



Higher and Further Education
Students' Income, Expenditure and
Debt in Scotland 2007-08

HIGHER AND FURTHER EDUCATION STUDENTS' INCOME, EXPENDITURE AND DEBT IN SCOTLAND 2007-08

June 2009

Chris Warhurst, Johanna Commander, Dennis Nickson and
Anna Symeonides
University of Strathclyde

Andy Furlong, Jeanette Findlay and Fiona Wilson
University of Glasgow

Scott Hurrell
Aston University

The views expressed in the report are those of the author(s) and do not necessarily reflect those of the Scottish Government or any other organisation(s) by which the author(s) is/are employed.

The Scottish Government is making this research report available on-line in order to provide access to its contents for those interested in the subject. The Scottish Government commissioned the research but has not exercised editorial control over the report.

Both documents are published by Education Analytical Services,
Scottish Government,
Victoria Quay, Edinburgh, EH6 6QQ.

If you have any enquiries about these reports

Please contact the Dissemination Officer on 0131-244-0894; by e-mail on recs.admin@scotland.gsi.gov.uk or visit our website www.scotland.gov.uk/insight.

© Crown Copyright 2008

Limited extracts from the text may be produced provided the source is acknowledged. For more extensive reproduction, please write to, the Chief Researcher at Office of Chief Researcher, 4th Floor West Rear, St Andrew's House, Edinburgh EH1 3DG

Scottish Government Social Research
2009

Table of Contents

	Page
EXECUTIVE SUMMARY	iv
ACKNOWLEDGMENTS	xvi
LIST OF TABLES	xvii
1. INTRODUCTION	1
Background to the Study	1
Universities, Colleges and Student Numbers	1
Student Funding in Scotland	2
Student Finances	4
Student Income Through Employment	5
Student Expenditure	6
Student Debt	7
Key Implications for Research Design	9
Aims and Objectives	10
Research Methods	11
Research Specification	11
Research Plan	12
Stage 1 : Desk Research	13
Stage 2 : The Quantitative Research and the Surveys	14
Sampling and the Screening Survey	14
The Main Survey	15
The Control Survey	16
Stage 3 : The Qualitative Stage and Interviews	17
A Brief Comment on the Research Plan	19
Outline of the Report	20
2. HIGHER EDUCATION STUDENTS' INCOME	21
Introduction	21
HE Students' Income	22
Conclusions	53
3. HIGHER EDUCATION STUDENTS' EXPENDITURE	55
Introduction	55
HE Students' Expenditure	56
Conclusions	86
4. HIGHER EDUCATION STUDENTS' DEBT AND SAVINGS	88
Introduction	88
HE Students' Debt	88
HE Students' Savings	102
Conclusions	106

5.	FURTHER EDUCATION STUDENTS' INCOME, EXPENDITURE, DEBT AND SAVINGS	107
	Introduction	107
	FE Students' Income	108
	FE Students' Expenditure	119
	FE Students' Debt	127
	FE Students' Savings	134
	Summary	137
6.	STUDENTS' ATTITUDES AND BEHAVIOUR	139
	Introduction	139
	Main Survey Data	139
	Considerations Before Going to Study	140
	Experiences Whilst Studying	143
	Post-study Expectations	148
	The General Experience, Outcomes and Funding of Study	151
	Interview Data	156
	The Financial Circumstances of the Interviewees	156
	Reasons for Going to University	157
	Thinking About How they Might be Funded	158
	Working Through University	159
	Attitudes to Student Loans	160
	Attitudes to Debt Generally	162
	Attitudes to the Financing of Study	163
	Conclusions	166
7.	COMPARATIVE ANALYSIS	168
	Introduction	168
	The Control Survey Comparisons	168
	Sample Characteristics	168
	Summary	177
	Comparisons with the Previous Scottish Study	179
	Higher Education Comparisons	179
	Further Education Comparisons	183
	Summary	187
	Conclusions	187
8.	CONCLUSION	189
	Introduction	189
	Headline Figures	189
	Student Income	189
	Student Expenditure	189
	Student Debt	190
	Student Savings	190
	Patterns of Student Finances	191
	Limitations to the Current Study and Considerations for Future Research Design	192
	Resources and Incentives	193
	Access	193
	Questionnaire Design	194

Future Research	195
REFERENCES	197
APPENDICES	201
Appendix A: The Screening Survey	201
Appendix B: The Main Survey	203
Appendix C: The Interviewees	205
Appendix D: Technical Details of the Main Survey Analysis	206
Appendix E: Technical Details of the Control Surveys	214

EXECUTIVE SUMMARY

Purpose of the study

1. This report presents findings from the second study of the income, expenditure and debt of students studying higher education (HE) and further education (FE) in Scotland in 2007-08. The study was commissioned by the Scottish Government and conducted by the Scottish Centre for Employment Research at the University of Strathclyde Business School in conjunction with colleagues from the Business School and Department of Economics of the University of Glasgow.
2. The aim of the study is to examine Scottish-domiciled higher and further education students' finances, particularly their income, expenditure, debt and savings, and their attitudes to the financing of study in Scotland. Where appropriate this data is then compared to the findings of the previous 2004-05 Scottish survey as well as a control group of young Scots who are not students.

Background to the Study

3. With the number of students studying higher education increasing significantly, participation in higher education in Scotland has risen to and levelled at around 50% of young people, making Scotland the lead country in the UK in terms of participation rates.
4. In Scotland there are 20 universities which award degrees and 43 further education colleges. A typical FE college curriculum spans specialised vocational education and training through to general educational programmes. These colleges also provide some higher education. In 2006-07 there were 308,085 students in higher education in Scotland, full and part-time. In 2006-07 there were also 468,155 FE college student enrolments.
5. In recent years, the financing of further and higher education study has been affected by changes and initiatives by both Scottish and UK governments. UK government has withdrawn welfare support in some cases and Scottish Executive-driven changes for Scottish-domiciled students has resulted in a distinct student financial support system within the UK. Scots students now have a graduate endowment¹ scheme, student loans, further and higher education bursaries and hardship funds, as well as educational maintenance allowances.
6. This expansion of HE is a cornerstone of Scotland's economic and social policies as well as its lifelong learning strategy, and intends to deliver a high skills economy and tackle social exclusion and poverty. In particular, increasing the supply of graduates in the Scottish labour market is a key

¹ Available to eligible students at the time of this survey, though recently abolished by the Scottish Government.

feature of developing a Smarter Scotland. Scotland's FE colleges too are accorded a role in the creation of a Smarter Scotland.

7. Having little money, being in debt and not having a regular income are seen as the three worst aspects of student life². To support their study, many students take up paid work and students are now a structural feature of the labour market. There is some ambiguity about what students spend their money on and how much of this spending is attributable to the cost of study. What is clear is that many students are in debt and that for young people from less advantaged backgrounds debt and the fear of debt, can act as deterrents to study. Despite the shift to mass HE with a commitment to widening access, participation from those from less advantaged backgrounds remains stubbornly low in the UK.

Research Methodology and Methods

8. The research undertaken for the current study is broader and deeper than that of the previous Scottish survey. The current study comprises both desk-based and empirical research and this time, employs a mixed methodology in which quantitative data is complemented by qualitative data. In addition, three surveys were conducted including one of a control group of non-students.
9. The research therefore had three stages. The first stage comprised the desk-based research; the second stage centred on the quantitative data gathering and featured three surveys; the third stage involved the gathering of qualitative data through semi-structured telephone and face-to-face interviews.
10. Full details of the methodology of the research can be found in the Research Methods section in the introductory chapter to the report and also in the Technical Appendix.

Findings

11. The analysis distinguishes between full-time higher education students (FT HE), part-time higher education students (PT HE) (including those of the Open University) and full-time further education students (FT FE) and is sensitive to a range of variables, factors and categories amongst these different types of students.
12. Within the analysis of FT HE students, distinctions are made between sub-degree and degree only students (data for which is also combined to give FT HE data) and PT HE students. In the analysis of FE, only full-time FE students are included.

² UNITE/MORI (2005)

Higher Education Students' Income

13. The table below presents students' total mean income and the main sources of that income by level of study.

Level of Study	FT HE Sub-Degree only (N=372)	FT HE Degree only (N=3959)	FT HE Combined (N= 4331)	PT HE (N=520)
	£	£	£	£
Total income	5483	5076	5166	12057
Student loan	1476	1417	1430	116
Informal housing contribution	111	178	163	74
Informal living contribution	240	304	290	122
Term-time earnings	1986	1945	1945	9904
Education related grants & bursaries	877	726	759	130
Other ³	793	507	570	1712

14. Total income varied by student characteristics and level of study. The main highlights from the findings are:

- Student income varies little by sex but varies widely by mode of study with part-time students' incomes considerably higher than those of full-time students.
- Income also varies by age and whether the students have dependent children⁴; mature students have almost five times the income of younger students. Younger students are also more likely to be living with parents and have lower levels of income.
- Working class FT HE students have slightly higher income than middle class ones. There is no obvious interpretation of this finding but it could be that middle class students are receiving more in non-cash benefits from family.
- While about three quarters of the sample of students in FT HE have taken out student loans, only just over 9% of part-time students had one. (It should be noted that not all part-time students are eligible for student loans and loans available have an upper limit of £500).
- The majority (around 60%) of FT HE students declared term-time earnings; 70% of part-time students did so. Students typically work in low

³ Throughout the report, 'other' is used in the tables to represent all other sources of income, expenditure or debt not contained within the sources listed. For example, in this table, 'other' can include income derived from benefits. Full details of the types of income, expenditure and debt sources can be found in Technical Appendix D.

⁴ Dependent children are under 16 years old or 18 if in full-time education, who live with the student and who the student has financial responsibility for.

wage industries. FT HE students work longer hours than recommended by the Cubie Report of 1999 (13 as against the recommended 10 hours).

Higher Education Students' Expenditure

15. The table below summarises the total mean expenditure and the main types of that expenditure by level of study.

Type of Expenditure	FT HE Sub-Degree only (N= 372)	FT HE Degree Only (N=3959)	FT HE Combined (N= 4331)	PT HE (N= 520)
	£	£	£	£
Total expenditure	6820	6203	6339	10453
Housing costs	1062	1131	1116	2023
Living costs	4133	3903	3954	5860
Participation costs	1261	926	957	850
Child-specific costs ⁵	440	136	203	1261
Other costs	120	107	110	460

16. Total expenditure varied by student characteristics and level of study. Definitions of the types of expenditure can be found in Appendix D. The main highlights from the findings are:

- There is a wide variation in expenditure within and between the main student groups.
- The biggest costs facing most students are living costs followed by housing costs.
- Child-related costs are significant for those students who have dependent children (a group which also reports higher living and housing costs, perhaps also as a result of having dependent children).
- Child-related costs are mostly incurred by PT HE students and mostly by female students.
- Those students with the lowest housing costs were also those who were least likely to take out a student loan.
- Expenditures for most students rise slightly throughout their period of study and then dip in their final year, perhaps as a result of the need to study and a reduction in time (and money) spent on leisure.
- Working class students are spending more in almost every expenditure category.

⁵ Child specific costs include: packed lunches, school travel, toys/books, presents, clothes, shoes, entertainment; pocket money; school uniform, school outings, tuition fees, baby equipment and childcare.

Higher Education Students' Debt and Savings

17. The table below summarises the total mean debt and the main types of that debt by level of study.

Mean Debt	FT HE Sub-Degree only	FT HE Degree Only	FT HE Combined	PT HE
	(N = 372)	(N = 3959)	(N = 4331)	(N = 520)
	£	£	£	£
Total Debt	4512	5223	4987	4278
Study-related credit	2402	3768	3467	277
Commercial credit	1541	1212	1284	3940
Informal credit	209	243	236	61

18. Students also reported their savings, although not all students had savings. The table immediately below reports total mean savings across all students.

Total Savings	FT HE Sub-Degree only	FT HE Degree Only	FT HE Combined	PT HE
	(N = 372)	(N = 3959)	(N = 4331)	(N = 520)
	£	£	£	£
Mean	889	1795	1596	4294
Median	0	60	47	0

19. The next table reports the total savings of those students who have savings.

Total Savings	FT HE Sub-Degree Only	FT HE Degree Only	FT HE Combined	PT HE
	(N = 130)	(N = 2004)	(N = 2134)	(N = 240)
	£	£	£	£
Mean	2539	3548	3326	9303
Median	1000	2000	1780	2000

20. Total debt and savings varied by student characteristics and level of study. The main highlights from the findings are:

- Although commercial debt is significant, debts to the Student Loan Company represents the majority of borrowing for full-time students. Part-time students rely much more heavily on commercial loans.
- Among full-time and part-time students, mature students and those with dependent children have the highest level of total debt. Full-time students from working class families tend to have higher overall levels of debt than their middle class peers.

- For full-time students, commercial debt is higher for students who are older, working class, have had no family member studying at university, have dependent children and do not live with their parents.
- For part-time students, mean commercial debt is higher for students who are female, aged over 25 years, have had no family member studying at university, have dependent children and do not live with their parents.
- Debt-free full-time students tend to be younger, middle class, living with parents, without dependent children and with a family member who have studied at university. Part-time debt-free students were more likely to be female, over 25, without dependents, not living with their parents, from working class families and having a family member who studied at university.
- Generally male students have higher savings and those students with dependent children have less savings. The level of savings by age is mixed. Amongst full-time students, savings decrease slightly with age, amongst part-timers mature students have considerably more savings. There are only small class differences amongst PT students though working class FT students have noticeably lower savings than students from middle class backgrounds. Savings differ little by living arrangement for FT students but amongst part-timers those not living with parents have considerably higher savings.

Further Education Students' Income, Expenditure, Debt and Savings

21. The table below presents the total mean income and main sources of income for FT FE students.

FT FE (N = 114)	Mean Income
	£
Total Income	4299
Student support	1776
Informal living contributions	262
Informal housing contributions	132
Term-time earnings	1566
Benefits	414
Other sources	150

22. Total income varied by student characteristics. The main highlights from the findings are:

- Male students have higher income than female students.
- Younger students aged 16-20 tend to have lowest total mean income; students aged 21-24 the highest. Mature students, those aged 25 years and over, have a total mean income nearer the highest range.

- Students from middle class backgrounds have higher incomes than those from working class backgrounds. Students from a middle class background have a mean income of £4747; from a working class background £4015 (around 85% of that of middle class students) with a median of £2886 suggesting a wide dispersion of incomes.
- Students who had a family member at university have higher incomes than those students without a family member at university.
- Students with dependent children have much higher incomes - almost one third more – than those students without dependent children.
- Students who do not live with their parents have higher incomes than those students who do live with their parents; more than double in fact.

23. The table below presents total mean expenditure and main types of expenditure for FT FE students.

FT FE (N = 114)	Mean Expenditure
	£
Total Expenditure	5581
Housing costs	771
Living costs	3741
Participation costs	750
Child costs	224
Other costs	94

24. FT FE expenditure varies by student characteristics. Highlights of these findings reveal that:

- Those students with the highest mean expenditure are those with dependent children. Those students with the lowest mean expenditure are those who live with their parents. Female students have a much higher total expenditure than male students. Indeed the average female student's expenditure is more than 20% higher than that of male students.
- In terms of age, students aged 21-24 years have the highest expenditure, although mature students' expenditure is also high compared to the youngest students.
- Students from a middle class background have a larger mean expenditure than students from a working class background.
- Those students with a family member having studied at university have a higher expenditure than those students with no family member having studied at university.
- Those students with dependent children have around double the level of expenditure of those students with no dependent children.

- Those students who do not live with their parents have more than double the expenditure of those students who do live with their parents.

25. The table below presents the total mean debt and main types of debt for FT FE students.

FT FE (N = 114)	Mean Debt
	£
Total Debt	1266
Study-related credit	41
Commercial credit	1097
Informal credit	128

26. Debt levels vary by student characteristics. Data for mean debt across these characteristics shows that:

- Female students have a considerably higher mean total debt than male students; more than three times higher.
- Debt increases with age. Students aged 16-20 years have lowest debt, whilst the mean total debt of mature students is more than 5 times higher.
- Although mean total debt is higher for students from middle class backgrounds, it is not markedly higher than that for students from working class backgrounds.
- Students with a family member who has studied at university have a higher mean total debt than those students who do not, although again the difference is not dramatic.
- There is a very big difference in mean total debt arising from having dependant children. Students with dependant children have a mean total debt level 3.5 times higher than students with no dependent children. (With a low response from students with dependent children, these figures should be treated with caution.)
- Similarly there is a large difference in debt levels for students with different living arrangements. Those students who do not live with parents have a mean total debt level three times higher than that of students who live with parents.

27. Students also reported their savings, although not all students had savings. The table immediately below reports total mean savings across all students.

FT FE (N = 114)	Mean
	£
Total Savings	482

28. As with HE students, not all FE students have savings. The table below presents the mean total savings for those students who report having savings.

FT FE (N = 28)	Mean
	£
Total Savings	1964

29. FT FE students' savings varied by student characteristics. The main highlights from the findings of those students who do are:

- The highest savings are held by those who are male, oldest, from working class backgrounds, have a family member who has studied at university, and do not have any dependent children.

Students' Attitudes and Behaviour

30. Students' attitudes and behaviour were analysed through a series of questions in the main survey plus the data from follow-up qualitative interviews conducted with students identified as being from working class backgrounds.

31. From the main survey, the key findings showed that:

- FT HE students indicated that they would have liked more information about the cost of studying prior to starting their studies.
- Students across all of the sub-groups reported a number of difficulties, with some indicating that they had thought about leaving their course prior to completing.
- Over 80% of those students reporting that financial difficulties did affect their study-related work, reported that it caused them worry and stress during their studies. Students also reported that they often went without or cut down on a number of things due to perceived financial hardship.
- In looking forward post-study, for those students looking to go in to employment there was a generally realistic assessment of their likely earnings for their first job after graduation, though only a minority of PT HE and FT FE students thought that they would obtain a job in their chosen career; likewise only 50% of FT HE students.
- A minority of students disagreed with the view that current funding policies are fair. In particular, students indicated their support for targeted support from government towards students from low income backgrounds.

32. From the follow-up qualitative interviews, the key findings showed that:

- Overall, most of the interviewees seemed relatively satisfied with current funding arrangements. However, there was support for the view expressed

in the main survey that government support should target students who were struggling financially or from less well-off families.

- There was concern about the accumulation of debt as a consequence of studying, but also some resignation about its inevitability. This concern, particularly for mature students with dependent children, tended to centre on the disjuncture between the level of funding currently available and the costs of living.
- Generally, having a student loan was perceived as normal, again inevitable and also different from other types of debt, particularly that derived from commercial sources such as banks.
- Most students had paid employment which often involves long working hours – more than recommended within the Cubie Report. As a consequence, it was perceived to have a detrimental effect on the process and outcomes of study as well as the general student experience.
- Most students hoped, and indeed expected, that the financial hardships being experienced now would be ameliorated by future benefits, particularly through the acquiring of better jobs.
- Younger students appeared satisfied, even indifferent, to sourcing information about the cost of study and the availability of funding prior to going to university. Mature students were more likely to express dissatisfaction in this regard and felt disappointment in the lack of available information, an experience that was compounded, particularly for those with dependent children, by the level of debt being accumulated during study.

Comparative Analysis

33. There are two types of comparison. Firstly, comparing FT HE students' data with that from a control group of non-students; secondly, comparing the findings from the current study of FT HE and FE data with findings from the previous Scottish study of 2004-05.
34. Comparing the non-students in the control survey and the FT HE students in the main survey, the data reveals that the latter:
 - Work in different industries; the students tend to be more concentrated in particular industries, non-students are spread more across all industries.
 - Work less hours in paid employment, even when working part-time.
 - Have lower levels of income.
 - Have lower expenditure.

- Have higher levels of debt.
- Have lower levels of savings

35. Where comparisons are possible between the current and previous Scottish studies, the data shows that for FT HE students in Scotland:

- Mean total income in Scotland has decreased slightly in recent years.
- Mean total expenditure in Scotland has decreased slightly in recent years.
- Mean total debt in Scotland has stayed roughly the same in recent years.

The decrease in income reflects a slightly lower take-up of student loans and a slight rise in income from education-related grants and bursaries but mainly a large drop in informal income. It also masks a rise in income from term-time employment. In terms of expenditure, housing costs have roughly stayed the same but lower living costs are now reported. The debt comparison is methodologically difficult to make but seems to show a drop in debt resulting from study-related credit e.g. student loans and a rise in debt from commercial sources e.g. from banks.

36. Where comparisons are possible for FE students in Scotland, the data shows that:

- Mean total income in Scotland has stayed roughly the same in recent years.
- Mean total expenditure in Scotland has increased slightly in recent years.
- Mean total debt in Scotland has increased considerably in recent years.

The income figures mask some changes: informal income and income from State benefits have dropped but income from education-related grants and bursaries and from term-time employment have risen. In terms of expenditure, most costs have remained roughly the same, though child-specific costs and participation costs have risen slightly. The rise in debt is related to a large increase in debt from commercial sources e.g. banks.

37. Although there are increases and decreases for different types of income, expenditure and debt and variations by type of student – both FT HE and FE – considerable change has occurred for mature students and those students with dependent children.

38. One area of concern that emerges, therefore, from the comparisons are the rising costs during study being borne by mature students and those students with dependent children. Widening access to post-compulsory education means encouraging participation from more ‘non-traditional’ students of which these two types, along with those young Scots from less advantaged backgrounds, are government priorities.

Conclusion

39. The table below summarises Scottish students' finances for 2007-08.

	Means			
	Income	Expenditure	Debt	Savings
FT HE Combined	5166	6339	4987	1596
PT HE	12057	10453	4278	4294
FE	4299	5581	1266	482

40. It is also useful to try and examine the pattern of these finances for both FT HE and FT FE. The pattern reveals that for FT HE students:

- Male and female students have roughly the same income, expenditure and debt but males have higher savings.
- Amongst the different age groups, mature students have the highest income, expenditure and debt, and lowest savings.
- Students with dependent children have higher income, expenditure and debt, and lower savings than students with no dependent children.
- Working class students have higher income, expenditure and debt, and lower savings than middle class students.

41. For FT FE students, the patterning reveals that:

- Male students have higher income and savings; female students higher expenditure and debts.
- Amongst the different age groups, mature students have high but not the highest income and expenditure and also the highest debt and savings.
- Students with dependent children have higher income, expenditure and debt and lower savings than students with no dependent children.
- Working class students have lower income, expenditure and debt, and higher savings than middle class students.

42. Collapsing these summary findings reveals that in participating in post-compulsory study in Scotland, the financial situation of male and female students is mixed for FE students but fairly similar for HE students. In terms of class there is a disparity between the financial circumstances of working class students in HE and FE, almost a polarisation. Of salience is the financial situation of mature students and those students with dependent children. Whilst both have high income across HE and FE, their expenditure falls short of this income, resulting in the highest debt; they also have lower savings, except in FE.

ACKNOWLEDGEMENTS

Understanding the finances of students in Scotland is an important task. The research team would like to thank all of Scotland's universities and colleges' Principals, data protection and ethics officers. In initiating negotiations over access to students within institutions, we would particularly like to acknowledge the role of Professor Andrew Hamnett, Sir Muir Russell and Professor Tom Wilson, Principals of the Universities of Strathclyde and Glasgow and Glasgow Metropolitan College respectively. We would also like to thank Ralph Weedon and Ruth Adams of Strathclyde University for their expert guidance through the regulations and requirements of data protection and ethics in Scottish universities and colleges. Debbie Campbell, Shiona Chillas and Eli Dutton of Strathclyde also provided administrative and technical help when required. We are also very appreciative of the small army of administrative staff within the participating universities and colleges who helped disseminate information and material for the project to students in their institutions. Finally, we would like to thank Gerhard Mors, Paul Sloan and Linzie Liddle of the Scottish Government and all of the members of the Research Advisory Group for their invaluable support and advice during the project.

LIST OF TABLES

Title	Page No.
Chapter 1: Introduction	
Figure 1: Schematic diagram of the research plan	13
Table 1.1: Age range and distribution of interview sample	19
Chapter 2: Higher Education Students' Income	
Table 2.1 Total and main sources of income by level of study	23
Table 2.2 Total and main sources of income (FT HE Sub-degree)	23
Table 2.3 Total and main sources of income (FT HE Degree only)	23
Table 2.4 Total and main sources of income (FT HE Combined)	24
Table 2.5 Total and main sources of income (PT HE)	24
Table 2.6 Total income by student characteristics and level of study	26
Table 2.7 Total and main sources of income by sex (FT HE Combined)	28
Table 2.8 Total and main sources of income by sex (PT HE)	28
Table 2.9 Total and main sources of income by age (FT HE Combined)	29
Table 2.10 Total and main sources of income by age (PT HE)	30
Table 2.11 Total and main sources of income by social class (FT HE Combined)	30
Table 2.12 Total and main sources of income by social class (PT HE)	31
Table 2.13 Total and main sources of income by whether a family member attended HE (FT HE Combined)	32
Table 2.14 Total and main sources of income by whether a family member attended HE (PT HE)	33
Table 2.15 Total and main sources of income by dependent children (FT HE Combined)	34
Table 2.16 Total and main sources of income by dependent children (PT HE)	34
Table 2.17 Total and main sources of income by accommodation status (FT HE Combined)	36
Table 2.18 Total and main sources of income by accommodation status (PT HE)	38
Table 2.19 Total and main sources of income by year of study (FT HE Combined)	40
Table 2.20 Total and main sources of income by year of study (PT HE)	40
Table 2.21 Total and main sources of income by final year of study (FT HE Combined)	41
Table 2.22 Total and main sources of income by final year of study (PT HE)	41
Table 2.23 Main sources of student support by level of study	42

Table 2.24 Total and main sources of income by student loan (FT HE Combined)	43
Table 2.25 Total and main sources of income by student loan (PT HE)	43
Table 2.26 Characteristics of those who did not take out a student loan by level of study	45
Table 2.27 Total and main sources of income by education related grants and bursaries (FT HE Combined)	46
Table 2.28 Total and main sources of income by education related grants and bursaries (PT HE)	46
Table 2.29 Total and main sources of income by government benefits (FT HE Combined)	47
Table 2.30 Total and main sources of income by government benefits (PT HE)	48
Table 2.31 Total and main sources of income by term-time employment (FT HE Combined)	49
Table 2.32 Total and main sources of income by term-time employment (PT HE)	49
Table 2.33 Total and main sources of income by vacation employment (FT HE Combined)	50
Table 2.34 Total and main sources of income by vacation employment (PT HE)	50
Table 2.35 Paid income by industry (FT HE Combined)	51
Table 2.36 Paid income by industry (PT HE)	52
Table 2.37 Number of hours worked and hourly wages by level of study	53

Chapter 3: Higher Education Students' Expenditure

Table 3.1 Total and main types of expenditure by level of study	56
Table 3.2 Total and main types of expenditure (FT HE Sub-degree)	56
Table 3.3 Total and main types of expenditure (FT HE Degree only)	57
Table 3.4 Total and main types of expenditure (FT HE Combined)	57
Table 3.5 Total and main types of expenditure (PT HE)	58
Table 3.6 Total expenditure by student characteristics and level of study	59
Table 3.7 Total and main types of expenditure by sex (FT HE Combined)	61
Table 3.8 Total and main types of expenditure by sex (PT HE)	61
Table 3.9 Total and main types of expenditure by age (FT HE Combined)	62
Table 3.10 Total and main types of expenditure by age (PT HE)	62
Table 3.11 Total and main types of expenditure by social class (FT HE Sub-degree)	63
Table 3.12 Total and main types of expenditure by social class (FT HE Degree only)	63
Table 3.13 Total and main types of expenditure by social class (FT HE Combined)	64
Table 3.14 Total and main types of expenditure by social class (PT HE)	64

Table 3.15 Total and main types of expenditure by whether a family member attended HE (FT HE Sub-degree)	65
Table 3.16 Total and main types of expenditure by whether a family member attended HE (FT HE Degree only)	65
Table 3.17 Total and main types of expenditure by whether a family member attended HE (FT HE Combined)	66
Table 3.18 Total and main types of expenditure by whether a family member attended HE (PT HE)	66
Table 3.19 Total and main types of expenditure by dependent children (FT HE Combined)	67
Table 3.20 Total and main types of expenditure by dependent children (PT HE)	67
Table 3.21 Total and main types of expenditure by accommodation status (FT HE Sub-degree)	69
Table 3.22 Total and main types of expenditure by accommodation status (FT HE Degree only)	71
Table 3.23 Total and main types of expenditure by accommodation status (FT HE Combined)	73
Table 3.24 Total and main types of expenditure by accommodation status (PT HE)	75
Table 3.25 Total and main types of expenditure by year of study (FT HE Sub-degree)	77
Table 3.26 Total and main types of expenditure by year of study (FT HE Degree only)	78
Table 3.27 Total and main types of expenditure by year of study (FT HE Combined)	79
Table 3.28 Total and main types of expenditure by final year of study (FT HE Sub-degree)	79
Table 3.29 Total and main types of expenditure by final year of study (FT HE Degree only)	80
Table 3.30 Total and main types of expenditure by final year of study (FT HE Combined)	80
Table 3.31 Total and main types of expenditure by final year of study (PT HE)	81
Table 3.32 Total and main types of expenditure by student loan (FT HE Sub-degree)	82
Table 3.33 Total and main types of expenditure by student loan (FT HE degree only)	82
Table 3.34 Total and main types of expenditure by student loan (FT HE Combined)	83
Table 3.35 Total and main types of expenditure by student loan (PT HE)	84
Table 3.36 Total and main types of expenditure by child-related costs (FT HE Combined)	84
Table 3.37 Total and main types of expenditure by child-related costs (PT HE)	85
Table 3.38 Total and main types of expenditure by term-time employment (FT HE Combined)	85
Table 3.39 Total and main types of expenditure by term-time employment (PT HE)	86

