SUSTAINING HIGHER EDUCATION FUNDING CONFERENCE , 23 JUNE 2009

Monitoring the impact of variable tuition fees

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Overview

- Purpose and nature of the research
- Approach
- Findings
  - Demand
  - Student profile
  - enrolments
  - Institutional response
- Conclusions

Purpose and Nature of the Research

- Commissioned by Universities UK
- To provide an independent assessment of the impact of the introduction of variable tuition fees for full-time undergraduates in England on students and institutions
- Longitudinal study using publicly available data over four years
- Provide evidence for the prospective 2009 review of the new tuition fee arrangements

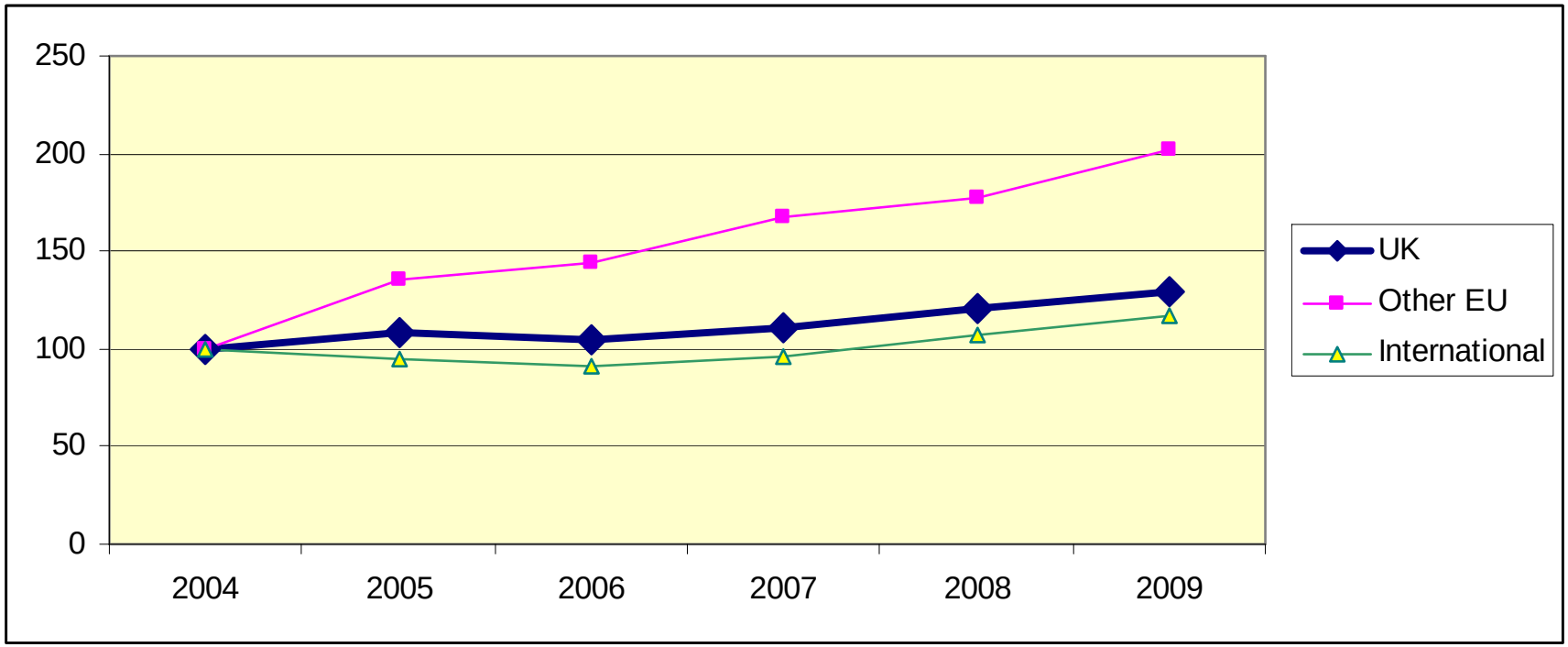
The Approach

- Identification of key data and sources of that data
- Start measurement well before the introduction of the new fee regime – 2004/05 – and continue through the transition (Our fourth report will cover six years of data to 2009/10)
- Look for evidence of indirect effects – e.g. cross border flows and part-time undergraduate participation – as well as direct effects
- As far as possible cover HEIS **and** FECs

