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The Demographic Challenge

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Issues Addressed

- Characteristics of main HE markets
- Prospective Demographic change in next 20 years: UK, English Regions, the EU
- Participation Rates
- Social Class Factors
- Other Threats
- Marketing challenges

Characteristics of Main Higher Education Markets

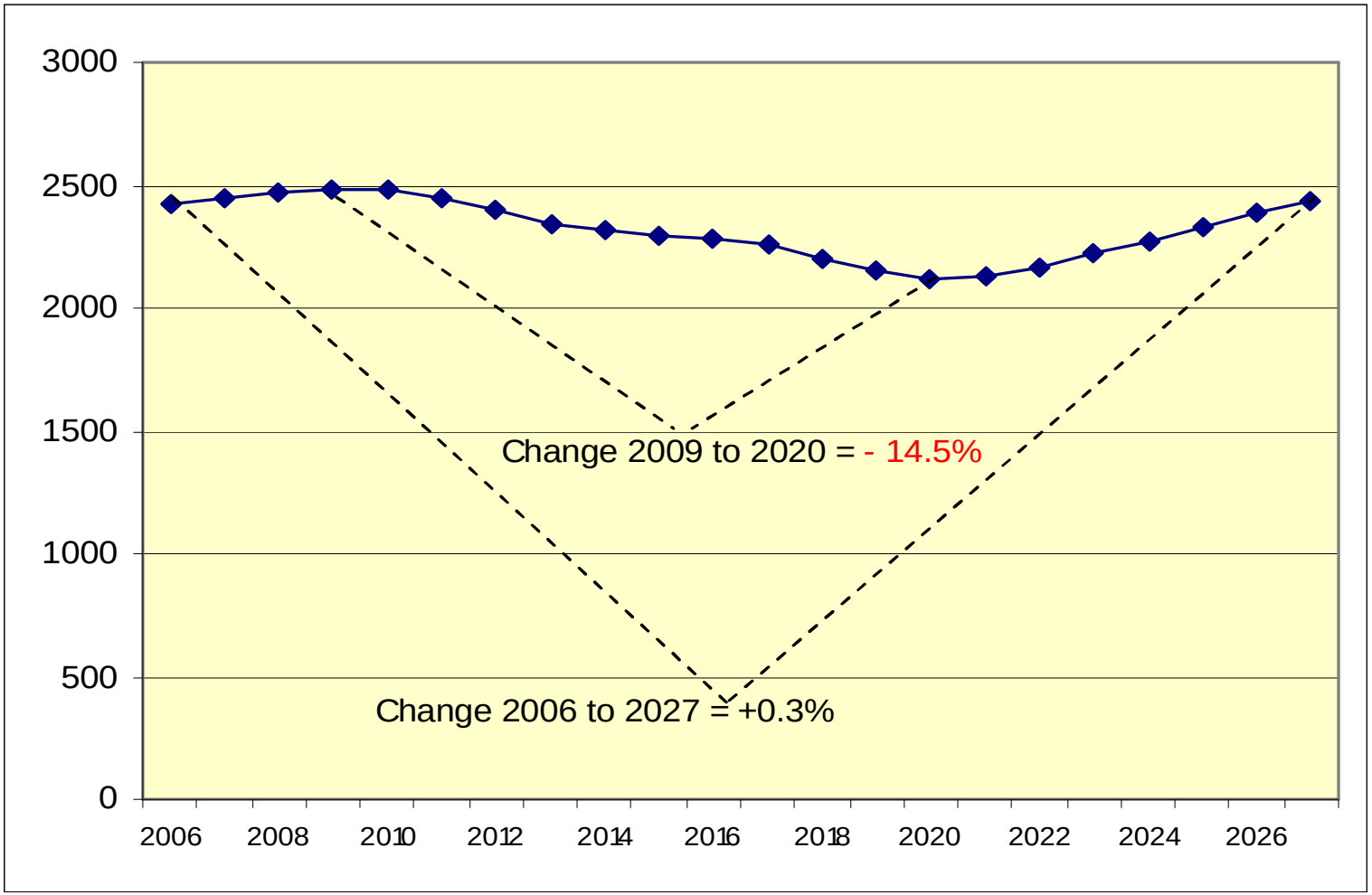
- Full-time undergraduates – 48% of all enrolments in 2006/07, some 75% aged 17-20 on entry
- Part-time undergraduate – 25% of all enrolments, majority aged 30-50 on entry
- Full-time postgraduate – 10.5% of enrolments, 25% research, 75% taught, over 50% from outside UK and 38% from outside the EU
- Part-time postgraduate – 11.5% of all enrolments but over 85% UK domiciled, 70% in four subject areas – nursing and other PAMs, education, social studies and business

