

The End of Free College in England: Implications for Access, Equity, and Institutional Quality

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ISSUES

It's Time to Make College Tuition Free and Debt Free



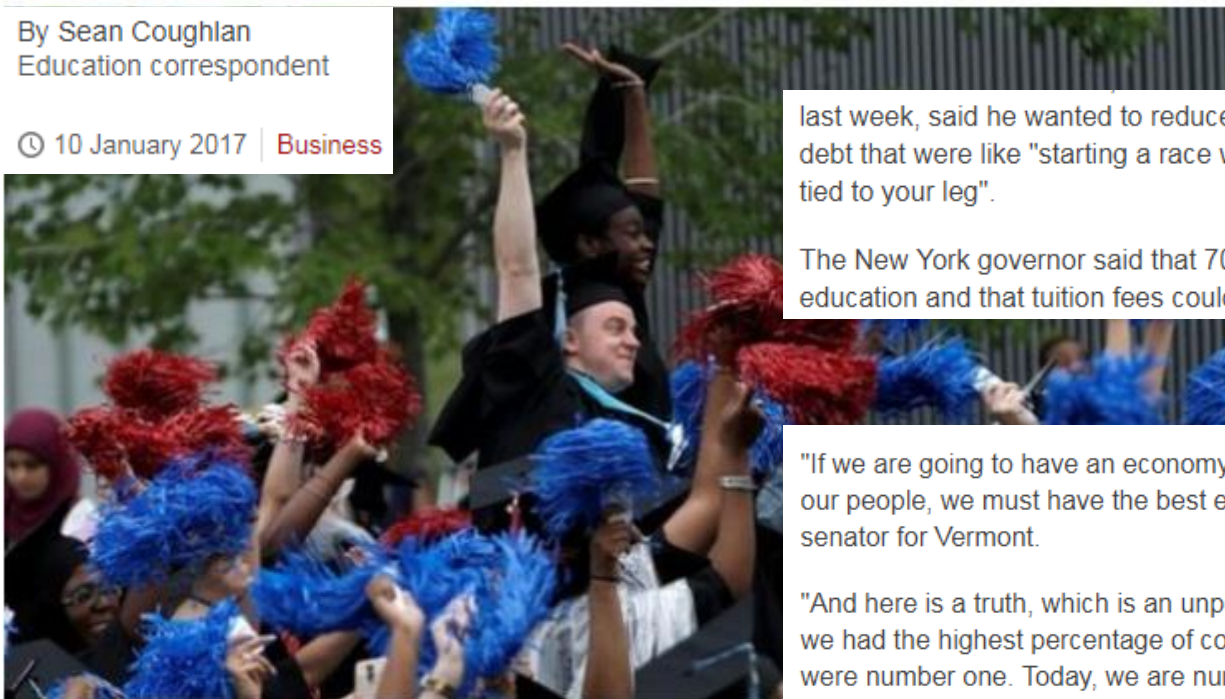
In a highly competitive global economy, we need the best-educated workforce in the world. It is insane and counter-productive to the best interests of our country and our future, that hundreds of thousands of bright young people cannot afford to go to college, and that millions of others leave school with a mountain of debt

NEWS

New York to scrap tuition fees for middle class

By Sean Coughlan
Education correspondent

🕒 10 January 2017 | Business



last week, said he wanted to reduce levels of student debt that were like "starting a race with an anchor tied to your leg".

The New York governor said that 70% of jobs in the state now needed a college education and that tuition fees could not be allowed to remain a barrier.

NY Governor Andrew Cuomo

"If we are going to have an economy that creates the kinds of jobs that we need for our people, we must have the best educated workforce in the world," said the senator for Vermont.

"And here is a truth, which is an unpleasant truth - and that is 30 or so years ago we had the highest percentage of college graduates of any nation on Earth. We were number one. Today, we are number 11."

Bernie Sanders

College students in New York could graduate with much lower debts

Tuition fees should be scrapped, says 'architect' of fees Andrew Adonis

Student finance system leaves graduates in England with debt of £50,000 or more and three-quarters will never pay it back, says former Blair adviser



Motivation

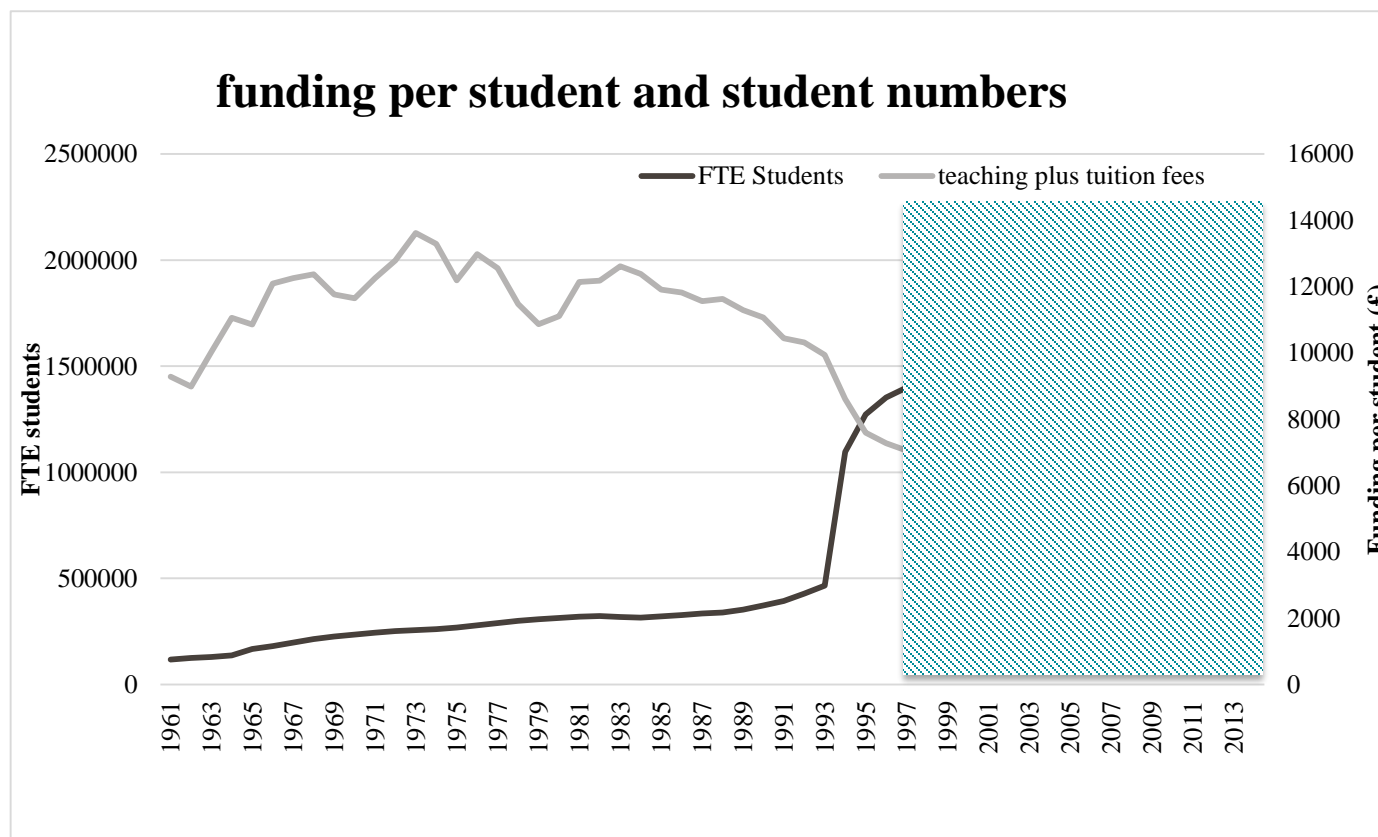
- Some countries and states where tuition fees have been long established are now backing free higher education
- Those against fees are motivated by fears about declining investment, falls in enrolment, and increased inequality
- But those in favour of them have similar motivations ...