Chapter 4: Higher Education Students' Debt and Savings

Table 4.1 Total and types of debt by level of study	89
Table 4.2 Total and types of debt (FT HE Sub-degree)	89
Table 4.3 Total and types of debt (FT HE Degree only)	89
Table 4.4 Total and types of debt (FT HE Combined)	89
Table 4.5 Total and types of debt (PT HE)	89
Table 4.6 Total and types of debt for those who have debt (FT HE Sub-degree)	90
Table 4.7 Total and types of debt for those who have debt (FT HE Degree only)	90
Table 4.8 Total and types of debt for those who have debt (FT HE Combined)	91
Table 4.9 Total and types of debt for those who have debt (PT HE)	91
Table 4.10 Total debt by student characteristics and level of study	92
Table 4.11 Total debt by year and level of study	94
Table 4.12 Study-related debt by students characteristics and level of study	95
Table 4.13 Study-related debt by year and level of study	97
Table 4.14 Commercial credit by student characteristics	98
Table 4.15 Commercial credit by year and level of study	100
Table 4.16 Characteristics of those who do not have any debt by level of study	101
Table 4.17 Total savings by level of study	102
Table 4.18 Total savings by level of study for those who have savings	102
Table 4.19 Total savings by student characteristics	103
Table 4.20 Total savings by student characteristics for those who have savings	105

Chapter 5: Further Education Students' Income, Expenditure, Debt and Savings

Table 5.1 Total and main sources of income (FT FE)	108
Table 5.2 Total income by student characteristics (FT FE)	109
Table 5.3 Total and main sources of income by sex (FT FE)	110
Table 5.4 Total and main sources of income by age (FT FE)	111
Table 5.5 Total income by social class (FT FE)	111
Table 5.6 Total and main sources of income by whether a family member has attended HE (FT FE)	112
Table 5.7 Total and main sources of income by dependent children (FT FE)	113
Table 5.8 Total and main sources of income by accommodation status (FT FE)	113
Table 5.9 Total and main sources of income by year of study (FT FE)	114
Table 5.10 Total and main sources of income by final year of study (FT FE)	115
Table 5.11 Main sources of student support (FT FE)	115
Table 5.12 Total and main sources of income by term-time employment (FT FE)	116
	117

Table 5.13 Total and main sources of income by vacation employment (FT FE)	117
Table 5.14 Paid income by industry (FT FE)	118
Table 5.15 Number of hours worked and hourly wages (FT FE)	118
Table 5.16 Total and main types of expenditure (FT FE)	119
Table 5.17 Total expenditure by student characteristics (FT FE)	120
Table 5.18 Total and main types of expenditure by sex (FT FE)	121
Table 5.19 Total and main types of expenditure by age (FT FE)	122
Table 5.20 Total and main types of expenditure by social class (FT FE)	122
Table 5.21 Total and main types of expenditure by whether or not a family member has attended HE (FT FE)	123
Table 5.22 Total and main types of expenditure by dependent children (FT FE)	123
Table 5.23 Total and main types of expenditure by accommodation status (FT FE)	124
Table 5.24 Total and main types of expenditure by year of study (FT FE)	125
Table 5.25 Total and main types of expenditure by final year of study (FT FE)	125
Table 5.26 Total and main types of expenditure by child-specific costs (FT FE)	126
Table 5.27 Total and main types of expenditure by term-time employment (FT FE)	127
Table 5.28 Total and main types of debt (FT FE)	127
Table 5.29 Total and main sources of debt by those who have debt (FT FE)	128
Table 5.30 Total debt by student characteristics (FT FE)	128
Table 5.31 Characteristics of those who do not have debt (FT FE)	130
Table 5.32 Study-related credit by student characteristics (FT FE)	131
Table 5.33 Study-related credit by year of study (FT FE)	131
Table 5.34 Commercial credit by student characteristics (FT FE)	132
Table 5.35 Commercial credit by year of study (FT FE)	133
Table 5.36 Total debt by year of study (FT FE)	133
Table 5.37 Total savings (FT FE)	134
Table 5.38 Total savings for those who have savings (FT FE)	134
Table 5.39 Total savings by student characteristics (FT FE)	135
Table 5.40 Total savings by student characteristics for those who have savings (FT FE)	136
Table 5.41 Total savings by year of study (FT FE)	137
Table 5.42 Summary of finances (FT FE)	138

Chapter 6: Students' Attitudes and Behaviours

Table 6.1: What costs of studying did you think about before starting your course?	140
Table 6.2: Were you given any information/guidance about the cost of	141

studying before starting your course?	
Table 6.3: Where did you get this information?	141
Table 6.4: Would you have liked more information?	141
Table 6.5: How available student funding affected decision to study.	142
Table 6.6: How opportunities for work after graduation affected choice of subject.	142
Table 6.7: Have you ever thought about leaving your course before completing it?	143
Table 6.8: How financial difficulties affected work at college/university?	144
Table 6.9: Which best describes the money you have to meet your current needs?	144
Table 6.10: What have you gone without/cut down on because of shortage of money? (students without children)	145
Table 6.11: What have you gone without/cut down on because of shortage of money? (students with children)	146
Table 6.12: This academic year, have you ever been in the situation where you have not been able to pay for any of the following:	147
Table 6.13: What do you expect to do when you finish your current course?	148
Table 6.14: What has influenced your choice of what to do when you finish your current course?	149
Table 6.15: How much do you expect to earn on graduation?	149
Table 6.16: Thoughts on living standards for students	151
Table 6.17: Thoughts on educational mobility	152
Table 6.18: Thoughts on funding policy	153
Table 6.19: Attitudes to current funding provision	163
Table 6.20: Points raised about current funding	165

Chapter 7: Comparative Analysis

Control Survey

Table 7.1: Hours worked by occupation (non-student control group)	169
Table 7.2: Hours worked by occupation (student control group)	170
Table 7.3: Total income by characteristics (non-student and student control groups)	171
Table 7.4: Sources of income (non-student and student control groups)	172
Table 7.5: Total expenditure by characteristics (non-student and student control groups)	173
Table 7.6: Total and types of expenditure (non-student and student control groups)	174
Table 7.7: Percentage of respondents who reported having to go without various items (non-student and student control groups)	175
Table 7.8: Respondents who reported being unable to pay for various items due to financial constraints (non-student and student control groups)	176
Table 7.9: Respondents description of the extent to which their money was sufficient for their current needs (non-student and student control groups)	176

Table 7.10: Total debt (non-student and student control groups)	177
Table 7.11: Total savings (non-student and student control groups)	177
Comparison of HE Data for Scottish Studies	
Table 7.12: Mean total income	179
Table 7.13: Source of mean income	180
Table 7.14: Mean total income by student characteristics	180
Table 7.15: Mean total expenditure	181
Table 7.16: Types of mean expenditure	181
Table 7.17: Mean total expenditure by student characteristics	181
Table 7.18: Mean total debt	182
Table 7.19: Types of mean debt	182
Table 7.20: Mean total debt by student characteristics	183
Comparison of FE Data for Scottish Studies	
Table 7.21: Mean total income	183
Table 7.22: Sources of mean income	184
Table 7.23: Mean total income by student characteristics	184
Table 7.24: Mean total expenditure	185
Table 7.25: Types of mean expenditure	185
Table 7.26: Mean total expenditure by student characteristics	185
Table 7.27: Mean total debt	186
Table 7.28: Types of mean debt	186
Table 7.29: Mean total debt by student characteristics	186
Chapter 8: Conclusion	
Table 8.1: Summary of students' finances	191
Table 8.2: Summary of relative finances of key student groups	191
Appendix D: Technical Details of the Main Survey Analysis	
Table D.1: FT HE HEI	208
Table D.2: FT HE College	208
Table D.3: PT HE HEI	208
Table D.4: PT HE College	209
Table D.5: PT HE OU	209
Table D.6: FT FE	209
Appendix E: Technical Details of the Control Surveys	
Table E.1: Student control	214
Table E.2: Non-student control	215

1. INTRODUCTION

- 1.1 This report presents findings from the study of student income, expenditure and debt for students studying higher education (HE) and further education (FE) in Scotland in 2007-08. The study was commissioned by the Scottish Government and conducted by the Scottish Centre for Employment Research at the University of Strathclyde Business School in conjunction with colleagues from the Business School and the Department of Economics of the University of Glasgow.
- 1.2 The first part of this chapter provides the background to the study. After a short exposition of student numbers, it outlines what financial support is available to students noting how this support differs for HE and FE, and part-time and full-time students. The chapter also provides a short review of the issues in the research literature related to student income, expenditure and debt, and how these issues informed the design of the research.
- 1.3 The chapter then presents the aims and objectives of the project and briefly outlines the research design. This section indicates a number of issues that arose within this design. (Based on this experience, comments on the limitations to the study and suggestions for future research design are offered in the concluding chapter of this report.) Finally, the structure of the remainder of the report is signalled.

Background to the Study

Universities, Colleges and Student Numbers

- 1.4 The number of students in Scotland has increased significantly over the past 20 years, particularly in higher education. The actual number of students enrolled with universities and colleges is difficult to determine because, for example, within colleges, students can enrol on more than one course in any academic year so that the number of enrolments is significantly higher than actual student numbers.⁶
- 1.5 In Scotland there are 20 colleges and universities which award degrees and 43 further education colleges. A typical FE college curriculum spans specialised vocational education and training through to general educational programmes. These colleges also provide some higher education.⁷
- 1.6 In 2006-07 there were 308,085 students in higher education in Scotland. This figure also includes 14,115 students studying with the Open University in Scotland. Around 71% of students were domiciled Scots. In 2006-07 there were also 468,155 FE college student enrolments.⁸

⁶ SPICe (2007).

⁷ The largest number of enrolments is for courses not leading to a recognised qualification (SPICe, 2007).

⁸ Scottish Government (2008); ASC (2008).

- 1.7 Scottish students can study higher education qualifications at college, mainly at sub-degree level. Indeed, 23% of FE college activity encompasses higher education and over 30% of young Scots studying HE do so in an FE college (ASC, 2008). Thus, whilst FE still occurs in colleges, HE can be undertaken both at FE colleges and Higher Education Institutions (HEIs).
- 1.8 The number of students studying higher education has continued to increase and is now 30% higher than in 1999-00.⁹ Participation in higher education in Scotland has risen to and levelled at around 50% of young people, making Scotland the lead country in the UK in terms of participation rates. More women than men study higher education (57% versus 43%).¹⁰ However, despite the shift from an elite system of higher education with a small number of universities with small enrolments, to a mass system of higher education with a commitment to widening access, working class participation remains stubbornly low in the UK.¹¹
- 1.9 This expansion of HE is a cornerstone of Scotland's economic and social policies as well as its lifelong learning strategy, and is intended to deliver a high skills economy and to tackle social exclusion and poverty. In particular, increasing the supply of graduates in the Scottish labour market is a key feature of developing a Smarter Scotland. Scotland's FE colleges too are accorded a role in the creation of a Smarter Scotland.¹²

Student Funding in Scotland

- 1.10 Financial support for students in Scotland is determined by the level and mode (either full-time or part-time) of study and not by educational establishment. Students are classified as either Higher Education (HE) or Further Education (FE) students, with different funding arrangements. Thus, students studying HE in an FE college will have different funding from students studying FE in an FE college. All students are exempt from council tax where only students occupy the dwelling place. In all other cases a discount is applied to the bill for the household. A further complication arises from differences in funding that apply to students on health-related vocational courses.
- 1.11 In terms of financial support for students studying higher education in HEIs a broad distinction can be made between full-time and part-time study. The former involves:
- Tuition Fees are paid by the Student Awards Agency for Scotland (SAAS) on behalf of the student.
 - Student loan: maximum £4400 living away from home; maximum £4975 for a student from low-income family. Means tested.

⁹ Futureskills Scotland (2006); Scottish Government (2008).

¹⁰ Futureskills Scotland (2006: 25).

¹¹ HESA (2006).

¹² Scottish Government (2007a).

- Young student bursary: maximum £2510. Means tested.
- Travel costs: maximum claim £1080 but students pay the first £155.
- 5th year Dentistry and Medicine students are eligible for health bursary.
- Those students with dependents are eligible for specific grants:
 - Adult dependants' grant: maximum £2510
 - Lone parents' grant: standard £1240
 - Additional childcare grant for lone parents: maximum £1155 if in receipt of Lone Parents Grant
 - Discretionary Childcare fund support. Awarded by institutions.
- Those students with disability are also eligible for Disabled Students Allowance¹³:
 - Basic allowance: maximum £1640.
 - Special equipment allowance: maximum £4905 (over duration of course)
 - Non-medical personal help: maximum £12,420
 - Additional travel costs
- Hardship Funds (now called Discretionary funds) awarded by institutions; national guidance but levels determined by institutions.

1.12 Financial support for PT HE students involves:

- Those students otherwise unemployed or on low income, fees paid by the Scottish Funding Council fee waiver scheme.
- Student loan¹⁴: maximum £500 only for those students with low income and studying at least 50% of a full-time course. Means tested.
- Those students with disability are eligible for pro-rata Disabled Students Allowance based on the maximum amounts for full-time students detailed above:
- Hardship Funds (now called Discretionary funds) are awarded by institutions.

1.13 SPICe notes that *'the level of support available to FE students depends on a number of factors including income and family circumstances, age, and if the student is studying full-time, part-time or by distance learning'*.¹⁵ Current financial support for students in FE colleges broadly includes:

¹³ Maximum Non-Medical Personal Helpers (NMPH) allowance subsequently increased by 60% for academic year 2008-09.

¹⁴ Higher Education Part-Time loan subsequently abolished and Part-time Grant introduced for academic year 2008-09.

¹⁵ SPICe (2007: 13).

- full-time students not having to pay tuition fees, although part-time and distance learning students usually do.
- with national guidelines, full-time FE students being eligible for means-tested discretionary Further Education Bursary and an allowance administered by colleges for additional study and/or travel costs.
- separate Discretionary and Childcare Funds for FE students from the Scottish Funding Council's Further Education Discretionary Fund (FEHF)/Childcare Fund, administered by the institution.
- also Dependents Allowance, Additional Support Needs for Learning Allowance and Travel.
- for 16-18 year olds, Educational Maintenance Allowances (EMAs) to encourage post-compulsory study.¹⁶

1.14 For full-time students, further support for living costs occurs with non-repayable bursaries and allowances dependent on age, personal and family circumstances and household income as well as a series of different allowances. In 2005-06, the study allowance, travel expenses and maintenance allowance were most used by FE students.¹⁷

1.15 Both full and part-time students 18 years of age and over can take out a Career Development Loan (CDL)¹⁸ of between £300-£8,000 to cover the cost of pursuing a course for up to two years. However, recent research has indicated a limited awareness of CDLs as a source of funding.¹⁹

1.16 Universities and colleges also allocate Higher Education Discretionary (hardship) funds from the SAAS. Students must take out the maximum student loan before they apply to their institution for hardship. There are general guidelines but each institution determines its own criteria and award amounts.

Student Finances

1.17 Among students, having little money, being in debt and not having a regular income are seen as the three worst aspects of student life.²⁰ Moreover, there is powerful evidence that financial issues lead to the stratification of the student experience, preventing students from less well off families from full participation and resulting in a concentration of less advantaged students in less prestigious institutions and courses.²¹ This section examines student income and expenditure, real and expected debt amongst students, and

¹⁶ Callender et al. (2005).

¹⁷ Scottish Government (2007c); SPICe (2007).

¹⁸ SPICe (2007).

¹⁹ SPICe (2007).

²⁰ UNITE/MORI (2005).

²¹ Lannelli (2007); Furlong and Forsyth (2009).

attitudes to and, importantly, the expected outcomes of debt in terms of choices.

Student Income through Employment

- 1.18 To support their study, the majority of students take up paid work. Students are now a structural feature of the labour market, often working in industries such as retail and hospitality jobs which have low entry and exit barriers. Around 40% of students work in retail and 21% in bars, hotels and restaurants.²² There is some indication that these industries now intentionally recruit student workers because students are perceived by employers to be good quality labour, possessing the right customer service skills.²³
- 1.19 The TUC and National Union of Students claim that the number of full-time students with jobs in the UK has risen by 54% in the last ten years²⁴, with evidence that Scottish students are more likely to work than students in other parts of the UK (estimated at 67%). In the UK, 55% of young people from middle class backgrounds work; this figure rises to 61% for students from working class backgrounds, with working class students tending to work longer hours and being more likely to have to work in term-time. The latter students are more likely to lack parental financial support and therefore are working to pay for essentials, while a higher proportion of students from middle class backgrounds work to enhance their CVs.²⁵
- 1.20 While the Cubie Report of 1999 (also known as the Independent Commission of Inquiry in Student Finance 1999) recommended that students should work no more than 10 hours per week, a third of students work more than 25 hours a week while the average work 20 hours; those from poorer families are most likely to work excessive hours. In Scotland, six out of 10 female students hold down part-time jobs compared of 44% of males, yet males work more hours and earn more.²⁶
- 1.21 Despite having the type of soft skills in most demand, these skills do not attract wage premiums. Indeed, retail and hospitality are the industries with the highest incidences of low wage work, often paying at or only slightly above the National Minimum Wage. Student income from such jobs would not be expected to be high therefore, if part-time or even full-time. Average student pay is £119.20 a week in Scotland, with just 1 in 16 earning more than £200 per week.²⁷ Only through working long hours can take-home pay in these industries be raised – a working pattern that could impact on students' capacity to study, though a firm causal link has yet to be demonstrated.

²² UNITE/MORI (2005).

²³ Sparrow and Cooper (2003).

²⁴ TUC/NUS (2006).

²⁵ Metcalf (2005); UNITE/MORI (2005).

²⁶ Hunter (2007).

²⁷ Hunter (2007).

- 1.22 Although students report term-time employment to be detrimental – affecting study time, attendance and completion of assignments²⁸ – some studies have found no impact on time to study.²⁹ Instead, leisure and sleep time suffer. Whether these deprivations impact on the educational experience has not been explored, although term-time work and financial pressure have been found to lead to stress and to poorer mental and physical health amongst students.³⁰ Significantly though, the need for paid work by students from poorer families does lead to a stratification of the student experience whereby cross-class socialisation is inhibited and the development of class-related soft skills required of graduates stifled.³¹

Student Expenditure

- 1.23 Callender and Wilkinson found that students' total average annual income in England and Wales to be £5,513 while their expenditure was £6,897.³² Some of the gap is made good by drawing on savings, often accumulated through summer vacation earnings and by borrowing from commercial sources and overdrafts.
- 1.24 The annual RBS survey of student weekly expenditure found that one in five Scottish students do not engage in any financial planning or budgeting. Of those students who do plan and budget, 42% underestimate the amount they need to spend on rent and living costs. The costs of attending university are generally not well anticipated; students find it to be much more expensive than they expected and many begin university with little idea about the levels of support that they can expect.³³
- 1.25 There is some ambiguity about the relative weighting spent by students on various items of expenditure. According to Callender and Wilkinson, living costs make up the majority of students' average expenditure, accounting for an average of £4,656 over the academic year. Over three-quarters of this figure were absorbed by three areas of expenditure: entertainment (30%) food (24%) and personal expenses (24%). The Clydesdale Bank states that entertainment is the greatest expenditure for students, accounting for 20.4% of total expenditure.³⁴ However, the UNITE/MORI survey of 2005 found that the main expenditure for students is accommodation, with the average student paying £54 per week, around three times as much as they spend on alcohol or going out.³⁵ In interpreting these apparent ambiguities, it must be remembered that some students receive financial support from their families in the form of free or subsidised board and lodging, and therefore any residual earnings can be spent on travel and entertainment.

²⁸ Barke et al. (2000); Education and Employment Committee (2001); Curtis and Shani (2002).

²⁹ Metcalf (2005).

³⁰ Roberts et al. (2000).

³¹ Furlong and Cartmel (2009).

³² Callender and Wilkinson (2003).

³³ Christie and Munro (2003); Lea et al. (2001); Furlong and Cartmel (2009).

³⁴ Gallacher (2007).

³⁵ UNITE/MORI (2005).

- 1.26 There are also gender related differences in expenditure. Men's monthly expenditure is on average higher than that of women.³⁶ The 80% higher expenditure found in the latter study was due to spending more on alcohol, food and sport.

Student Debt

- 1.27 There is much concern about the level of student debt. However, it was only in 2007, that the amount of debt owed by students in Scotland to the Student Loan Company (SLC) was first calculated. It revealed that the amounts owed by Scottish students had dipped; 8% less in 2006-07 than in 2005-06.
- 1.28 However, and importantly, these calculations refer to debt from government-backed sources and not debt incurred from commercial bank loans, credit cards or other sources. As such, student debt is likely to be far higher than that represented by SLC figures and as yet there is little consensus as to how student debt is best calculated. There have been attempts to have a more holistic approach to calculating student debt, for example that of FE students by Davies et al. but response rates were very low and the samples small.³⁷
- 1.29 Moreover, the debts incurred by students represent not only those sums directly incurred by the costs of study, but also involve patterns of expenditure incurred by a set of young people who are actively engaged in patterns of consumption and leisure lifestyles shared with other young people who are not involved in study. There is a lack of clarity about how these different forms of debt should be represented. As research on student expenditure has revealed, much money is spent on socialising and leisure – both activities that other young people who are not students undertake and therefore not specifically attributable to studying.
- 1.30 While little research exists that focuses directly on patterns of hardship amongst students, there is evidence that some students live significantly below the poverty line or have insufficient funds to afford a healthy diet or to heat their accommodation adequately. While the funding regime is underpinned by an assumption that students are semi-dependent and can rely on support from their families, there is evidence that those from very poor families, including those in which a parent(s) is unemployed or in receipt of benefits, are often expected to contribute to family income from their bursary, loan or wages rather than being a recipient of support.³⁸
- 1.31 One of the key concerns about student debt is that it represents a burden that might dissuade young people, especially those from working class families, from studying at university. Students from working class backgrounds do incur higher debts than those from professional and managerial families and those debts are likely to be to banks rather than family and friends (Forsyth and Furlong 2003b; Furlong and Cartmel, 2009), partly because students from

³⁶ Callender and Kempson (1996); Morgan et al. (2001).

³⁷ Davies et al. (2008).

³⁸ Forsyth and Furlong (2003b).

professional and managerial families are more likely to benefit from parental financial support. A UNITE/MORI (2005) survey shows that students from middle class families are more likely to be debt free on completion of their studies than students from working class backgrounds (29% versus 16%).

- 1.32 Financial concerns do play a major role in decisions about whether or not to enter higher education generally and have a more pronounced impact on the decisions of certain groups: Callender (2003) for example argues that the most debt averse groups include low income families, lone parents, Muslims, and black and minority groups. Other studies have also shown that prospective working class students are more likely than their middle class peers to report that they are deterred by the cost of HE and fear of building up large debts (Archer and Hutchings 2000; Christie and Munro 2003; Connor et al. 2001; Knowles 2000; Forsyth and Furlong 2000, 2003a), as are mature students (Connor et al. 2001; Ross et al. 2002). However, many students begin their studies with a very poor idea about costs and potential sources of assistance.
- 1.33 For students who are concerned about debt or who lack access to the funds that would facilitate access to a full spectrum of choices, there are a variety of ways in which debt can be minimised. Common strategies include choosing shorter courses, choosing institutions that minimise travel costs and selecting institutions close enough to home to avoid the need for additional accommodation costs.³⁹ Students from the least affluent backgrounds are more likely to live at home to reduce costs. One recent UK-wide study found that over half of students from working class backgrounds chose their university because it was close to the parental home compared to less than a quarter of students from middle class backgrounds.⁴⁰ Staying 'local' helps these students reduce travel costs and maintain links to a local labour market, which is important in minimising financial risk.⁴¹ A lack of money and financial security also limits such students' choice of course and length of time they were prepared to stay in higher education.⁴²
- 1.34 Non-completion of courses may also be affected by finance and debt.⁴³ Callender and Kemp⁴⁴ found that 10% of students had considered withdrawing for financial reasons, while a study of retention at Napier University in Scotland found that students who worked for more than 16 hours per week during term-time and who had limited access to financial support from families were more likely to leave.⁴⁵
- 1.35 Money problems and the fear of running into debt are among the chief reasons why students from working class backgrounds are more likely to drop

³⁹ Forsyth and Furlong (2000, 2003b; Reay et al. (2001).

⁴⁰ NUS/HSBS (2008) cited in Shepherd (2008).

⁴¹ Barke et al. (1999); Christie and Munro (2003).

⁴² Forsyth and Furlong (2003b).

⁴³ Christie et al. (2004).

⁴⁴ Callender and Kemp (2000).

⁴⁵ Cited in Select Committee on Education and Employment (2001).

out of university.⁴⁶ In addition, such students are more likely to defer taking up their place, switch courses or repeat a year for non-academic reasons.

- 1.36 Those working class students who remain at university may also find that their activities there are affected by concerns about debt, affecting their overall educational experience, restricting opportunities for developing social capital and forming new, cross-class, social networks and limiting knowledge about employment opportunities both during and after study.⁴⁷
- 1.37 Concern about debt is often compounded by lack of confidence about achieving academic success and perceived chances of finding a sufficiently well paid job. Research has shown that male students expect to earn more than females (£20,500 versus £18,400) and those from working class backgrounds expect to earn less than their middle class counterparts (£18,550 versus £19,500).⁴⁸ Indeed, Scottish research has shown that students from low income families end up paying more for higher education than their middle class peers and that they are less likely to receive help with repayments once they graduate.⁴⁹ Ultimately these financial pressures mean that working class students are more likely to take jobs that do not require a degree when they leave university and often feel compelled to take the first job that comes along. This pressure in turn makes it harder to gain a job that leads to a graduate career and move to jobs where they are better able to repay debts.

Key Implications for Research Design

- 1.38 The above review of the academic and policy literature and documents has a number of implications for the research design. Firstly, it is clear that the policy context is dynamic and that the previous questionnaire used in the 2004-05 study needed to be revised where appropriate. The main impact on current student finances in Scotland is still occurring as a result of policy initiatives taken by the previous administration, and in particular the use of student loans. By contrast, since the last study, the extension of the EMA will already have had some impact on the finances of some FE students.
- 1.39 Given the expenditure pattern of students, it is also clear that the costs of study for students needs to be assessed against the expenditure of non-students. It is not clear that all student expenditure can be made distinct from the expenditure of non-students. For example, spending on alcohol, food and sport is not confined to students. For this reason it is important that the study of student finances is made sensitive to the finances of non-students. Consequently the research design from the current study has sought a control group of young Scots who are not students and never have been students despite having the qualifications that would have enabled them to access HE.

⁴⁶ Forsyth and Furlong (2003b).

⁴⁷ Furlong and Cartmel (2009).

⁴⁸ UNITE/MORI (2005).

⁴⁹ Furlong and Cartmel (2005).

- 1.40 In terms of access and participation it is clear from both the academic literature and government policy documents that students from working class backgrounds experience both barriers to accessing HE and difficulties whilst in HE that arise from debt, whether actual or simply feared. As a consequence, it is insufficient to only quantitatively identify the financial situation of students from working class backgrounds. It is also important to explore, in more depth, their attitudes to the financing of study both specific to themselves and more generally. This requirement for mixed methodologies in the study of HE is becoming more widely appreciated.⁵⁰ In this spirit, the current study complements the quantitative approach adopted in the previous study with qualitative research methods; in this case, generating a sample of interviews with students from working class backgrounds in order to explore, in more depth, the issue of these students' experience and attitudes to the financing of HE study.
- 1.41 As a result, the research design for the current study builds upon that of the previous study. It is broader in terms of its scope, with multiple surveys, and employs a mixed methodology, complementing the quantitative data at the core of the study with qualitative data. The result is a more holistic analysis of student finances in Scotland.

Aims and Objectives

- 1.42 In 2005, the Scottish Executive commissioned a first survey of Scottish students' income and expenditure for 2004-05.⁵¹ This repeat study for 2007-08 makes baseline comparisons with that first survey but also builds upon the earlier research design and analytical possibilities. It enables assessment of Scottish-domiciled students' financial situation in the current Scottish policy context.
- 1.43 The research encompasses three samples of students: those studying higher education at HEIs; those studying higher education at FE colleges; and those studying further education at FE colleges. Within these groups, full-time and part-time HE students were covered but only full-time FE students are covered from the FE sector (the response rate for FE part-time students was low and difficulties existed in terms of assessing the extent and nature of some part-time study at FE colleges).
- 1.44 The aim of the study is to determine Scottish-domiciled students' financial position, particularly their income, expenditure and debt, and their attitudes to these finances.
- 1.45 The study comprises both desk-based and empirical research, with the latter using both quantitative and qualitative data. The findings are analysed using a range of variables, factors and categories, as identified in the research specification and by the research team with Scottish Government agreement.

⁵⁰ Vignoles cited in Gill (2009: 34).

⁵¹ Callender et al (2005).

1.46 To meet this aim, the study had a number of objectives:

- To generate robust information about Scottish student finances from a national sample of students in higher and further education.
- To identify any differences in the distribution of income, expenditure and debt amongst HE and FE students.
- To compare this data to a control group of non-students.
- To compare this data to previous Scottish data and similar data from England and Wales.
- To locate the findings within the context of Scottish Government policy and identify the implications of those findings for that policy.
- To identify follow-up research issues and suggest a framework for subsequent research.

Research Methods

1.47 This section of the report outlines the research design of the study. The project is the Scottish Government's second survey of Scottish students' finances, the first being 2004-2005.⁵² In addition to providing updated data on the current financial situation of Scottish-domiciled students, the new project also enables baseline comparisons with the 2004-05 study.

1.48 This section first outlines the research specification of the current Scottish study, then the research plan followed by exposition of the research methods and their efficacy. It concludes with a short discussion of the emergent limitations of the research plan.

Research Specification

1.49 The Research Specification set out by the Scottish Government stated that the research would '*provide an objective report on the financial position of students in Scotland and collect limited attitudinal information on students' perception of their financial situation*'. Moreover, the survey would '*collect detailed income, expenditure, borrowings, savings and debt information from a representative sample of students and report how these factors differ depending on student's background and circumstances*'. Finally, the survey would '*provide a framework for undertaking follow up enquiries ... directed at specific sub groups of students that may have been the subject of a change in funding arrangements or that were identified as being at risk of hardship*'.

1.50 The empirical research was to collect data on three types of groups of students; those in full-time higher education in HEIs and FE Colleges, part-

⁵² Callender et al (2005).

time higher education students in HEIs and FE Colleges (including the Open University) and those studying further education in FE colleges. (Allied health students such as nursing and midwifery, with their own, different, funding arrangements were not included in the project.)

1.51 Within these three groups, sub-groups were identified as 'key reporting categories' for separate analysis. These sub-groups distinguished by:

- Sex
- Age group
- Level of study (first degree, sub degree)
- Socioeconomic group of parents
- Whether students' parents had HE experience
- Type of accommodation of students
- Family circumstances of student household (presence of partner and/or children)
- First year students
- Final year students
- Students of medicine
- Students who have taken out a student loan
- Students who work during term-time

1.52 In order to have statistically significant results for each of the above key reporting categories, the sample size was anticipated to be 2000 full-time HE students, 1000 part-time HE students and 500 FE students. To be included in the project, students had to be least 50% full-time equivalent (FTE)⁵³; as a consequence evening class students studying a single course for personal interest at college, for example, were excluded.

