, regardless of where they chose to study. In 2006 the introduction of variable 'top-up' fees enabled institutions to charge up to £3,000

per annum, and from September 2012, universities in England will be able to charge up to £9,000 per annum where satisfactory access agreements are in place.

Researchers have concluded that increased financial pressure and anticipation of higher levels of debt have prompted more students to take on paid work during term-time, and between 1998-1999 and 2002-2004 the proportion of students in paid work increased from 47 per cent to 58 per cent¹. Studies suggest that students who engage in term-time employment are less likely than those who don't work to get involved in university social life, and more likely to achieve lower marks. This is of concern as students who work during term-time are often from routine or manual socio-economic backgrounds, minority ethnic groups, or educationally disadvantaged backgrounds.

KEY QUESTIONS

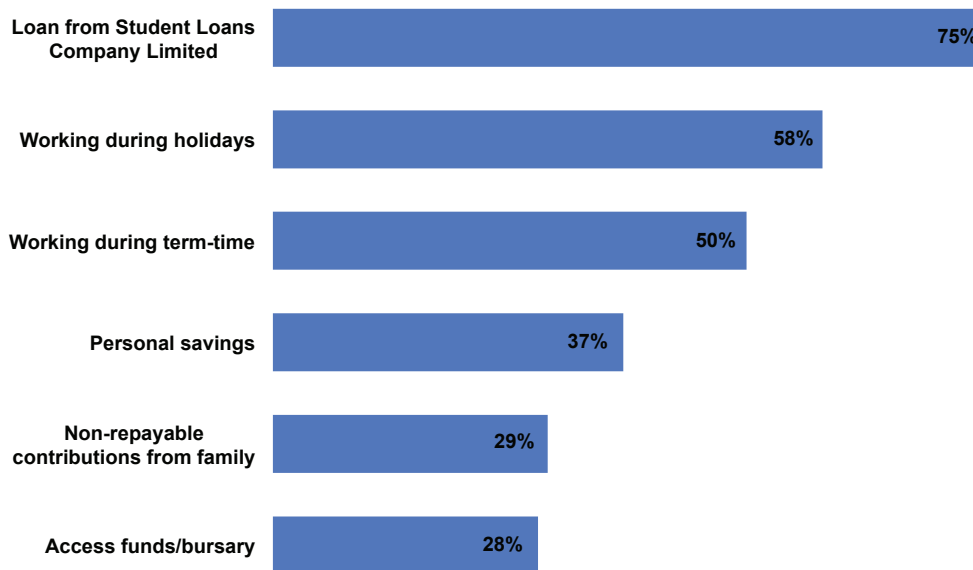
- How did applicants plan to fund their higher education?
- Did applicants from different socio-economic and educational backgrounds plan to fund their higher education in different ways?
- Did applicants expect or need to undertake paid work to fund their higher education?
- Which students worked during term-time and which students worked during the holidays?
- How many hours a week did students spend in paid work?
- Why did students undertake paid work?
- How much debt had students accumulated by the time they graduated?
- What impact did the prospect of being in debt have on students' career decisions?
- Which students worried most about debt?

¹ Callender, C. and Kemp, M. (2000) Changing student finances: income, expenditure and the take-up of student loans among full and part-time higher education students in 1998/99, London: Department for Education and Employment and Callender, C. and Wilkinson, D. (2003) 2002/03 Student Income and Expenditure Survey: Students' Income, Expenditure and Debt in 2002/03 and Changes Since 1998/99, London: Department for Education and Skills.

Funding Higher Education

How do applicants plan to fund their higher education?

HOW DID APPLICANTS APPLYING TO UNIVERSITY IN 2006 PLAN TO FUND THEIR HIGHER EDUCATION



KEY QUESTIONS

How do applicants plan to fund their higher education?

Did applicants from different socio-economic and educational backgrounds plan to fund their higher education in different ways?

Did applicants anticipate accruing significant debts during the course of their studies?

Did applicants expect to need to undertake paid work to fund their higher education?