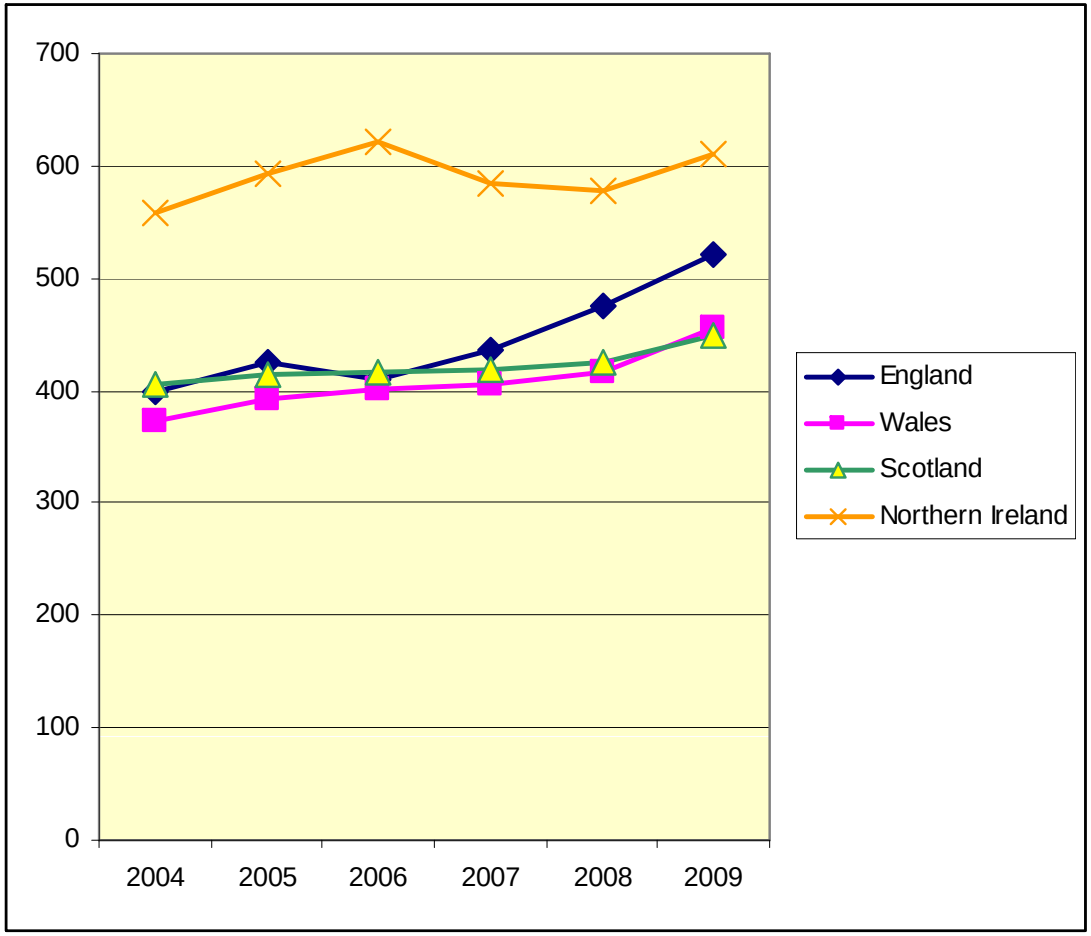
Demand Indicators

- Applications through UCAS
- Applications per thousand of the 17 year old population
- Acceptances onto degree and other programmes
- First year full and part-time undergraduate enrolments