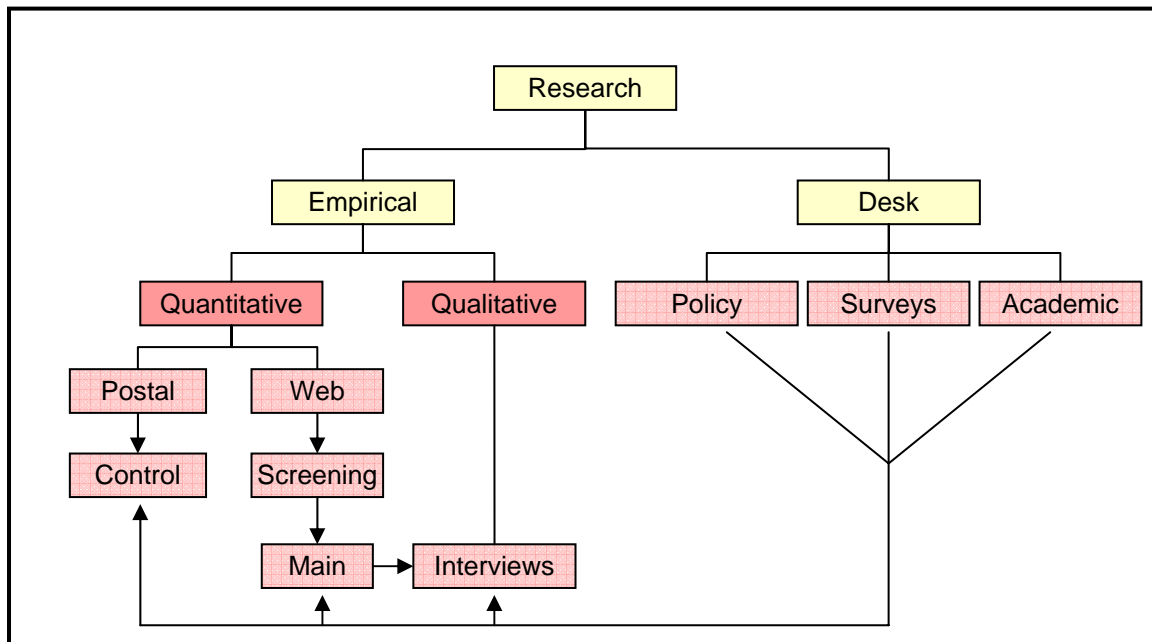
Research Plan

1.53 The 2004-05 project was based on a survey conducted using face-to-face interviews with students. For the 2007-08 project a new research design was developed and agreed between the research team, the project's Research Advisory Group and the Scottish Government. Firstly, this new design was broader in its collection of empirical data, having both quantitative and qualitative research - although the focus was on the former, with the latter a supplement. It also sought to include a control group of young Scots not studying. Secondly, the new design was different in how it collected the main survey data – this time via the web and, additionally for the control group, a postal survey. The project started in July 2007 and was completed in April 2009. The empirical research to collect primary data was conducted throughout the academic year 2007-08.

1.54 The research had three main stages: desk-based research, a series of surveys and, finally, a series of interviews with students. A schematic diagram of the research plan is presented in Figure 1 below.

⁵³ It should be noted that exact calculations of individual student FTE hours, particularly in FE colleges, can be difficult.

Figure 1: Schematic diagram of the research plan



Stage 1: Desk Research

1.55 The desk-based research stage involved three reviews:

- A review of previous surveys of student income, expenditure and debt
- A review of academic literature related to student finances
- A review of relevant government policy documents related to student finances and the funding of HE and FE

1.56 The first review examined the existing UK surveys, the 2004-05 Scottish survey and the 2004-05 Student Income and Expenditure Survey that covered England and Wales. The project guidance for *Eurostudent III 2005-2008*, which is the Europe-wide project that maps the socio-economic living conditions of students, was also reviewed. This review enabled a core of questions to be identified that would make the 2007-08 main survey comparable with those other surveys, particularly the previous Scottish one.

1.57 The second review covered a range of academic literature centred on student finances as well as commercial surveys such as those conducted by high street banks. Both of these sources helped to identify developments and issues with student finances that had emerged since 2005.

1.58 The third review centred on government policy documents mainly but not wholly specific to Scotland. In respect of the latter, previous and current policy debates and initiatives were included.

1.59 The information from these reviews was used to update the context of the current study and to inform the development, in conjunction with the Scottish

Government and Research Advisory Group, of the various research tools – the surveys' questions and interview schedules.

Stage 2: The Quantitative Research and the Surveys

- 1.60 The research involves three surveys: a web-based screening survey, the main survey (also web-based) and a postal survey.
- 1.61 The web-based approach was chosen to succeed the face-to-face method used in the 2004-05 Scottish study in order to improve the accessibility of and response to the main survey. Online surveys are increasingly popular, particularly among those with heavy time and working commitments, and among younger age groups with greater access to the web on-campus (and at home).
- 1.62 The two web surveys were designed and administered by a sub-contractor specialising in this technology – MRUK.

Sampling and the Screening Survey

- 1.63 For the main survey, it had been proposed that a sample of students would be accessible to the research team from existing databases held by Higher Education Statistics Agency (HESA), SAAS, and Further Education Statistics (FES). From these databases, a targeted random sample of 14,000 students would be invited to participate. Expecting a response of around 25%, the intended breakdown of this sample was to be:
 - Full-time HE students: 8,000 to be contacted with an achieved sample of around 2,000.
 - Part-time HE students: 4,000 to be contacted with an achieved sample of around 1,000.
 - FE students: 2,000 to be contacted with an achieved sample of around 500.
- 1.64 This approach was not feasible because of data protection concerns. Instead the sample type and size had to be drawn from responses to a screening survey disseminated by universities and colleges, and which allowed students to actively opt-in to the study. Participation in the study and permission to access students needed to be negotiated and gained from all Scottish universities and colleges. This process caused some delay in the study.
- 1.65 Unfortunately, not all students in all colleges are contactable by email. Eventually, an email containing a previously piloted web-based screening survey was disseminated to all enrolled students at 48 institutions: 19 HEIs and 29 FE colleges. (The excepted HEI was the Scottish Agricultural College).
- 1.66 This survey needed to screen out students not of the target group, that is, for example post-graduate, allied health and foreign students. The screening survey contained 11 questions covering:

- Residence eligibility
 - Institution
 - Mode (i.e. full or part-time), year, level and field of study
 - Duration of course
 - Hours of learning contact time
 - Age
 - Sex
 - Ethnicity
- 1.67 The project was advertised extensively on university and college campuses across Scotland. In addition, an email notification was sent to students, through host institutions, explaining the project and encouraging participation. Financial incentives, in the form of prize draws, were also used.
- 1.68 Participation and response rates are difficult to assess for the screening survey as the exact number of students contactable and contacted in the FE colleges is not known. All students in HEIs were contacted. In total, working with the Scottish Government, it was estimated that around 160,000 eligible students would be contactable.
- 1.69 Through the institutions, students were sent an introductory, explanatory email followed by an email with the screening survey. Students were then sent several email reminders about the screening survey. Almost 22,000 students accessed the survey of which nearly 4,000 were ineligible and another just over 8,600 quit the survey without completing. In total 9,265 eligible students completed the survey of which 9,181 were useable in the sense that they agreed to be contacted again and so participate in the main survey. In terms of institution breakdown of HEIs, Strathclyde, Glasgow, Dundee and Edinburgh Universities constituted almost half of the sample for the screening survey; of the FE colleges responses were spread amongst the institutions. Only Ayr and Elmwood Colleges yielded no response despite participating. A list of responses per institution is included as Appendix A.

The Main Survey

- 1.70 With the final response to the screening survey not achieving the target of 14,000 eligible students, it was decided to send the main survey to all students eligible and agreeing to participate. This main survey was again web-based.
- 1.71 Because of concerns about its length as a web-based survey, the main survey was piloted twice – once with HE students, once with FE students, and subsequently amended. However, the final questionnaire still required half an hour to complete. The questionnaire for the main survey comprised the following variable areas:
- Student background (e.g. demographics)
 - Education-related income
 - Paid work

- Other income
 - Student choices (related to studying and finances)
 - Financial wellbeing
 - Expenditure
 - Commercial credit
 - Behaviour and attitudes
 - Future aspirations and expectations
- 1.72 9181 students were sent the survey and several reminders, this time direct from the research team, were issued and financial incentives, in the form of prize draws, were again used. Of the 6,409 who accessed the survey, 5,314 completed it. From the total sample therefore of 9181, the response rate was 58%. This response rate is good, especially when it is borne in mind that throughout the project there were a number of 'competitor' student surveys, for example the National Student Satisfaction Survey.
- 1.73 These 5,314 responses were then cleaned, with outliers, for example, stripped out. Of the final useable responses 4,331 were full-time HE students, 520 were part-time HE students (including respondents from the Open University) and 114 full-time FE students (36 part-time FE students had already been deemed too low to be useable and excluded). A list of all of the HEIs and FE colleges from which there were responses is presented in Appendix B. Using data from HESA and FES for the HE and FE student populations in Scotland, the responses were then weighted where appropriate by sex, age, year of study, level of study and year of study. Details of the weighting strategy can be found in the technical appendix, Appendix D.

The Control Survey

- 1.74 The previous Scottish study of student income, debt and expenditure focused solely on students. While the policy interest clearly relates to the fiscal experiences of those who are undertaking a course of higher education and subject to students support policies, there are limitations in such an approach. Young people who do not experience higher education also have to survive on levels of income which are frequently low and engage in youthful lifestyles and patterns of consumption. Young workers on low incomes, as well as those who spend significant periods out of work or in precarious forms of employment, may also accrue significant debts and it would be wrong to assume that costly transitions are the sole preserve of students.
- 1.75 Not wishing to take the narrow view that students are in a unique position vis-à-vis income, debt and expenditure, it was decided that this study should be designed in such a way as to gather financial details of non-students. This comparison was to be achieved through a separate control survey, focused on the 19-21 years age group, which replicated key questions on income, expenditure and debt.
- 1.76 There are obvious difficulties in drawing a representative sample of young people who are not in higher education. There is no one database available to researchers that would include current status, age and current address. For

this reason, the researchers had hoped to use a recent sample of the Scottish School Leavers Survey as an up-to-date database for the administration of the survey. The data is held by Scotcen who conducted recent surveys on behalf of the Scottish Government. However, as a result of data protection issues, this approach could not be pursued.

- 1.77 The agreed solution was to ask the Scottish Qualifications Authority (SQA) to create a random sample of young Scots with two or more Highers (or equivalent) in 2004 as these would have been eligible to attend university. Due to concerns about the likely response rate to a sample with contact details several years old, and because the random sample would contain young Scots who did and did not undertake post-compulsory study, it was decided to contact 6,000 young people in order to achieve a planned 1,000 non-student responses.
- 1.78 A total of 6,000 young people between the ages of 19 and 21 were sent postal questionnaires requiring respondents to complete basic financial information comparable to that provided by the student sample. A total of 303 questionnaires were returned as undeliverable, bringing the target sample down to 5697. Of these, 581 useable questionnaires were returned; a response rate of 10.2%. As a random sample, questionnaires were returned by non-students, young Scots currently studying and those who had already graduated. Of those studying, some were at under-graduate level and below, others were post-graduate. These responses were then weighted by age and sex. The final useable sub-samples yielded 277 first degree students and 90 non-students. Details of the weighting strategy can be found in the technical appendix, Appendix E.
- 1.79 On the basis of these figures, it was decided to use the control group survey in two ways: firstly, to use the student responses to provide data triangulation with the main survey, and so a means through which the main survey data could be validated; secondly, to use the non-student responses for the purpose intended – as a comparable indication of the income, expenditure and debt of non-student young Scots.
- 1.80 It should be noted that both sub-samples are small, and smaller than intended. The reliability of the data should therefore be treated with caution. Having a control sample is important however. Suggestions for improving the response rate for any future control group are included in the concluding chapter.

Stage 3: The Qualitative Stage and Interviews

- 1.81 To complement the main survey, a series of interviews were conducted with full-time HE students from working class backgrounds. The attitudinal questions on the main survey provide good quantitative data of the financial situation of all students from all backgrounds. However, given the concern about the barriers to HE access and participation for students from working class backgrounds, it was important to explore in more depth the financial impact of study for these students.

- 1.82 The sample for the interviews was drawn from the main survey, which included an option for respondents to agree to be interviewed. Of those respondents who agreed, those from working class backgrounds were identified using the SOC 2000 codes 5-9 based on parental occupation.⁵⁴ SOC (2000) job codes 1-4 are assigned as 'middle class', codes 5-9 as 'working class' – that is, Managers and Senior Officials, Professionals, Associate Professionals and Administrative Staff as middle class; Skilled Trades, Personal Service Staff, Machine Operatives and Elementary Staff as working class. (Some of the difficulties in assigning social class are discussed in Appendix A.) The sample therefore consisted of students whose mother, father or both were machine operatives, sales and customer service staff, personal service staff or elementary staff.
- 1.83 There were 411 students in this category. Batches of students were drawn randomly from this sample and contacted for interview until the target of 50 interviews was achieved. In total, 52 interviews were conducted.
- 1.84 The process of recruiting interviewees was more protracted and difficult than anticipated. Interviews occurred at the end of the academic year and some students were indisposed – either travelling or working. In addition, although previously agreeing to be interviewed, some were now reluctant to do so.
- 1.85 Of those students who were interviewed, it must be noted that they were self-selecting volunteers and, although indicative, should not be considered as representative of all students, particularly as most were mature students. The interviewees are, however, a group from a specific background, with a particular financial situation and who are a key concern of policy. A list of the interviewees' study details are included in Appendix C.
- 1.86 Interviewees were asked if they wished to be interviewed face-to-face or by telephone. Most opted to be interviewed by telephone. Each interview was recorded in note form on the interview schedule and by audio recorder. Recordings were then transcribed and checked. All interviews were anonymous, confidential and voluntary.
- 1.87 The interviews were semi-structured, allowing a format to be followed but which enabled interviewers and interviewees to expand on answers as deemed useful. In addition to gathering background information, a series of questions asked interviewees about their financial situation and their attitudes to their own and general financing of HE study grouped chronologically:
- Pre-entry to university
 - During university
 - After university

⁵⁴ The Standard Occupational Classification (SOC), which typologies and characterises all occupations in the UK.

1.88 Of the 52 interviews, 40 were female and 12 male. The youngest interviewee was 19 and the oldest 59. The age range and distribution of interviewees is presented in Table 1.1 below. Mature students are defined as being 25 years old or over: 37 of the 52 were therefore mature students.

Table 1.1: Age range and distribution of interview sample

Age range and distribution	No. of respondents
18-24	15
25+	37
Total	52

1.89 The interviews were analysed both quantitatively and qualitatively. The quantitative data included age of respondent and ethnicity. The qualitative data was coded and then sorted using NVIVO 8, a software package especially designed for qualitative data analysis.

A Brief Comment on the Research Plan

1.90 Part of the brief of the new study was to improve on the research design of the previous 2004-05 study. With the agreement of the Scottish Government and the support of the Research Advisory Group, the new study was therefore deliberately ambitious in a number of ways:

- To be more comprehensive, it attempted to envelop all Scottish-domiciled HE and FE students in the main survey.
- To reduce costs and efficiency, it attempted to conduct the main survey as web-based.
- To provide more depth to the analysis, it sought to complement the quantitative data with qualitative material.
- To assess the additional costs of study, it sought to provide a control group of non-student young Scots.

1.91 The execution of the research plan largely achieved these aims. More students were included in the main survey of the current study, the main survey was web-based, a series of interviews were conducted with HE students and a control survey administered to a random sample of young Scots.

1.92 Nevertheless, the new research plan had constraints, many unforeseen. Firstly, for technical reasons, administering a web-based survey was easier in HEIs than FE colleges, and so its scope ultimately limited. Addressing these limitations was time and resource intensive, with consequences for the study's effectiveness in terms of both process and outcomes. The qualitative research, however, was successful and produced the expected insights, though its execution was affected by the scheduling delays incurred from the

problems administering the main survey. The control survey too was more difficult than expected. Instead of 'piggy-backing' on an existing and successful survey of young Scots, it had to be implemented as a new, stand-alone project with insufficient resource support. Its subsequent data generation though is usefully indicative.

- 1.93 Both the process and outcomes of the new research design are discussed in more depth in the Conclusion of this report, and recommendations for improving future research design are made.

Outline of the Report

- 1.94 Following this outline of the background to the study and the study's research design, the next sections report the findings of the study. Overall, the findings are disaggregated by type of study; whether HE or FE. Within each, the findings are then broken down by income, expenditure and debt and savings for both types of student. For FE students, only data for full-time students is presented. For HE students however, there are two further disaggregations. Firstly, the analysis distinguishes between full-time and part-time students; secondly, the analysis distinguishes between students studying at sub-degree level and those studying at degree level only. Data for both is then combined.
- 1.95 In terms of the report's structure, the next three chapters report the findings for HE students' income, expenditure and debt and savings sequentially. The same data coverage for FE students is then reported in a single chapter. The subsequent chapter reports the attitudes and behaviour of students in relation to their finances. These findings are then compared to: firstly, the data for the control survey (both students for data triangulation and non-students as a control group) and, secondly, the previous Scottish study. The final chapter offers a summary of the findings plus identifies research issues for further analysis and indicates a framework for subsequent research.

2. HIGHER EDUCATION STUDENTS' INCOME

Introduction

- 2.1 This chapter reports details of the income of the higher education student sample from the main survey. As with the following chapters on HE students' expenditure and debt, the data in this chapter is disaggregated by part-time (PT) and full-time (FT) students, with the latter also distinguishing between FT HE sub-degree and FT HE degree where such distinction is illuminating. The data for these two levels of students are then combined to provide FT HE Combined figures. In cases where there is no important difference between sub-degree and degree students, we have simply reported on the combined figure for FT HE.
- 2.2 Where appropriate, this chapter also contains quotes from FT HE students. This material is drawn from the interviews that featured as Stage 3 of this project. It should be noted that this material is not meant to be representative of all students, as it is drawn from a sample of students from working class backgrounds only. It is included for illustrative purposes only.
- 2.3 The chapter focuses on the various sources of income of students, such as student loans, parental support and employment and examines the ways in which sources and levels of income vary among the sample according to factors such as level of study, social class and residential status. Savings are discussed in the chapter on debt.
- 2.4 Before presenting the results of the analysis, it is necessary to clarify some key terms and justify some of the approaches taken.
- First, the data presented is only for academic term-time, unless otherwise stated. As term lengths differ across institutions and courses, the most common length of term of 36 weeks was used (see Technical Appendix). The survey allowed students to give answers in weeks, months or years (in order to maximise the response rate), and these figures were then annualised on the basis of 36 weeks or 9 months.
 - Second, the following levels of study were used in the analysis: full-time higher education degree only, full-time higher education sub-degree, part-time higher education, full-time further education and, for some variables, all full-time higher education. In general, the HE evidence is presented together for each table, except where otherwise stated. The information on full-time further education students is analysed separately in Chapter 5 due to the distinct differences between these students and HE students.
 - Third, although we have information regarding the nature of the institutions attended by our survey respondents undertaking higher education courses, we make no distinction in the analysis between those taking higher education courses at college and university since their method of funding is the same. Students attending FE colleges and following non-advanced courses are analysed separately as explained above.

- Fourth, in most cases the means are calculated across all students (i.e. the average of all students regardless of whether each student had a particular source of income or engaged in a particular form of expenditure). The exceptions to this approach are: where we present average figures for students loans calculated from information for those students who actually take a student loan; where we present information for child-related income and expenditure which is calculated only for those students who have dependent children; where we present information for those in receipt of benefits and where we present information on disability related income and expenditure which is calculated only for those students in receipt of disability related income.⁵⁵
- Fifth, where students live in households which share income and expenditure they are asked for information on their own contribution to costs and their own sources of income. The information presented here reflects this.
- Sixth, the variables' names are largely self-explanatory but the precise definition of each variable can be found in the Technical Appendix (D).

HE Students' Income

2.5 The first set of tables provides headline income figures for each of the four types of students (except, as stated above, where there is no important difference between sub-degree and degree): FT HE sub-degree, FT HE degree, FE HE Combined and PT HE. They provide figures on total income and the main sources of this income.

⁵⁵ FT HE sub-degree and FT HE degree only students' samples were weighted separately. In order to generate FT HE Combined data a weighted average had to be produced. For this reason only means and medians and not quartiles can be calculated for this latter group.

Table 2.1: Total and main sources of income by level of study

Level of Study	FT HE Sub-Degree only ⁵⁶ (N=372)	FT HE Degree only (N=3959)	FT HE Combined (N= 4331)	PT HE (N=520)
	£	£	£	£
Total income	5483	5076	5166	12057
Student loan*	1476	1417	1430	116
Informal housing contribution	111	178	163	74
Informal living contribution	240	304	290	122
Term-time earnings	1986	1945	1945	9904
Education related grants & bursaries**	877	726	759	130
Other***	793	507	570	1712

Notes: * Unless they are unemployed or have low income, part-time students do not qualify for loans from the Student Loans Company and tend to rely on commercial sources.

**Bursaries relate mainly to non-repayable sums made to students from low income families while grants can be made by a range of charitable bodies.

*** Throughout the report, 'other' is used in the tables to represent all other sources of income, expenditure or debt not contained within the sources listed. For example, in this table, 'other' can include income derived from benefits. Full details of the types of income, expenditure and debt sources can be found in Technical Appendix D.

Table 2.2: Total and main sources of income (FT HE Sub-degree)

FT HE Sub-Degree (N = 372)	Mean Income	First Quartile	Median Income	Third Quartile
	£	£	£	£
Total Income	5483	3025	4926	7499
Student loan	1476	0	1143	2800
Informal housing contribution	111	0	0	0
Informal living contribution	240	0	0	0
Term-time earnings	1986	0	1614	3280
Education related grants & bursaries	877	0	360	1800
Other	793	0	2	200

Table 2.3: Total and main sources of income (FT HE Degree only)

FT HE Degree Only (N = 3959)	Mean Income	First Quartile	Median Income	Third Quartile
	£	£	£	£
Total Income	5076	2711	4462	6740
Student loan	1417	0	1100	2321
Informal housing contribution	178	0	0	0
Informal living contribution	304	0	0	0
Term-time earnings	1945	0	1642	3180
Education related grants & bursaries	726	0	0	1259
Other	507	0	0	150

⁵⁶ The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study.

Table 2.4: Total and main sources of income (FT HE Combined)

FT HE Combined (N = 4331)	Mean Income	Median Income
	£	£
Total income	5166	4564
Student loan	1430	1109
Informal housing contribution	163	0
Informal living contribution	290	0
Term-time earnings	1945	1636
Education related grants & bursaries	759	79
Other	570	0

Table 2.5: Total and main sources of income (PT HE)

PT HE (N = 520)	Mean Income	First Quartile	Median Income	Third Quartile
	£	£	£	£
Total income	12057	5184	10699	14607
Student loan	116	0	0	0
Informal housing contribution	74	0	0	0
Informal living contribution	122	0	0	0
Term-time earnings	9904	0	8297	13320
Education related grants & bursaries	130	0	0	0
Other	1712	0	0	1208

2.6 The above tables reveal that the mean total income for FT HE Combined students is £5166 and PT HE students £12,057. In the case of full-time students, sub-degree students have a slightly higher total income than degree only students (£5483 versus £5076). Comparing full-time and part-time students, part-timers generally have a level of income that is much higher than that of full-timers, more than double, but this finding should not be unexpected given that full-time students are more likely to have part-time work and part-time students more likely to have full-time work.

2.7 In terms of main sources of income this expectation is borne out in the tables. By far most income for part-time students is derived from paid employment (just over 80%). By contrast, although still an extremely important source of income, term-time paid employment provides under 40% of FT HE students' (Combined) income. It should also be noted that those who take out a student loan are just as likely to report earnings from employment as those who fail to take out loans.

“Once I knew I was getting the full student loan I could sit down financially and work out how many hours I had to work on top of the student loan to pay my bills.”

“Basically my student loan doesn't even cover my rent and my bills, so I'm working part-time basically for my food and to ... I have no money left at the end of the month, there's no money, I have my overdraft which I pretty much live on.”

- 2.8 The student loan provides an important, other source of income for FT HE students, whether sub-degree or degree only: 27-28% for both, similarly for FT HE Combined students.
- 2.9 Other education related income sources though are more important for FT HE students. As the combined FT HE figures highlight, this source of income comprises nearly 15% of these students' total income compared to just 1% for PT HE students.

I'm not too great at asking for help and when I found myself in the position of owing a lot of money, I went [to see student services] and I got, I had to put in for hardship, I put in for hardship funding they've got."

"I've certainly accessed the support and information services within the University ... the Finance Officer I've certainly annoyed the living daylights out of her every year to find out when the hardship fund was coming out."

- 2.10 Informal contributions to income are also more important for FT HE students. As the combined FT HE figures highlight, such contributions (to living and housing) comprise 8% of total income compared to 1.6% for PT HE students.

Table 2.6: Total income by student characteristics and level of study

Characteristic		FT HE Sub-Degree only ⁵⁷	FT HE Degree Only	FT HE Combined	PT HE
		(N=372)	(N=3959)	(N= 4331)	(N=521)
		£	£	£	£
Sex					
Male	Mean	5360	5081	5142	13355
	Median	5049	4465	4593	10699
Female	Mean	5592	5072	5186	11155
	Median	4912	4461	4438	10623
Age					
16-20	Mean	4356	4571	4524	5732
	Median	4114	4032	4050	3712
21-24	Mean	6678	5554	5801	7599
	Median	6497	5103	5410	5752
25+	Mean	7487	8268	8096	13454
	Median	6913	7387	7283	11340
Social class					
Middle class	Mean	5030	4781	4836	13436
	Median	4570	4057	4170	11340
Working Class	Mean	4682	5360	5211	11410
	Median	5135	4779	4857	10280
Family member studied at University					
Yes	Mean	5242	4862	4946	12692
	Median	4635	4250	4335	11013
No	Mean	5713	5415	5481	11492
	Median	5049	4639	4729	10280
Dependent children⁵⁸					
Yes	Mean	9016	8991	8997	14252
	Median	7448	8417	8204	12074
No	Mean	4937	4937	4937	10992
	Median	4636	4383	4439	9636
Living arrangements					
With parents	Mean	4137	4189	4178	6941
	Median	3954	3705	3760	4833
Not with parents	Mean	6828	5735	5975	12924
	Median	5892	5058	5241	11218

2.11 Table 2.6 analyses the total income of HE students across a range of personal characteristics: sex, age, social class, and whether or not these students: had a family member who had studied at university; had dependent children; lived with their parents – and identifies some important variations in income by such characteristics.

⁵⁷ The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study.

⁵⁸ Dependent children are under 16 years old (18 if in full-time education) and who live with the student and who the student has financial responsibility for.

- 2.12 Generally, mean term-time income varies very little by sex, but varies widely by mode of study. Part-time HE students in particular have much larger incomes due mainly to the fact that some will be combining full-time jobs and study. The average term-time income for full-time HE male students is £5142 and £5186 for women. For part-time students the corresponding figures are £13,355 for men and £11,155 for women. There is also a considerable variation between the age groups with average income rising with age. Among the full-time HE students, those below the age of 20 had a mean income of £4524 while those over 25 had a mean income of £8096. The difference between full-time and part-time students also rises steeply with age. The difference in mean income between full-time HE and part-time HE in the 16-20 age group is only £1208 while the corresponding difference for those over 25 is £4057.
- 2.13 In terms of social class – proxied here by the SOC (2000) classification⁵⁹ - we find a mixed income outcome. Overall, for full-timers, working class students earn slightly more, though sub-degree students from working class backgrounds earn slightly less. Part-time working class students also earn slightly less. The combined FT HE result is somewhat surprising given that other studies have found that middle class students enjoy a superior income. One possibility is that working class students work long hours in term-time to support their studies. The data supports this view in that across all FT students the level of term-time earnings is higher for working class students than it is for middle class students.
- 2.14 Amongst full-time HE students those who had a family member with a degree earn slightly more. For part-time HE students there is a slight increase in income for those with family experience of higher education. There is a large difference between the mean incomes of students across all levels of study who have dependent children and those who do not. This variable is, of course, related to age which is another factor associated with higher incomes.
- 2.15 In terms of accommodation status, those living with parents have lower average income than those not living with parents. In the case of part-time HE students this difference is substantial. Again, accommodation status is linked to age, with older students more likely not to be living with parents. What this difference may hide is the position of those younger students who, for whatever reason, are not living with their parents and are incurring higher expenditures for living expenses as a result. Such differences are unsurprising given that students who live at home tend to receive benefits in kind (such as free or subsidised food and accommodation) rather than large cash allowances.

⁵⁹ As noted in Chapter 1, SOC (2000) job codes 1-4 are assigned as 'middle class', codes 5-9 as 'working class' i.e. Managers and Senior Officials, Professionals, Associate Professionals and Administrative Staff as middle class; Skilled Trades, Personal Service Staff, Machine Operatives and Elementary Staff as working class. It must be noted that the breadth of the classifications mean that the category 'Admin Staff' contains a wide range of job types which means that this classification is not adequately distinguishing between those of higher and lower socio-economic status.

"I stayed at home, because that way I would be getting a lot of financial support from my parents as well as from bursaries."

Table 2.7: Total and main sources of income by sex (FT HE Combined)

FT HE Combined		Sex	
		Male (N = 1970)	Female (N = 2361)
		£	£
Total Income	Mean	5142	5186
	Median	4593	4560
Student Loan	Mean	1404	1451
	Median	991	1267
Housing Contribution	Mean	168	157
	Median	0	0
Living Contribution	Mean	314	268
	Median	0	0
Term-time Earnings	Mean	1973	1940
	Median	1599	1671
Grants	Mean	756	762
	Median	88	121
Benefits	Mean	56	253
	Median	0	0
Other Income	Mean	471	355
	Median	17	0

Table 2.8: Total and main sources of income by sex (PT HE)

PT HE		Sex	
		Male (N = 214)	Female (N = 307)
		£	£
Total Income	Mean	13355	11155
	Median	10699	10623
Student Loan	Mean	164	81
	Median	0	0
Housing Contribution	Mean	106	52
	Median	0	0
Living Contribution	Mean	192	73
	Median	0	0
Term-time Earnings	Mean	11544	8764
	Median	8309	8394
Grants	Mean	204	78
	Median	0	0
Benefits	Mean	878	1612
	Median	0	0
Other Income	Mean	266	494
	Median	0	0

2.16 Tables 2.7 and 2.8 show the mean and median income from a variety of sources for full-time and part-time students respectively. For both full-time and part-time students term-time earnings represented the highest source of income. For full-time students term-time earnings represented almost 40% of total income, while the student loan represented less than 30% of total

income. Overall, student income varies little by sex, and income from all sources is very similar for males and females.