STUDENT DEBT, TERM-TIME WORK & FINANCIAL SUPPORT

- Three-quarters of applicants planned to take out a loan from the Student Loans Company in order to fund their higher education, but most anticipated drawing on other financial resources as well.
- Funding plans varied significantly by socio-economic background, with applicants from managerial and professional backgrounds more likely to cite their own or familial resources as means of funding, and those from routine and manual occupational backgrounds more likely to anticipate funding their

higher education through bursaries or income from working during term-time.

- Nearly 70% of applicants expected to undertake some kind of paid work to fund their higher education, but plans varied by educational background. Applicants from independent schools were the least likely to indicate that they expected to fund their higher education through paid work, with around two-fifths stating that they did not intend to work to help pay for their studies.
- Applicants' funding intentions also varied by age, with older applicants more likely to anticipate funding their higher education through awards, bursaries

or hardship payments, and younger applicants more likely to say they expected to use personal savings to fund their studies.

- Over 60% of applicants from each of England, Wales and Northern Ireland expected to have accumulated significant debts by the end of their course. Applicants who had attended a fee-paying independent school were 15% less likely than applicants who had attended a state school to expect to have accrued significant debts by the end of their course.

APPLICANTS ON FUNDING

'Although I am worried about the huge debts I will have after I have finished university, I have no other choices so I will worry about it afterwards...I am constantly being told that without a degree no-one will get a job'

Female, applying to study business & administration

'Top-up fees are unnecessary and unfair...it sends out the message that 'those of you who want to succeed need to be rich and expect a future of long-term debt'

Female, applying to study creative arts & design

'I think it is very unfair that some students receive so much help. We are not receiving any help

because of the income of my dad, but that doesn't mean we can afford it'

Female, applying to study business & administration

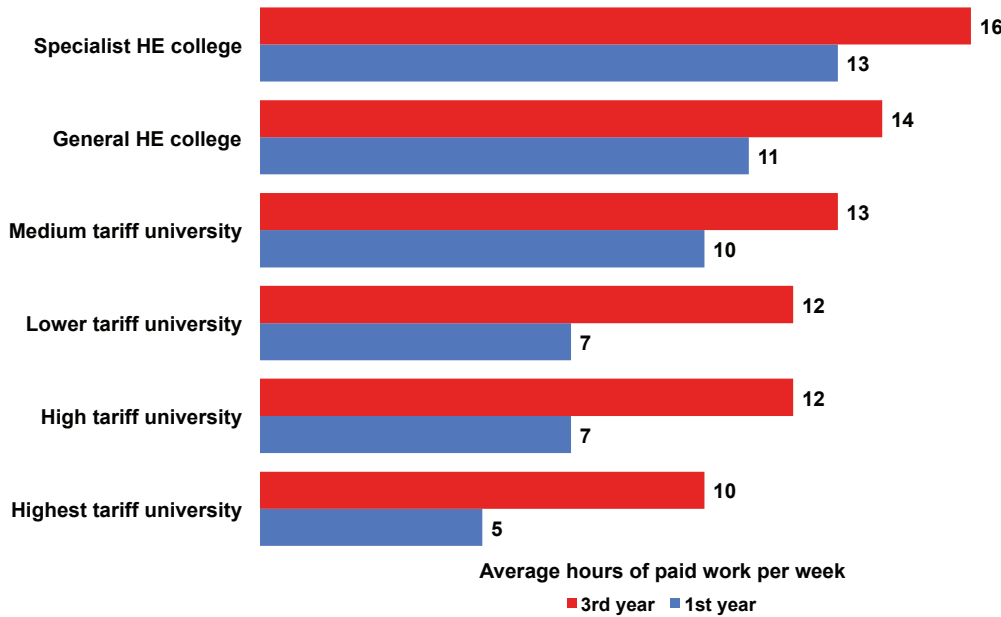
'I just find the financial situation daunting and I find myself panicking about the debts I will have, constantly'

Female, applying to study engineering & technologies

Student Employment

Which students undertake paid work during their studies?

