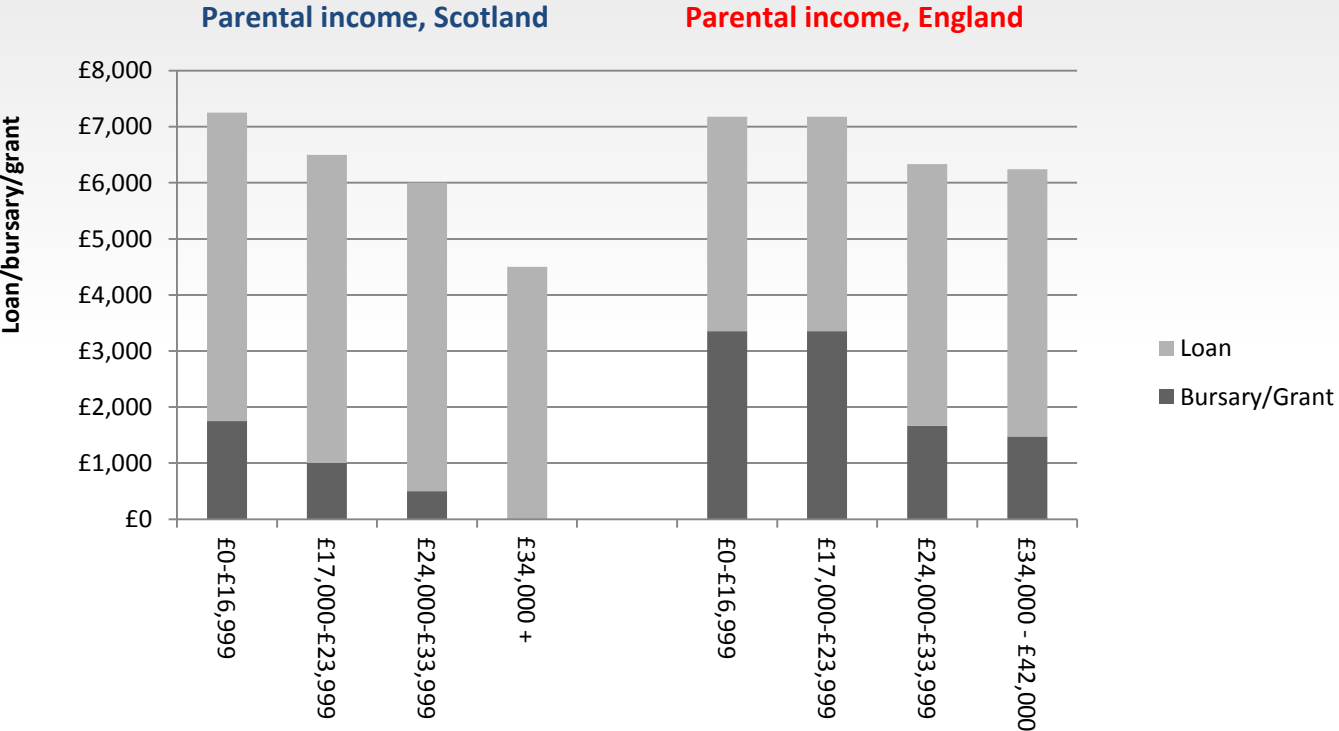

Widening access for pupils from socially disadvantaged backgrounds: the role of fees, loans and grants

Gill Wyness, Centre for Economic Performance, London School of Economics

Widening access: what is the role of tuition fees and support?