“If I wasn’t working I wouldn’t be able to balance my books.”

2.17 Overall, student income shows very little variation by sex, and income from all sources is very similar for males and females - the exceptions being that part-time males have higher term-time earnings and part-time females higher income from benefits. For part-time students, term-time earnings represented by far the largest source of income: 86% for males and 79% for females. Overall, the income of female part-time students was lower than for males.

Table 2.9: Total and main sources of income by age (FT HE Combined)

FT HE Combined		Age		
		16-20 (N = 3197)	21-24 (N = 664)	25+ (N = 470)
		£	£	£
Total Income	Mean	4524	5801	8096
	Median	4050	5410	7283
Student Loan	Mean	1082	1662	3141
	Median	679	1720	3822
Housing Contribution	Mean	174	150	73
	Median	0	0	0
Living Contribution	Mean	330	175	169
	Median	0	0	0
Term-time Earnings	Mean	1782	2388	2528
	Median	1594	2303	1760
Grants	Mean	776	733	794
	Median	184	156	260
Benefits	Mean	26	173	867
	Median	0	0	0
Other Income	Mean	353	521	526
	Median	0	21	49

Table 2.10: Total and main sources of income by age (PT HE)

PT HE		Age		
		16-20 (N = 50)	21-24 (N = 58)	25+ (N = 412)
		£	£	£
Total Income	Mean	5732	7599	13454
	Median	3712	5752	11340
Student Loan	Mean	369	373	48
	Median	0	0	0
Housing Contribution	Mean	0	107	79
	Median	0	0	0
Living Contribution	Mean	0	54	146
	Median	0	0	0
Term-time Earnings	Mean	4453	6154	11096
	Median	2504	4769	10446
Grants	Mean	196	214	110
	Median	0	0	0
Benefits	Mean	325	509	1544
	Median	0	0	0
Other Income	Mean	388	188	432
	Median	30	2	0

2.18 Tables 2.9 and 2.10 describe sources of income by age group. For FT HE students, the student loan increases with age as do term-time earnings and benefits. For PT students, the amount of student loan falls with age but term-time earnings rise much more sharply with age as do benefits. For both FT and PT students the other components of income are much smaller and do not change in a consistent pattern with age.

Table 2.11: Total and main sources of income by social class (FT HE Combined)

FT HE Combined		Social Class	
		Working (N = 1904)	Middle (N = 2427)
		£	£
Total Income	Mean	5431	4836
	Median	4857	4170
Student Loan	Mean	1630	1204
	Median	1690	663
Housing Contribution	Mean	97	220
	Median	0	0
Living Contribution	Mean	171	403
	Median	0	0
Term-time Earnings	Mean	2052	1914
	Median	1875	1605
Grants	Mean	935	539
	Median	396	0
Benefits	Mean	219	99
	Median	0	0
Other Income	Mean	326	457
	Median	2	6

Table 2.12: Total and main sources of income by social class (PT HE)

PT HE		Social Class	
		Working (N = 319)	Middle (N = 175)
		£	£
Total Income	Mean	11410	13436
	Median	10280	11340
Student Loan	Mean	137	33
	Median	0	0
Housing Contribution	Mean	59	110
	Median	0	0
Living Contribution	Mean	28	311
	Median	0	0
Term-time Earnings	Mean	9496	10936
	Median	8100	8612
Grants	Mean	152	61
	Median	0	0
Benefits	Mean	1137	1541
	Median	0	0
Other Income	Mean	401	444
	Median	0	0

2.19 Overall, full-time students from working class families have a higher total income, while among the part-time students the position is reversed (Table 2.11 and 2.12). Full-time working class students receive more in student loans, have slightly higher term-time earnings and receive more in grants and benefits as compared with their middle class counterparts. They have smaller housing and living contributions from family and other income.

“There were times ... because of my jobs and my loans... I was probably earning more than [my parents]. There was a period during my under grad when my parents were unemployed.”

2.20 For part-time students, working class students do have higher loans and less other income, housing contribution and living contribution, but they have lower term-time earnings and also lower benefits.

Table 2.13: Total and main sources of income by whether a family member attended HE (FT HE Combined)

FT HE Combined		Family Attendance at university	
		Yes (N = 2609)	No (N = 1722)
		£	£
Total Income	Mean	4946	5481
	Median	4335	4729
Student Loan	Mean	1349	1541
	Median	914	1488
Housing Contribution	Mean	200	103
	Median	0	0
Living Contribution	Mean	326	241
	Median	0	0
Term-time Earnings	Mean	1829	2145
	Median	1442	1933
Grants	Mean	670	887
	Median	26	345
Benefits	Mean	136	203
	Median	0	0
Other Income	Mean	436	361
	Median	0	2

2.21 Over 60% of FT HE students in the sample are not the only member of their family to have studied at university (Table 2.13). Those students who are the only member of their family to have attended university take out higher student loans, earn more during term-time, and have higher benefits, higher grants and higher overall income. Those students who have family members who have studied at university have greater informal contributions to both housing and living costs and higher other income.

Table 2.14: Total and main sources of income by whether a family member attended HE (PT HE)

PT HE		Family Attendance at university	
		Yes (N = 245)	No (N = 276)
		£	£
Total Income	Mean	12692	11492
	Median	11013	10280
Student Loan	Mean	75	152
	Median	0	0
Housing Contribution	Mean	47	98
	Median	0	0
Living Contribution	Mean	78	160
	Median	0	0
Term-time Earnings	Mean	10605	9280
	Median	9994	7560
Grants	Mean	96	159
	Median	0	0
Benefits	Mean	1280	1338
	Median	0	0
Other Income	Mean	511	303
	Median	0	0

2.22 Almost half of all part-time HE students come from a family where other members have studied at university (Table 2.14). Those students who do not have another family member who attended university take out higher student loans, have higher benefits, lower term-time earnings, higher grants and lower other income than those with a family member who has attended university.

Table 2.15: Total and main sources of income by dependent children (FT HE Combined)⁶⁰

FT HE Combined		Dependent Children	
		Yes (N = 186)	No (N = 4145)
		£	£
Total Income	Mean	8997	4937
	Median	8204	4439
Student Loan	Mean	2938	1500
	Median	3529	978
Housing Contribution	Mean	163	158
	Median	0	0
Living Contribution	Mean	247	287
	Median	0	0
Term-time Earnings	Mean	1884	1968
	Median	0	1680
Grants	Mean	1166	748
	Median	706	88
Benefits	Mean	1802	51
	Median	1040	0
Other Income	Mean	797	381
	Median	78	0

Table 2.16: Total and main sources of income by dependent children (PT HE)

PT HE		Dependent Children	
		Yes (N = 170)	No (N = 350)
		£	£
Total Income	Mean	14252	10992
	Median	12074	9636
Student Loan	Mean	77	134
	Median	0	0
Housing Contribution	Mean	84	70
	Median	0	0
Living Contribution	Mean	29	167
	Median	0	0
Term-time Earnings	Mean	11222	9265
	Median	10118	7992
Grants	Mean	58	164
	Median	0	0
Benefits	Mean	2327	818
	Median	720	0
Other Income	Mean	454	375
	Median	0	0

2.23 Full-time students with dependent children have lower term-time earnings than those with no such responsibilities (as might be expected) but have

⁶⁰ Of the subsample of students who have reported having children, only the ones who say that these children live with them and are financially dependent on them are treated as having *dependent* children.

higher student loans, grants, benefits and other income (Table 2.15). Overall, they have almost double the total income of those with no dependent children.

- 2.24 Part-time students with dependent children also have higher total income than students who do not have dependent children (Table 2.16). In this case however, the difference is mainly made up by income from term-time paid employment and benefits.

Table 2.17: Income Total and main sources of income by accommodation status (FT HE Combined)

FT HE Combined	Accommodation Status							
	Student Loan	Housing Contribution	Living Contribution	Term-time Earnings	Grants	Benefits	Other Income	Total Income
	£	£	£	£	£	£	£	£
With my parents (N= 1874)								
Mean	904	49	173	2067	735	19	230	4178
Median	0	0	0	1993	133	0	0	3760
Not with my parents (N= 2457)								
Mean	1854	251	386	1872	772	288	472	5975
Median	1913	0	0	1217	2	0	11	5241
In a rented flat/house (shared with others) (N=1402)								
Mean	1645	280	441	1852	805	44	463	5530
Median	1725	0	0	1555	64	0	11	5026
In a rented flat/house (on my own) (N=179)								
Mean	2545	177	218	2542	1101	1176	435	8194
Median	2674	0	0	2353	473	0	61	7461
In halls of residence (N=482)								
Mean	1593	259	440	830	721	50	351	4245
Median	1629	0	0	0	18	0	0	4028
In other university/ college owned accommodation (N=129)								
Mean	1666	134	421	1217	621	0	683	4742
Median	1865	0	0	648	0	0	266	3699
In a flat/house owned by my parents where they do not live (N=163)								
Mean	1166	171	367	1927	439	21	490	4581
Median	884	0	0	1834	10	0	7	4140
In a flat/house owned by myself (N=274)								
Mean	2381	279	412	2629	712	641	1315	8369
Median	2891	0	0	2041	130	0	78	7471
With my partner (N=265)								
Mean	2240	148	366	2537	821	494	448	7055

Median	2413	0	0	2449	193	0	11	6083
With my children (N=102)								
Mean	3140	181	219	1859	1222	2120	753	9494
Median	3627	0	0	0	758	1218	84	9063
Other (N=82)								
Mean	1608	276	289	1470	1073	266	642	5623
Median	1366	0	0	0	518	0	65	4945

Table 2.18: Total and main sources of income by accommodation status (PT HE)

PT HE	Accommodation Status							
	Student Loan	Housing Contribution	Living Contribution	Term-time Earnings	Grants	Benefits	Other Income	Total Income
	£	£	£	£	£	£	£	£
With my parents (N=75)								
Mean	28	59	0	6108	164	305	278	6941
Median	0	0	0	4325	0	0	50	4833
Not with my parents (N= 445)								
Mean	130	77	142	10548	124	1481	422	12924
Median	0	0	0	10080	0	0	0	11218
In a rented flat/house (shared with others) (N=36)								
Mean	861	101	10	7178	279	1257	174	9859
Median	0	0	0	5558	0	0	0	8682
In a rented flat/house (on my own) (N=61)								
Mean	0	394	398	5276	62	3538	434	10102
Median	0	0	0	4769	0	2757	0	10104
In halls of residence (N=9)								
Mean	988	0	287	2202	0	0	217	3693
Median	1612	0	0	3689	0	0	100	5752
In a flat/house owned by my parents where they do not live (N=3)								
Mean	0	0	958	4484	0	0	216	5658
Median	0	0	0	3974	0	0	0	3974
In a flat/house owned by myself (N=271)								
Mean	22	11	97	13413	138	873	501	15053
Median	0	0	0	11336	0	0	0	12600
With my partner (N=144)								
Mean	36	5	51	12273	57	1110	361	13892
Median	0	0	0	12025	0	0	0	12731
With my children (N=101)								
Mean	100	103	0	9797	86	3305	512	13903
Median	0	0	0	7859	0	1080	0	12060
Other (N=11)								
Mean	0	0	12	8124	35	2010	75	10256
Median	0	0	0	8690	0	0	1	9089

- 2.25 Student income varies strongly by residential status, with relatively low income received by those who live with their parents as well as those who live independently in a flat owned by their parents. Relatively high overall income was enjoyed by those who own their own accommodation, live with their partner and who live with their children. Amongst full-timers, students who live on their own in rented accommodation also have relatively high income. (Table 2.17 and 2.18).
- 2.26 Student loan uptake amongst full-timers varies substantially with accommodation status: varying from an average for those who live with their parents of £904 to £3140 for those who live with their children. Those living in shared accommodation with others receive the highest amounts of informal contribution to their housing and living costs, with those living with their parents receiving the lowest (although the figure for this group of students is likely to be underestimated since the contribution is less likely to be in cash). Term-time earnings also varies greatly with accommodation status, with those living in halls of residence (likely to be first years) earning the least and those living on their own (in their own or rented properties) earning the most. Grants and benefits are also higher for those living on their own or with children. Average total income varies little between all categories except those who live on their own, those who live with children and those who live with their partner.
- 2.27 As noted earlier, student loan uptake/eligibility is very low and the highest amount shown in Table 2.18 is £988 for students living in Halls of Residence. However, this is a very small sub-sample (9) and should be treated with caution. Term-time earnings are the largest component of income for all PT HE students regardless of accommodation status. In the case of the typical PT HE student, i.e. one not living with parents, it accounts for 82% of income. Benefits are a significant source of income for those living in rented accommodation on their own (35%) and for those living with children (24%). Informal housing and living contributions are small for all PT HE students.

Table 2.19: Total and main sources of income by year of study (FT HE Combined)

FT HE Combined		Year of Study			
		1 (N = 1358)	2 (N = 1112)	3 (N = 1025)	4 (N = 836)
		£	£	£	£
Total Income	Mean	4693	5250	6117	5399
	Median	4033	4737	5436	5092
Student Loan	Mean	1385	1445	1592	1391
	Median	1030	1067	1351	1280
Housing Contribution	Mean	129	202	274	147
	Median	0	0	0	0
Living Contribution	Mean	306	332	354	179
	Median	0	0	0	0
Term-time Earnings	Mean	1591	2056	2458	2341
	Median	968	1962	2398	2232
Grants	Mean	726	728	714	840
	Median	69	97	89	98
Benefits	Mean	151	127	157	131
	Median	0	0	0	0
Other Income	Mean	406	361	569	369
	Median	7	0	22	5

Table 2.20: Total and main sources of income by year of study (PT HE)

PT HE		Year of Study			
		1 (N = 263)	2 (N = 123)	3 (N = 54)	4 (N = 69)
		£	£	£	£
Total Income	Mean	10812	12238	13497	14375
	Median	9171	10796	10811	13637
Student Loan	Mean	140	8	166	193
	Median	0	0	0	0
Housing Contribution	Mean	106	15	10	122
	Median	0	0	0	0
Living Contribution	Mean	114	43	282	77
	Median	0	0	0	0
Term-time Earnings	Mean	7833	11321	11786	12714
	Median	4950	10322	10710	12713
Grants	Mean	156	19	134	238
	Median	0	0	0	0
Benefits	Mean	2000	535	707	717
	Median	0	0	0	0
Other Income	Mean	463	297	412	314
	Median	0	0	0	0

2.28 For full-time students income rises throughout their period of study until the final year when it dips slightly (Table 2.19). This pattern is reflected in all the main sources of income: student loan, term-time earnings, grants and benefits. Part-time students have a different pattern in that, not surprisingly, their income (dominated by earnings) rises throughout the period as does student loan and grants (Table 2.20). Other sources of income do not show a consistent pattern with respect to year of study.

Table 2.21: Total and main sources of income by final year of study (FT HE Combined)

FT HE Combined		Level of Study	
		Non-final year of study (N = 3293)	Final Year of Study (N = 1038)
		£	£
Total Income	Mean	5074	5296
	Median	4517	4677
Student Loan	Mean	1450	1388
	Median	1112	1117
Housing Contribution	Mean	189	110
	Median	0	0
Living Contribution	Mean	311	222
	Median	0	0
Term-time Earnings	Mean	1857	2111
	Median	1334	1958
Grants	Mean	729	853
	Median	42	244
Benefits	Mean	142	223
	Median	0	0
Other Income	Mean	396	390
	Median	9	0

Table 2.22: Total and main sources of income by final year of study (PT HE)

PT HE		Level of Study	
		Non-final Year of study (N = 275)	Final Year of Study (N = 245)
		£	£
Total Income	Mean	12374	11672
	Median	10730	10665
Student Loan	Mean	152	74
	Median	0	0
Housing Contribution	Mean	50	102
	Median	0	0
Living Contribution	Mean	121	122
	Median	0	0
Term-time Earnings	Mean	9777	10023
	Median	7812	8738
Grants	Mean	202	48
	Median	0	0
Benefits	Mean	1694	877
	Median	0	0
Other Income	Mean	377	427
	Median	0	0

2.29 As courses vary in length, Table 2.21 and 2.22 focus on the income of those in their final year compared to those in earlier years of their courses. The differences are slight for both full-time and part-time students. Part-time students show a slight dip in income but the very diverse patterns of study make this difficult to interpret.

Table 2.23: Main sources of students' support by level of study⁶¹

Sources of Student Support		FT HE Sub-Degree only (N=372)	FT HE Degree Only (N=3959)	FT HE Combined (N= 4331)	PT HE (N=521)
		£	£	£	£
Student Loans	Mean	1476	1417	1430	115
	Median	1143	1100	1109	0
Travel Expenses	Mean	140	96	106	7
	Median	0	0	0	0
Young Student Bursary	Mean	358	410	399	15
	Median	0	0	0	0
Lone Parent Grant	Mean	6	5	5	0
	Median	0	0	0	0
Mature Student Bursary	Mean	45	10	18	2
	Median	0	0	0	0
Educational Trust	Mean	10	34	29	3
	Median	0	0	0	0
Employers Contribution	Mean	25	12	15	27
	Median	0	0	0	0
Scholarship	Mean	9	35	29	0
	Median	0	0	0	0
Hardship fund	Mean	51	59	57	7
	Median	0	0	0	0
Disabled Student Allowance	Mean	46	23	28	68
	Median	0	0	0	0
Adult Dependents grant	Mean	0	3	2	0
	Median	0	0	0	0

2.30 When earnings and income from other sources are discounted, student loans make up the overwhelming bulk of student support for full-time HE students, with Young Students Bursary being the second most important source of study related income (Table 2.23). Part-time students derive higher levels of income from employer contributions and from disabled student's allowance (disability can often be the reason why some students choose to study part-time via the Open University). Sub-degree students (e.g. HND, HNC) are also declaring higher levels of disabled student allowance relative to Degree only students.

⁶¹ The mean figures presented here are averaged over all students i.e. including those who are not receiving a particular source of support. This explains the very small figures.

Table 2.24: Total and main sources of income by student loan (FT HE Combined)

FT HE Combined		Taken Out a Student Loan	
		Yes (N = 3139)	No (N = 1192)
		£	£
Total Income	Mean	5827	3627
	Median	5250	3001
Student Loan	Mean	2034	0
	Median	2059	0
Housing Contribution	Mean	159	175
	Median	0	0
Living Contribution	Mean	304	262
	Median	0	0
Term-time Earnings	Mean	1895	2109
	Median	1594	1867
Grants	Mean	831	570
	Median	249	0
Benefits	Mean	206	66
	Median	0	0
Other Income	Mean	397	446
	Median	8	0

Table 2.25: Total and main sources of income by student loan (PT HE)

PT HE		Taken Out a Student Loan	
		Yes (N = 49)	No (N = 472)
		£	£
Total Income	Mean	6855	12576
	Median	5533	10856
Student Loan	Mean	1240	0
	Median	105	0
Housing Contribution	Mean	89	73
	Median	0	0
Living Contribution	Mean	53	129
	Median	0	0
Term-time Earnings	Mean	2660	10636
	Median	1513	10080
Grants	Mean	268	115
	Median	0	0
Benefits	Mean	2145	1223
	Median	0	0
Other Income	Mean	399	401
	Median	30	0

2.31 Around three-quarters of full-time HE students have taken out a student loan, with the average amount being around £2000 (in the academic year 2007-08) (Table 2.24). For those who had not taken out a student loan the average income was less than that for recipients of student loans by approximately £2000. However, this masks a higher average term-time earnings, lower other grants, and lower benefits. Nevertheless, it should be noted that even among students who took out loans, their term-time earnings represented a sum which closely resembled that taken as a loan.

2.32 Just over 9% of the part-time HE students in our survey took out a loan which is substantially lower than their full-time counterparts. The obvious reason is that part-time HE students tend to be ineligible for loans from the Student Loans Company unless the students are unemployed or have low incomes (see Chapter 1). The mean term-time earnings for those who did take a loan were £2660 as opposed to £10636 for those who did not. Those who did not take a loan also had average benefits of £1223. It should be noted that the maximum student loan available to part-time students was £500. In addition, only those students who were unemployed or from low-income households were eligible for this loan.

Table 2.26: Characteristics of those who did not take out a student loan by level of study

Characteristic		FT HE Sub-Degree N=145 ⁶² (39%)	FT HE Degree Only N=1047 (26%)	FT HE Combined N= 1192 (28%)	PT HE N=472 (91%)
Sex					
Male	N	67	476	543	192
	% of total N	46	46	46	41
Female	N	78	571	649	280
	%	54	54	54	59
Age					
16-20	N	104	884	988	43
	% of total N	72	84	83	9
21-24	N	20	121	141	36
	% of total N	14	12	12	8
25+	N	21	42	63	392
	% of total N	14	4	5	83
Social class					
Middle class	N	57	631	688	159
	% of total N	39	60	58	34
Working Class	N	82	398	480	293
	% of total N	57	38	40	62
Family member studied at University					
Yes	N	71	385	456	244
	% of total N	49	37	38	52
No	N	74	662	736	228
	% of total N	51	63	62	48
Dependent children					
Yes	N	9	14	23	155
	% of total N	6	1	2	33
No	N	136	1033	1169	317
	% of total N	94	99	98	67
Living arrangements					
With parents	N	95	632	727	66
	% of total N	66	60	61	14
Not with parents	N	50	415	465	405
	% of total N	34	40	39	86

2.33 For full-time sub-degree students, the characteristics of those more likely than not to take a student loan are: females, students aged 16-20, those defined as working class, those with no family experience of university, those with no dependent children, and those living with parents (Table 2.26). For degree students, the pattern is the same except that middle class students are more likely than working class students not to take a loan and those with no family experience of university are nearly twice as likely not to take a student loan.

⁶² The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study. Where numbers vary, the % of responses is calculated on the actual number of responses to the question and not on the overall number of cases stated above.

Table 2.27: Total and main sources of income by education related grants and bursaries (FT HE Combined)

FT HE Combined		In Receipt of Grants	
		Yes (N = 2160)	No (N = 2171)
		£	£
Total Income	Mean	6025	4310
	Median	5380	3649
Student Loan	Mean	1779	1089
	Median	1877	546
Housing Contribution	Mean	106	218
	Median	0	0
Living Contribution	Mean	267	312
	Median	0	0
Term-time Earnings	Mean	1844	2079
	Median	1570	1766
Grants	Mean	1489	0
	Median	1344	0
Benefits	Mean	210	120
	Median	0	0
Other Income	Mean	330	493
	Median	0	9

Table 2.28: Total and main sources of income by education related grants and bursaries (PT HE)

PT HE		In Receipt of Grants	
		Yes (N = 54)	No (N = 466)
		£	£
Total Income	Mean	8691	12451
	Median	8788	10730
Student Loan	Mean	210	105
	Median	0	0
Housing Contribution	Mean	160	64
	Median	0	0
Living Contribution	Mean	186	114
	Median	0	0
Term-time Earnings	Mean	4732	10508
	Median	0	9335
Grants	Mean	1240	0
	Median	500	0
Benefits	Mean	1843	1249
	Median	0	0
Other Income	Mean	320	410
	Median	0	0

2.34 Full-time students in receipt of grants have higher total income compared to those not receiving grants by a considerable degree (£6025 as opposed to £4310) (Table 2.27). They have higher levels of student loan, lower term-time earnings and lower other income. They also report slightly lower contributions from family towards housing and living costs. With many of the grants that are

available targeting students with dependent children in particular, it is likely that the above describes mature students with children.

“I thought it would be easy to get restaurant work but of course it’s very difficult to find childcare in the evening and that’s when I’d need it and you don’t get child tax credit you know ... for private babysitters. [The childcare has] got to be registered and nobody registered goes to like 11 or later at night so in the end I couldn’t actually find any work at all.”

2.35 Part-time students in receipt of grants and bursaries also have considerably lower total income (less than 70%) than those not in receipt of grants (Table 2.28). They have lower term-time earnings (around 45% of the earnings for those not in receipt of grants), higher student loan and higher benefits. Interestingly they also have higher levels of housing and living contributions but the difference if not great.

Table 2.29: Total and main sources of income by government benefits (FT HE Combined)

FT HE Combined		In Receipt of Benefits	
		Yes (N = 154)	No (N = 4177)
		£	£
Total Income	Mean	10301	4918
	Median	8783	4436
Student Loan	Mean	2738	1368
	Median	3301	1024
Housing Contribution	Mean	157	158
	Median	0	0
Living Contribution	Mean	319	284
	Median	0	0
Term-time Earnings	Mean	1547	1974
	Median	0	1679
Grants	Mean	1308	745
	Median	812	88
Benefits	Mean	3495	0
	Median	2271	0
Other Income	Mean	736	389
	Median	61	0

Table 2.30: Total and main sources of income by government benefits (PT HE)

PT HE		In Receipt of Benefits	
		Yes (N = 167)	No (N = 353)
		£	£
Total Income	Mean	10733	12686
	Median	9612	10808
Student Loan	Mean	58	143
	Median	0	0
Housing Contribution	Mean	183	23
	Median	0	0
Living Contribution	Mean	318	29
	Median	0	0
Term-time Earnings	Mean	5465	12012
	Median	594	10636
Grants	Mean	177	107
	Median	0	0
Benefits	Mean	4071	0
	Median	3312	0
Other Income	Mean	461	372
	Median	0	0

2.36 Full-time students in receipt of benefits form only 3.7% of all FT HE students in our survey. The actual number is only 154 (Table 2.29). The level of benefits is significantly higher, as is the level of student loan taken and the level of grants. Term-time earnings are also less for these students. These students are most likely to be either disabled students or students with dependent children. The pattern is similar for part-time students except that the loan is smaller and term-time earnings are far less (only 45% of the earnings of those not in receipt of benefits) (Table 2.30). This again suggests the presence of children or of disability.

Table 2.31: Total and main sources of income by term-time employment (FT HE Combined)

FT HE Combined		Term-Time Employment	
		Yes (N = 2639)	No (N = 1692)
		£	£
Total Income	Mean	6078	3781
	Median	5518	3338
Student Loan	Mean	1354	1544
	Median	940	1364
Housing Contribution	Mean	108	248
	Median	0	0
Living Contribution	Mean	233	380
	Median	0	0
Term-time Earnings	Mean	3238	0
	Median	2946	0
Grants	Mean	718	820
	Median	88	147
Benefits	Mean	104	248
	Median	0	0
Other Income	Mean	322	540
	Median	0	3

Table 2.32: Total and main sources of income by term-time employment (PT HE)

PT HE		Term-Time Employment	
		Yes (N = 377)	No (N = 143)
		£	£
Total Income	Mean	14816	4822
	Median	11979	3712
Student Loan	Mean	41	312
	Median	0	0
Housing Contribution	Mean	7	252
	Median	0	0
Living Contribution	Mean	64	274
	Median	0	0
Term-time Earnings	Mean	13680	0
	Median	11340	0
Grants	Mean	44	356
	Median	0	0
Benefits	Mean	696	2922
	Median	0	910
Other Income	Mean	284	706
	Median	0	0

2.37 Nearly 40% of FT HE students declared having no income from term-time paid employment (Table 2.31). These students without paid employment had roughly 60% of the income of those students who did have paid employment during term-time.

2.38 Around 70% of part-time HE students in the survey had some term-time earnings (Table 2.32). Those who did not work during term-time tended to

have a much smaller mean income. Those students without term-time paid employment, however, had much larger income from benefits (£2922 versus £696) and higher income from grants and other sources.

Table 2.33: Total and main sources of income by vacation employment (FT HE Combined)

FT HE Combined		Vacation Employment	
		Yes (N = 2885)	No (N = 1446)
		£	£
Total Income	Mean	5808	4016
	Median	5220	3587
Student Loan	Mean	1353	1576
	Median	948	1421
Housing Contribution	Mean	124	238
	Median	0	0
Living Contribution	Mean	251	377
	Median	0	0
Term-time Earnings	Mean	2943	137
	Median	2721	0
Grants	Mean	697	877
	Median	88	249
Benefits	Mean	100	276
	Median	0	0
Other Income	Mean	340	535
	Median	0	2

Table 2.34: Total and main sources of income by vacation employment (PT HE)

PT HE		Vacation Employment	
		Yes (N = 328)	No (N = 192)
		£	£
Total Income	Mean	14228	8339
	Median	11521	6012
Student Loan	Mean	55	220
	Median	0	0
Housing Contribution	Mean	8	188
	Median	0	0
Living Contribution	Mean	62	224
	Median	0	0
Term-time Earnings	Mean	13077	4470
	Median	10974	0
Grants	Mean	45	275
	Median	0	0
Benefits	Mean	676	2397
	Median	0	0
Other Income	Mean	305	564
	Median	0	0

2.39 Around two-thirds of full-time HE students have paid vacation employment. These students tend to receive similar sums in loans and living contributions to those who do not work in the vacation (Table 2.33). However, vacation workers tend to have higher term-time earnings. Overall, those students who

had paid employment in the vacation had a higher overall income. Vacation time earnings are not in these tables but may impact on term-time earnings by reducing the need to work during term-time.

“I had my savings from whatever summer job I was doing ... before I started uni[versity] I had three jobs that I was doing for six months, so I was quite good at saving in that respect.”

2.40 It may also reflect a need or desire to earn more throughout the year.

“Now that I’m off in Summer ... I don’t have any student loan money. So, I’ve got like fourteen hours work, paid work and I’m trying to kind of increase [that and] get some hours with [other] work as well just to kind of increase my money situation.”

2.41 The mean figure for vacation earnings for full-time HE students is £1880 but there is a wide variation around this figure.