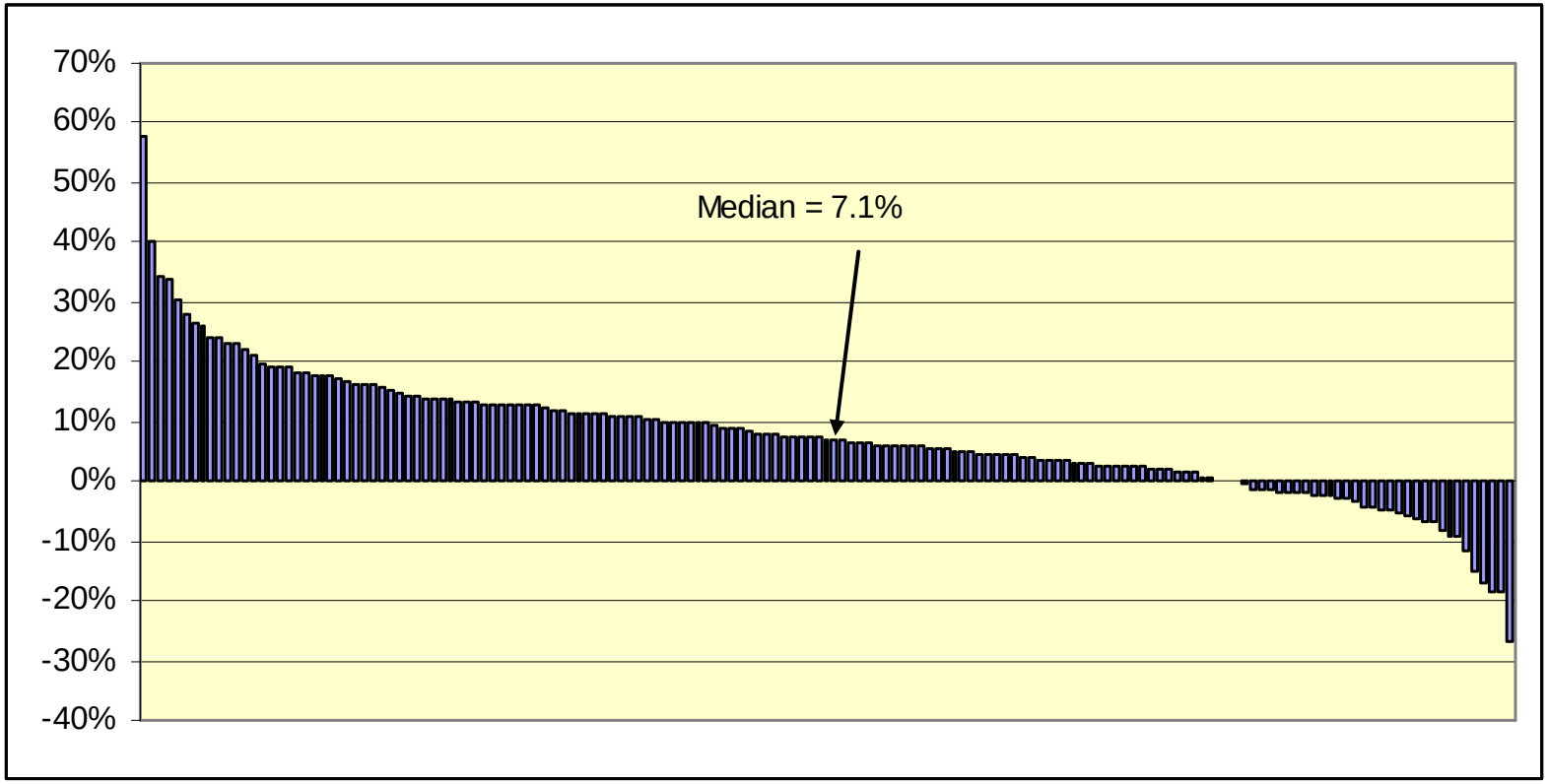
Trends in applicants through UCAS, 2004-2009, indexed (2004 = 100)