Research question

Has the UK's introduction and expansion of tuition fees since 1998 led the English system backwards or forwards in terms of improving quality, quantity, and equity in higher education?

Challenges during the free college era

1. Declining investment

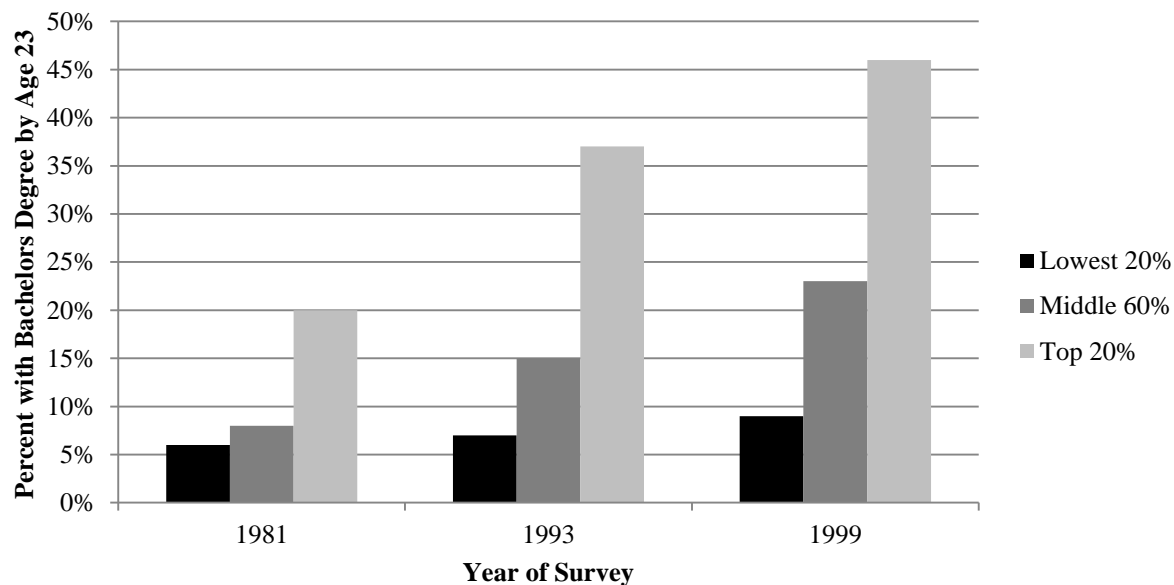


Source: Carpentier, 2012 and authors calculations using HESA data

Challenges during the free college era

2. Inequality

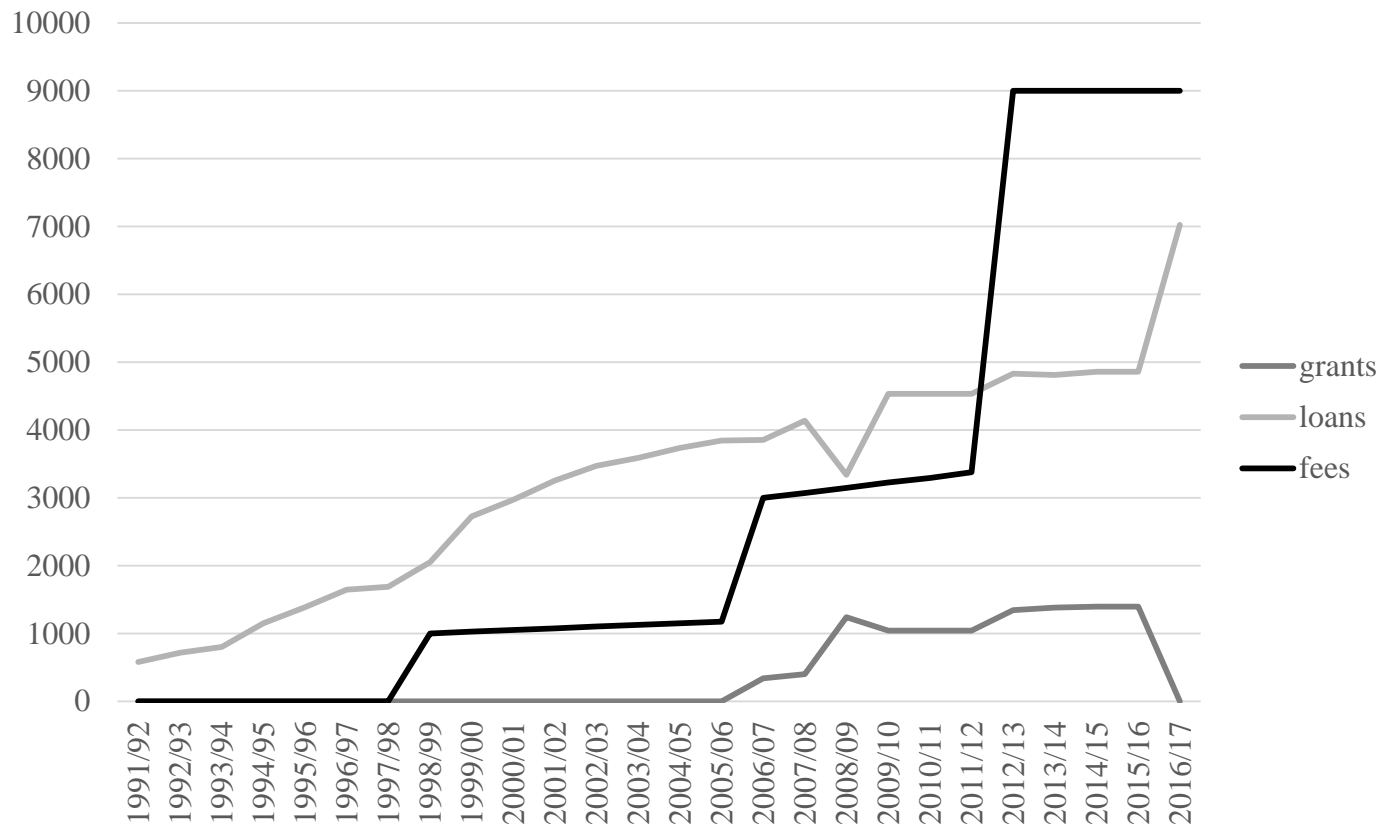
Percent with BA/BSc Degree by Age 23, by Family Income