Table 2.35: Paid income by industry (FT HE Combined)

FT HE Combined	N	Mean Income	Median Income
		£	£
Total Income Over All Industries	2992⁶³	2897	2716
Industry			
Agriculture, forestry, fishing and energy	28	2179	1248
Manufacturing	18	2817	2407
Construction	32	3801	3497
Wholesale and retail	1151	2526	2493
Hotels and restaurants	539	2936	2854
Transport, storage & communication	47	4144	3936
Banking, finance and other business services	184	3915	4280
Public administration and defence	43	3263	2424
Education	118	2732	2359
Health and social work	203	3200	2825
Other services	628	3105	2675

⁶³ This table reports the industries in which students work during term-time or vacation. 107 report working but do not record being paid for this work. 2885 report paid employment.

Table 2.36: Paid income by industry (PT HE)

PT HE	N	Mean	Median
		£	£
Total Income Over All Industries	383 ⁶⁴	13450	11262
Industry			
Agriculture, forestry, fishing and energy	11	19260	7943
Manufacturing	21	15741	16847
Construction	18	13737	8652
Wholesale and retail	34	6762	4815
Hotels and restaurants	14	4788	4231
Transport, storage and communication	11	18182	13662
Banking, finance and other business services	30	17145	12694
Public administration and defence	30	13932	12938
Education	72	12882	11340
Health and social work	70	13375	11340
Other services	72	14782	11529

2.42 Full-time students who are employed during term-time and vacations are concentrated in three industries: wholesale and retail sales, other services and hotels and restaurants (Table 2.35) with the mean income in these industries being £3303, £2782 and £2897 respectively. Mean income was lowest in agriculture, forestry, fishing and energy and highest in transport, storage and communication.

2.43 Reflecting their more extensive engagement in employment, in each industrial sector part-time HE students earned more than their full-time peers (Table 2.36). Part-time students were spread more evenly across industries, although again wholesale and retail sales and other services were the sectors containing the greatest concentrations of students. In contrast to the full-time students, among the part-timers, the highest incomes were reported by those working in agriculture, forestry, fishing and energy and public administration and defence, but again were low in hotels and restaurants.

⁶⁴ This table reports the industries in which students work during term-time or vacation. 6 report working but do not record being paid for this work. 377 report paid employment.

Table 2.37: Number of hours worked and hourly wages by level of study

Characteristic	N	Mean	First Quartile	Median	Third Quartile
Hours worked per week during term-time					
FT HE Sub-degree	224	15	10	15	18
FT HE Degree Only	2768	12	8	12	16
FT HE Combined	2992	13	-	13	-
PT HE	383	32	25	35	37
Hours worked during vacations					
FT HE Sub-degree	224	24	15	23	35
FT HE Degree Only	2768	29	20	30	39
FT HE Combined	2992	28	-	28	-
PT HE	383	28	17	35	37
Hourly pay					
		£	£	£	£
FT HE Sub-degree	224	6.02	5.35	5.65	6.25
FT HE Degree Only	2768	6.34	5.51	5.77	6.50
FT HE Combined	2992	6.27	-	6.00	-
PT HE	383	10.96	7.00	9.00	12.03

2.44 For full-time students there is a range of number of hours worked with some students working two full days per week (with an average of a day and a half) (Table 2.37). Those students in the third quartile were working an average of 16 hours per week. Vacation time working hours for full-time students is close to full-time (median 30 hours). Hourly pay for all full-time students is very close to minimum wage. Hourly pay for part-time students displays a wide range with a median of £9.

“I was speaking to people that didn’t work last year and ... the marks they were getting were a lot higher than what I was because they were obviously able to do a lot more reading, and they were asking me how much time do you spend reading and I said “Well not as much as I would like” because if you’re working, you know, your trying to juggle everything, you know, there’s not enough hours in the day sometimes.”

Conclusions

2.45 The main highlights from the findings in this chapter are:

- Student income varies little by sex for FT students but differs considerably for PT students. Income also varies widely by mode of study with part-time students’ incomes considerably higher than those of full-time students.
- Income also varies by age and whether the students have dependent children; mature FT students have nearly double the income of younger students while PT mature students have almost three times the income of younger students. Younger students are also more likely to be living with parents and have lower levels of income.

- A surprising finding is that working class FT students have slightly higher income than middle class ones. There is no obvious interpretation of this outcome but it could be that middle class students are receiving more in non-cash benefits from their families.
- While about three quarters of the sample of students in full-time HE have taken out student loans, only just over 9% of part-time students had one. However, as previously noted, fewer part-time students are eligible for student loans compared to full-time HE students.
- The majority of full-time and part-time HE students declared term-time earnings. Paid income varied by industry, whether or not they lived with parents and other residential variables.

3. HIGHER EDUCATION STUDENTS' EXPENDITURE

Introduction

- 3.1 This chapter reports the expenditure of HE students from the main survey. Where appropriate, as in the chapters on HE students' income and debt, interview material is also included for illustrative purposes. Also, as with the other HE students' chapters on income and debt, the data in this chapter is disaggregated by part-time (PT) and full-time (FT) students, with the latter also distinguishing between FT HE sub-degree and FT HE degree. The data for these two levels of students are then combined to provide FT HE Combined figures.
- 3.2 Expenditure patterns are examined by, among other variables, sex, level of study, accommodation status, class and working patterns. All mean expenditures are calculated over all responses. The exception to this is where certain types of expenditure are only relevant to particular groups of students, for example child-related expenditure. For these exceptions, mean expenditures are calculated over these groups only. Items of expenditure are grouped into categories, the bases of which are outlined in the Technical Appendix.
- 3.3 Before presenting the result of the analysis, it should be remembered that, as outlined previously in Chapter 2:
- The data presented is only for academic term-time unless otherwise stated.
 - No distinction is made in the analysis between HE students attending HEIs and Colleges since their method of funding is the same.
 - With some exceptions, means are calculated across all students.
 - The precise definition of each variable can be found in the Technical Appendix.

HE Students' Expenditure

3.4 Table 3.1 summarises costs by type of all of the students.

Table 3.1: Total and main types of expenditure by level of study

Type of Expenditure	FT HE Sub-Degree only (N= 372)	FT HE Degree Only (N=3959)	FT HE Combined (N= 4331)	PT HE (N= 520)
	£	£	£	£
Total expenditure	6820	6203	6339	10453
Housing costs	1062	1131	1116	2023
Living costs	4133	3903	3954	5860
Participation costs	1261	926	957	850
Child-specific costs	440	136	203	1261
Other costs	120	107	110	460

3.5 The table reveals similar expenditure patterns for all HE students with the exception of child-specific costs, which are much higher for PT HE students. That these students have children in the first place might explain why they have chosen the part-time mode of study. This finding has obvious policy implications, suggesting that the costs of child-care are a salient issue for this type of student.

3.6 This first set of tables provides headline expenditure figures for each of the four types of students: FT HE sub-degree, FT HE degree, FE HE Combined and PT HE. They provide figures on total expenditure and the main types of expenditure.

Table 3.2: Total and main types of expenditure (FT HE Sub-degree)

FT HE Sub-degree (N=372)	Mean Expenditure	First Quartile	Median Expenditure	Third Quartile
	£	£	£	£
Total Expenditure	6820	4048	6417	8197
Housing costs	1062	0	540	2025
Living costs	4133	2632	3690	5548
Participation costs	1065	470	810	1290
Child-specific costs	440	0	0	0
Other costs	120	0	0	0

3.7 The overall mean expenditure for full-time HE sub-degree students is £6820 (Table 3.2). Living costs are the highest costs which students face although there is substantial variation between the first and third quartile. Average living costs constitute 60% of total expenditure. The other main costs are housing costs and participation costs, which respectively account for approximately 15% of total expenditure.

Table 3.3: Total and main types of expenditure (FT HE Degree only)

FT HE degree only (N=3959)	Mean Expenditure	First Quartile	Median Expenditure	Third Quartile
	£	£	£	£
Total Expenditure	6203	3915	5693	7660
Housing costs	1131	0	0	2250
Living costs	3903	2592	3600	4830
Participation costs	926	270	650	1250
Child-specific costs	136	0	0	0
Other costs	107	0	0	0

3.8 As Table 3.3 shows, the overall mean expenditure for full-time HE degree students is £6203. Degree only students differ from sub-degree students in that, for the former, housing costs are greater than participation costs. This finding may reflect the greater proportion of sub-degree students (most studying at colleges) who live at home compared to degree students. In addition the mean figure of £6203 falls a good way short of the corresponding figure for sub degree students of £6820. Possible reasons for this may be found in the analysis of age which will be considered in Tables 3.9 and 3.10. For degree only students living costs constitute over 60% of total costs. Again there is a fair degree of variation in all categories and total expenditure varies between the third and first quartile by a figure of £3745 which is over half of the mean figure of £6203.

Table 3.4: Total and main types of expenditure (FT HE Combined)

FT HE Combined (N=4331)	Mean Expenditure	Median Expenditure
	£	£
Total Expenditure	6339	5852
Housing costs	1116	119
Living costs	3954	3620
Participation costs	957	650
Child-specific costs	203	0
Other costs	110	0

3.9 The mean total expenditure for FT HE Combined students is £6339. Given the preponderance of degree students in the overall sample, living costs are broadly in line with full-time HE degree students at again over 60% of the overall total expenditure. Housing costs account for 18% of total expenditure and participation costs 15%.

Table 3.5: Total and main types of expenditure (PT HE)

PT HE (N=520)	Mean Expenditure	First Quartile	Median Expenditure	Third Quartile
	£	£	£	£
Total Expenditure	10453	5674	8665	13346
Housing costs	2023	0	1620	3150
Living costs	5860	3635	5122	7505
Participation costs	850	338	694	1150
Child-specific costs	1261	0	0	1854
Other costs	460	0	0	0

- 3.10 The total expenditure for part-time HE students is £10,453. This figure, like their income, is much larger than their full-time counterparts. Living costs are again the highest expenditure at 55%. Whilst the living costs are broadly comparable with the full-time HE sub-degree and degree students there are some noticeable differences with other costs. Participation costs at 8% are around half of the same figure for full-time students. Child costs at 12% are significantly higher than for full-time sub-degree students (6%) and full-time degree students (2%). This finding would suggest that part-time HE students are more likely to be mature students, with a greater likelihood of having child-care responsibilities.
- 3.11 The gap in total expenditure between the Third and First Quartiles is £7672 or around three-quarters of the mean figure and thus shows greater variation than the expenditure of the FT HE students in our sample.
- 3.12 Comparatively, what this first set of tables reveals is that total mean expenditure is much higher for PT HE students than FT HE students – using the combined FT HE students figure - £10,453 versus £6339.
- 3.13 Nevertheless, the pattern of expenditure is not hugely different between the two modes of study for students. Using the combined FT figures, full-timers and part-timers spend 17% and 19% respectively on housing costs, and 62% and 56% on living costs. Difference does exist, however, for child-specific costs, which are almost 4 times higher for PT HE students (12% versus 3%). The absolute cost of participation is slightly higher for full-timers (£957 versus £850).
- 3.14 The next set of tables examines expenditure for the different types of students by student characteristics and mode of study.

Table 3.6: Total expenditure by student characteristics and level of study

Characteristic		FT HE Sub-Degree ⁶⁵ (N=372)	FT HE Degree Only (N=3959)	FT HE Combined (N= 4331)	PT HE (N=520)	
		£	£	£	£	
Sex	Male	Mean	6694	6259	6355	10472
		Median	6643	5854	6028	8697
Female		Mean	6931	6157	6327	10440
		Median	6240	5559	5709	8378
Age						
16-20		Mean	5426	5632	5587	7908
		Median	5033	5304	5244	5503
21-24		Mean	7163	6602	6725	6538
		Median	6727	6274	6374	5847
25+		Mean	10047	10039	10039	11315
		Median	8729	8773	8773	10133
Social class						
Middle class		Mean	5729	5854	5827	10409
		Median	5262	5443	5403	8979
Working Class		Mean	7375	6533	6718	10555
		Median	6870	5902	6115	8665
Family member studied at University						
Yes		Mean	6469	5915	6037	10546
		Median	5926	5460	5563	9031
No		Mean	7153	6661	6769	10370
		Median	6645	6092	6214	8290
Dependent children						
Yes		Mean	12485	14612	14144	15014
		Median	12720	14064	13768	14052
No		Mean	5943	5904	5913	8240
		Median	6030	5578	5677	6964
Living arrangements						
With parents		Mean	5244	5337	5317	6321
		Median	4724	4788	4774	5503
Not with parents		Mean	8393	6847	7187	11153
		Median	7501	6214	6497	9412

3.15 As the above table reveals, the HE students with the highest expenditure are PT HE with dependent children (£15,014); those with the lowest expenditure are sub-degree students who are living with parents (£5244).

3.16 Overall highest expenditure differences occur between students with dependent children compared to those students with no dependent children.

“Well food is quite a lot because ... I’m still feeding me and two children.”

⁶⁵ The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study.

“You can get by, you can scrape by but you sacrifice everything. There’s no nights out, I mean, not that you need nights out but there’s no luxury items, it’s a case of paying the bills, buying what food you need and that is it. You can’t give yourself a treat or give your kids a treat, they get the basics of what they need and that’s it really.”

3.17 Compared to FT HE Combined students, PT HE students generally have higher expenditure, although there are exceptions for the 21-24 age group, students living with parents and those students with no dependent children. Costs for these types of students are roughly the same.

3.18 Focusing on the FT HE Combined students:

- Males have roughly the same expenditure as females.
- Expenditure rises with age, so that mature students have over 80% more expenditure than the youngest students and more than 50% more than students aged 21-24 years.
- Working class students have higher expenditure than middle class students (£6718 versus £5827).
- Those students with no family member having studied at university have higher expenditure than those students having a family member having studied at university (£6769 versus £6037).
- Those students with dependent children have considerably higher expenditure than those students with no dependent children (£14,144 versus £5913 or almost 3 times higher).
- Those students who do not live with their parents, as might be expected, have a higher expenditure than students who do live with their parents (£7187 versus £317).

3.19 Thus, generally, those students with the highest expenditure are mature and working class students and those students with no family member having studied at university, with dependent children and who do not live with their parents.

“Younger ones who are still with their parents, they don’t have rent, they don’t have children, they don’t have bills to stress over.”

3.20 The next set of tables examines expenditure for the different types of students by sex.

Table 3.7: Total and main types of expenditure by sex (FT HE Combined)

FT HE Combined		Sex	
		Male (N = 1970)	Female (N = 2361)
		£	£
Total Expenditure	Mean	6355	6327
	Median	6028	5709
Housing costs	Mean	1151	1086
	Median	158	119
Living costs	Mean	4059	3867
	Median	3748	3486
Participation costs	Mean	963	950
	Median	676	689
Child-specific costs	Mean	98	294
	Median	0	0
Other costs	Mean	85	130
	Median	0	0

3.21 Female full-time HE students make up almost 55% of our sample. They report a mean expenditure of £6327 compared to the figure of £6355 for men. They report lower expenditures in every category except other costs and child related costs, which unsurprisingly are three times greater than for the men in the sample.

Table 3.8: Total and main types of expenditure by sex (PT HE)

PT HE		Sex	
		Male (N = 213)	Female (N = 307)
		£	£
Total Expenditure	Mean	10472	10440
	Median	8697	8378
Housing costs	Mean	2120	1955
	Median	1350	1800
Living costs	Mean	6097	5695
	Median	5085	5182
Participation costs	Mean	824	869
	Median	691	707
Child-specific costs	Mean	986	1453
	Median	0	0
Other costs	Mean	446	469
	Median	0	0

3.22 For the part-time sample the proportion of female students is slightly higher than the full-time HE combined at 59%. They report total expenditures which are very close to those reported by male students (respectively £10,440 and £10,472). Within the types of expenditure female part-time students report significantly higher child related costs (£1453) than their full-time counterparts. Proportionately, child related costs at 18% of total expenditure are much higher for part-time than for full-time female HE students (4%). The male students in this sample also report much higher child costs at £986. These figures reinforce the picture of part-time students being more likely to be mature students with child-care responsibilities.

3.23 The next set of tables examines expenditure for the different types of students by age.

Table 3.9: Total and main types of expenditure by age (FT HE Combined)

FT HE Combined		Age		
		16-20 (N = 3197)	21-24 (N = 664)	25+ (N = 470)
		£	£	£
Total Expenditure	Mean	5587	6725	10039
	Median	5244	6374	8773
Housing costs	Mean	926	1319	2003
	Median	0	1016	1980
Living costs	Mean	3726	4045	5015
	Median	3390	3777	4675
Participation costs	Mean	849	1061	1566
	Median	618	766	1252
Child-specific costs	Mean	10	180	1142
	Median	0	0	0
Other costs	Mean	76	120	312
	Median	0	0	0

3.24 The vast majority of respondents (89%) are students aged 16-24. Mean total expenditure for students 25 and over at £10,039 is nearly double that of students aged 16-20 (£5,587). Students 25 and over report higher costs in all areas with the difference being most pronounced with regard to child-care costs.

Table 3.10: Total and main types of expenditure by age (PT HE)

PT HE		Age		
		16-20 (N = 50)	21-24 (N = 58)	25+ (N = 412)
		£	£	£
Total Expenditure	Mean	7908	6538	11315
	Median	5503	5847	10133
Housing costs	Mean	1375	1308	2202
	Median	900	1260	1800
Living costs	Mean	5594	4239	6121
	Median	4023	4005	5509
Participation costs	Mean	774	792	867
	Median	580	563	710
Child-specific costs	Mean	0	110	1577
	Median	0	0	0
Other costs	Mean	165	89	548
	Median	0	0	0

3.25 For PT HE students the vast majority (79%) are 25 and over. The mean total expenditure for students 25 and over is £11,315. The main cost for students 25 and over is living costs (£6121). Child-specific costs at 15% of the total expenditure of students 25 and over is significantly higher than for students aged 21-24 (1.6%).

3.26 The next set of tables examines expenditure for the different types of students by the social class background of the students (note that some students did not answer this question).

Table 3.11: Total and main types of expenditure by social class (FT HE Sub-degree)

FT HE Sub-Degree		Social Class	
		Middle Class (N = 121)	Working Class (N = 226)
		£	£
Total Expenditure	Mean	5729	7375
	Median	5262	6870
Housing costs	Mean	814	1157
	Median	0	900
Living costs	Mean	3637	4397
	Median	3194	4218
Participation costs	Mean	941	1121
	Median	780	851
Child-specific costs	Mean	208	594
	Median	0	0
Other costs	Mean	129	107
	Median	0	0

3.27 Sixty-five per cent of the full-time HE sub-degree sample are working class. Students from working class backgrounds had significantly higher levels of total expenditure (£7375) compared to those from a middle class background (£5729). The former's total mean expenditure is nearly 30% higher than that of the latter. Working class students spend more on all costs apart from the residual category, other costs.

Table 3.12: Total and main types of expenditure by social class (FT HE Degree only)

FT HE Degree Only		Social Class	
		Middle Class (N = 2173)	Working Class (N = 1678)
		£	£
Total Expenditure	Mean	5854	6533
	Median	5443	5902
Housing costs	Mean	993	1256
	Median	0	450
Living costs	Mean	3819	3968
	Median	3503	3645
Participation costs	Mean	865	996
	Median	590	740
Child-specific costs	Mean	91	185
	Median	0	0
Other costs	Mean	86	131
	Median	0	0

3.28 Whilst the majority of the full-time HE sub-degree sample are working class, the reverse is true for the full-time HE degree sample where 56% were middle

class. Within this group students from working class backgrounds had a higher level of total expenditure (£6533) compared to those from a middle class background (£5854). Working class students spend more on all costs.

Table 3.13: Total and main types of expenditure by social class (FT HE Combined)

FT HE Combined		Social Class	
		Middle Class (N = 2294)	Working Class (N = 1904)
		£	£
Total Expenditure	Mean	5827	6718
	Median	5403	6115
Housing costs	Mean	954	1234
	Median	0	549
Living costs	Mean	3779	4062
	Median	3435	3771
Participation costs	Mean	882	1024
	Median	632	764
Child-specific costs	Mean	117	275
	Median	0	0
Other costs	Mean	95	126
	Median	0	0

3.29 The majority (55%) of students in our sample of full-time HE students are middle class. Total expenditure was over 15% higher for working class students (£6718) compared to those from a middle class background (£5827). Working class students spend more on all costs.

Table 3.14: Total and main types of expenditure by social class (PT HE)

PT HE		Social Class	
		Middle class (N = 175)	Working class (N = 319)
		£	£
Total Expenditure	Mean	10409	10555
	Median	8979	8665
Housing costs	Mean	1938	2039
	Median	1350	1620
Living costs	Mean	5832	5954
	Median	4977	5239
Participation costs	Mean	782	906
	Median	631	730
Child-specific costs	Mean	1364	1219
	Median	0	0
Other costs	Mean	493	436
	Median	0	0

3.30 As with the full-time HE sub-degree students there were a much higher number of part-time HE students who were working class (65%). Total expenditure was marginally higher for working class students (£10,555) than middle class students (£10,409). Housing costs, living costs and participation costs were higher for working class students.

3.31 The next set of tables examines expenditure for the different types of students by whether or not they had a family member who had studied at university.

Table 3.15: Total and main types of expenditure by whether a family member attended HE (FT HE Sub-degree)

FT HE Sub-Degree		Family Attendance at University	
		Yes (N = 181)	No (N = 191)
		£	£
Total Expenditure	Mean	6469	7153
	Median	5926	6645
Housing costs	Mean	934	1183
	Median	0	900
Living costs	Mean	3862	4390
	Median	3340	3894
Participation costs	Mean	1093	1039
	Median	788	832
Child-specific costs	Mean	449	432
	Median	0	0
Other costs	Mean	131	109
	Median	0	0

3.32 The sample of full-time HE sub-degree students is split almost evenly between those who have a family member at university and those who have not. The non-family group had a higher total expenditure (£7153) compared to those who had a family member who had attended university (£6469). Housing and living costs were slightly higher for those who had not had a family member attending university.

Table 3.16: Total and main types of expenditure by whether a family member attended HE (FT HE Degree only)

FT HE degree only		Family Attendance at University	
		Yes (N = 2428)	No (N = 1531)
		£	£
Total Expenditure	Mean	5915	6661
	Median	5460	6092
Housing costs	Mean	1078	1216
	Median	0	360
Living costs	Mean	3802	4064
	Median	3459	3778
Participation costs	Mean	846	1053
	Median	570	800
Child-specific costs	Mean	98	198
	Median	0	0
Other costs	Mean	92	131
	Median	0	0

3.33 Compared to the almost even split between full-time HE sub-degree students, a higher proportion of full-time HE degree students (61%) had a family member who had attended university compared to those who had not. As with the full-time HE sub-degree students the non-family group had a higher total

expenditure (£6661) compared to those who had a family member who had attended university (£5915). All costs were higher for those who had not had a family member attending university.

Table 3.17: Total and main types of expenditure by whether a family member attended HE (FT HE Combined)

FT HE Combined		Family Attendance at University	
		Yes (N = 2609)	No (N = 1722)
		£	£
Total Expenditure	Mean	6037	6769
	Median	5563	6214
Housing costs	Mean	1046	1209
	Median	0	479
Living costs	Mean	3815	4136
	Median	3433	3804
Participation costs	Mean	900	1050
	Median	618	807
Child-specific costs	Mean	175	249
	Median	0	0
Other costs	Mean	101	126
	Median	0	0

3.34 For the full-time HE combined 60% of the sample had a family member who had attended University. Total expenditures reported for those students who have no family member who has studied at university (£6769) are almost 13% higher than those who have (£6037). It is worth noting that all costs were higher for those students who had not had a family member attending university.

Table 3.18: Total and main types of expenditure by whether a family member attended HE (PT HE)

PT HE		Family Attendance at University	
		Yes (N = 245)	No (N = 275)
		£	£
Total Expenditure	Mean	10546	10370
	Median	9031	8290
Housing costs	Mean	2213	1853
	Median	1800	1350
Living costs	Mean	5931	5796
	Median	5202	5025
Participation costs	Mean	879	824
	Median	740	650
Child-specific costs	Mean	1138	1372
	Median	0	0
Other costs	Mean	386	525
	Median	0	0

3.35 The sample of part-time HE students is split almost evenly between those who had a family member attend university and those who had not. Total expenditure for those who have a family member who had attended university

was slightly higher (£10,546) than those who had not (£10,370). Unlike the full-time HE students there is some variability as to which group had the higher costs, with housing costs, living costs and participation costs being higher for those who had had a family member attending university.

3.36 The next set of tables examines expenditure for the different types of students by whether or not they had dependent children.

Table 3.19: Total and main types of expenditure by dependent children (FT HE Combined)

FT HE Combined		Dependent Children	
		Yes (N = 186)	No (N = 4145)
		£	£
Total Expenditure	Mean	14144	5913
	Median	13768	5677
Housing costs	Mean	2110	1065
	Median	1787	99
Living costs	Mean	6164	3829
	Median	5966	3512
Participation costs	Mean	1774	918
	Median	1418	665
Child-specific costs	Mean	3815	0
	Median	3554	0
Other costs	Mean	281	101
	Median	0	0

3.37 For FT HE combined students the vast majority indicated that they did not have dependent children (96%). The total mean expenditure (£14,144) for students indicating that they had dependent children was nearly three times higher than those who did not (£5913). All costs were higher for students with dependent children with child-care costs representing around a quarter of their total costs.

Table 3.20: Total and main types of expenditure by dependent children (PT HE)

PT HE		Dependent Children	
		Yes (N = 170)	No (N =350)
		£	£
Total Expenditure	Mean	15014	8240
	Median	14052	6964
Housing costs	Mean	2464	1808
	Median	2115	1350
Living costs	Mean	7125	5246
	Median	6941	4554
Participation costs	Mean	984	785
	Median	760	648
Child-specific costs	Mean	3861	0
	Median	3435	0
Other costs	Mean	580	401
	Median	0	0

- 3.38 Likewise, most PT HE students did not have dependent children. The total mean expenditure (£15,014) for students indicating that they had dependent children was nearly double that of those students who did not (£8240). Almost all costs were higher for students with dependent children with child-care costs representing around a quarter of their total costs.
- 3.39 The next set of tables examines expenditure for the different types of students by their living and accommodation status.

Table 3.21: Total and main types of expenditure by accommodation status (FT HE Sub-degree)

FT HE Sub-degree	Main types of expenditure					
Accommodation Status (N=372)	Housing costs £	Living costs £	Participation costs £	Other costs £	Child costs £	Total Expenditure £
Living with parents (N=186)						
Mean	389	3638	1080	92	46	5244
Median	0	3197	820	0	0	4724
Not living with parents (N=186)*						
Mean	1733	4627	1050	148	834	8393
Median	1821	4252	750	0	0	7501
In a rented flat/house (shared with others) (N=76)						
Mean	1925	4310	745	45	181	7207
Median	2070	3944	691	0	0	6651
In a rented flat/house (on my own) (N=41)						
Mean	2241	4403	975	152	687	8458
Median	2070	4184	588	0	0	7801
In halls of residence (N=15)						
Mean	1189	3209	620	146	0	5164
Median	156	2456	204	0	0	3890
In other university/college owned accommodation (N=3)						
Mean	1554	2355	108	170	0	4189
Median	1667	2218	23	152	0	3968
In a flat/house owned by my parents where they do not live (N=9)						
Mean	1508	3403	1727	176	88	6902
Median	2344	3168	1396	0	0	7347
In a flat/house owned by myself (N=30)						
Mean	1763	5551	1629	175	1785	10904
Median	1962	4674	1084	0	0	10087
With my partner (N=28)						
Mean	1517	5200	1086	126	1833	9762
Median	1386	5484	860	0	491	8100
With my children (N=31)						

Mean	1814	5381	1264	211	3503	12173
Median	1800	5755	960	0	4124	12847
Other (N=12)						
Mean	339	5845	1126	443	1020	8772
Median	0	4244	699	0	0	5503

*Not living with parents' base (n) is the sum of all of the different types of accommodation that follow

3.40 The full-time HE sub-degree sample is evenly split between those who live with their parents and those who do not live with their parents. The mean expenditure for those living with their parents (£5244) is significantly less than those who do not live with their parents (£8393). For those not living with their parents the lowest level of expenditure is for those living in university owned accommodation (£4189) or halls of residence (£5164) (though note that the number of respondents are small in both cases and should be treated with caution). For those living in a flat/house they own themselves (£10,904) or those living with children (£12,173) expenditure is significantly higher. Living in a rented flat either sharing with others or on their own, whilst more expensive than halls of residence is nevertheless still cheaper than owning a flat.

Table 3.22: Total and main types of expenditure by accommodation status (FT HE Degree only)

FT HE Degree only	Main types of expenditure					
Accommodation Status (N=3959)	Housing costs £	Living costs £	Participation costs £	Other costs £	Child costs £	Total Expenditure £
Living with parents (N=1688)						
Mean	463	3592	1166	92	24	5337
Median	0	3208	942	0	0	4788
Not living with parents (N=2271)						
Mean	1627	4135	747	118	220	6847
Median	1800	3764	450	0	0	6214
In a rented flat/house (shared with others) (N=1326)						
Mean	1711	4103	589	86	37	6527
Median	2115	3768	390	0	0	6202
In a rented flat/house (on my own) (N=138)						
Mean	2540	4769	1209	281	620	9420
Median	2520	4584	944	0	0	8234
In halls of residence (N=467)						
Mean	1704	3123	444	40	0	5311
Median	0	2853	250	0	0	4748
In other university/college owned accommodation (N=126)						
Mean	2052	3351	515	48	0	5966
Median	2022	3132	282	0	0	5451
In a flat/house owned by my parents where they do not live (N=154)						
Mean	510	4176	740	88	5	5518
Median	0	3924	490	0	0	5014
In a flat/house owned by myself (N=244)						
Mean	1886	5096	1381	274	1161	9798
Median	1800	4667	1072	0	0	8606
With my partner (N=237)						
Mean	1848	5031	1245	201	937	9261
Median	1800	4721	956	0	0	8074
With my children (N=89)						

Mean	2279	6242	1740	324	4104	14690
Median	1800	6172	1586	0	3811	14124
Other (N=70)						
Mean	827	4352	1471	248	326	7225
Median	0	4154	1235	0	0	6480

*Not living with parents is the sum of all of the different types of accommodation that follow

3.41 The majority (57%) of the full-time HE degree sample do not live with their parents. Those not living with their parents have a higher mean expenditure (£6847) than those who do (£5377) though this differential is less pronounced than for full-time HE sub-degree students. For those not living with their parents the lowest level of expenditure is for those living in halls of residence (£5311) or university owned accommodation (£5966). For those living in a flat/house they own themselves (£9798) or those living with children (£14,690) expenditure is significantly higher. Living in a rented flat either sharing with others or on their own, whilst more expensive than halls of residence or university accommodation is nevertheless still cheaper than owning a flat.