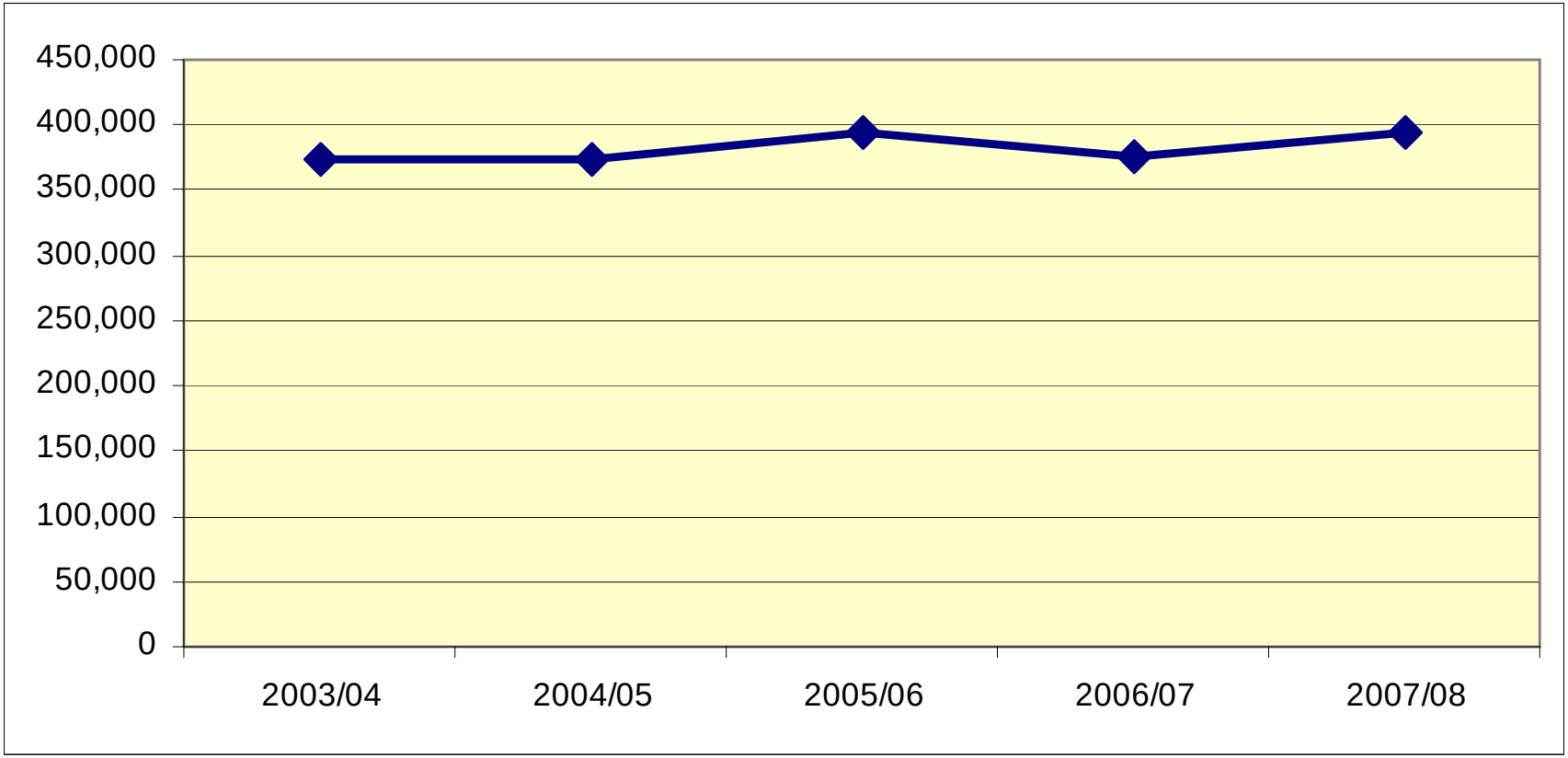
Applicants per 1000 of the 17 year old population, by country of the UK, through UCAS, 2004 to 2009