1998 and beyond: progressive arguments for introducing tuition

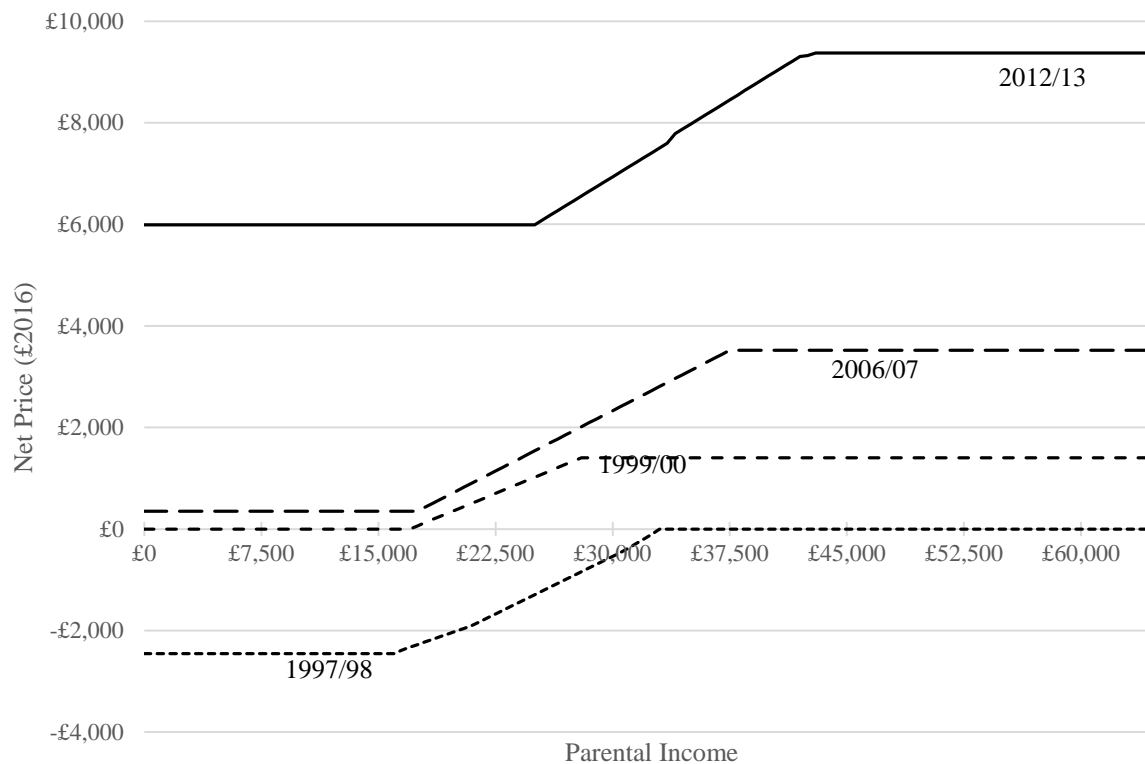
1. Complete reliance on public funding meant universities were under constant pressure to limit enrolments, reduce per-student expenditures, or both.
 - Higher-achieving students, and more elite institutions with external funding sources, were most insulated from these consequences (Barr & Crawford, 1998).
2. Because of substantial inequality in pre-college achievement, the main beneficiaries of free college were students from middle- and upper-class families – who, on average, go on to reap substantial private returns from their publicly-funded college degrees (Barr, 2010).
3. Prioritizing free tuition for all students leaves little room in the budget to provide additional supports for low-income students.