Key demographics

Over the period up to 2027:

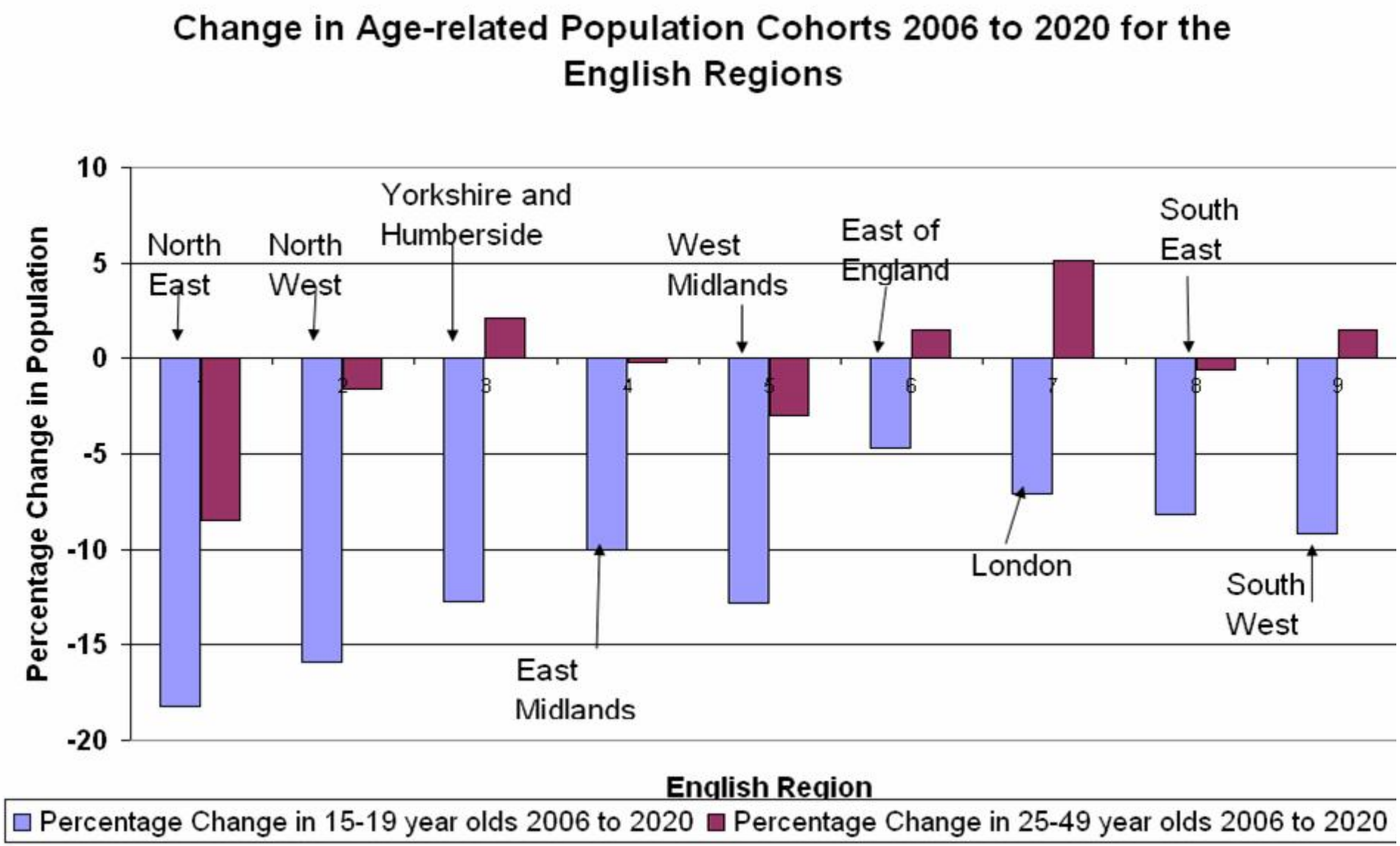
- Across the UK and Europe, the young population (18-20 year olds) is predicted to decline.
- Rates and periods of decline vary.
- In the UK, the period between 2010 and 2019 shows the most severe decline.
- 30-50 year old population rises slightly reflecting complex pattern of change over twenty years