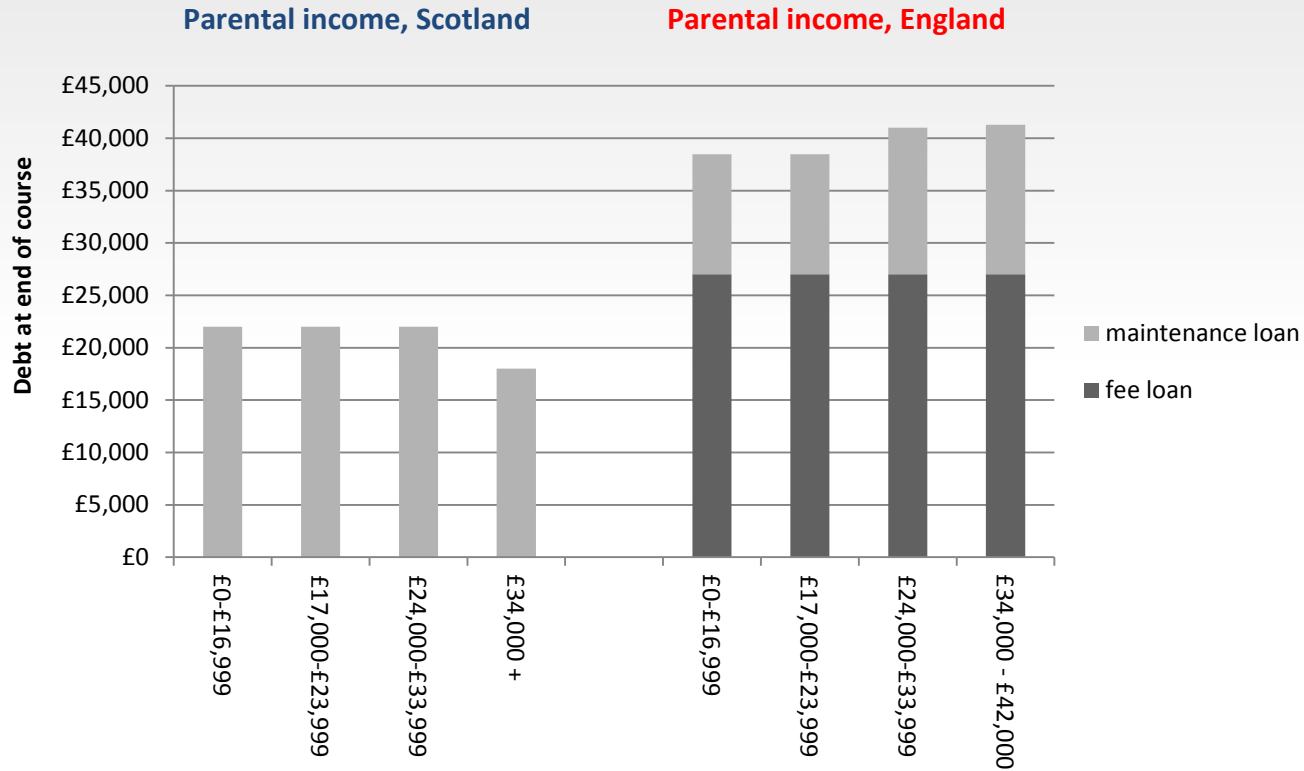
- The socio-economic gap in participation remains high in Scotland, despite free tuition
- Fees matter – but upfront support (grants and loans) matters too
- Prior attainment is the most important driver of participation
- Misinformation about fees and support is still widespread