HE Finance over time: medium income students

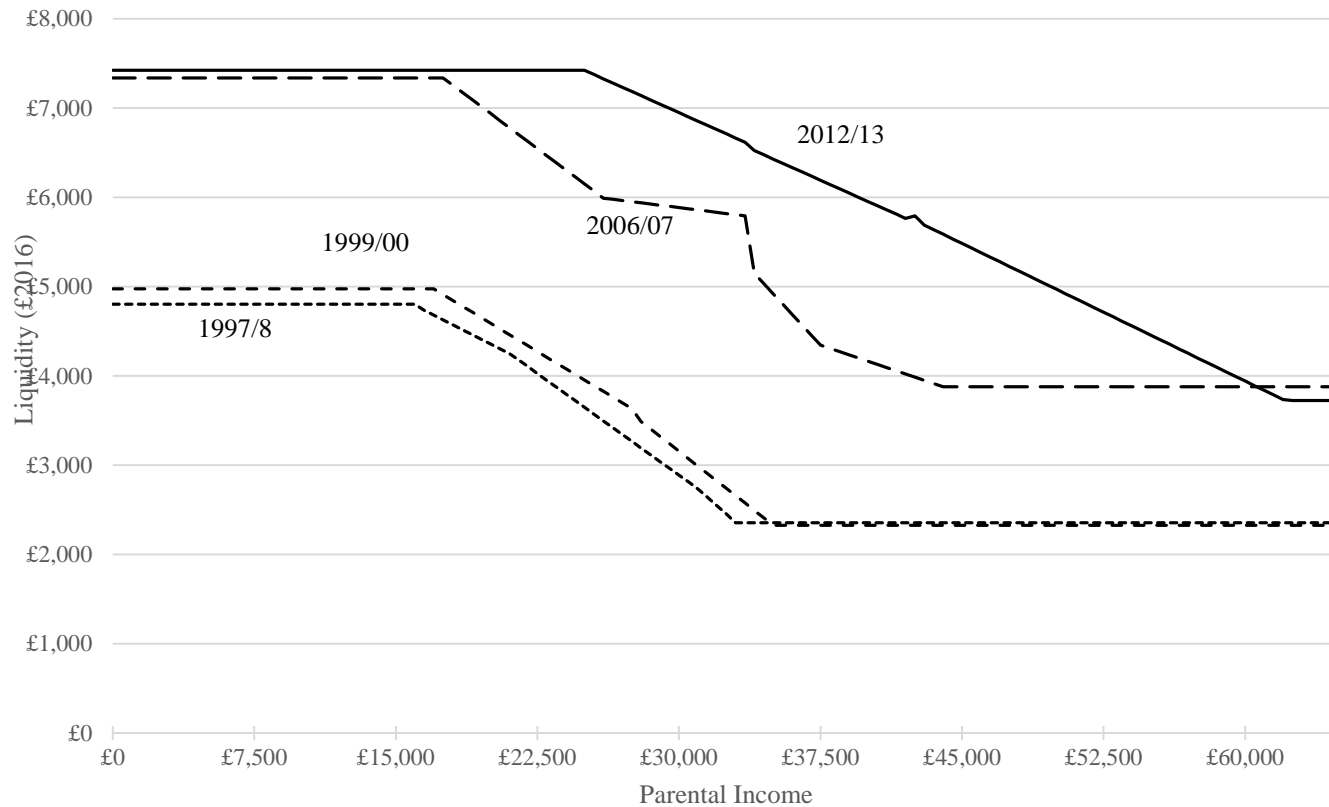


Net Price (Fees-Grants) by Parental Income and Fee Regime

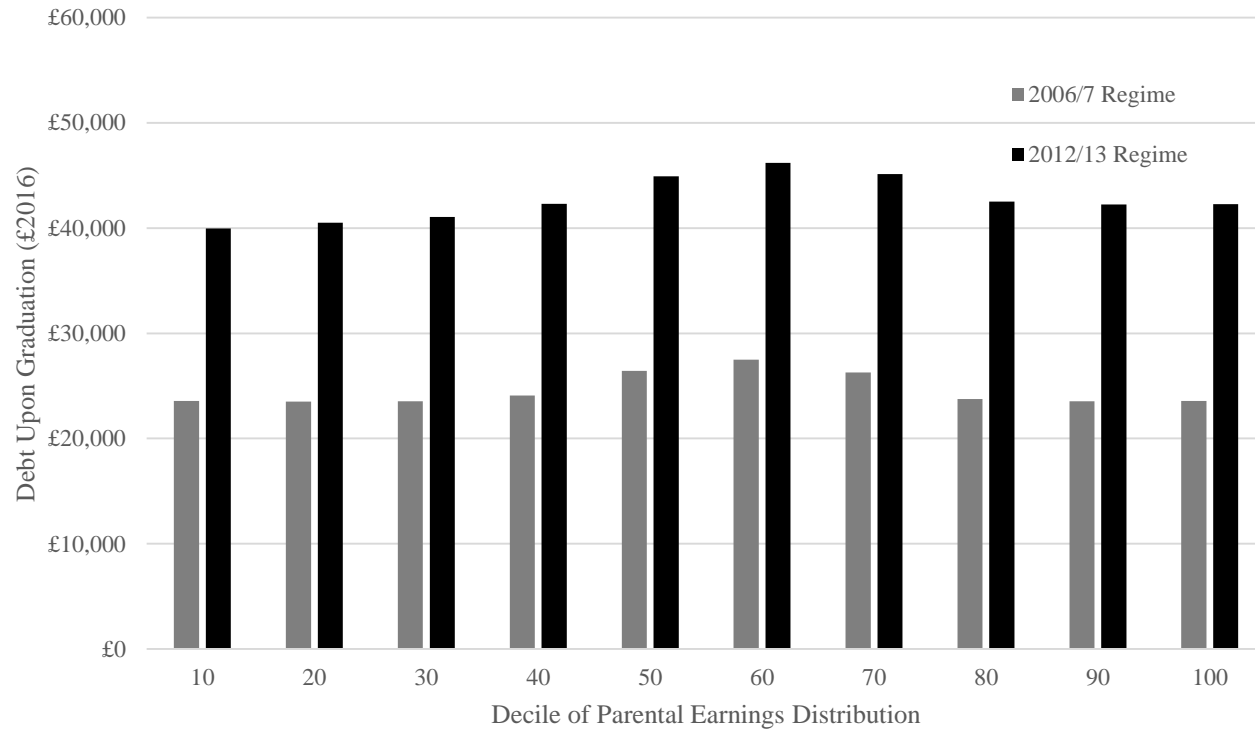
Regime



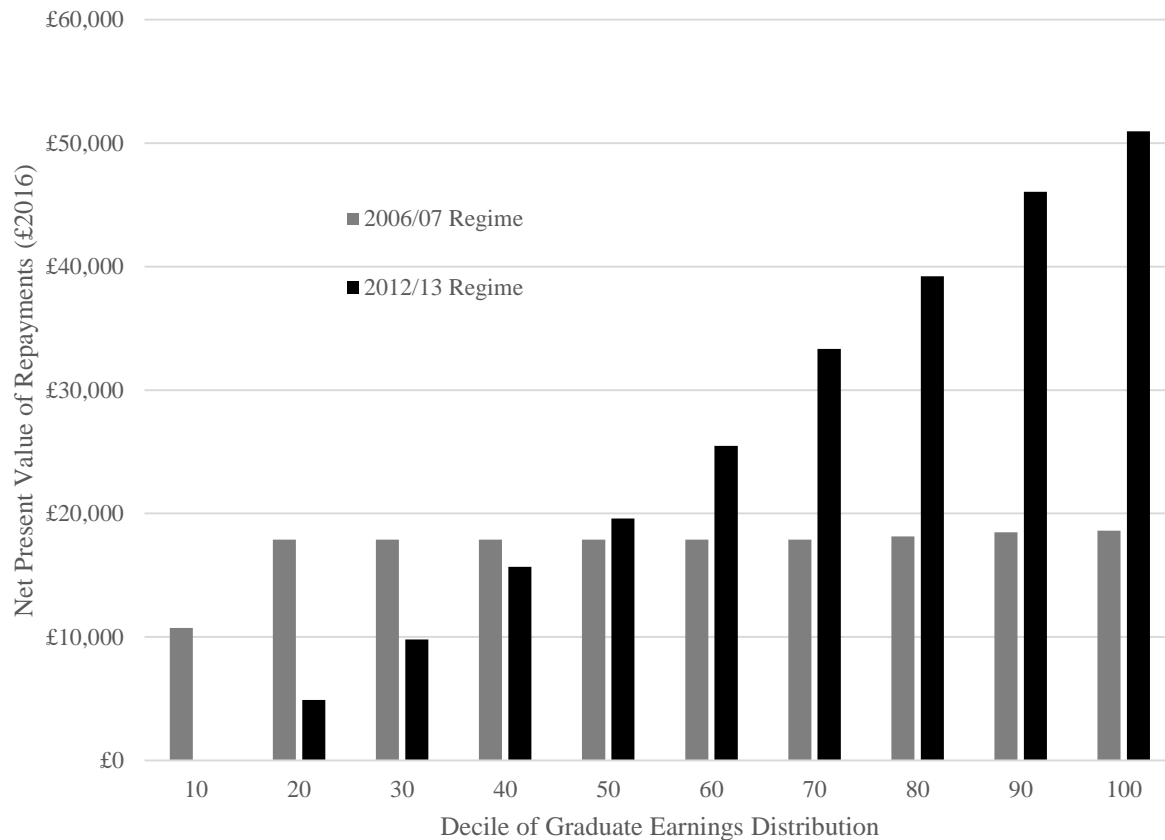
Net Liquidity (Grants+ Maintenance Loans-Up Front Fees) by Parental Income and Fee Regime