Table 3.23: Total and main types of expenditure by accommodation status (FT HE Combined)

FT HE Combined	Main types of expenditure					
Accommodation Status (N=4331)	Housing costs £	Living costs £	Participation costs £	Other costs £	Child costs £	Total Expenditure £
Living with parents (N=1874)						
Mean	447	3602	1147	92	29	5317
Median	0	3206	915	0	0	4774
Not living with parents (N=2457)						
Mean	1650	4243	814	125	355	7187
Median	1805	3871	516	0	0	6497
In a rented flat/house (shared with others) (N=1402)						
Mean	1758	4149	623	77	69	6677
Median	2105	3807	456	0	0	6301
In a rented flat/house (on my own) (N=179)						
Mean	2474	4688	1158	253	635	9208
Median	2421	4496	866	0	0	8139
In halls of residence (N=482)						
Mean	1591	3142	483	63	0	5279
Median	34	2766	240	0	0	4559
In other university/ college owned accommodation (N=129)						
Mean	1942	3132	425	75	0	5575
Median	1944	2931	225	33	0	5125
In a flat/house owned by my parents where they do not live (N=163)						
Mean	730	4006	957	107	23	5822
Median	516	3758	689	0	0	5527
In a flat/house owned by myself (N=274)						
Mean	1859	5196	1436	252	1298	10041
Median	1836	4669	1075	0	0	8932
With my partner (N=265)						
Mean	1775	5068	1210	185	1134	9371
Median	1709	4889	935	0	108	8080
With my children (N=120)						

Mean	2177	6053	1635	299	3972	14136
Median	1800	6080	1448	0	3880	13843
Other (N=82)						
Mean	720	4680	1395	291	479	7565
Median	0	4174	1117	0	0	6265

*Not living with parents is the sum of all of the different types of accommodation that follow.

3.42 The majority (57%) of the overall full-time HE sample do not live with their parents. Those not living with their parents have a higher mean expenditure (£7187) than those who do (£5317). For those not living with their parents the lowest level of expenditure is for those living in halls of residence (£5279) or other university/college owned accommodation (£5575). For those living in a flat/house they own themselves (£10,041) or those living with children (£14,136) expenditure is significantly higher. Living in a rented flat either sharing with others or on their own, whilst more expensive than halls of residence or university accommodation is nevertheless still cheaper than owning a flat.

Table 3.24: Total and main types of expenditure by accommodation status (PT HE)

PT HE	Main types of expenditure					
Accommodation Status (N=520)	Housing costs £	Living costs £	Participation costs £	Other costs £	Child costs £	Total Expenditure £
With my parents (N=75)						
Mean	757	4358	991	193	22	6321
Median	540	4005	720	0	0	5503
Not with my parents (N=445)						
Mean	2237	6114	826	505	1471	11153
Median	1088	5390	690	0	0	9412
In a rented flat/house (shared with others) (N=36)						
Mean	1760	5745	546	273	594	8918
Median	1890	4986	372	0	0	8208
In a rented flat/house (on my own) (N=61)						
Mean	1677	4383	707	153	571	7491
Median	1800	4332	376	0	0	6554
In halls of residence (N=9)						
Mean	2257	2499	757	3	0	5514
Median	1620	2214	895	0	0	4739
In other university/ college owned accommodation (N=0)						
Mean	0	0	0	0	0	0
Median	0	0	0	0	0	0
In a flat/house owned by my parents where they do not live (N=3)						
Mean	0	3400	795	0	0	4195
Median	0	3864	1002	0	0	4866
In a flat/house owned by myself (N=271)						
Mean	2790	6844	862	698	1782	12975
Median	2326	6401	730	0	0	11296
With my partner (N=144)						
Mean	2411	7134	912	694	2203	13354
Median	1890	6420	690	0	1037	11819
With my children (N=101)						

Mean	2293	7031	1055	772	3560	14711
Median	1800	6428	920	0	3114	14006
Other (N=11)						
Mean	1528	6779	1206	913	945	11372
Median	735	7660	989	622	0	12634

*Not living with parents is the sum of all of the different types of accommodation that follow.

- 3.43 The vast majority (85%) of part-time HE students do not live with their parents. The mean expenditure for those not living with their parents (£11,153) is almost double that of those students who do live with their parents (£6321). As with the full-time HE students the lowest level of expenditure for those not living with their parents is for those living in halls of residence (£5514) – though note again the small number of respondents. The highest levels of expenditure are for those students who live in a flat/house by themselves (£12,975), those who live with a partner (£13,354) or those with children (£14,711).
- 3.44 Across all of the samples the contribution of parents, either by having their children live with them or by providing a flat/house for them to live in (which applies to 154 degree students, nine sub-degree students and three part-time students) makes a very significant contribution to reducing the expenditures reported by these students. This accommodation arrangement has the potential to reduce their accumulated debt and we will return to this point later.
- 3.45 The next set of tables examines expenditure for the different types of students by their year of study.

Table 3.25: Total and main types of expenditure by year of study (FT HE Sub-degree)

FT HE Sub-degree		Year of Study			
		1 (N = 273)	2 (N = 75)	3 (N = 15)	4 (N = 9)
		£	£	£	£
Total Expenditure	Mean	6732	6771	8270	7520
	Median	6367	6550	7728	7801
Housing costs	Mean	1078	885	1436	1442
	Median	540	118	1494	661
Living costs	Mean	4076	4301	4718	3446
	Median	3573	3888	4317	3185
Participation costs	Mean	978	1167	1414	2345
	Median	782	902	840	723
Child-specific costs	Mean	477	327	433	266
	Median	0	0	0	0
Other costs	Mean	123	90	268	22
	Median	0	0	0	0

- 3.46 The mean total expenditure by year of study is little changed from Year 1 to Year 2. Although there appears to be an anomalous spike in the level of expenditure for full-time HE sub-degree students in Year 3 the small numbers of students means it is difficult to offer any real comment on why the figure is significantly higher. It should be noted that sub-degree students typically only study for one to two years hence the small number of respondents in Years 3 and 4.

Table 3.26: Total and main types of expenditure by year of study (FT HE Degree only)

FT HE Degree Only		Year of Study			
		1 (N = 1085)	2 (N = 1037)	3 (N = 1010)	4 (N = 827)
		£	£	£	£
Total Expenditure	Mean	5743	6261	6534	6331
	Median	5007	5801	6025	5839
Housing costs	Mean	1098	1100	1188	1145
	Median	0	0	540	0
Living costs	Mean	3544	4024	4076	4012
	Median	3163	3724	3780	3673
Participation costs	Mean	893	899	970	948
	Median	662	612	708	629
Child-specific costs	Mean	117	139	165	123
	Median	0	0	0	0
Other costs	Mean	92	98	136	103
	Median	0	0	0	0

3.47 Levels of total expenditure for students by year of study show a good deal of consistency, with the largest year-on-year difference being the rise from £5743 in Year 1 to £6261 to Year 2. This is followed by a further rise to Year 3 and then a small dip in Year 4. Living costs and housing costs rise throughout the first three years and then dip very slightly in the final year, however, the differences are not very large.

"[First year] was quite difficult in the sense I was quite ... maybe quite young and I wasn't maybe as savvy as I should've been with what I did with my money."

"You just have to, you know, you just have to be careful ... you have to say to yourself, I could go out and get ratted tonight and wake up on a park bench somewhere and it'll be fun but then I won't have any money to go shopping at the end of the week and I like eating."

Table 3.27: Total and main types of expenditure by year of study (FT HE Combined)

FT HE Combined		Year of Study			
		1 (N = 58)	2 (N = 112)	3 (N = 025)	4 (N = 836)
		£	£	£	£
Total Expenditure	Mean	5961	6373	6916	6593
	Median	5306	5966	6400	6271
Housing costs	Mean	1094	1053	1243	1210
	Median	119	26	750	145
Living costs	Mean	3661	4085	4217	3887
	Median	3253	3760	3898	3566
Participation costs	Mean	912	958	1068	1255
	Median	688	676	737	650
Child-specific costs	Mean	196	180	224	154
	Median	0	0	0	0
Other costs	Mean	99	96	165	85
	Median	0	0	0	0

3.48 For the full-time HE combined sample there is a proportionately larger rise in total expenditure in Year 3, compared to the increase in expenditure from Year 1 to Year 2. Apart from participation costs, all expenditures dip slightly in the 4th or later years compared to the earlier years. Participation costs rise on average from £912 to £1255 in the 4th or later years – a rise of 38%.

3.49 The next set of tables examines expenditure for the different types of students by year and level of study.

Table 3.28: Total and main types of expenditure by final year of study (FT HE Sub-degree)

FT HE Sub-Degree		Level of Study	
		Non-Final Year of Study (N = 148)	Final Year of Study (N = 224)
		£	£
Total Expenditure	Mean	6529	7011
	Median	6198	6555
Housing costs	Mean	1149	1004
	Median	479	617
Living costs	Mean	3904	4283
	Median	3395	3888
Participation costs	Mean	980	1121
	Median	810	793
Child-specific costs	Mean	417	455
	Median	0	0
Other costs	Mean	78	148
	Median	0	0

3.50 There is little difference between the expenditure of final year students and non-final year students (£6529 versus £7011). The most likely reason for this is that most sub-degree students are, for the most part, HND and HNC students, whose period of study is usually two years or less. For all costs,

other than housing costs, expenditure is marginally higher in the final year compared to the non-final year.

Table 3.29: Total and main types of expenditure by final year of study (FT HE Degree only)

FT HE Degree Only		Level of Study	
		Non-Final Year of Study (N = 3145)	Final Year of Study (N = 814)
		£	£
Total Expenditure	Mean	6146	6427
	Median	5609	5881
Housing costs	Mean	1139	1102
	Median	0	0
Living costs	Mean	3861	4069
	Median	3537	3752
Participation costs	Mean	910	986
	Median	640	686
Child-specific costs	Mean	133	149
	Median	0	0
Other costs	Mean	103	121
	Median	0	0

3.51 Around a fifth of the degree students in our sample are in their final year. Surprisingly even for this group of students, whose period of study is much longer (four years or more), there is no obvious relationship between the overall expenditure pattern of final year students and non-final year students (respectively £6427 and £6146). As with the full-time sub-degree students, for all costs other than housing costs, expenditure is marginally higher in the final year compared to the non-final year.

Table 3.30: Total and main types of expenditure by final year of study (FT HE Combined)

FT HE Combined		Level of Study	
		Non-Final Year of Study (N = 3293)	Final Year of Study (N = 1038)
		£	£
Total Expenditure	Mean	6230	6555
	Median	5739	6029
Housing costs	Mean	1141	1080
	Median	105	136
Living costs	Mean	3870	4116
	Median	3506	3782
Participation costs	Mean	925	1016
	Median	677	710
Child costs	Mean	195	216
	Median	0	0
Other costs	Mean	98	127
	Median	0	0

3.52 Around a quarter of the full-time HE students in our sample are in their final year. Again, as with the full-time HE sub-degree and degree students, there is

no great difference in levels of expenditure for those in their final or non-final year of study. For those in their final year the total expenditure reported is £6555 and for those in the earlier years the total is £6230, both of which are very similar to the overall level of expenditure for full-time HE combined at £6339 (Table 3.1)

Table 3.31: Total and main types of expenditure by final year of study (PT HE)

PT HE		Level of Study	
		Non-Final Year of Study (N = 275)	Final Year of Study (N = 245)
		£	£
Total Expenditure	Mean	10215	10721
	Median	8459	8665
Housing costs	Mean	2047	1995
	Median	1350	1659
Living costs	Mean	5710	6028
	Median	5110	5172
Participation costs	Mean	986	696
	Median	782	580
Child-specific costs	Mean	1116	1425
	Median	0	0
Other costs	Mean	356	576
	Median	0	0

3.53 For part-time HE students, again there is no great difference in levels of expenditure for those in their final or non-final year of study. For those in their final year the total expenditure reported is £10,215 and for those in the earlier years the total is £10,721. There is slightly more variability, compared to the full-time HE students, with all costs, so whilst housing expenditure is lower in the final year participation costs are also lower. All other costs marginally increase in the final year.

3.54 The next set of tables examines expenditure for the different types of students by whether they had taken out a student loan.

Table 3.32: Total and main types of expenditure by student loan (FT HE Sub-degree)

FT HE Sub-Degree		Taken Out a Student Loan	
		Yes (N = 227)	No (N = 145)
		£	£
Total Expenditure	Mean	7464	5813
	Median	6877	5326
Housing costs	Mean	1320	658
	Median	1080	0
Living costs	Mean	4322	3836
	Median	3908	3229
Participation costs	Mean	1117	984
	Median	813	790
Child-specific costs	Mean	572	234
	Median	0	0
Other costs	Mean	133	99
	Median	0	0

3.55 Thirty nine per cent of sub-degree students took out a student loan. Those who did not have a loan had lower total expenditure (£5813) than those who did take out a loan (£7464). This disparity reflects lower figures in every category of expenditure although the biggest gap by far is in terms of housing costs.

Table 3.33: Total and main types of expenditure by student loan (FT HE degree only)

FT HE Degree Only		Taken Out a Student Loan	
		Yes (N = 2912)	No (N = 1047)
		£	£
Total Expenditure	Mean	6560	5212
	Median	6011	4610
Housing costs	Mean	1353	515
	Median	720	0
Living costs	Mean	3998	3641
	Median	3690	3204
Participation costs	Mean	924	929
	Median	630	708
Child-specific costs	Mean	167	51
	Median	0	0
Other costs	Mean	118	76
	Median	0	0

3.56 In comparison to sub-degree students a much higher proportion of degree students (73%) took out a student loan. As with full-time sub-degree students, those who did not have a loan had lower total expenditure (£5212) than those who did take out a loan (£6560). This disparity reflects lower figures in every category of expenditure, bar participation costs, although again the biggest gap by far is in terms of housing costs, which are nearly three times higher for those who had taken out a loan.

Table 3.34: Total and main types of expenditure by student loan (FT HE Combined)

FT HE Combined		Taken Out a Student Loan	
		Yes (N = 3139)	No (N = 1192)
		£	£
Total Expenditure	Mean	6759	5344
	Median	6202	4768
Housing costs	Mean	1346	546
	Median	799	0
Living costs	Mean	4069	3684
	Median	3738	3210
Participation costs	Mean	966	941
	Median	670	726
Child-specific costs	Mean	256	91
	Median	0	0
Other costs	Mean	121	81
	Median	0	0

3.58 The majority (72%) of FT HE students had taken out a student loan. Students who did not have a loan had lower total expenditure (£5344) than those who did take out a loan (£6759). This disparity reflects lower figures in every category of expenditure, bar participation costs, although again the biggest gap by far is in terms of housing costs, which are nearly three times higher for those who had taken out a loan.

“I’ve never had any trouble with money and like I said I’m very tight-fisted when it comes to money. So I’m quite wise about what I spend and what I don’t spend it on and because I don’t drink, you know, I save a lot of money.”
(Student who **did not** take out a Student Loan).

“I was working so much and the Student Loan was coming in every term, then it seemed like I had loads of money.”
(Student who **did** take out a Student Loan).

“You’re not going to be living rich or anything like that but if you know how to eat well and that sort of stuff you’ve not a problem.”
(Student who **did not** take out a Student Loan)

“I can vividly remember at the end of one semester ... normally everyone would be going to the union, ‘no I can’t, my loan has run out’ ‘aye me too’. We were just sitting there going ‘I hate being skint’.”
(Student who **did** take out a Student Loan)

Table 3.35: Total and main types of expenditure by student loan (PT HE)

PT HE		Taken Out a Student Loan	
		Yes (N = 49)	No (N = 472)
		£	£
Total Expenditure	Mean	7415	10766
	Median	6554	8985
Housing costs	Mean	1287	2098
	Median	1260	1755
Living costs	Mean	4567	5993
	Median	4554	5226
Participation costs	Mean	696	866
	Median	524	700
Child-specific costs	Mean	752	1314
	Median	0	0
Other costs	Mean	112	495
	Median	0	0

3.59 A much smaller number of part-time HE students (9%) took out a student loan. For those students who did, as Table 3.35 highlights, their average total expenditure (£7570) was significantly lower than those who did not (£10896).

3.60 The next set of tables examines the main types of expenditure for the different types of students by child-related costs.

Table 3.36: Total and main types of expenditure by child-related costs (FT HE Combined)

FT HE Combined		Paying child costs	
		Yes (N = 182)	No (N = 4149)
		£	£
Total Expenditure	Mean	14269	5916
	Median	13938	5666
Housing costs	Mean	2115	1066
	Median	1799	99
Living costs	Mean	6186	3834
	Median	6024	3509
Participation costs	Mean	1788	916
	Median	1426	664
Child-specific costs	Mean	3894	0
	Median	3627	0
Other costs	Mean	287	101
	Median	0	0

3.61 For FT HE combined students the vast majority (96%) were not paying child costs. The mean total expenditure of students who were paying child costs was significantly higher (£14,269 compared to £5916). Child-care costs at £3894 make up over a quarter of total expenditure for those students paying child costs.

Table 3.37: Total and main types of expenditure by child-related costs (PT HE)

PT HE		Paying Child Costs	
		Yes (N = 169)	No (N = 351)
		£	£
Total Expenditure	Mean	14999	8259
	Median	14052	6970
Housing costs	Mean	2447	1818
	Median	2115	1350
Living costs	Mean	7110	5256
	Median	6907	4554
Participation costs	Mean	985	785
	Median	760	643
Child-specific costs	Mean	3875	0
	Median	3435	0
Other costs	Mean	582	400
	Median	0	0

3.62 Around a third of PT HE students were paying child costs. The mean total expenditure of students who were paying child costs was significantly higher (£14,999 compared to £8259). Child-care costs at £3875 make up around a quarter of total expenditure for those students paying child costs.

3.63 The next set of tables examines expenditure for the different types of students by whether or not they worked during term-time.

Table 3.38: Total and main types of expenditure by term-time employment (FT HE Combined)

FT HE Combined		Term-time Employment	
		Yes (N = 2639)	No (N = 1692)
		£	£
Total Expenditure	Mean	6609	5927
	Median	6116	5304
Housing costs	Mean	1119	1117
	Median	198	0
Living costs	Mean	4195	3587
	Median	3839	3202
Participation costs	Mean	1029	842
	Median	773	562
Child-specific costs	Mean	145	289
	Median	0	0
Other costs	Mean	121	92
	Median	0	0

3.64 Around 60% of all full-time HE students in our sample worked during term-time. The average expenditure of those who did is £6609 and for those who did not the figure is £5927. Whilst most costs are similar for those working during term-time, for full-time HE students, there is a noticeable difference in living costs with those working reporting an expenditure of £4195 compared to £3587 for those who were not working term-time. It might be that students

expenditure therefore varies in relation to their income from paid term-time employment.

“I sort of weighed up ... could I go out and work and do my degree ... or should I take out a loan and then worry about finding a job afterwards that’s going to pay for it and I decided that the second option was probably best because there was no point in jeopardising my degree ... from going out and getting job. I did work out what I had to pay each month for bus tickets and books and just like lunch and stuff ... I did sit down and work it all out.”

Table 3.39: Total and main types of expenditure by term-time employment (PT HE)

PT HE		Term-time Employment	
		Yes (N = 377)	No (N = 144)
		£	£
Total Expenditure	Mean	11741	7074
	Median	10544	5578
Housing costs	Mean	2497	778
	Median	2124	0
Living costs	Mean	6418	4395
	Median	5818	3871
Participation costs	Mean	911	689
	Median	730	530
Child-specific costs	Mean	1369	979
	Median	0	0
Other costs	Mean	546	233
	Median	0	0

3.65 Unsurprisingly, around two-thirds of part-time HE students work during term-time. Of those who reported not working, these students had an average expenditure of £7074. Those students who did work had an average expenditure of £11,741. Significantly, those students who did work reported higher child-related costs which may suggest the presence of younger children and associated child-care costs or school fees.

Conclusions

3.66 From this chapter, some general points can be made about the expenditure of HE students:

- There is a wide variation in expenditure within and between the main student groups studied here.
- The biggest costs facing most students are living costs followed by housing costs.
- Child-related costs are significant for those students who have dependent children (a group which also reports higher living and housing costs, perhaps also as a result of having dependent children).

- Child-related costs are mostly incurred by part-time HE students and mostly by female students.
- Those students with the lowest housing costs were also those who were least likely to take out a student loan. One explanation for this finding is that students are staying at home in order to avoid accumulating this type of debt.
- Expenditures for most students rise slightly throughout their period of study and then dip in their final year, perhaps as a result of the need to study and a reduction in time (and money) spent on leisure.
- Working class students are spending more in almost every expenditure category.

4. HIGHER EDUCATION STUDENTS' DEBT AND SAVINGS

Introduction

- 4.1 This chapter reports the debt and savings of HE students from the main survey. As with the other HE students' chapters on income and expenditure, the data in this chapter is disaggregated by part-time (PT) and full-time (FT) students, with the latter also distinguishing between FT HE sub-degree and FT HE degree. The data for these two levels of students are then combined to provide FT HE Combined figures. As with the previous chapters on HE students' income and expenditure, this chapter contains quotes drawn from the interviews with students from working class backgrounds. Note, again, that these quotes are included to be illustrative rather than representative.
- 4.2 Debt is calculated from the balance which the students expected to have outstanding on study-related loans, commercial debt (loans, overdrafts and credit cards) and informal loans at the end of the academic year in which the survey was carried out (i.e. 2007-08). It is not therefore strictly an annual or even term-time figure but the accumulated debt at this stage in their academic career. We do not have details of debt at entry to study but it might be assumed that the typical student would not embark on their studies with a significant amount of debt unless they had progressed from a sub-degree course such as an HNC or HND.
- 4.3 Before presenting the results of the analysis, it should be remembered that, as outlined previously in Chapter 2:
- No distinction is made in the analysis between HE students attending universities and colleges since their method of funding is the same.
 - With some exceptions, means are calculated across all students.
 - The precise definition of each variable can be found in the Technical Appendix.

HE Students' Debt

- 4.4 The first set of tables provides headline debt figures for each of the four types of students: FT HE sub-degree, FT HE degree, FE HE Combined and PT HE. They provide figures on total debt and the main sources of this debt.

Table 4.1: Total and types of debt by level of study

Mean Debt	FT HE Sub-Degree only ⁶⁶ (N =372)	FT HE Degree Only (N = 3959)	FT HE Combined (N = 4331)	PT HE (N = 520)
	£	£	£	£
Total Debt	4512	5223	4987	4278
Study-related credit	2402	3768	3467	277
Commercial credit	1541	1212	1284	3940
Informal credit	209	243	236	61

Table 4.2: Total and types of debt (FT HE Sub-degree)

FT HE Sub-Degree (N=372)	Mean Debt	First Quartile	Median Debt	Third Quartile
	£	£	£	£
Total Debt	4152	100	2000	5500
Study-related credit	2402	0	1091	4000
Commercial credit	1541	0	50	1029
Informal credit	209	0	0	0

Table 4.3: Total and types of debt (FT HE Degree only)

FT HE Degree only (N=3959)	Mean Debt	First Quartile	Median Debt	Third Quartile
	£	£	£	£
Total Debt	5223	800	3000	7404
Study-related credit	3768	0	2100	5507
Commercial credit	1212	0	100	1300
Informal credit	243	0	0	0

Table 4.4: Total and types of debt (FT HE Combined)

FT HE Combined (N=4331)	Mean Debt	Median Debt
	£	£
Total Debt	4987	2780
Study-related Credit	3467	1878
Commercial Credit	1284	89
Informal Credit	236	0

Table 4.5: Total and types of debt (PT HE)

PT HE (N=520)	Mean Debt	First Quartile	Median Debt	Third Quartile
	£	£	£	£
Total Debt	4278	0	981	5000
Study-related credit	277	0	0	0
Commercial credit	3940	0	500	4000
Informal credit	61	0	0	0

⁶⁶ The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study.

- 4.5 Table 4.1 shows that mean total debt for FT HE Combined students is £4987. Distinguishing amongst full-time students, degree only students have a level of debt considerably higher than that of sub-degree students (£5223 versus £4152, or 25% higher). Comparing full-time and part-time students, full-timers have an average level of debt which is higher than that of part-timers (£4987 versus £4278, or almost 17% higher).
- 4.6 For all full-time students, most debt occurs from study-related sources (i.e. student loan balance) (Tables 4.2, 4.3, 4.4, 4.5). This debt is 1.5 times higher than that from commercial sources for sub-degree students and over 3 times higher for degree only students. Overall, for full-time HE combined students, study related debt comprises almost 70% of all reported debt. Debt from commercial and informal sources comprises 25% and almost 5% of total debt respectively for these students.

“Just a student loan, I mean that’s a big debt for me because as a family we don’t have any debt apart from the mortgage, you know, so I just hate debt altogether, and we’ve never had a overdraft or anything, not that we’re rich, just that we’re ... if we can’t afford we don’t have it, you know.”

- 4.7 For part-time students debt composition is different (Table 4.5). For these students, most debt is from commercial sources; this type of debt comprises over 90% of total PT HE students’ debt. Study-related and informal sources of debt comprise 6% and less than 1.5% of these students’ debt respectively. (Remember that there are restrictions on part-time students’ loan eligibility.)

Table 4.6: Total and types of debt for those who have debt (FT HE Sub-degree)

FT HE Sub-Degree (N = 291/ 78%)	Mean Debt	Median Debt
	£	£
Total Debt	5305	3019
Study-related credit	3068	2000
Commercial credit	1969	200
Informal credit	267	0

Table 4.7: Total and types of debt for those who have debt (FT HE Degree only)

FT HE Degree Only (N = 3349/ 85%)	Mean Debt	Median Debt
	£	£
Total Debt	6174	4002
Study-related credit	4453	2926
Commercial credit	1432	471
Informal credit	288	0

Table 4.8: Total and types of debt for those who have debt (FT HE Combined)

FT HE Combined (N = 3640/ 84%)	Mean Debt	Median Debt
	£	£
Total Debt	5983	3786
Study-related credit	4148	2722
Commercial credit	1550	411
Informal credit	283	0

Table 4.9: Total and types of debt for those who have debt (PT HE)

PT HE (N = 363/ 70%)	Mean Debt	Median Debt
	£	£
Total Debt	6132	2500
Study-related credit	398	0
Commercial credit	5647	2040
Informal credit	87	0

4.8 Tables 4.6 to 4.9 are based on those students who reported debt, rather than on all respondents irrespective of whether they had debts. In each category total debt is higher with study related debt being highest in all of the full-time categories and commercial debt being highest for part-timers.

Table 4.10: Total debt by student characteristics and level of study

Characteristic		Level of Study			
		FT HE Sub-Degree only (N=372)	FT HE Degree Only (N=3959)	FT HE Combined (N=4331)	PT HE (N=520)
Sex		£	£	£	£
Male	Mean	4309	5201	5005	3846
	Median	1880	2960	2722	928
Female	Mean	3971	5242	4962	4578
	Median	2054	3258	2993	994
Age					
16-20	Mean	1815	3465	3102	1507
	Median	967	2400	2085	290
21-24	Mean	6103	8131	7685	4194
	Median	5250	6542	6258	1400
25+	Mean	8561	14356	13081	4626
	Median	6132	13564	11929	912
Social Class					
Middle Class	Mean	3610	4575	4363	4128
	Median	1150	2600	2281	1000
Working Class	Mean	4351	5961	5607	4040
	Median	2520	3879	3580	806
Family member studied at university					
Yes	Mean	3941	4855	4654	3487
	Median	1880	2900	2676	450
No	Mean	4309	5807	1406	4984
	Median	2000	3629	3271	1358
Dependent children					
Yes	Mean	8759	14337	13110	6624
	Median	5500	12295	10800	2597
No	Mean	3414	4899	4572	3140
	Median	1700	3000	2714	450
Living arrangements					
With parents	Mean	2411	3385	3171	2811
	Median	992	1749	1582	450
Not with parents	Mean	5845	6589	6425	4520
	Median	3956	4500	4380	1000

4.9 Tables 4.10 presents the total debt for all HE students across a range of personal characteristics: sex, age, social class, and whether or not these students had; a family member who had studied at university, dependent children; lived with their parents.

4.10 Amongst the full-time students overall (FT HE Combined), the types of student with the highest mean total debt are mature students and those with dependent children. These two types of students are not, of course, mutually exclusive.

4.11 Amongst part-time students, students with dependent children have the highest total mean debt. Again, higher debt amongst part-time students occurs for mature students and, as with full-time students, the relationship is likely to be closely related to having dependent children.

- 4.12 There is little difference between male and female full-time HE students in relation to mean total debt. Part-time female HE students, however, have a higher mean total debt level than male part-time HE students.
- 4.13 Mature full-time HE students (FT HE Combined) have a substantially higher mean total debt than younger students; over 1.5 times higher than that of students aged 21-24 years and over 4 times higher than that of the youngest students (16-20 years). Mean total debt also increases with age amongst part-time students and with a substantial leap of difference between the youngest students and those students aged 21-24 years and above.
- 4.15 Working class full-time HE students have an average of £5607 total debt. Middle class full-time HE students have an average of £4378 total debt. The former therefore have mean total debt level nearly 30% higher.
- 4.16 Those full-time HE students who had a family member who studied at university had considerably higher mean total debt than those students with no family member having studied at university (£4654 versus £1406 or more than 3 times higher).
- 4.17 Full-time HE students with dependent children had debts of £13,110 or nearly 3 times higher than students with no dependent children.

"In the first couple of years I did just get by ... but my financial circumstances were really quite difficult ... I basically lived for a while on credit cards ... I had two £2000 credit cards and quite a few store cards ... we cleared that off onto a loan but currently I'm sitting with about £4000."

- 4.18 Unsurprisingly, full-time HE students living with their parents had lower debts than students not living with their parents (£3171 versus £6425 or over 50% higher).

"[My parents] discouraged me from taking a student loan. They said to me that their point of view was that they would rather take the debt, which I didn't really like at first because obviously I would like to take the debt than them, but yeah, their stance was don't take out a student loan, don't get into any sort of debt. We'll help you."

- 4.19 It is noteworthy that, in general, degree students are accumulating more debt than sub-degree students at all stages. In general, amongst full-time HE Combined students, older, working class students, those students with a family member having studied at university, with dependent children and living with their parents have higher mean total debt. For part-time students most total debt occurs with: age, having no family member who has studied at university, having dependent children and not living with parents.