Up-front support is more generous in England



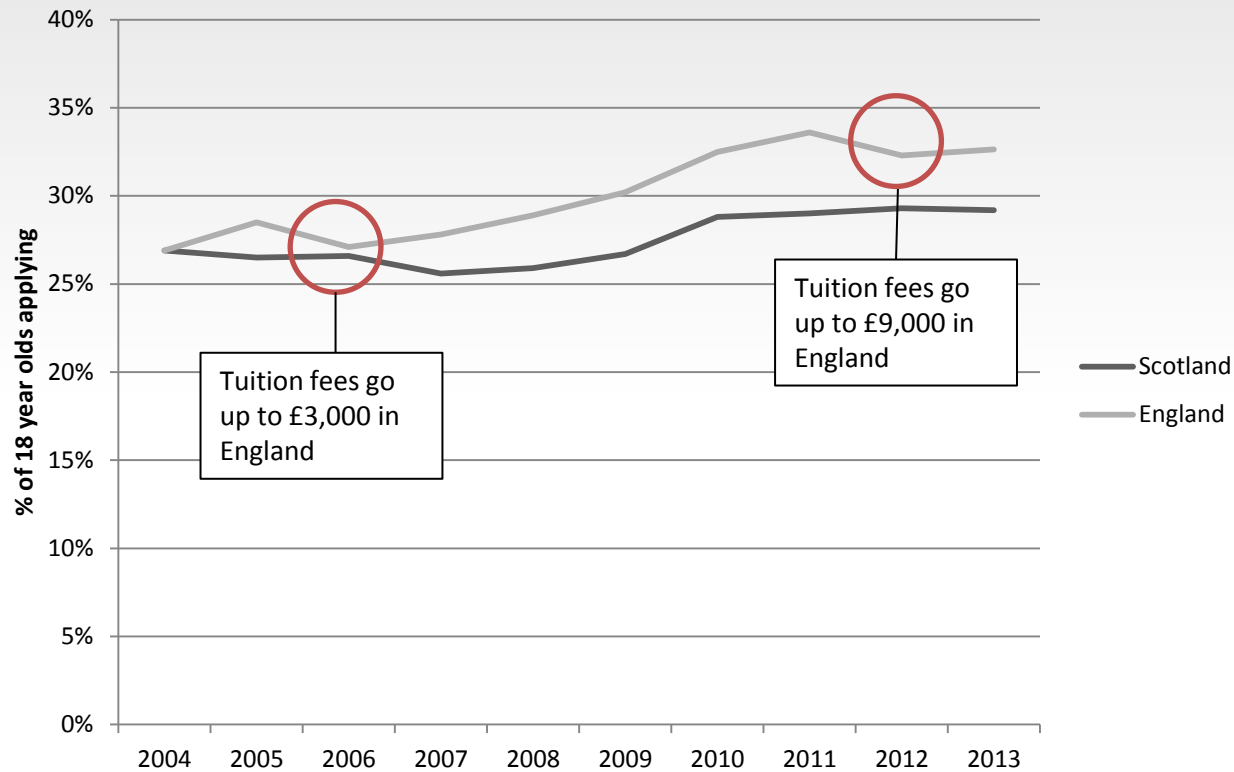
Source: direct.gov / SAAS

But debt is far higher in England



Source: direct.gov / SAAS

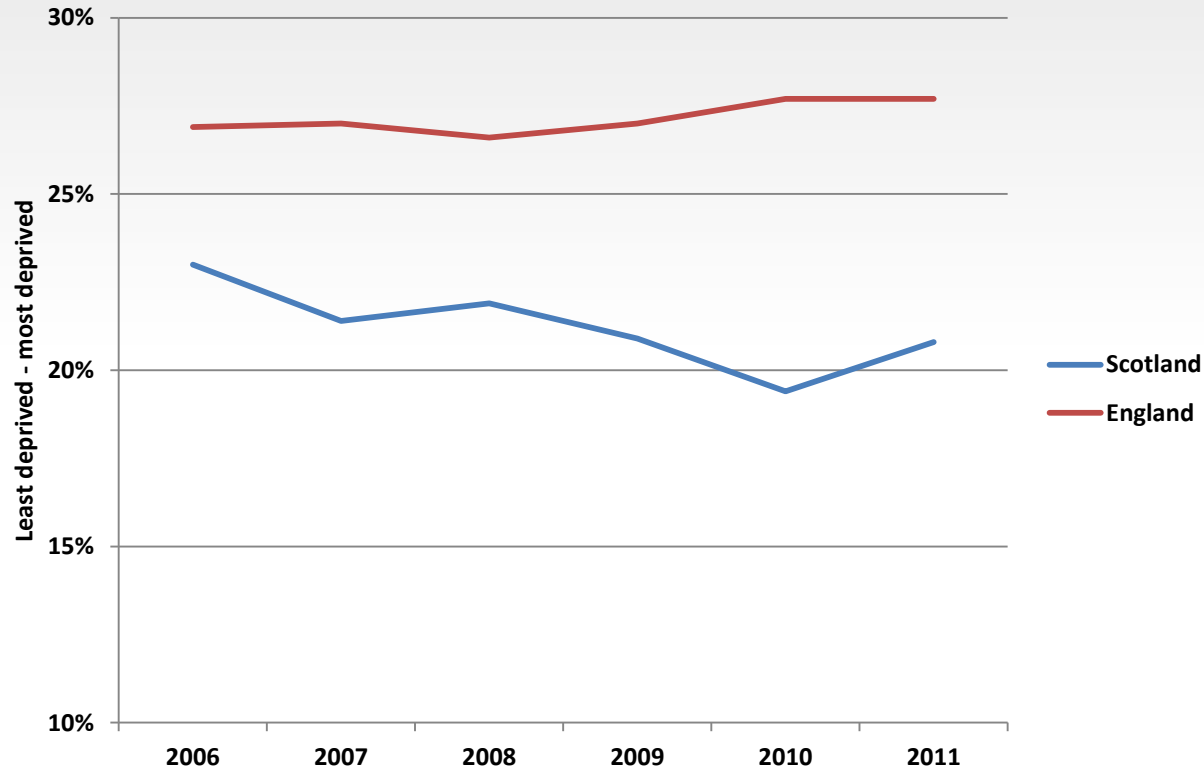
How does this affect participation?