Impact of Regimes on Debt and Repayments: Debt Upon Graduation by Deciles of Parental Income



Impact of Regimes on Debt and Repayments: Net Present Value of Repayments by Deciles of Graduate Income



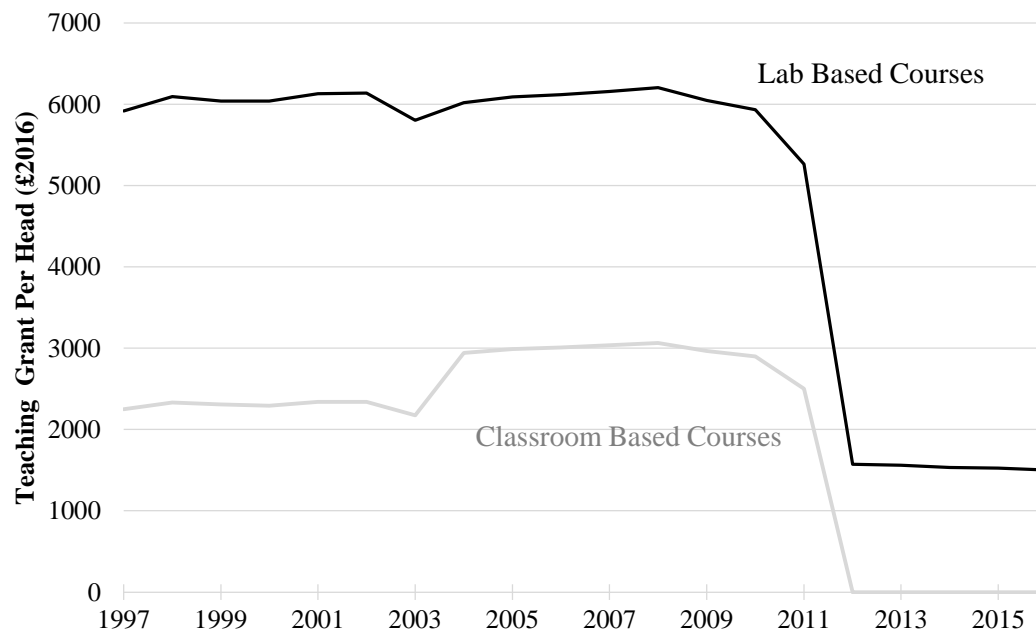
Annual circular flow of funds (£bn)

	1997-98	2003-04	2008-09	2011-12	2012-13	2017-18
Funding sources:						
Taxpayers	3.9	7.2	8.7	9.1	8.0	6.3
Graduates	0.2	0.8	1.4	6.3	11.0	12.2
Funding recipients:						
Universities	3.4	7.2	8.7	7.7	11.2	10.7
Students	0.7	0.6	1.4	7.8	7.9	7.9

Impact of changing regime

1. Investment

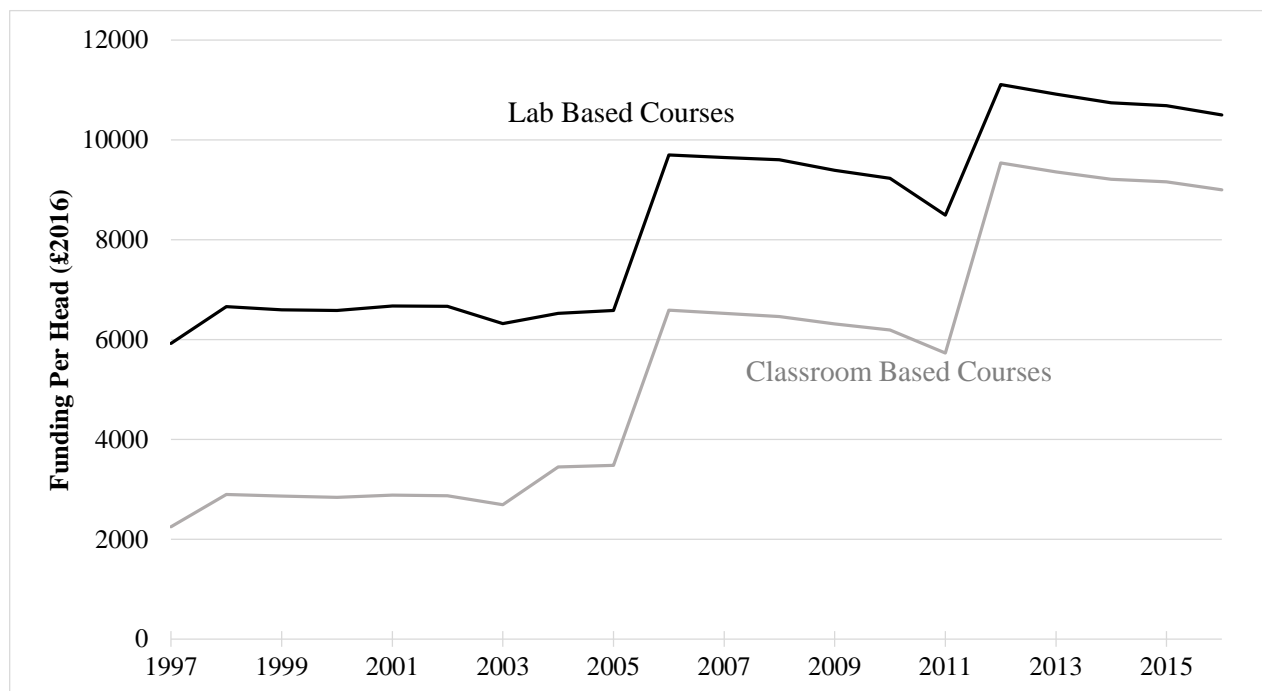
Funding Per Domestic Undergraduate: HEFCE teaching grant