Table 4.11: Total debt by year and level of study

Year and Level of Study	Base (N)	Mean	Median
		£	£
FT HE Sub-Degree	372	4152	2000
By year of study			
1 st	273	3635	1780
2 nd	75	4794	2525
3 rd	15	7720	5204
4 th	9	7286	9014
FT HE Degree only	3959	5223	3000
By year of study			
1 st	1085	2588	1500
2 nd	1037	4607	2977
3 rd	1010	6600	5000
4 th	827	7771	6024
FT HE Combined	4331	4987	2780
By Year of Study			
1 st	1358	2818	1562
2 nd	1112	4648	2878
3 rd	1025	6846	5045
4 th	836	7664	6682
PT HE	520	4278	981

4.20 Table 4.11 continues to examine students' total debt, now by level and year of study. Whilst the mean total debt for all FT HE students (FE HE Combined) is £4987, the mean total debt figures by the end of year four for these students is much higher (£7664).

4.21 Within these figures, levels of debt rise steadily as study progresses for both sub-degree and degree only students. However, sub-degree courses tend to last for one or two years and therefore the figures relating to years 3 and 4 are based on small numbers and may include those who have had to repeat years. Nevertheless, some sub-degree students will progress to degree level courses and will begin these studies with substantial debt.

4.22 It is also worth noting the pattern of debt among medical and dental students as they follow longer courses and have less opportunity to work during the summer. Among fifth year medical students total mean debt was £16,899 (median £19,876). Around 80% of this debt was student related rather than commercial.

4.23 The figure of £4278 for part-time HE students remains constant as no analysis of these students by year of study was undertaken because of the huge variation in time taken to study part-time.

Table 4.12: Study-related debt by students' characteristics and level of study

Characteristic		Level of Study			
		FT HE Sub-Degree ⁶⁷ (N = 372)	FT HE Degree Only (N = 3959)	FT HE Combined (N = 4331)	PT HE (N = 520)
Sex		£	£	£	£
Male	Mean	2424	3722	3436	273
	Median	1000	2080	1842	0
Female	Mean	2342	3806	3484	280
	Median	1200	2122	1919	0
Age					
16-20	Mean	1316	2592	2311	539
	Median	20	1600	1252	0
21-24	Mean	3606	5808	5324	1115
	Median	3389	4500	4256	0
25+	Mean	4208	9723	8510	128
	Median	3977	10000	8675	0
Social Class					
Middle Class	Mean	1643	3305	2939	150
	Median	0	1729	1349	0
Working Class	Mean	2758	4281	3946	253
	Median	1763	2700	2494	0
Family member studied at university					
Yes	Mean	2292	3523	3252	281
	Median	1000	2000	1780	0
No	Mean	2464	4156	3784	274
	Median	1500	2500	2280	0
Dependent children					
Yes	Mean	4151	8336	7415	211
	Median	4000	8000	7120	0
No	Mean	2106	3605	3275	310
	Median	773	2000	1730	0
Living arrangements					
With parents	Mean	1657	2361	2206	223
	Median	0	1100	858	0
Not with parents	Mean	3103	4814	4438	287
	Median	2500	3000	2890	0

4.24 Table 4.12 describes the study-related debt of HE students across the same range of personal characteristics: sex, age, social class, and whether or not these students: had a family member who had studied at university, had dependent children, or lived with their parents.

4.25 Amongst the full-time students overall (FT HE Combined), the types of student with the highest mean study-related debt are mature students and those with dependent children. These two types of students are not, of course, mutually exclusive.

4.26 Mean study-related debt amongst part-time students is low in comparison to full-time students across all personal characteristics.

⁶⁷ The valid count varies slightly between the different sections of this table. To make it simpler to read, only the overall total number of cases in each category is given.

- 4.27 Amongst part-time students, students in the 21-24 age brackets have the highest mean study-related debts.
- 4.28 There are no notable differences in the mean levels of study-related debts between the sexes for both full-time and part-time HE students.
- 4.29 Study-related debt appears to be much higher for the older age groups amongst full-time HE students but that will, of course, also be related to the year of study and the presence of children which are also factors related to taking out higher student loans. The picture is less clear for part-time HE students; here students in the 21-24 years old bracket have highest mean study-related debt. The youngest students (16-20 years) have higher study-related debt than mature students. It must be kept in mind that the number of responses in the younger age groups is small (50 aged 16-20, 58 aged 21-24 and 412 aged 25+).
- 4.30 For both full-time and part-time HE modes of study, students from working class backgrounds had the higher level of mean study-related debt. For full-time HE Combined students, the average figures for working class and middle class study-related debt are £3946 and £2939 respectively – that is, students from a working class background have mean study-related debt levels one-third higher than students from middle class backgrounds. Full-time HE students whose parents work in elementary occupations have the highest study-related debt by occupational variable, indicating that these students draw more on the student loan. This finding may not be surprising since students with parents in those occupations may receive less in the way of formal and informal financial support from their parents and be forced to take out higher loans.
- 4.31 Those full-time HE students who have no family experience of university also appear to have higher mean study-related debt. One possible reason is that this lack of family history of HE is acting as a proxy for lower socio-economic status. Little difference exists amongst part-time HE students in this respect.
- 4.32 Those full-time HE students with children are also more likely to have higher study-related debts: twice as high as for students without dependent children. However, part-time HE students with no dependent children have slightly higher study-related debt.
- 4.33 Those HE students not living with parents are accessing student loans to a greater degree: £4438 for FT HE students not living with parents and £2206 for those who do live with parents; so study-related debt is almost twice as high. There is little real difference between part-time students' debt in this respect.
- 4.34 In general, the mean study-related debt levels of part-time students are much less than those of full-time HE students. This finding is not surprising given that part-time students have lower loan eligibility. The type of FT students (FT HE Combined) with the highest debts tend to be female, mature (25 years old and above), working class, who no family members having studied at

university, with dependent children and not living with parents. The type of PT HE students with the highest debts tend to female, aged 21-24 and working class.

Table 4.13: Study-related debt by year and level of study

Year and Level of Study	Base (N)	Mean	Median
		£	£
FT HE Sub-Degree Only	372	2402	1091
By year of study			
1 st	273	1914	557
2 nd	75	3080	1886
3 rd	15	5004	3219
4 th	9	6580	8742
FT HE Degree only	3959	3768	2100
By year of study			
1 st	1085	1597	870
2 nd	1037	3238	2000
3 rd	1010	4845	3500
4 th	827	5964	4100
FT HE Combined	4331	3467	1878
By Year of Study			
1 st	1358	1667	801
2 nd	1112	3203	1975
3 rd	1025	4880	3438
4 th	836	6100	5121
PT HE	520	277	0

4.35 Table 4.13 continues to examine the same study-related debt, now by level and year of study. Using the full-time HE Combined students' data, the average amount of study-related debt for full-time students is £3467 for and £277 for part-time HE students.

4.36 Mean debt levels rise for all students throughout the period of study, rising sharply from 1st to 2nd year of study, and then tailing off in the final year. For full-time HE Combined students, for example, mean debt rises year on year by 92% (year 1 to year 2), 52% (year 2 to year 3) and then 25% (year 3 to year 4+).

4.37 By their final year of study, the mean level of debt is £6100 for full-time HE students (i.e. the HE Combined students) with a wide disparity between sub-degree students with a debt of £6580 and degree students with a debt of £5964. In studying HE, the debt of the sub-degree students at this stage is therefore 10% higher than that of degree students. (Again, however, the number of fourth year responses is low for sub-degree HE students – most leave after two years of study at which point debt is £3080.)

“The debt crept up ... I mean there was only so much money coming in and so you had to decide what you were paying and what you weren’t paying.”

Table 4.14: Commercial credit by student characteristics

Characteristic		Level of Study			
		FT HE Sub-Degree only (N = 372)	FT HE Degree Only (N = 3959)	FT HE Combined (N = 4331)	PT HE (N = 520)
Sex		£	£	£	£
Male	Mean	1705	1241	1343	3501
	Median	62	100	92	500
Female	Mean	1396	1188	1234	4244
	Median	50	150	128	650
Age					
16-20	Mean	374	643	584	968
	Median	0	10	8	290
21-24	Mean	2136	2050	2069	3030
	Median	398	1018	882	500
25+	Mean	4040	4331	4267	4429
	Median	1012	1950	1744	699
Social Class					
Middle Class	Mean	1845	990	1178	3909
	Median	50	39	41	747
Working Class	Mean	1356	1479	1452	3736
	Median	50	250	206	491
Family member studied at university					
Yes	Mean	1350	1054	1119	3151
	Median	50	100	89	250
No	Mean	1723	1462	1519	4642
	Median	63	200	170	800
Dependent children					
Yes	Mean	4345	5687	5392	6286
	Median	1095	2298	2033	2040
No	Mean	1107	1053	1065	2801
	Median	20	100	82	300
Living arrangements					
With parents	Mean	603	913	845	2566
	Median	0	0	0	442
Not with parents	Mean	2477	1434	1663	4172
	Median	297	500	455	650

4.38 Tables 4.14 and 4.15 examine commercially-sourced debt, from banks for example; firstly by students’ characteristics again and then by level and year of study. Amongst full-time HE Combined students, highest commercial debt exists for students with dependent children and those who are mature. These two types of student, however, are likely not to be mutually exclusive. Amongst part-time HE students, those with dependent children also have the highest level of mean commercial debt.

- 4.39 There is little difference between the sexes in terms of their commercial debt position amongst full-time HE students. Amongst part-timers, however, female students have a commercial debt level over 20% higher than that of males.
- 4.40 For full-time HE students, commercial debt rises sharply with age. Mature students' commercial debt is twice as high as that of students aged 21-24 and 7 times higher than that of the youngest students. Amongst part-time HE students there is a similar picture. Those students aged over 25 years have the highest commercial debt – over four times higher than that of the youngest students and almost 50% higher than that of students aged 21-24.
- 4.41 For HE students who are defined as working class, the average commercial debt is £1452 for FT students and £3736 for PT students. The corresponding figures for middle class students are £1178 and £3909 respectively. Little difference exists for social class within modes of study therefore.

“It probably runs in my family, it’s more a ... it’s probably a life experience thing in terms like you know eventually you know you need money for things so if you have to borrow money then essentially that’s what you have to do, so it’s not okay but it’s just there’s some things that’s the only way you can get things done.”

- 4.42 Not having a family member who has studied at university appears to increase both full-time and part-time HE students' level of commercial debt – by over 35% and just less than 50% respectively.
- 4.43 Having dependent children also increases the level of commercial debt for both full-time and part-time HE students – around 5 times higher and twice as high respectively.
- 4.44 Not living with parents also increases commercial debt levels for both full-time and part-time HE students – by nearly 60% and just over 60% respectively.
- 4.45 In general, for full-time HE students, mean commercial debt is higher for students who are older, working class, have had no family member studying at university, have dependent children and do not live with their parents. For part-time students, mean commercial debt is higher for students who are female, aged over 25 years, also have had no family member studying at university, have dependent children and do not live with their parents.

Table 4.15: Commercial credit by year and level of study

Year and Level of Study	Base (N)	Mean	Median
		£	£
FT HE Sub-Degree	372	1541	50
By year of study			
1 st	273	1524	20
2 nd	75	1461	200
3 rd	15	2506	656
4 th	9	1102	44
FT HE Degree only	3959	1212	100
By year of study			
1 st	1085	811	0
2 nd	1037	1178	100
3 rd	1010	1472	500
4 th	827	1463	500
FT HE Combined	4331	1284	89
By Year of Study			
1 st	1358	968	4
2 nd	1112	1240	122
3 rd	1025	1699	534
4 th	836	1384	400
PT HE	520	3940	500

- 4.46 Commercial debt appears to rise only very slightly between the various year groups and for full-time HE it appears to decline in the final year (levelling for degree only students that year and dropping markedly for sub-degree FT students) (Table 4.15). This figure is perhaps influenced by the sharp decline in the 4th year figure for sub-degree students and might benefit from further analysis.
- 4.47 Overall, full-time HE students (FT HE Combined) have an average expected end of year commercial debt of £1284 but with a median of £89, suggesting a wide disparity in commercial debt.
- 4.48 Overall, part-time HE students appear to rely to a far higher extent on commercial debt than FT HE students but again with a high variation between PT students.

Table 4.16: Characteristics of those who do not have any debt by level of study

Characteristic		FT HE Sub-Degree (N = 81 ⁶⁸ / 22%)	FT HE Degree Only (N = 610/15%)	FT HE Combined (N = 691/16%)	PT HE (N = 158/30%)
Sex					
Male	N	38	281	319	68
	% of total N	47	46	46	43
Female	N	43	329	372	90
	% of total N	53	54	54	57
Age					
16-20	N	64	548	612	18
	% of total N	79	90	89	12
21-24	N	8	48	56	13
	% of total N	10	8	8	8
25+	N	9	13	22	126
	% of total N	11	2	3	80
Social class					
Middle class	N	28	394	422	54
	% of total N	35	65	61	34
Working Class	N	46	204	250	99
	% of total N	57	33	36	63 ⁶⁹
Family member studied at university					
Yes	N	37	396	433	89
	% of total N	46	65	63	57
No	N	44	214	258	68
	% of total N	54	35	37	43
Dependent children					
Yes	N	6	4	10	31
	% of total N	7	1	1	20
No	N	75	606	681	127
	% of total N	93	99	99	80
Living arrangements					
With parents	N	63	397	460	25
	% of total N	78	65	67	16
Not with parents	N	18	212	230	132
	% of total N	22	35	33	84

4.49 Table 4.16 describes the characteristics of students who have not reported having any debt. Debt free full-time students tend to be younger, middle class, living with parents, without dependent children and with a family member who has studied at university. Part-time debt free students were more likely to be female, over 25, without dependents, not living with their parents, from working class families and having a family member who studied at university.

⁶⁸ The valid number of cases varies slightly between the various sections of this table, however, to make the tables easier to read, we have simply given the overall number of cases for each level of study that provided data for these sections. The percentage of responses is calculated on the actual number of responses to the question ('total N') i.e. 81 in the FT HE sub-degree.

⁶⁹ Some respondents did not indicate their social class.

HE Students' Savings

4.50 Respondents were asked about levels of saving accumulated. In the questionnaire for the main survey, students were asked how much savings they had at that point in time. As a result, it should be noted that it cannot be determined whether students are saving at the same time as accumulating debt or if they are saving in some parts of the year (e.g. vacation time) and drawing down savings in other parts (term-time).

Table 4.17: Total savings by level of study

Total Savings	FT HE Sub-Degree only (N = 372)	FT HE Degree Only (N = 3959)	FT HE Combined (N = 4331)	PT HE (N = 520)
	£	£	£	£
Mean	889	1795	1596	4294
Median	0	60	47	0

4.51 The mean savings figures are described in Table 4.17. The part-time figure shows a clearly higher level of savings than that of full-time HE students. However, there is a huge variance around all of these figures and their reliability and interpretation is not clear.

Table 4.18: Total savings by level of study for those who have savings

Total Savings	FT HE Sub-Degree only (N = 130)	FT HE Degree Only (N = 2004)	FT HE Combined (N = 2134)	PT HE (N = 240)
	£	£	£	£
Mean	2539	3548	3326	9303
Median	1000	2000	1780	2000

4.52 Restricting the analysis to those who have savings, amounts are obviously higher in all categories (Table 4.18). However, amounts remain highest for the part-time students and lowest for the sub-degree students.

Table 4.19: Total savings by student characteristics

Characteristic		Level of Study			
		FT HE Sub-degree only (N = 372)	FT HE Degree Only (N = 3959)	FT HE Combined (N = 4331)	PT HE (N = 520)
Sex		£	£	£	£
Male	Mean	1139	2078	1871	4824
	Median	0	100	78	480
Female	Mean	668	1561	1365	3926
	Median	0	5	4	0
Age					
16-20	Mean	851	1934	1696	962
	Median	0	300	234	0
21-24	Mean	1183	1346	1310	360
	Median	0	0	0	0
25+	Mean	788	1425	1285	5254
	Median	0	0	0	100
Social Class					
Middle Class	Mean	1124	2162	1934	4418
	Median	0	400	312	0
Working Class	Mean	756	1387	1248	4534
	Median	0	0	0	0
Family member studied at university					
Yes	Mean	694	1927	1656	5961
	Median	0	300	234	0
No	Mean	1075	1586	1474	2808
	Median	0	0	0	0
Dependent children				0	
Yes	Mean	455	752	687	2669
	Median	0	0	0	0
No	Mean	956	1833	1640	5083
	Median	0	100	78	0
Living arrangements					
With parents	Mean	898	1745	1559	1048
	Median	0	300	234	0
Not with parents	Mean	880	1833	1623	4844
	Median	0	0	0	0

4.53 Table 4.19 provides data on savings across all students by student characteristics. It shows that PT HE students who had a family member who had studied at university had most savings; HE sub-degree students with dependent children the least.

4.54 More widely, the table reveals:

- Male students typically have more savings than female students and PT HE students have much more savings than FT students – at least 2.5 times more for both sexes.
- Amongst the age groups, degree only students typically have more savings than sub-degree students. Amongst the FT HE Combined

students savings decrease slightly with age, whereas amongst PT HE students mature students have considerably higher savings.

- Middle class students have higher savings than working class students amongst FT HE students, though the difference for the social classes amongst PT HE students is small.
- In terms of having a family member who has studied at university, again PT HE students have much more savings than FT HE students of all types. With the exception of sub-degree students, those students who had a family member who has studied at university have higher savings.
- Across FT HE students, those with dependent children have least savings – less than half for FT HE Combined students. The same pattern also exists for part-time students.
- Amongst FT HE students there was little difference in the level of savings amongst those who did and did not live with parents. However, PT HE students who did not live with their parents had more than 4 times the level of savings of those who did live with their parents.

4.55 Typically, therefore, PT HE students have more savings than FT HE students.

Table 4.20: Total savings by student characteristics for those who have savings

Characteristic		Level of Study			
		FT HE Sub-Degree only (N = 130)	FT HE Degree Only (N = 2004)	FT HE Combined (N = 2134)	PT HE (N = 240)
Sex		£	£	£	£
Male	Mean	2941	4055	3810	8808
	Median	1918	2000	1982	2000
Female	Mean	2104	3117	2894	9772
	Median	806	1500	1347	2300
Age					
16-20	Mean	1886	3423	3085	2377
	Median	1000	1800	1624	2121
21-24	Mean	4937	3443	3772	2136
	Median	4000	2000	2440	915
25+	Mean	4558	6273	5896	10306
	Median	1032	2000	1787	2300
Social Class					
Middle Class	Mean	3018	3803	3630	8988
	Median	2000	2000	2000	2000
Working Class	Mean	2082	3169	2930	9872
	Median	1000	1500	1390	2300
Family member studied at university					
Yes	Mean	1785	3495	3119	12631
	Median	943	2000	1767	2600
No	Mean	3427	3653	3603	6207
	Median	2000	1500	1610	2000
Dependent children				0	
Yes	Mean	5528	3802	4182	6280
	Median	3771	2000	2390	1836
No	Mean	2441	3544	3301	10604
	Median	1000	2000	1780	2242
Living arrangements					
With parents	Mean	1874	3090	2822	2524
	Median	1000	1500	1390	1500
Not with parents	Mean	3976	3963	3966	10319
	Median	2609	2000	2134	3000

4.56 Not all students have savings; Table 4.20 describes the characteristics of those who do. The range of savings' levels varies widely, from a mean of £12,631 for part-time students with a family member having studied at university to a mean of £1785 for FT sub-degree students with a family member who has studied at university.

4.57 To summarise, male students tend to have higher savings than female students, except amongst part-time students. Among full and part-time students levels of savings tended to be higher among older students, those with dependent children (except amongst part-time students) and those living apart from their families. However, for full-time students higher savings were reported among the middle classes and those who did not have a family member who had been to university, while among the part-time students higher mean savings were reported among the working classes, those who

had a family member who had been to university and had no dependent children.

Conclusions

4.58 The main highlights from the findings in this chapter are:

- Although commercial debt is significant, debts to the Student Loan Company represent the majority of borrowing for full-time students. Part-time students rely much more heavily on commercial loans.
- Among full-time and part-time students, mature students and those with dependent children have the highest level of total debt. Full-time students from working class families tend to have higher overall levels of debt than their middle class peers.
- For full-time students, commercial debt is higher for students who are older, working class, have had no family member studying at university, have dependent children and do not live with their parents.
- For part-time students, mean commercial debt is higher for students who are female, aged over 25 years, have had no family member studying at university, have dependent children and do not live with their parents.
- Debt free full-time students tend to be younger, middle class, living with parents, without dependent children and with a family member who have studied at university. Part-time debt free students were more likely to be female, over 25, without dependents, not living with their parents, from working class families and having a family member who studied at university.
- Levels of savings tended to be higher among older students, those with dependent children and those living apart from their families. For full-time students savings were highest among the middle classes and those who did not have a family member who had been to university, while among the part-time students higher mean savings were reported among the working classes and among those who had a family member who had been to university.

5. FURTHER EDUCATION STUDENTS' INCOME, EXPENDITURE, DEBT AND SAVINGS

Introduction

- 5.1 Although there are some overlaps, on the whole, FE students have different funding arrangements from students studying HE. This chapter presents data covering income, expenditure and debt and savings of students studying FE in FE colleges. The chapter presents data for full-time FE students only. The data is drawn from 114 useable full-time FE student respondents to the main survey. Unlike for the HE students, there is no complementary qualitative data.
- 5.2 The chapter begins by examining FE students' income, then expenditure, debt and finally savings. For each of the first three sections, the aggregated mean in each case is first presented. These means are further examined to consider variations within them. In the presentation of FE students' income, it should be remembered that students studying further education do not receive student loans.
- 5.3 As with the HE students, data is presented for the academic term only unless otherwise stated. This term-time is calculated to be 36 weeks or 9 months (see Technical Appendix). This data was then annualised.
- 5.4 In most cases, the means are calculated across all students i.e. the mean of all students regardless of whether each student had a particular source of income or engaged in a particular form of expenditure. The exceptions are where mean figures are presented; for student loans calculated from information for those students who actually take a student loan; for data on child-related income and expenditure, which is calculated only for those students who have dependent children; for data on disability-related income and expenditure, which is calculated only for those students in receipt of disability related income. Where students live in households which share income and expenditure, they are asked for information on their own contribution to costs and their own sources of income, and it is this data that is presented. Finally, the variables' names are largely self-explanatory but the definition of each variable can be found in the Technical Appendix.

FE Students' Income

Table 5.1: Total and main sources of income (FT FE)

FT FE (N = 114)	Mean Income	First Quartile	Median Income	Third Quartile
	£	£	£	£
Total Income	4299	1579	3404	5838
Student support	1776	0	0	0
Informal living contributions	262	403	1530	3001
Informal housing contributions	132	0	0	2589
Term-time earnings	1566	0	0	0
Benefits	414	0	0	0
Other sources	150	0	0	0

- 5.5 Students' total mean income for the year 2007-08 was £4299 (Table 5.1). Sources of income occur from student support (includes bursaries and grants etc), housing and living contributions (from friends/family), paid employment (term-time only), benefits and other sources.
- 5.6 These other sources comprises £1776 from student support, £262 from living contributions from family/friends, £132 from housing contributions from family/friends, £1566 from term-time paid employment, £414 from benefits and £150 from other sources. Of these sources of income therefore, the most important was student support, which accounted for 41% of total mean income. The other largest source of income – term-time earnings - accounted for 36% of the total mean income.

Table 5.2: Total Income⁷⁰ by student characteristics (FT FE)

Characteristic		FT FE (N = 114)
Sex		£
Male (N=51)	Mean	4667
	Median	2855
Female (N=63)	Mean	4066
	Median	3796
Age		
16-20 (N=81)	Mean	3632
	Median	2490
21-24 (N=11)	Mean	6175
	Median	6210
25+ (N=22)	Mean	5787
	Median	5157
Social Class		
Middle Class (N=25)	Mean	4747
	Median	4061
Working Class (N=78)	Mean	4015
	Median	2886
Family member studied at university		
Yes (N=36)	Mean	5757
	Median	4807
No (N=78)	Mean	3619
	Median	2791
Dependent children		
Yes (13)	Mean	6030
	Median	6210
No (101)	Mean	4082
	Median	3204
Living arrangements		
With parents (N=68)	Mean	2888
	Median	2158
Not with parents (N=46)	Mean	6356
	Median	5858

5.7 As Table 5.2 highlights, the widest income variation occurs in relation to whether or not students live with parents.

5.8 The table also shows that:

- Male students have a higher income than female students. Female students' income is only 86% that of male students.
- Younger students aged 16-20 years tend to have the lowest total mean income; students aged 21-24 the highest. Mature students, those aged 25 years and over, have a total mean income nearer the highest range.
- Students from middle class backgrounds have higher incomes than those from working class backgrounds. Students from a middle class background have a mean income of £4747; from a working class

⁷⁰ Income is defined in the Technical Appendix.

background £4015 (around 85% of that of middle class students) with a median of £2886 suggesting a wide dispersion of incomes.

- Students who had a family member attend university have higher incomes than those students without a family member who attended university.
- Students with dependent children have higher incomes – almost one third more – than those students without dependent children.
- Students who do not live with their parents have higher incomes than those students who do live with their parents; more than double in fact.

5.9 Thus students with the highest incomes tend to be male, older, from a middle class background, have a family member who has studied at university, have dependent children and do not live with their parents.

Table 5.3: Total and main sources of income by sex (FT FE)

FT FE		Sex	
		Male (N = 51)	Female (N = 63)
		£	£
Total Income	Mean	4667	4006
	Median	2855	3794
Informal housing contribution	Mean	295	2
	Median	0	0
Informal living contribution	Mean	586	4
	Median	0	0
Term-time earnings	Mean	1626	1518
	Median	0	1298
Student support	Mean	1694	1841
	Median	1649	1525
Benefits	Mean	377	443
	Median	0	0
Other income	Mean	90	198
	Median	0	0

5.10 As Table 5.3 affirms, male students have a higher mean income than female students. Male students tend to have higher term-time earnings, informal housing and living contributions. Female students receive more income from Student support, benefits and other sources of income.

Table 5.4: Total and main sources of income by age (FT FE)

FT FE		Age		
		16-20 (N = 81)	21-24 (N = 11)	25+ (N = 22)
		£	£	£
Total Income	Mean	3632	6175	5787
	Median	2490	6210	5157
Informal housing contribution	Mean	167	70	36
	Median	0	0	0
Informal living contribution	Mean	345	166	0
	Median	0	0	0
Term-time earnings	Mean	1469	2523	1423
	Median	221	2210	0
Student support	Mean	1445	2270	2744
	Median	1220	3215	3230
Benefits	Mean	72	1072	1335
	Median	0	0	0
Other income	Mean	134	73	250
	Median	0	2	0

5.11 Mid-age range students have most mean income, though there are variations in relation to how much each age group receives in terms of income sources. The youngest students receive most informal housing and living contributions, mid-age students most from term-time earnings, the oldest students the most from student support, benefits and other income. Across all age groups, term-time earnings and student support are the most important sources of income. (It should be noted though that the response rates amongst older students are low.)

Table 5.5: Total income by social class (FT FE)

FT FE		Social Class	
		Middle Class (N = 25)	Working Class (N = 78)
		£	£
Total Income	Mean	4747	4015
	Median	4062	2886
Informal housing contribution	Mean	0	194
	Median	0	0
Informal living contribution	Mean	0	378
	Median	0	0
Term-time earnings	Mean	2214	1119
	Median	2352	0
Student support	Mean	1995	1697
	Median	2043	1530
Benefits	Mean	303	493
	Median	0	0
Other income	Mean	235	134
	Median	0	0

5.12 Table 5.5 summarises total income by class, comparing students from working class and middle class backgrounds. Students from working class backgrounds had lower income than those students from middle class

backgrounds (£4015 versus £4747). Students from working class backgrounds report receiving more informal housing and living contributions; students from middle class backgrounds more term-time earnings, student support and other income. In terms of paid employment during term-time, students from middle class backgrounds earn around double that of students from working class backgrounds.

Table 5.6: Total and main sources of income by whether a family member has attended HE (FT FE)

FT FE		Family Attendance at University	
		Yes (N = 36)	No (N = 78)
		£	£
Total Income	Mean	5757	3619
	Median	4807	2791
Informal housing contribution	Mean	390	12
	Median	0	0
Informal living contribution	Mean	364	214
	Median	0	0
Term-time earnings	Mean	2226	1258
	Median	1602	0
Student support	Mean	2042	1652
	Median	2295	1481
Benefits	Mean	520	364
	Median	0	0
Other income	Mean	214	120
	Median	0	0

5.13 Less than one-third of students had a family member who had studied at university (Table 5.6). It is striking that compared to the two-thirds of students who did not have a family member who had studied at university; this one-third of students had considerably higher mean income (£5757 versus £3619). The advantage for these students lies in significantly higher term-time earnings and high income from student support, benefits and housing contribution.

Table 5.7: Total and main sources of income by dependent children (FT FE)

FT FE		Dependent Children	
		Yes (N = 13)	No (N = 101)
		£	£
Total Income	Mean	6030	4082
	Median	6210	3204
Informal housing contribution	Mean	64	141
	Median	0	0
Informal living contribution	Mean	0	294
	Median	0	0
Term-time earnings	Mean	781	1664
	Median	0	686
Student support	Mean	2370	1701
	Median	2990	1530
Benefits	Mean	2532	148
	Median	1977	0
Other income	Mean	284	134
	Median	50	0

5.14 As Table 5.7 indicates, students with dependent children have around 33% more income of students without dependent children; their main sources of income being student support and benefits. Indeed, students with dependent children receive 17 times the amount of benefits received by students without dependent children. The latter students though receive much more, relatively, in informal housing and living contributions than students with dependent children; though students without dependent children also have much more income from term-time paid employment. (It should be noted though that the response rates amongst students with dependent children are low.)

Table 5.8: Total and main sources of income by accommodation status (FT FE)

FT FE		Accommodation Status	
		With my parents (N = 68)	Not with my parents (N = 46)
		£	£
Total Income	Mean	2888	6356
	Median	2158	5858
Informal housing contribution	Mean	195	40
	Median	0	0
Informal living contribution	Mean	205	344
	Median	0	0
Term-time earnings	Mean	927	2497
	Median	0	1579
Student support	Mean	1396	2330
	Median	1127	2423
Benefits	Mean	36	965
	Median	0	0
Other income	Mean	129	181
	Median	0	0

5.15 Most students, 60%, live with their parents; nearly 17% live in rented accommodation.

5.16 Table 5.8 shows that students who live in a rented flat or house that is shared with others have the highest mean income compared to those who live with their parents (£6356 versus £2888) or more than double. These FE students also have more income from term-time earnings, student support and benefits than students who live with their parents.