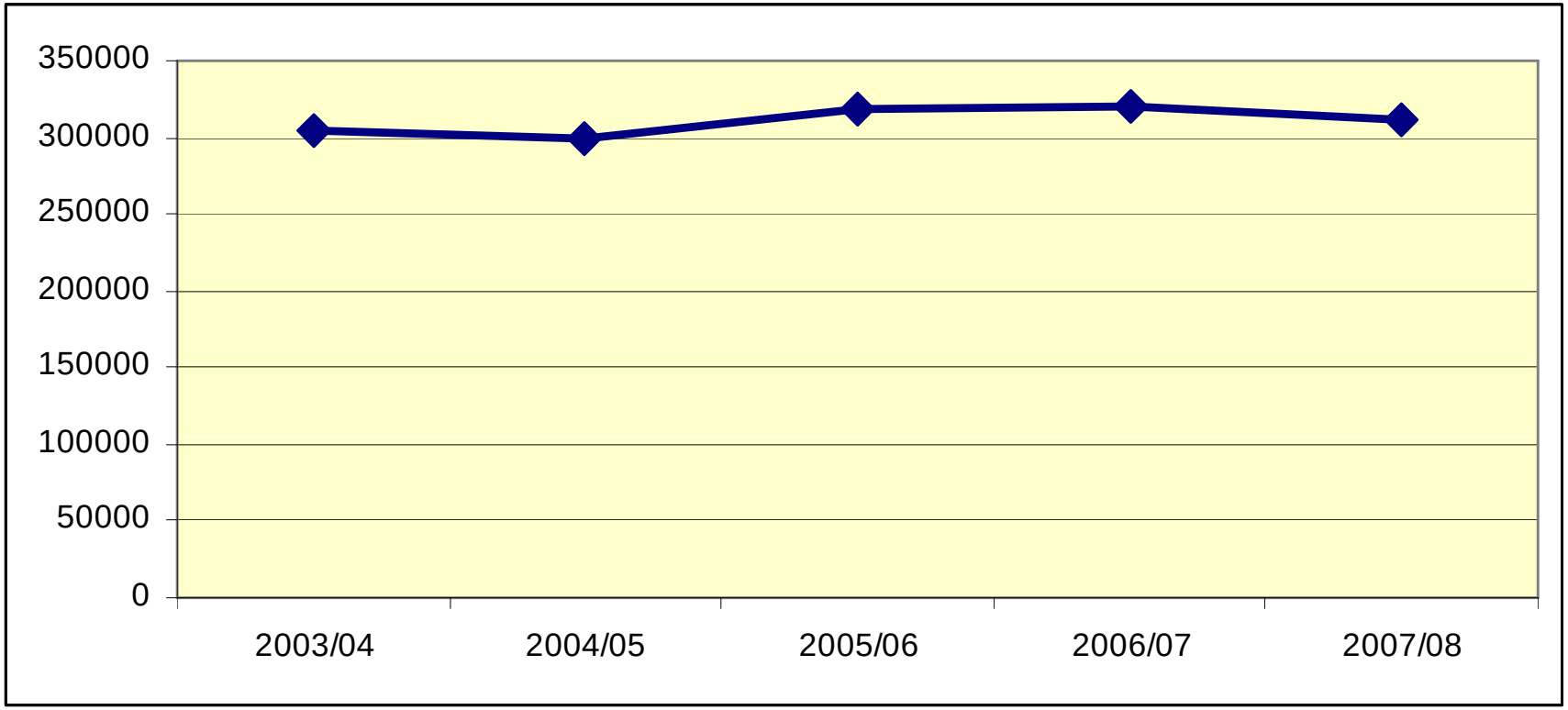
Percentage change in number of applications to full-time degree courses by institution through UCAS, 2008 to 2009 entry (January application figures)