Impact of changing regime

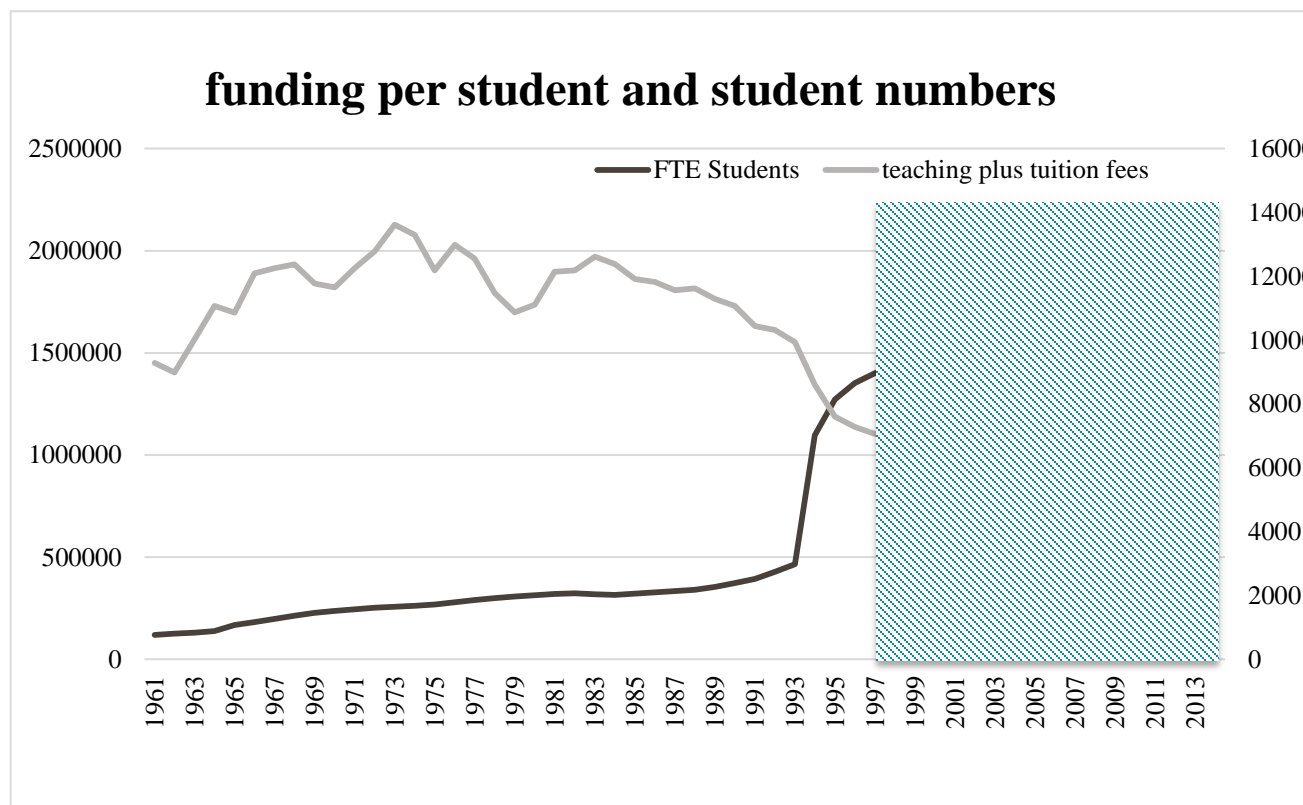
1. Investment

Funding Per Domestic Undergraduate: HEFCE teaching grant plus tuition fees



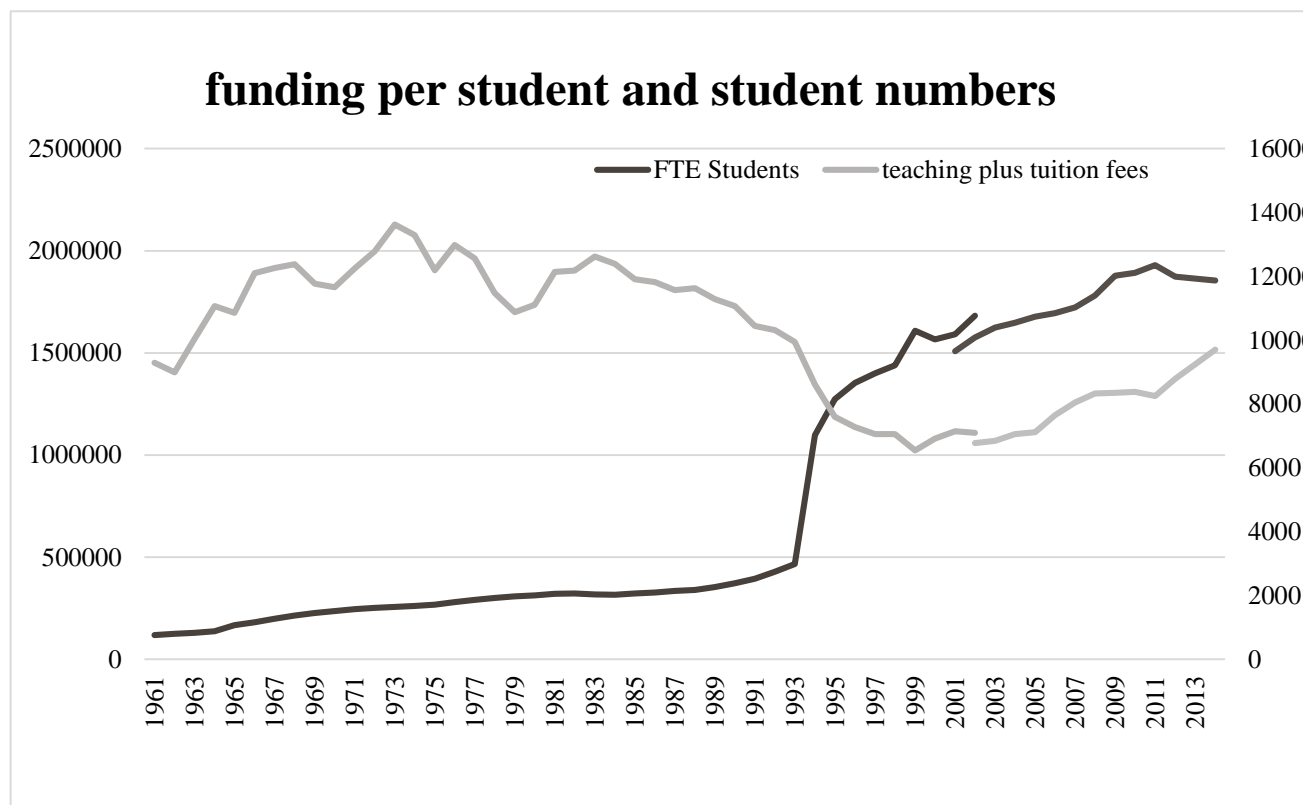
Impact of changing regime

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Impact of changing regime