Source: UCAS (does not include HE in FE)

How does this affect participation?

Gap between least and most deprived



Source: England, UCAS (18 year olds);
Scotland, SFC (18-30 year olds, includes
HE in FE)

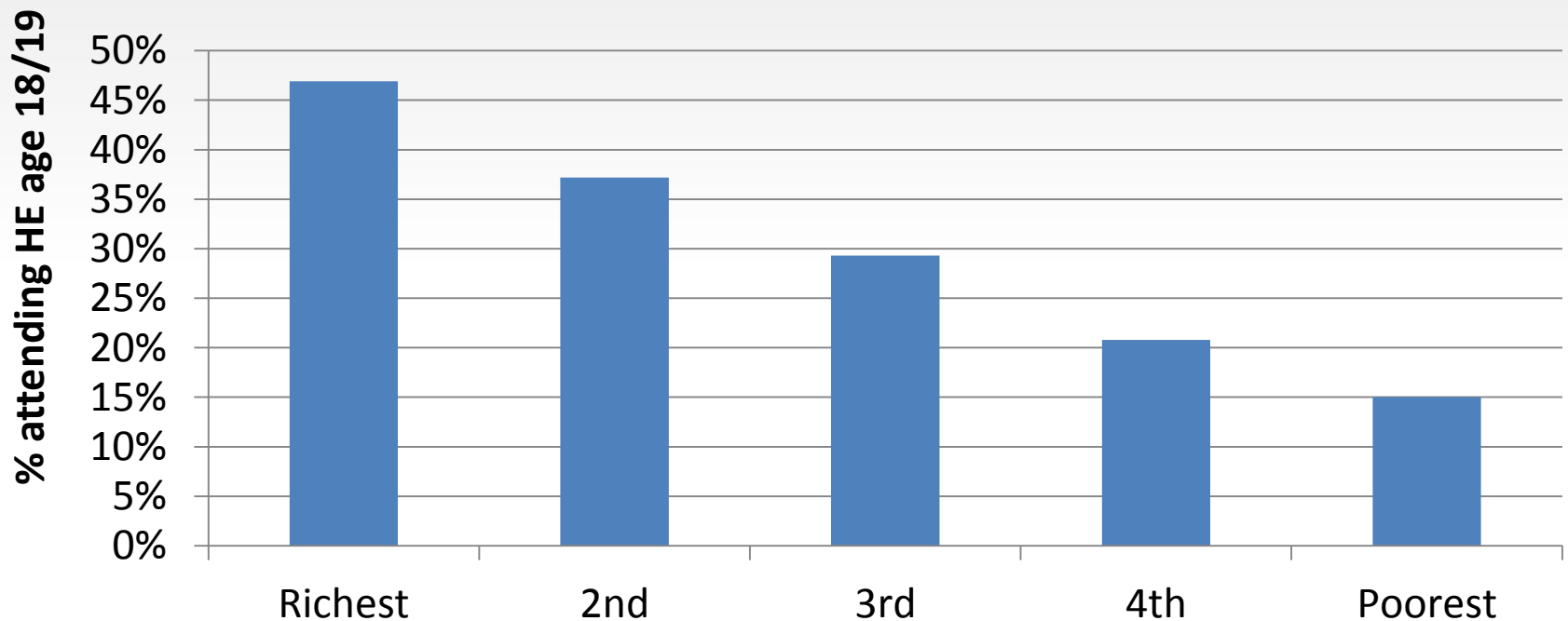
There is a positive role for grants and loans as well as a negative role for fees