PAID WORK DURING TERM-TIME: AVERAGE WEEKLY HOURS BY TYPE OF INSTITUTION



KEY QUESTIONS

When did students undertake paid work?

Which students worked during term-time and which students worked during the holidays?

How many hours a week did students spend in paid work?

PATTERNS OF PAID WORK

- 66% of students did some paid work during their first year at university; 36% worked during both term-time and holidays.
- Students were more likely to undertake paid work in their third year than their first year; only 22% had done no paid work whatsoever by the time they reached their third year of university.
- Employment activities varied by socio-economic background, with students

from manual and routine occupational backgrounds more likely than those from managerial and professional backgrounds to undertake paid work during term-time and to work longer hours.

- Students who engaged in term-time work were less likely than other students to have participated in university social life or other extracurricular activities.
- Students aged between 21 and 25 were the most likely to work during term-time, and the most likely to work for more than 16 hours a week.

- Propensity to undertake paid work varied by the type of institution students attended, with first year students who attended General HE colleges more likely than those who attended higher tariff universities to undertake paid work and to work long hours.
- First year students who were positive about their experience of studying in higher education were less likely than students who were not positive about their studies to undertake paid work.

FIRST YEAR STUDENTS ON PAID WORK

'It was impossible for me to avoid debt entirely, but working helped to reduce my debt'

Female, languages, highest tariff university

'[I work because it was] part of my sponsorship agreement'

Male, engineering & technologies, highest tariff university

'The student loan doesn't cover the summer holidays so I have to work to afford the rent on my house'

Female, mass communication & documentation, low tariff university

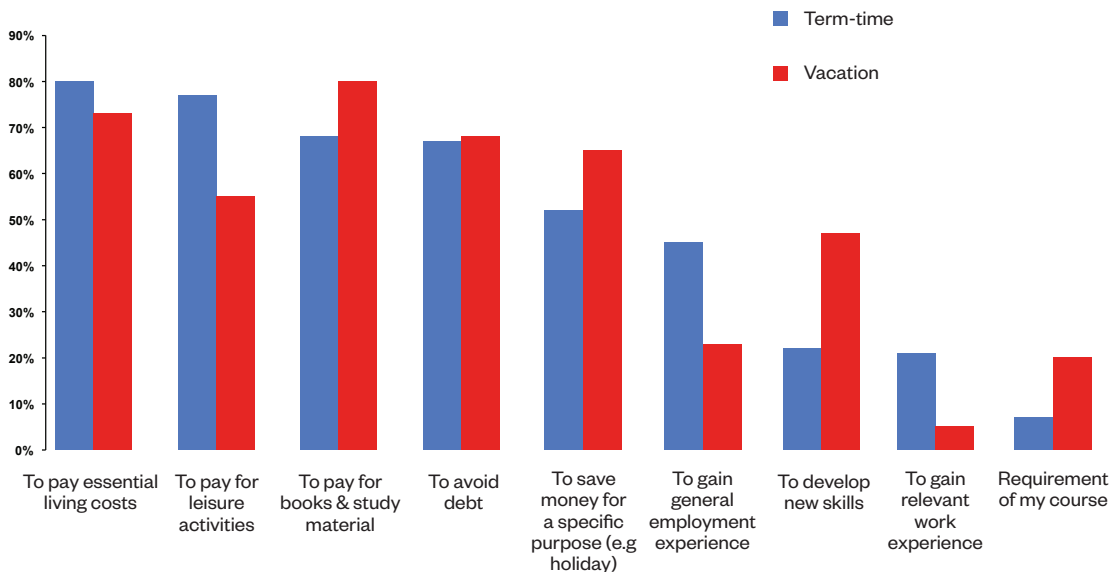
'Being a mature student, my previous employers asked me to stay on two days a week in a management role which I agreed to do as it helps financially (I am a home owner and run a car etc)'

Female, biological and veterinary sciences, medium tariff university

Student Employment

Why do students undertake paid work during their studies?