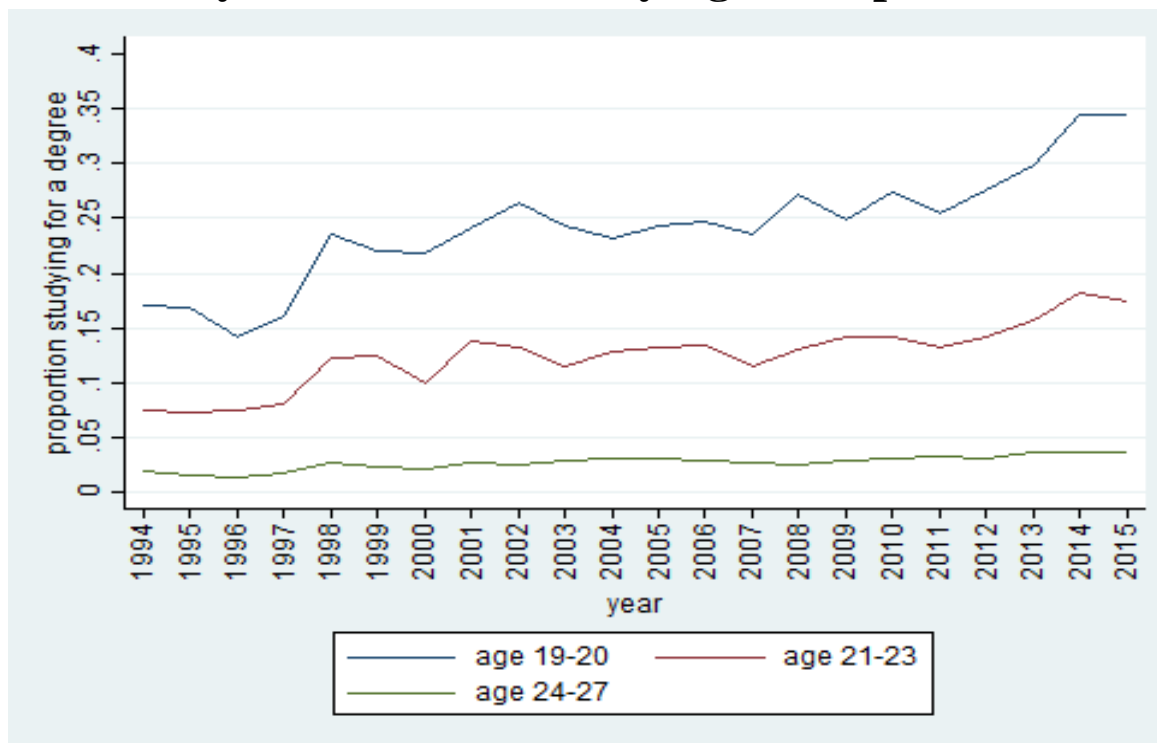
1. Investment



Impact of changing regime

2. Enrolment

University Enrolment Rates by Age Group Over Time

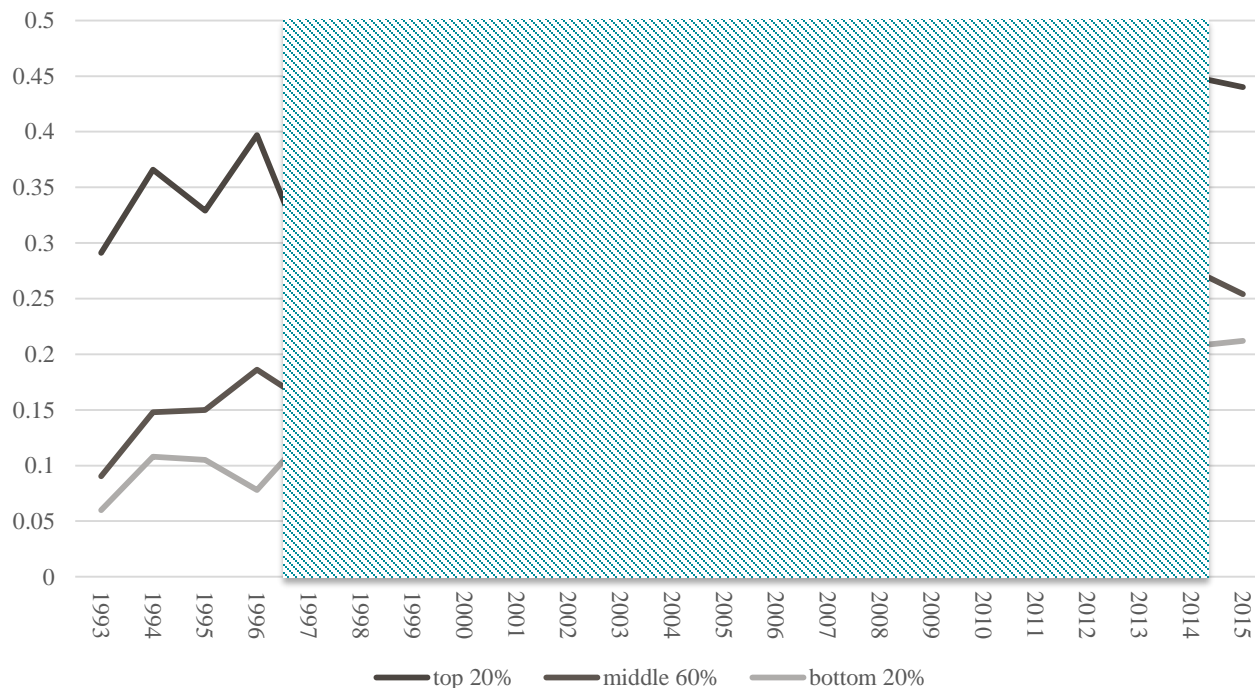


Source: Wyness calculations using restricted-access data from Secure Lab: SN6727 Quarterly Labour Force Survey, 1992-2016: Secure Access.