Author	Year	Country	Data	ME: \$1000 increase in grant / fee on participation ¹ :
Dearden et al	2012	UK	LFS	Grant 1.8 percentage points
Manski & Wise	1983	US	NLS (Class of 1972)	Grant 3.1 ppts
Leslie & Brinkman	1988	US	Review of 23 econometric studies	Net cost -3.3 ppts
McPherson & Schaprio	1991	US	CPS / AFS (1974-1984)	Net cost ² -2.7 ppts (low income)
Kane	1995	US	CPS (1970-1988)	Net cost ² - 3.2 ppts Fee - 3.1 ppts (low income) Grant no effect
Dynarski	2001	US	NLSY (1979-1996)	Grant 3.0 ppts
Neilsen et al	2010	Denmark	Danish Register (1983-2005)	Grant 1.5 ppts

¹ 2006/07 prices (GDP deflator)

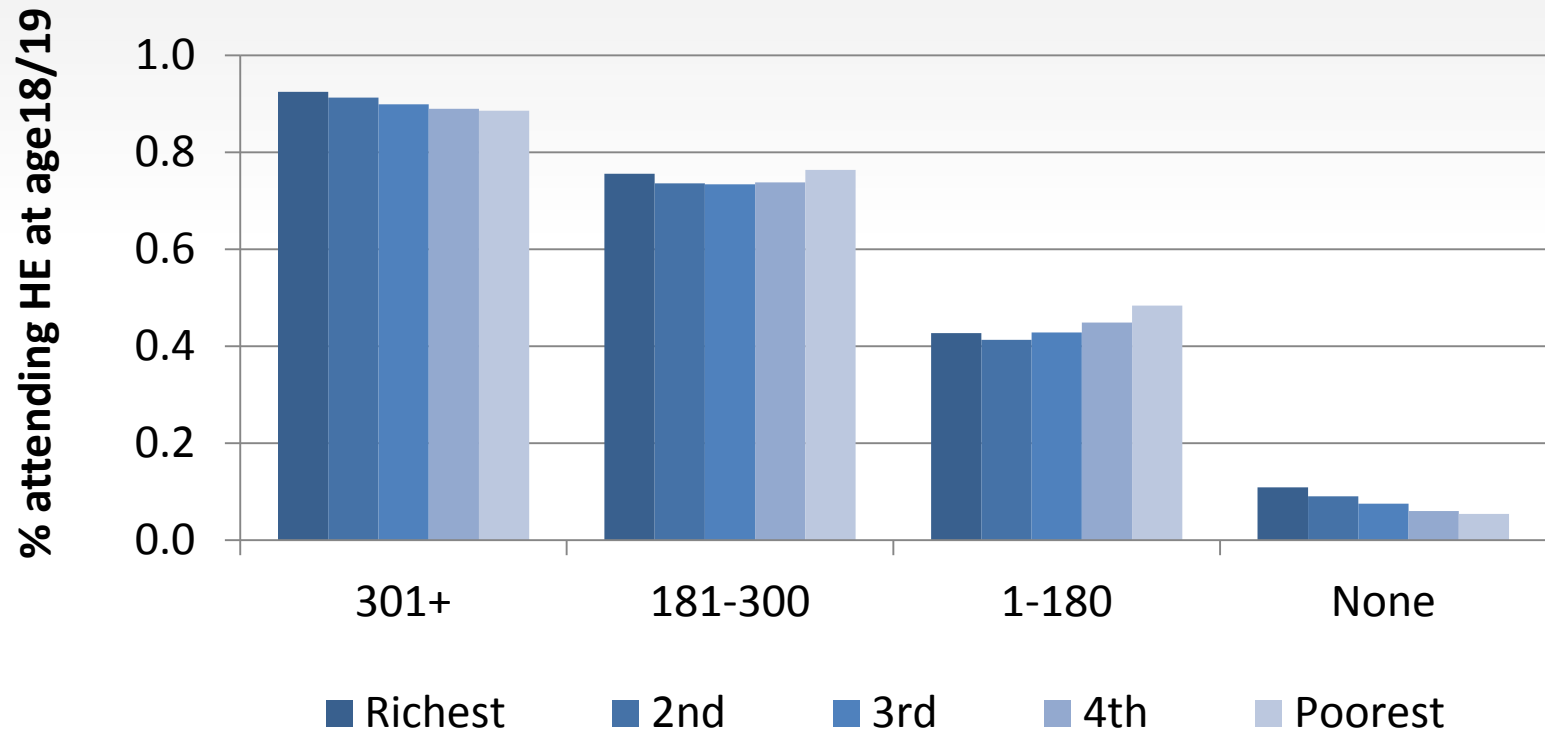
² Defined as (fees – grants – loans)

England: Poorer students are less likely to go university than richer students...