Projected change in population of the UK aged 18-20, 2006-2027

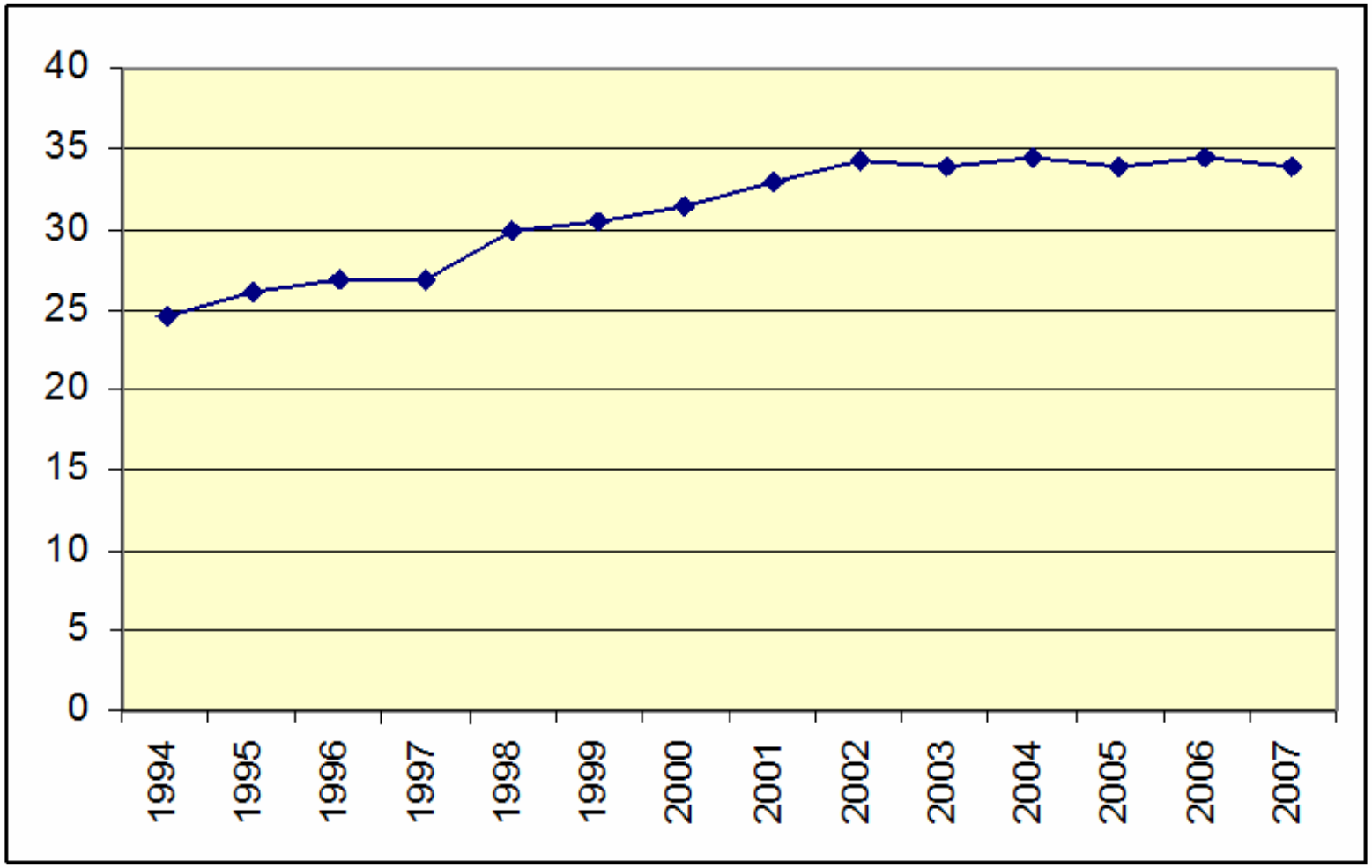


Projected change in population aged 18-20, 2006-2027

UK	+0.3%
England	+2.4%
Scotland	-11.0%
Wales	-9.0%
Northern Ireland	-11.0%
Other EU	-14.1%