Impact of changing regime

2. Access

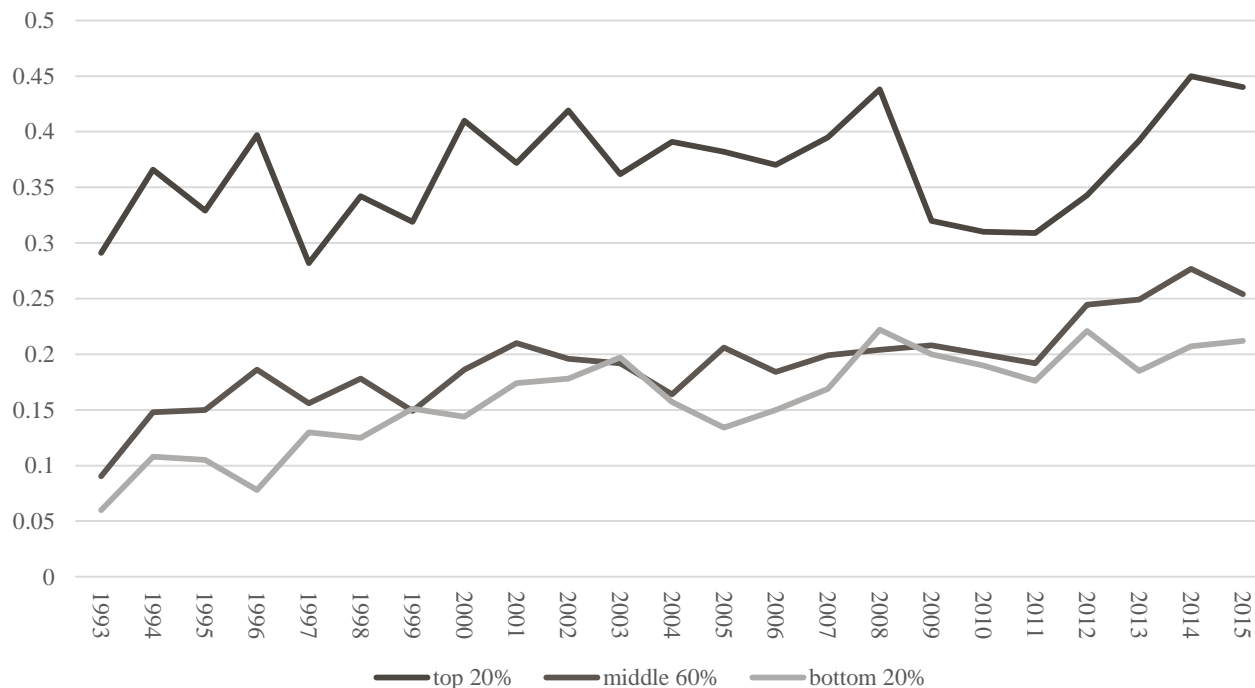
University Participation Rates by SES



Impact of changing regime

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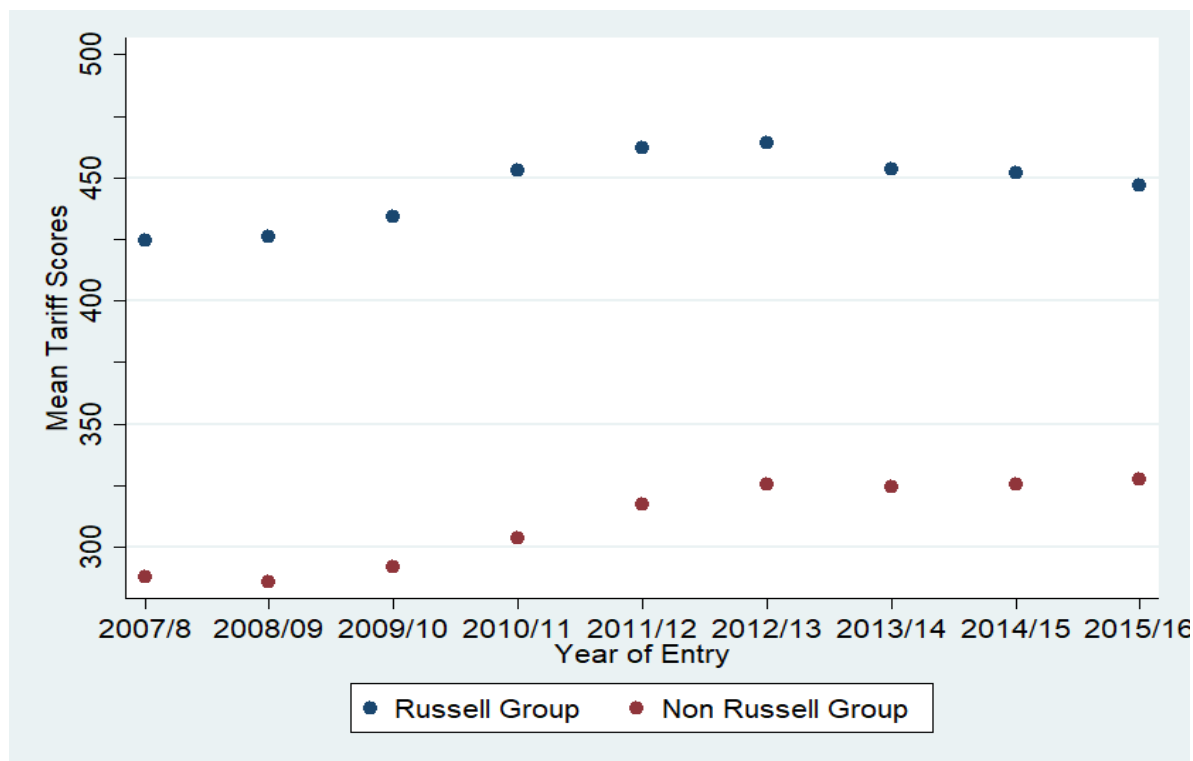
University Participation Rates by SES



Impact of changing regime

2. Access

Average entry tariff scores by university type



Conclusion

- Quality: Funding to universities has gone up. But does that mean quality has increased?
- Quantity: Enrolments have continued to improve. But what about part-timers?
- Access has also improved (not causal!). What will abolition of grants do?
- Cost to the taxpayer is still high: undermines progressive argument

Lessons from England

- policymakers should shift away from focusing solely on net prices, to also thinking about net liquidity: the resources students have access to up-front.
- the income-contingent loan (ICL) repayment system is what makes it possible for students to safely borrow much higher amounts than they could in the U.S. system
- the key challenge of a free university system is insufficient resources