Source: Institute for Fiscal Studies, 2010

... But those with comparable A Level grades to richer students are not



Source: Institute for Fiscal Studies, 2010

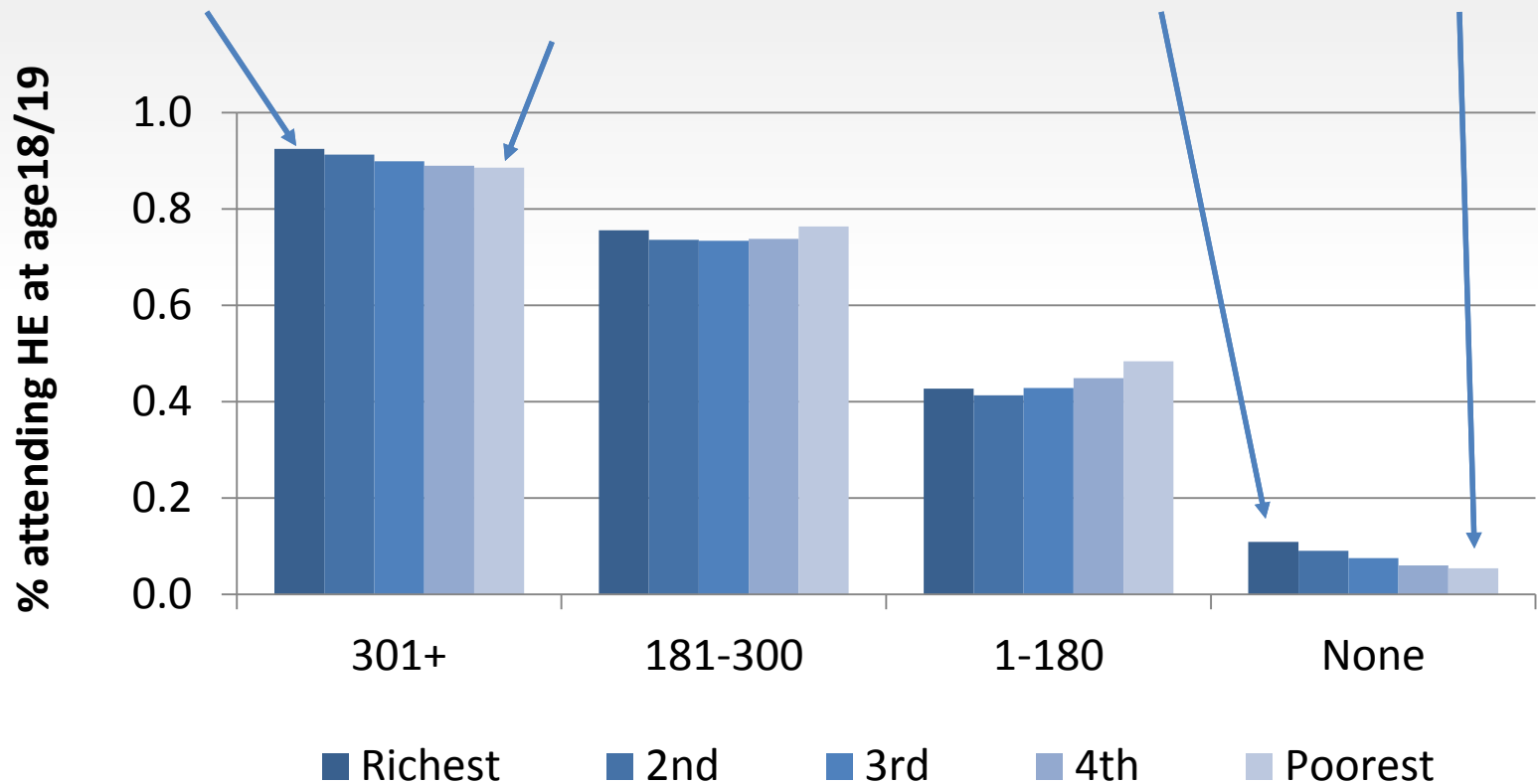
... But those with comparable A Level grades to richer students are not