REASONS FOR DOING PAID WORK DURING TERM-TIME AND VACATIONS (STUDENTS IN THEIR FIRST YEAR)



KEY QUESTIONS

Were students working to pay for their studies, their living costs or their leisure activities?

Did students undertake paid work to gain employment experience or to generate income?

WHY DO STUDENTS UNDERTAKE PAID WORK DURING THEIR STUDIES?

- Two of the most common reasons for working during both term-time and during the vacation were the need to pay for living costs and the need to pay for books and study materials. Over 70% of students who undertook paid work during the vacation and 80% of those who undertook paid work during term-time were using the money to help pay for essential living costs.
- Other reasons students gave for

working while studying include: they enjoyed working; to repay previously-incurred debt or meet other financial commitments such as mortgages; to support children or pay for childcare; under pressure from parents to work; to maintain a relationship with an employer; to engage with the community.

- Students from routine and manual occupational backgrounds were more likely than students from other backgrounds to undertake paid work in order to pay for living costs. Nearly 70% of students from routine and manual occupational backgrounds were working

to help pay their living costs, compared to around 60% of students from intermediate backgrounds, and around 50% of students from professional and managerial backgrounds.

- First year students studying business studies and education were most likely to cite the need to gain relevant work experience as a reason for undertaking paid work, while those studying less vocational courses (e.g. physical sciences, mathematics and computing, linguistics and classics) were more likely to undertake paid work to gain general employment experience.

THIRD YEAR STUDENTS ON PAID WORK

'I want industry experience before I graduate to make employment easier. A quality reference will do me wonders I'm sure. The money is a bonus'

Male, mathematics and computer science, high tariff university

'I had the job before beginning university and was offered an annual hours contract (which means

I can work as and when), which seemed a good option to have'

Female, subjects allied to medicine, high tariff university

'I have to work to support myself through university, I have no choice. Although I feel I will benefit from the experience in the long run, I have

worked all the way through uni'

Male, business and admin studies, medium tariff university

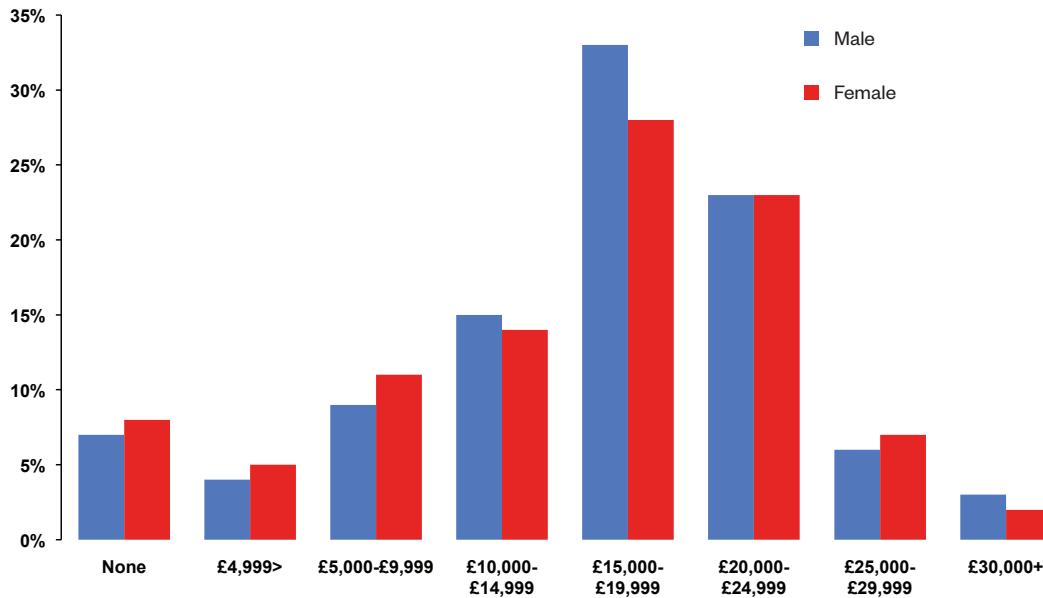
'I worked two jobs during the summer so I could save enough so I could survive without a job in my final year in order to concentrate on my degree'

Male, mathematics and computer science, highest tariff university

Student Debt

How much debt do students accumulate during the course of their studies?