Full-time first year UK-domiciled undergraduate students, 2003/04 to 2007/08



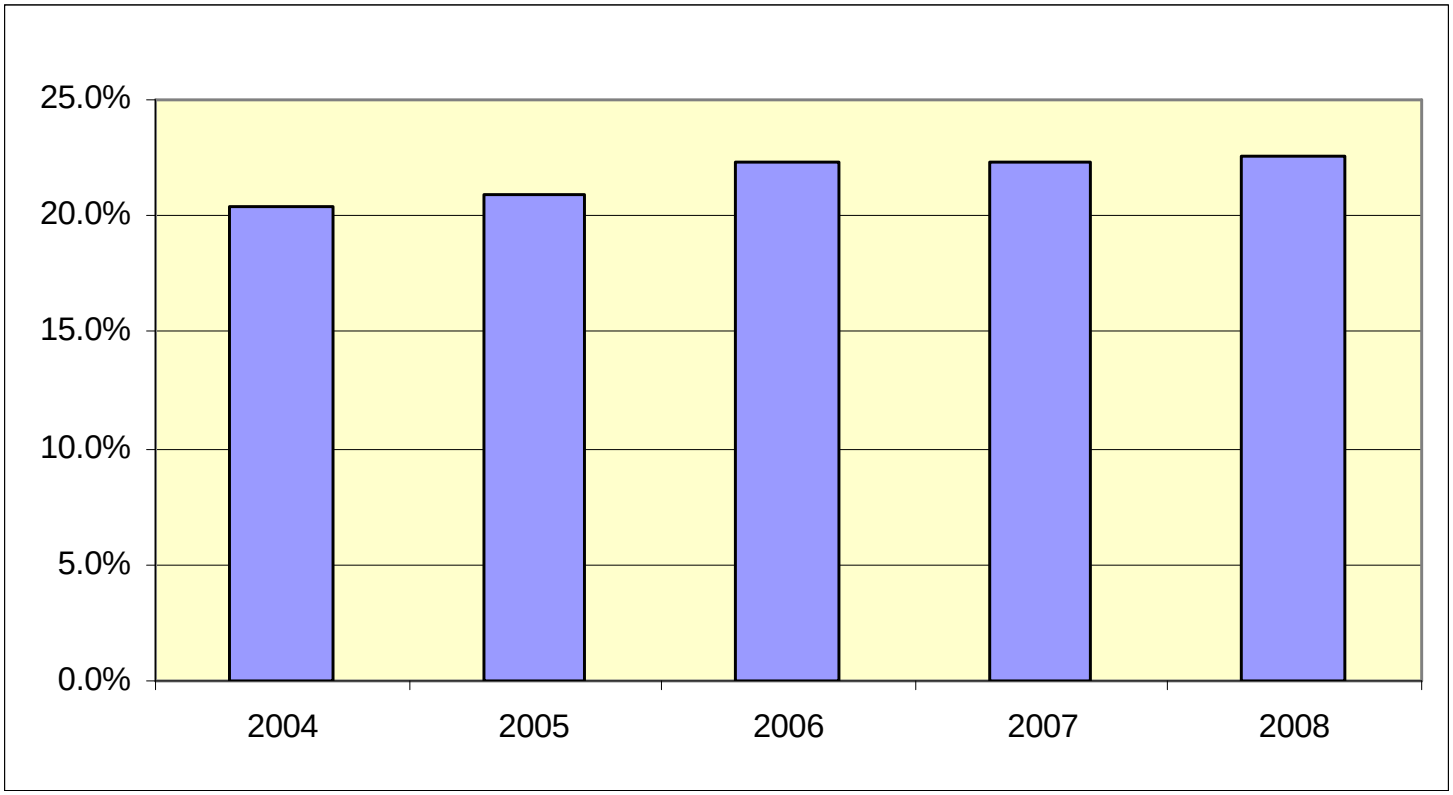
Part-time first year UK-domiciled undergraduate students, 2003/04 to 2007/08