25% of richest students are here

3% of poorest students are here

45% of richest are here

84% of poorest are here



Source: Institute for Fiscal Studies, 2010

HE finance: the role of information in England

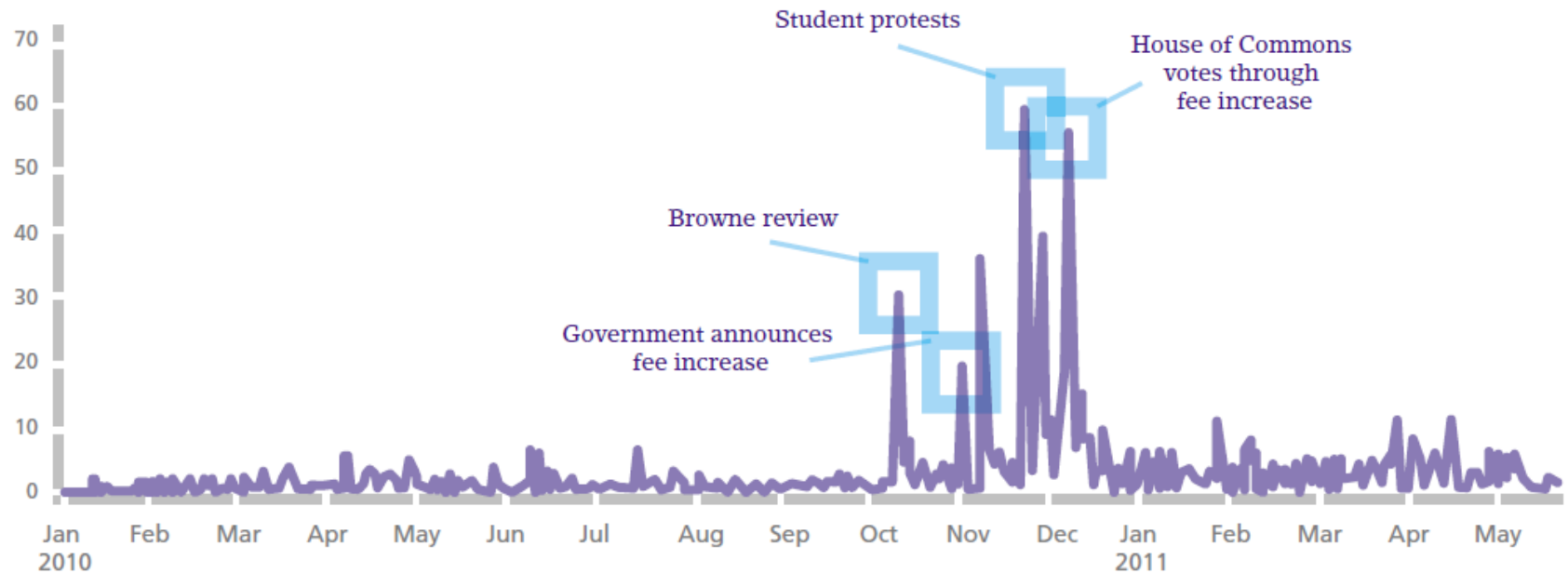
15 year olds in England

Perceived importance of financial constraint		all	state pupils	fsm pupils	independent school pupils
Would the financial cost of staying in education prevent you from staying on in education after Year 11?	Yes	11.7%	13.6%	15%	5.5%
Would the financial aspect of going to university make you think of not applying?	Yes	25.7%	28.1%	27%	18%
'Going to university is too expensive for me and my family'	Yes	22.2%	25%	26%	13.1%

Source: McGuigan, McNally & Wyness, CEP, 2012

HE finance: the impact of media attention

BBC reports on tuition fees



Source: McGuigan, McNally & Wyness, CEP, 2012

HE finance: the impact of media attention

15 year olds in England

Would the financial aspect of going to university make you think of not applying?	all	state pupils	fsm pupils	independent school pupils
baseline	25.70%	28.1%	27%	5.5%
impact of the media	6.5%	5.6%	9.9%	2.3%
impact of information	-5%	-5.2%	-12.9%	-4.5%

Source: McGuigan, McNally & Wyness, CEP, 2012

Widening access: what is the role of tuition fees and support?

- Cuts to grants and loans could be as damaging to participation as fee increases
- Decisions are made early:
 - But increasing academic attainment of disadvantaged students best way to increase participation
 - Media / information can have a strong impact on students' perceptions of HE finance