HOW MUCH DEBT* DID FINAL YEAR STUDENTS EXPECT TO HAVE ACCUMULATED BY THE TIME THEY GRADUATE?



KEY QUESTIONS

- How much debt had students accumulated?
- What impact did the prospect of being in debt have on students' career decisions?
- Which students worried most about debt?

* Personal repayable loans excluding mortgages or pre-existing debt prior to study

WHO IS WORRIED ABOUT STUDENT DEBT?

- On average, by their third year of university students expected to owe around £15,700. Men expected to have accumulated more debt than women.
- Around a third expected to owe £20,000 or more when they graduated from university. Of these students, approximately 8% expected to have accumulated debts of more than £25,000.
- Students studying at lower tariff universities or specialist HE colleges were more likely than students studying at others types of institution to be anticipating debts of more than £25,000. More than 1 in 8 of those studying at a low tariff university expected to have accumulated debts of £25,000 or more when they graduated, compared to only 1 in 16 of those studying at other institutions.
- Around half of students indicated that their postgraduate options/plans would be limited by the debts they were likely to have accumulated while studying for their degree. Over a third of students reporting debts of £15,000 or more stated that they would like to study for a postgraduate qualification, but were reluctant to accumulate further debt.
- Around two-thirds were worried about the prospect of having to repay loans when they completed their course. Men were less worried than women about the prospect of having to repay debts, as were those students who anticipated higher earnings on graduation.

FINALISTS ON STUDENT DEBT

'I'm not overly influenced by the prospect of repaying government loans, given my understanding of how the repayment system works.'

Female, interdisciplinary subjects, highest tariff university

'I will be able to take a postgraduate course, but. I will have to live with my parents in order to pay back my debt - they live in a rural area, which will

heavily affect the type of job I can get'

Female, interdisciplinary subjects, high tariff university

'I will start work immediately rather than taking a gap year'

Male, interdisciplinary subjects, highest tariff university

'It will affect my options. I need to complete a Legal Practice Course at a different institution to

become a solicitor. My search for courses is being partially governed by the cost rather than solely the quality'

Male, law, high tariff university

'I will not allow my debts to hinder my professional development'

Male, veterinary science, agriculture and related subjects, high tariff university

Futuretrack

FUTURETRACK

FUTURETRACK is funded by the Higher Education Careers Services Unit (HECSU) - a charity with 40 years experience in higher education research. The study is being conducted by the Warwick Institute for Employment Research.

www.hecsu.ac.uk

www2.warwick.ac.uk/fac/soc/ier

FURTHER INFORMATION

- More information about the project www.hecsu.ac.uk/current_projects_futuretrack.htm
- Download research reports in full www.hecsu.ac.uk/futuretrack_research_reports.htm
- Find out more about Futuretrack: part-time students www.hecsu.ac.uk/futuretrack_part_time_students.htm

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- Research by Kate Purcell and colleagues at the Warwick Institute for Employment Research.



NOTES ON ANALYSIS

- **Socioeconomic background:** researchers used the National Statistics Socio-Economic Classification to determine applicants' socioeconomic background - the three-category version: professional/managerial occupations, intermediate occupations and routine/manual occupations.
- **Higher education institutions:** higher education institutions were ranked according to their UCAS tariff points score, and then grouped according to their ranking. Six categories were identified: Highest Tariff, High Tariff, Medium Tariff, Lower Tariff, General HE College, and Specialist HE College.
- Read more about this classification in: Purcell, K., Elias, P. and Atfield, G. (2009). A new classification of higher education institutions. Manchester: HECSU.