Change in Age-related Population Cohorts 2006 to 2020 for the English Regions
Percentage Change in Population
10
5
0
-5
-10
-15
-20
North East
North West
Yorkshire and Humberside
West Midlands
East of England
South East
London
South West
East Midlands
1
2
3
4
5
6
7
8
9
English Region
Percentage Change in 15-19 year olds 2006 to 2020
Percentage Change in 25-49 year olds 2006 to 2020

Articulation between A levels and HE - England



Student number projections - 1

Full-time Undergraduates (000s)					
	2005/06	**2019/2020**	*% change*	**2026/27**	*% change*
England	976.8	930.1	*-4.8%*	1,004.70	*2.9%*
Wales	64.8	59.3	*-8.5%*	61.6	*-4.9%*
Scotland	125.5	111.8	*-10.9%*	115	*-8.4%*
Northern Ireland	31.7	27.5	*-13.2%*	27.5	*-13.2%*
UK	1,198.80	1,128.70	*-5.8%*	1,208.80	*0.8%*

Student number projections - 2

Part-time Undergraduates (000s)					
	2005/06	**2019/2020**	*% change*	**2026/27**	*% change*
England	473.6	499.7	5.5%	504.4	6.5%
Wales	52.7	54	2.5%	52.8	0.2%
Scotland	48.8	47	-3.7%	45.5	-6.8%
Northern Ireland	14.7	15.3	4.1%	14.9	1.4%
UK	589.8	616	4.4%	617.8	4.7%

Demographic Uncertainties

- **Migration Rates**
  - substantial increase between 2004 based and 2006 based ONS population projections based entirely on increased net inwards migration rates
  - Migration has moved up the political agenda
  - A simple return to the central 2004 based projection would reduce projected full-time undergraduate numbers by 80,000 by 2026/27
- **Changing socio-economic mix**
  - Decline in birth rates has been sharper among the lower socio-economic groups in England
  - Young people from the higher socio- economic groups are more likely to obtain a level 3 qualification and enter HE. Full-time undergraduate numbers might be 30,000 higher from this shift in the balance of the population

Demographic conclusions 1

- There will be a significant reduction in the enrolment of full-time undergraduate students between 2010 and 2019.
- That reduction will affect HE institutions differentially according to their countries and regions, and the extent to which they depend on local recruitment.
- It is debatable whether there will subsequently be an upturn, and that issue is largely dependent on the different projections of migration within the population of the UK

Demographic conclusions 2

- There is no current indication of an improvement in the percentage of young people obtaining 2 A levels, as a basis for admission to university.

- However, there are some indications that social mobility may improve the recruitment situation through the enhancement of aspirations.

- There is scope for some additional recruitment of part-time undergraduates as the population in the older age ranges increases.

Other threats to student demand

Demography is not enough: other threats include:

- Increased pressure on public funding and increased competition for public funding from other services
- Increased competition from new providers both in the home and international student markets
- The emergence of new, more flexible patterns of learning driven by the full application of technology and increased influence of employer demand

The Marketing Challenge - 1

- Have you sought to identify the factors that contribute most directly to demand?
- What will be the impact of projected demographic change on your student markets? Should you be worried?
- Do you select or recruit?
- Do you have niche markets, where you are one of a small number of major players, that you can exploit?
- Are there new markets in which you could compete effectively from your existing strengths?
- Are there segments of your market where collaboration and partnership with others could deliver strong mutual benefits?
- Who do you see as your natural partners?

The Marketing Challenge - 2

- Have you developed the facility to identify, assess and counter emerging threats?
- How well do you understand the potential impact of changes in student financial support on ‘your’ students?
- Have you considered which if any of your student markets might be most vulnerable to ‘new’ players?