Widening Participation Indicators

- Acceptances onto full-time degree courses by
  - Ethnicity
  - Socio-economic group
  - Age on entry

First degree acceptances of UK domiciled minority ethnic individuals as a percentage of all UK domiciled acceptances, 2004-2008



Participation by Ethnic Group

- Proportion of white ethnicity fell overall by around 2.4 percentage points with most of the change between 2005 and 2006
- Lack of data about the ethnic make-up of the population by age
- Significant proportion of unknowns
- Nursing, midwifery and Associated subjects included in UCAS for the first time in 2008

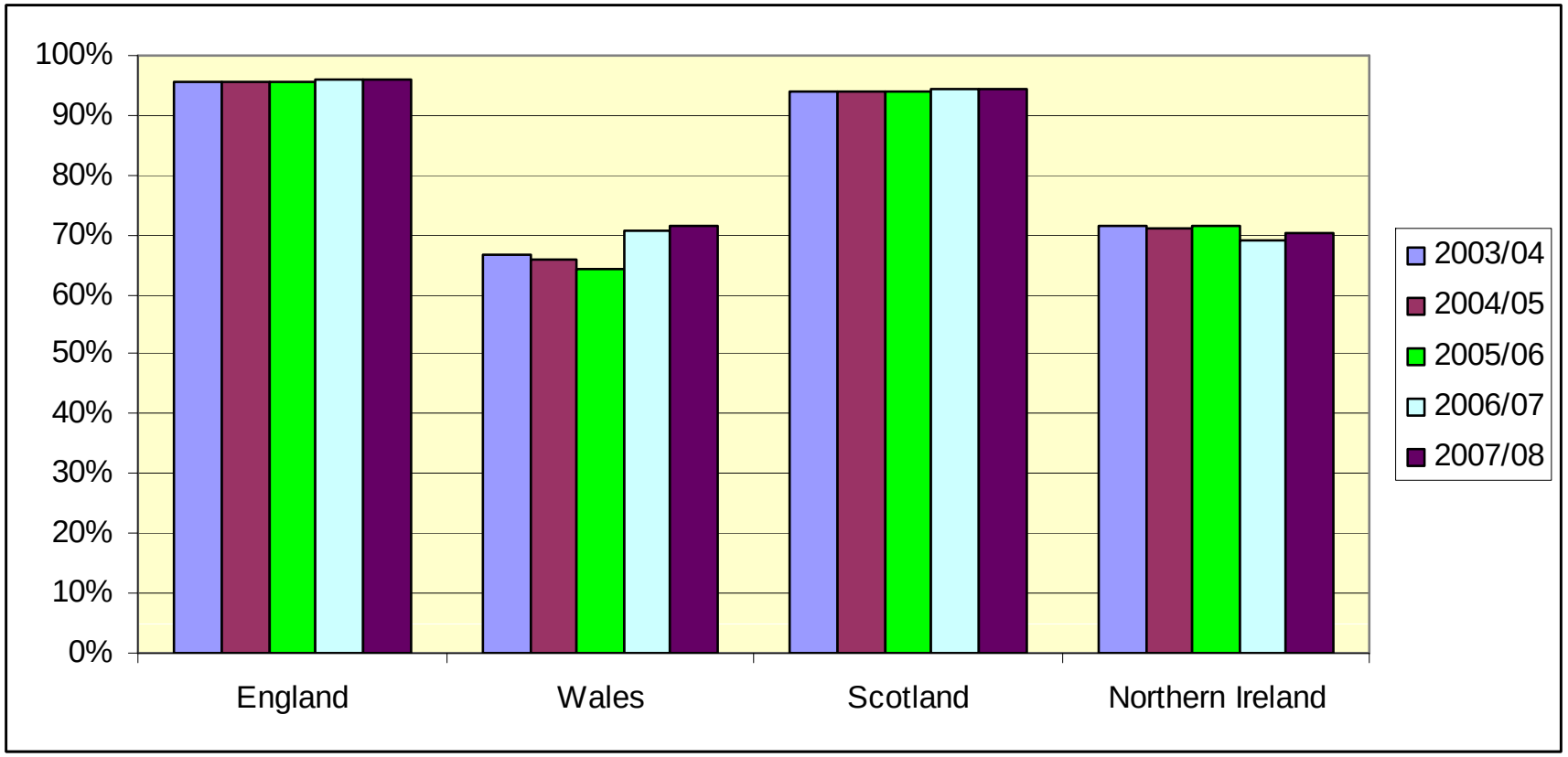
Acceptances by Socio-economic Group

- Very stable pattern until 2008
- Significant reduction in the proportion from the two highest socio-economic groups with corresponding increase in the proportion from the two lowest groups in 2008
- Uncertainties from large and growing number of unknowns
- Possible impact of the inclusion of NMAS students in 2008

Acceptances by Age

- Very stable until 2008 with around 80% of acceptances onto first degree programmes aged 20 and under
- In 2008 the proportion fell to 77.7% with corresponding increase in older individuals
- Strong evidence for this being affected by the inclusion for the first time of acceptances onto NMAS programmes

Percentage of full-time first year UK-domiciled students studying within their country of domicile, 2003/04 to 2007/08



Fee Levels and Loans

- By 2009/10 only three HEIs in England will be charging full-time first degree tuition fees below the maximum
- Some are charging lower fees for Foundation degrees and sub-degree programmes
- FECs are using the variable fee regime to charge a much wider range of fees in part reflecting their different pattern of courses but in many cases as a marketing tool
- Percentage take up of tuition fee loans by English domiciled students in 2006/07 and 2007/08 appears to have been between 72 and 74%

Part-time Undergraduate Fees

- Part-time undergraduate first degree provision is concentrated in around 40 HEIs
- Wide range of fee levels
- A few have increased fees pro rata to the maximum full-time undergraduate fee
- A few continue to charge pro rata to the pre 2006 regulated fee up-rated for inflation
- Majority charge between these two levels still cautiously testing market but with some reference to the maximum level of public fee support available
- It will take some time yet to understand the full effect of fee changes on part-time undergraduate demand

Impact on Institutional Income

- Real terms growth of 67% in HEI income from full-time undergraduate fees from 2003/04 to 2007/08
- Full-time undergraduate tuition fee income increased from less than 10% of total HEI income in 2003/04 to nearly 13% in 2007/08
- Step change in the median ratio of HEFCE T grant to full-time undergraduate fees from 3.1 to 1.9

Conclusions (1)

- Vast majority of HEIs charge the maximum fee allowed by variable fee regime for first degree programmes
- More variability of fees charged for sub-degree programmes and by FECs
- Impact on overall student demand limited to 2005/06 and 2006/07 with a downward blip in enrolments in 2006/07
- Little evidence of any impact on student profile

Conclusions (2)

- No evidence of any relationship between maximum bursaries offered and application rates
- No impact on the underlying pattern of change in the subjects of study
- Part-time undergraduate fees have increased in real terms as a consequence of the increased fees for full-time students and this may be reducing demand modestly
- Need to be alert to other changes of policy or in the coverage of data that may be leading to observed changes in the data