Table 5.9: Total and main sources of income by year of study (FT FE)

FT FE		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Total Income	Mean	4363	3711	120
	Median	3404	4985	120
Informal housing contribution	Mean	138	0	0
	Median	0	0	0
Informal living contribution	Mean	266	200	0
	Median	0	200	0
Term-time earnings	Mean	1631	0	0
	Median	533	0	0
Student support	Mean	1742	3511	0
	Median	1530	4785	0
Benefits	Mean	431	0	0
	Median	0	0	0
Other income	Mean	155	0	120
	Median	0	0	120

5.17 Most students answering the question related to the data in Table 5.9 were students in the first year of their study. FE students in their first year of study have a total mean income of £4363. The two largest sources of income for these students came from student support and term-time earnings. Income from student support comprised almost 40% of total mean income and term-time income just less than 40%. The differences within this year of study are large. Students in the first quartile earn only just over a quarter of the income of students in the third quartile. However, because responses from 2nd and 3rd year FE students are so few, it would be unwise to comment on the data from these students.

Table 5.10: Total and main sources of income by final year of study (FT FE)

FT FE		Non-Final Year of Study (N = 13)	Final Year of Study (N = 101)
		£	£
Total Income	Mean	5907	4094
	Median	3928	3353
Informal housing contribution	Mean	1026	18
	Median	0	0
Informal living contribution	Mean	1192	143
	Median	0	0
Term-time earnings	Mean	1117	1623
	Median	162	0
Student support	Mean	2066	1739
	Median	2052	1530
Benefits	Mean	383	418
	Median	0	0
Other income	Mean	122	154
	Median	0	0

5.18 Most respondents to this question were final year students (101 versus 13) and comparisons should therefore be treated with caution (Table 5.10). Overall, non-final year students had more mean income than final year students, which might not be surprising given that it might be expected that final year students would be more inclined to concentrate on their studies. However, this assumption is undermined by the finding that final year students have significantly larger term-time earnings. The comparative deficit appears to occur because non-final year students receive significantly more income from housing and living contributions and student support.

Table 5.11: Main sources of student support (FT FE)

Sources of Student Support	FT FE (N = 114)	
		£
FE Bursary	Mean	817
	Median	0
Travel Expenses	Mean	121
	Median	0
Young Student Bursary	Mean	173
	Median	0
Lone Parent Grant	Mean	0
	Median	0
Education Maintenance Allowance	Mean	256
	Median	0
Mature Students Bursary	Mean	323
	Median	0
Educational Trust	Mean	0
	Median	0
Employers Contribution	Mean	0
	Median	0
Scholarship	Mean	0
	Median	0
Hardship fund	Mean	85
	Median	0
Disabled Student Allowance	Mean	0
	Median	0
Adult Dependents Grant	Mean	0
	Median	0

Note: FE students do not contribute to the Graduate Endowment Scheme.

5.19 Table 5.11 outlines all sources of income derived from dedicated student support. FE Bursaries provide the source of most of this student support. Only five other sources of student support feature. The most significant of these other sources was the Mature Students Bursary, followed by the Education Maintenance Allowance, Young Student Bursary and Hardship Fund.

Table 5.12: Total and main sources of income by term-time employment (FT FE)

FT FE Base (N)		Term-Time Employment	
		Yes (N = 56)	No (N = 58)
		£	£
Total Income	Mean	5631	3005
	Median	4822	1777
Informal housing contribution	Mean	14	247
	Median	0	0
Informal living contribution	Mean	284	240
	Median	0	0
Term-time earnings	Mean	3178	0
	Median	2590	0
Student support	Mean	1811	1742
	Median	1778	1341
Benefits	Mean	167	653
	Median	0	0
Other income	Mean	178	124
	Median	0	0

5.20 Just less than half (49%) of FE students have paid employment during term-time (Table 5.12). For those students who had paid employment during term-time, term-time earnings were the largest source of income, providing a mean of £3178 and contributing over half of their total mean income. Student support was the second main source of income, contributing almost a third. For those students reporting having no paid employment during term-time, most income is derived from student support, which comprises over half of all income. These students also receive more incomes from benefits than students with paid employment.

Table 5.13: Total and main sources of income by vacation employment (FT FE)

FT FE		Vacation Employment	
		Yes (N = 56)	No (N = 58)
		£	£
Total Income	Mean	5744	2899
	Median	4863	1690
Informal housing contribution	Mean	14	247
	Median	0	0
Informal living contribution	Mean	284	240
	Median	0	0
Term-time earnings	Mean	3169	12
	Median	2590	0
Student support	Mean	1897	1658
	Median	1961	1224
Benefits	Mean	176	644
	Median	0	0
Other income	Mean	204	98
	Median	0	0

5.21 Just less than half of the sample (49%) worked in paid employment during vacations (Table 5.13). These students have around double the total mean

income of those students without vacation paid employment. As Table 5.13 shows, term-time earnings were also a more important source of income for these students. For those students who reported not having paid employment during vacations, most income (almost 80%) is derived from student support and benefits

Table 5.14: Paid income by industry (FT FE)

Industry	FT FE (N = 114)		
	Base (N)	Mean	Median
		£	£
Agriculture, forestry, fishing and energy	-	-	-
Manufacturing	-	-	-
Construction	0	2700	2700
Wholesale and retail	22	2448	2508
Hotels and restaurants	13	2687	2424
Transport, storage and communication	2	4813	5400
Banking, finance and other business services	5	3360	3039
Public administration and defence	0	2782	2782
Education	0	1590	1590
Health and social work	3	3754	4595
Other services	11	4501	2935
Total	56	3115	2588

5.22 Table 5.14 shows income from paid employment during term-time and vacations. As might be expected, it reveals that the two main sources of paid employment were the retail and hospitality industries. These two industries provided paid employment for over 60 per cent who answered this question. However, these industries did not provide the highest mean incomes. The highest mean income instead was provided for students working in the transport, storage and communication industries as well as other services. Note, however, that the number of respondents working in most industries except retail, hospitality and other services is low and so data from these respondents should be treated with caution.

Table 5.15: Number of hours worked and hourly wages (FT FE)

FT FE	Base (N)	Mean	First Quartile	Median	Third Quartile
Hours worked per week during Term-time					
FT FE	56	16	10	14	20
Hours worked during vacations					
FT FE	56	24	15	20	20
Hourly pay		£	£	£	£
FT FE	56	5.50	5.00	5.50	6.00

5.23 At 16 hours, the average number of hours worked in paid employment during term-time is higher than the recommendation by the Cubie Report of 1999 at 10 hours. The number of hours worked by students in paid employment during vacations obviously rises. Given that students typically work in jobs with low entry and exit barriers, and in industries in which low pay is prevalent

(Lloyd et al. 2008), that hourly wage rates for students in paid employment hovers around the national minimum wage should not be of any surprise. Indeed, all pay indicated in Table 5.15 is below the low pay threshold.

FE Students' Expenditure

Table 5.16: Total and main types of expenditure (FT FE)

FT FE (N = 114)	Mean Expenditure	First Quartile	Median Expenditure	Third Quartile
	£	£	£	£
Total Expenditure	5581	3083	4810	7946
Housing costs	771	0	0	1669
Living costs	3741	2212	3343	5030
Participation costs	750	364	581	900
Child costs	224	0	0	0
Other costs	94	0	0	0

5.24 The mean total expenditure for FE students was £5,581 (Table 5.16). Most of this expenditure is accounted for by living costs, which amounts to two thirds of total expenditure. The other main types of expenditure are housing costs followed by participation costs, both of which account for just over 10% of total expenditure. There is a huge difference, however, between expenditure for students in the bottom and third quartiles. Those students in the third quartile have an expenditure of more than two and a half times the amount of students on the first quartile.

Table 5.17: Total expenditure by student characteristics (FT FE)

Characteristic		FT FE (N = 114)
Sex		£
Male (N=51)	Mean	4998
	Median	4115
Female (N=63)	Mean	6044
	Median	5390
Age		
16-20 (N=81)	Mean	4661
	Median	4113
21-24 (N=11)	Mean	8477
	Median	9076
25+ (N=22)	Mean	7470
	Median	6709
Social Class		
Middle Class (N=25)	Mean	6612
	Median	6312
Working Class (N=78)	Mean	5425
	Median	4230
Family member studied at university		
Yes (N=36)	Mean	5994
	Median	5158
No (N=78)	Mean	5388
	Median	4560
Dependent children		
Yes (13)	Mean	9952
	Median	9799
No (101)	Mean	5033
	Median	4230
Living arrangements		
With parents (N=68)	Mean	3783
	Median	3556
Not with parents (N=46)	Mean	8202
	Median	7997

5.25 As Table 5.17 reveals, those students with the highest mean expenditure are those with dependent children with £9952. Those students with the lowest mean expenditure are those who live with their parents with £3783.

5.26 The table also shows that:

- Female students have a much higher total expenditure than male students (£6044 versus £4998). Indeed the average female student's expenditure is more than 20% higher than that of male students.
- In terms of age, students aged 21-24 years have the highest expenditure, although mature students' expenditure is also high compared to the youngest students.
- Students from a middle class background have a larger mean expenditure of £6612 than students from a working class background whose expenditure is £5425 (with a median figure of £4230).

- Those students with a family member having studied at university have a higher expenditure than those students with no family member having studied at university (£5994 versus £5388).
- Those students with dependent children have around double the level of expenditure of those students with no dependent children.
- Those students who do not live with their parents have more than double (117%) the expenditure of those students who do live with their parents.

5.27 Generally, therefore, female students have higher mean expenditure than male students. Expenditure is least amongst youngest students, peaking with students aged 21-24 years, though both this group and mature students have considerably more expenditure than the youngest age group. Students from middle class backgrounds, those students with a family member having studied at university, with dependent children and who do not live with their parents have higher mean expenditure.

Table 5.18: Total and main types of expenditure by sex (FT FE)

FT FE		Sex	
		Male (N = 51)	Female (N = 63)
		£	£
Total Expenditure	Mean	4998	6044
	Median	4115	5390
Housing costs	Mean	590	914
	Median	0	505
Living costs	Mean	3723	3757
	Median	3330	3394
Participation costs	Mean	528	923
	Median	510	670
Child-specific costs	Mean	113	312
	Median	0	0
Other costs	Mean	45	134
	Median	0	0

5.28 Female FE students have a higher total mean expenditure than male FE students, 20% higher (Table 5.18). Whilst female and male living costs are similar, female students have significantly higher mean expenditure on almost all other types of expenditure: housing costs, participation costs and child costs.

Table 5.19: Total and main types of expenditure by age (FT FE)

		Age		
		16-20 (N = 81)	21-24 (N = 11)	25+ (N = 22)
		£	£	£
Total Expenditure	Mean	4661	8477	7470
	Median	4113	9076	6709
Housing costs	Mean	531	1640	1201
	Median	0	1875	785
Living costs	Mean	3412	5036	4282
	Median	3060	5451	4044
Participation costs	Mean	67	841	973
	Median	572	793	720
Child-specific costs	Mean	0	947	676
	Median	0	0	0
Other costs	Mean	40	14	338
	Median	0	0	0

5.29 As Table 5.19 indicates, older students generally have higher mean expenditure, though it is the mid-age range students who have the highest housing, living and, perhaps surprisingly, child-related costs. Housing costs are considerably lower for the youngest student group, less than one-third of that for the mid-age and less than a half of that for the oldest students.

Table 5.20: Total and main types of expenditure by social class (FT FE)

FT FE		Class	
		Middle Class (N = 25)	Working Class (N = 78)
		£	£
Total Expenditure	Mean	6612	5425
	Median	6312	4230
Housing costs	Mean	945	712
	Median	140	0
Living costs	Mean	4363	3590
	Median	4280	3191
Participation costs	Mean	932	751
	Median	658	687
Child-specific costs	Mean	182	268
	Median	0	0
Other costs	Mean	56	104
	Median	0	0

5.30 Students from a middle class background have a higher total expenditure than students from working class backgrounds (Table 5.20). The former's total mean expenditure is more than 20% higher than that of the latter. Whilst students from a working class background spend more on child-related costs, students from middle class backgrounds spend significantly more on participation costs, living costs and housing costs.

Table 5.21: Total and main types of expenditure by whether or not a family member has attended HE (FT FE)

FT FE		Family Attendance at University	
		Yes (N = 36)	No (N = 78)
		£	£
Total Expenditure	Mean	5994	5388
	Median	5158	4560
Housing costs	Mean	971	677
	Median	269	0
Living costs	Mean	3802	3713
	Median	3535	3330
Participation costs	Mean	769	741
	Median	569	581
Child-specific costs	Mean	330	175
	Median	0	0
Other costs	Mean	122	82
	Median	0	0

5.31 One-third of students had a family member who has studied at university. This one-third of students had a higher total mean expenditure than the two-thirds of students who had not had a family member who had not studied at university (£5,994 versus £5,388). Approximately, such students have a total mean expenditure that is 10% higher. Their expenditure tends to be higher for child-related costs and significantly, housing costs. Students who have had a family member who has studied at university spend approximately 40% more on housing costs.

Table 5.22: Total and main types of expenditure by dependent children (FT FE)

FT FE		Dependent Children	
		Yes (N = 13)	No (N = 101)
		£	£
Total Expenditure	Mean	9952	5033
	Median	9799	4230
Housing costs	Mean	1361	697
	Median	889	0
Living costs	Mean	5093	3572
	Median	4734	3159
Participation costs	Mean	1230	690
	Median	995	573
Child-specific costs	Mean	2015	0
	Median	1453	0
Other costs	Mean	253	75
	Median	0	0

5.32 Not surprisingly, those FE students with dependent children have much higher expenditure than students without dependent children – almost double (Table 5.22). Much of the difference for this small number of respondents, again unsurprisingly, is made up of child-related costs. Living costs though are also considerably higher for these students as are housing costs and participation

costs. (It should be noted though that the response rates amongst students with dependent children are low.)

Table 5.23: Total and main types of expenditure by accommodation status (FT FE)

FT FE		Accommodation Status	
		With my Parents (N = 68)	Not with my Parents (N = 46)
		£	£
Total Expenditure	Mean	3783	8202
	Median	3556	7997
Housing Costs	Mean	189	1618
	Median	0	1973
Living Costs	Mean	2904	4962
	Median	2899	4646
Participation costs	Mean	646	902
	Median	568	649
Child-specific costs	Mean	0	551
	Median	0	0
Other costs	Mean	44	169
	Median	0	0

- 5.33 Most students, almost 60%, live with their parents (Table 5.23). Students who do not live with parents have considerably higher mean expenditure than students who do live with parents – more than double.
- 5.34 It is not surprising that students who do not live with their parents have higher mean housing costs but these students also have higher mean living, participation and child-related costs.
- 5.35 With mean FE student expenditure being £5581 (Table 5.16), students who do not live with parents, rent a house or flat with others and live in a house or flat self-owned all have above average expenditure. Students who live with their parents have expenditure considerably lower than the average.

Table 5.24: Total and main types of expenditure by year of study (FT FE)

FT FE		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Total Expenditure	Mean	5682	2429	5166
	Median	5167	1331	5166
Housing costs	Mean	803	0	0
	Median	0	0	0
Living costs	Mean	3789	2144	3906
	Median	3339	1301	3906
Participation costs	Mean	759	285	1260
	Median	581	30	1260
Child-specific costs	Mean	234	0	0
	Median	0	0	0
Other costs	Mean	98	0	0
	Median	0	0	0

5.36 The number of student answers related to second and third years of study in Table 5.24 are low and do not enable analysis. Students in their first year of study have a slightly higher total mean expenditure from that for all students in Table 5.16 (£5682 versus £5581). Most other types of expenditure are also slightly higher than the average for all students, but not significantly so.

Table 5.25: Total and main types of expenditure by final year of study (FT FE)

FT FE		Level of Study	
		Non-Final Year of Study (N = 13)	Final Year of Study (N = 101)
		£	£
Total Expenditure	Mean	5984	5529
	Median	5112	5027
Housing costs	Mean	862	759
	Median	0	0
Living costs	Mean	4257	3676
	Median	4095	3225
Participation costs	Mean	687	758
	Median	770	570
Child-specific costs	Mean	80	243
	Median	0	0
Other costs	Mean	97	94
	Median	0	0

5.37 The number of answers to this question from non-final year students is low and should be treated with caution. Compared to final year of study students, non-final year students have a slightly higher total mean expenditure (£5,529 versus £5,984). This higher expenditure features most in living costs (£4,257 versus £3,676) and slightly higher housing costs.

Table 5.26: Total and main types of expenditure by child-specific costs (FT FE)

FT FE		Paying Child-Specific Costs	
		Yes (N = 13)	No (N = 101)
		£	£
Total Expenditure	Mean	9952	5033
	Median	9799	4230
Housing costs	Mean	1361	697
	Median	889	0
Living costs	Mean	5093	3572
	Median	4734	3159
Participation costs	Mean	1230	690
	Median	995	573
Child-specific costs	Mean	2015	0
	Median	1453	0
Other costs	Mean	253	75
	Median	0	0

5.38 Of the small number of FE students paying child-related costs, these students have considerably higher expenditure than students not paying such costs (Table 5.26). For these students, in fact, all costs are much higher relatively.

Table 5.27: Total and main types of expenditure by term-time employment (FT FE)

FT FE		Term-Time Employment	
		Yes (N = 56)	No (N = 58)
		£	£
Total Expenditure	Mean	6426	4759
	Median	6264	4024
Housing costs	Mean	1162	391
	Median	869	0
Living costs	Mean	4323	3177
	Median	3957	3150
Participation costs	Mean	676	821
	Median	538	701
Child-specific costs	Mean	120	326
	Median	0	0
Other costs	Mean	145	45
	Median	0	0

5.39 Of those students who have term-time paid employment, their mean total expenditure is higher than for those students without paid term-time employment (£6,426 versus £4759). Their housing costs are also significantly higher and living costs are higher too. Participation costs are, however, slightly lower.

FE Students' Debt

Table 5.28: Total and main types of debt (FT FE)

FT FE (N = 114)	Mean Debt	First Quartile	Median Debt	Third Quartile
	£	£	£	£
Total Debt	1266	0	0	800
Study-related credit	41	0	0	0
Commercial credit	1097	0	0	500
Informal credit	128	0	0	0

5.40 The average total debt of full-time FE students is £1266. This debt comprises £41 from study-related debt, £1097 from commercial sources and £128 from informal sources. The largest source of debt is therefore commercial debt, comprising 87% of the total. The other sources of debt – study and informal – comprise 3% and 10% respectively.

Table 5.29: Total and main sources of debt by those who have debt (FT FE)

FT FE (N = 55)	Mean Debt	First Quartile	Median Debt	Third Quartile
	£	£	£	£
Total Debt	2628	190	800	2970
Study-related credit	86	0	0	0
Commercial credit	2277	80	500	2473
Informal credit	265	0	0	100

5.41 Fifty-five students reported having debt (Table 5.29). Of these FE students, most of their debt is from commercial sources – almost 87% of their total debt in fact.

Table 5.30: Total debt by student characteristics (FT FE)

Characteristic	FT FE (N = 114)	
		£
Sex		
Male (N=51)	Mean	560
	Median	0
Female (N=63)	Mean	1827
	Median	165
Age		
16-20 (N=81)	Mean	624
	Median	0
21-24 (N=11)	Mean	1577
	Median	497
25+ (N=22)	Mean	3487
	Median	750
Social Class		
Middle Class (N=25)	Mean	1536
	Median	943
Working Class (N=78)	Mean	1342
	Median	0
Family member studied at university		
Yes (N=36)	Mean	1394
	Median	68
No (N=78)	Mean	1206
	Median	0
Dependent children		
Yes (N=13)	Mean	3475
	Median	554
No (N=101)	Mean	989
	Median	0
Living arrangements		
With parents (N=68)	Mean	689
	Median	0
Not with parents (N=46)	Mean	2107
	Median	512

5.42 Table 5.30 reveals that for all FE students, those with the lowest mean total debt are those who live with their parents; those with the highest mean debt have dependent children.

5.43 The table also shows that:

- Female students have a considerably higher mean total debt than male students; more than three times higher.
- Debt increases with age. Students aged 16-20 years have low debt at £624, whilst the mean total debt of mature students is more than 5 times higher at £3487.
- Although mean total debt is higher for students from middle class backgrounds, it is not markedly higher than that for students from working class backgrounds (£1536 versus £1342).
- Students with a family member who has studied at university have a higher mean total debt than those students who do not, although again the difference is not dramatic (£1394 versus £1206).
- There is a very big difference in mean total debt arising from having dependent children. Students with dependant children have a mean total debt level 3.5 times higher than students with no dependant children (£3475 versus £989). (With a low response from students with dependent children, these figures should be treated with caution.)
- Similarly, there is a large difference in debt levels for students with different living arrangements. Those students who do not live with parents have a mean total debt level three times higher than that of students who live with parents (£2107 versus £689).

5.44 Generally therefore, higher mean total debt arises for female students, older students, middle class students, students with a family member having studied at university, students who have dependent children and students who do not live with parents.

Table 5.31: Characteristics of those who do not have debt (FT FE)

Characteristic		FT FE (N = 59) (52%)
Sex		
Male	N	36
	%	61
Female	N	23
	%	39
Age		
16-20	N	52
	%	88
21-24	N	2
	%	3
25+	N	5
	%	8
Social class		
Middle class	N	9
	%	15
Working Class	N	40
	%	68 ⁷¹
Family member studied at university		
Yes	N	18
	%	31
No	N	41
	%	69
Dependent children		
Yes	N	2
	%	3
No	N	57
	%	97
Living arrangements		
With parents	N	46
	%	78
Not with parents	N	13
	%	22

5.45 As Table 5.31 shows, around half of the sample of FE students reported having debt. Of those FE students who do not have debt, that lack of debt is more prevalent amongst male and younger students, students from working class backgrounds, and those students who do not have a family member who has studied at university, do not have dependent children and live with their parents.

⁷¹ Some respondents did not indicate their social class.

Table 5.32: Study-related credit by student characteristics (FT FE)

Characteristic		FT HE (N = 114)
Sex		£
Male (N=51)	Mean	47
	Median	0
Female (N=63)	Mean	37
	Median	0
Age		
16-20 (N=81)	Mean	30
	Median	0
21-24 (N=11)	Mean	202
	Median	0
25+ (N=22)	Mean	0
	Median	0
Social Class		
Middle Class (N=25)	Mean	189
	Median	0
Working Class (N=78)	Mean	0
	Median	0
Family member studied at university		
Yes (N=36)	Mean	64
	Median	0
No (N=78)	Mean	31
	Median	0
Dependent children		
Yes (N=13)	Mean	0
	Median	0
No (N=101)	Mean	46
	Median	0
Living arrangements		
With parents (N=68)	Mean	35
	Median	0
Not with parents (N=46)	Mean	50
	Median	0

5.46 Table 5.32 reveals that study-related debt is generally low for FE students. As an average, the highest such debt is born by mid-age range students and is £202. Note the lack of study-related debt reported by students from working class backgrounds.

Table 5.33: Study-related debt by year of study (FT FE)

FT FE (N = 114)		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Study-related credit	Mean	43	0	0
	Median	0	0	0

5.47 Data in Table 5.33 again relates to study-related debt. The number of student answers related to 2nd and 3rd years of study are low and do not enable analysis. For those students for which data is meaningful, 1st year students, the table reveals that such debt is low per student, on average only £43.

Table 5.34: Commercial credit by student characteristics (FT FE)

Characteristic		FT FE (N = 114)
Sex		£
Male (N=51)	Mean	459
	Median	0
Female (N=63)	Mean	1604
	Median	52
Age		
16-20 (N=81)	Mean	454
	Median	0
21-24 (N=11)	Mean	1253
	Median	165
25+ (N=22)	Mean	3400
	Median	713
Social Class		
Middle Class (N=25)	Mean	950
	Median	50
Working Class (N=78)	Mean	1282
	Median	0
Family member studied at university		
Yes (N=36)	Mean	1237
	Median	0
No (N=78)	Mean	1031
	Median	0
Dependent children		
Yes (N=13)	Mean	3272
	Median	492
No (N=101)	Mean	824
	Median	0
Living arrangements		
With parents (N=68)	Mean	561
	Median	0
Not with parents (N=46)	Mean	1878
	Median	409

5.48 Students with the highest mean debt resulting from commercial credit are mature students, closely followed by those students with dependent children (£3400 and £3272 respective). These categories of course are not mutually exclusive. Students with the lowest mean debt resulting from commercial credit are the youngest students (£454).

5.49 As Table 5.34 highlights:

- Female students' mean commercially derived debt is just less than four times that of male students.
- Mean commercially derived debt rises with age. Young students aged 16-20 years have a debt level 7.5 times lower than that of mature students aged 25 and older (£454 versus £3400).

- Middle class students' mean commercially derived debt is lower, by one quarter, than that of working class students (£950 versus £1282).
- Students with a family member who has studied at university have a higher mean commercially derived debt than that of students without a family having studied at university (£1237 versus £1031).
- The biggest gap in levels of mean commercially derived debt occurs because of dependent children. Students with dependent children have debt almost 4 times higher than that of students with no dependent children. (Though again, with a low response from students with dependent children, these figures should be treated with caution.)
- Not living with parents also results in higher mean commercially derived debts. Students who do not live with parents have a debt level more than three times higher than that of students who live with parents (£1878 versus £561).

5.50 In general, students with the highest mean debt resulting from commercial credit are female, older, from a working class background, have family members who have studied at university, have dependent children and do not live with parents.

Table 5.35: Commercial credit by year of study (FT FE)

FT FE (N = 114)		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Commercial Credit	Mean	1142	0	0
	Median	0	0	0

5.51 Table 5.35 relates to debt derived from commercial sources, for example credit cards and bank loans. The number of student answers related to 2nd and 3rd years of study are low and do not enable analysis. For those students for which data is meaningful, 1st year students, the table reveals that the mean debt per student is £1142.

Table 5.36: Total debt by year of study (FT FE)

FT FE (N = 114)		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Total Debt	Mean	1308	36	800
	Median	0	2	800

5.52 Students in their 1st year of study have a slightly higher mean total debt at £1308. Because responses from 2nd and 3rd year FE students are so few, it would be unwise to comment on the data from these students.

FE Students' Savings

5.53 These tables present data on FT FE students' savings. It should be noted that the data relates directly to answers provided to dedicated answers to savings in the main survey questionnaire i.e. the data is not derived from inferences about income and expenditure differences. It should also be noted that when these savings were amassed by the students is not known; they might have been prior to or during study. It is also not clear whether these savings are being drawn down over the period of study.

Table 5.37: Total savings (FT FE)

FT FE (N = 114)	Mean	Median
	£	£
Total Savings	482	0

5.54 Table 5.37 shows that FT FE students have total mean savings of £482.

Table 5.38: Total savings for those who have savings (FE)

FT FE (N = 28)	Mean	Median
	£	£
Total Savings	1964	500

5.55 Not all FE students have savings; only 28 or around a quarter of the sample reported having savings, as Table 5.38 reveals. Examining the data for these students only generates a very different picture of the level of savings. Of those who do have savings, the mean amount is much higher than the mean across all students (£1964 versus £482).

Table 5.39: Total savings by student characteristics (FE)

Characteristic		FT FE (N = 114)
Sex		£
Male (N=51)	Mean	854
	Median	0
Female (N=63)	Mean	187
	Median	0
Age		
16-20 (N=81)	Mean	349
	Median	0
21-24 (N=11)	Mean	22
	Median	0
25+ (N=22)	Mean	1219
	Median	0
Social Class		
Middle Class (N=25)	Mean	264
	Median	0
Working Class (N=78)	Mean	616
	Median	0
Family member studied at university		
Yes (N=36)	Mean	582
	Median	0
No (N=78)	Mean	436
	Median	0
Dependent children		
Yes (N=13)	Mean	279
	Median	0
No (N=101)	Mean	508
	Median	0
Living arrangements		
With parents (N=68)	Mean	491
	Median	0
Not with parents (N=46)	Mean	469
	Median	0

5.56 Across all FE students, as Table 5.39 highlights, those with the highest mean total savings are males (£854); those with the lowest the mid-age range students (£22).

5.57 The table also reveals that:

- Male FE students have, on average, significantly more savings than female students – almost four and half times the level of savings of female students.
- Students from a working class background have, on average, more than double the savings of students from middle class backgrounds.
- Mature students, those aged 25 years and over, have significantly more savings than younger students; nearly four times the level of savings of the youngest students aged 16-20 years. Students aged 21-24 have virtually no savings.

- FE students with dependent children have less savings than students with no dependent children.
- FE students with a family member who has studied at university have more savings than students with no family members who have studied at university.
- FE students who live and do not live with their parents have a similar level of savings.

5.58 Comparatively, those FE students with the highest savings therefore tend to be male, from working class backgrounds, among the oldest students, with no dependent children and who have had a family member who has studied at university.

Table 5.40: Total savings by student characteristics for those who have savings (FE)

Characteristic		FT FE (N = 28)
		£
Sex		
Male	Mean	3968
	Median	1350
Female	Mean	694
	Median	387
Age		
16-20	Mean	1227
	Median	500
21-24	Mean	350
	Median	350
25+	Mean	6218
	Median	2593
Social Class		
Middle Class	Mean	1146
	Median	1480
Working Class	Mean	2801
	Median	855
Family member studied at university		
Yes	Mean	2584
	Median	1589
No	Mean	1709
	Median	371
Dependent children		
Yes	Mean	2175
	Median	3228
No	Mean	1951
	Median	500
Living arrangements		
With parents	Mean	1570
	Median	454
Not with parents	Mean	3189
	Median	1205

5.59 Not all FE students have savings. Only 28 or just less than one quarter of the sample reported having savings.

5.60 Of those students who do have savings, Table 5.40 shows that:

- Male students have a level of savings almost six times higher than that of female students.
- It also shows that that the oldest students have more savings; almost 18 times higher than the savings level of the mid-age range status and 5 times higher than the youngest students.
- Those students from working class backgrounds have more than double the level of savings of students from middle class backgrounds.
- Those students who have a family member who has studied at university have higher savings levels than students who do not have a family member who has studied at university.
- There is not a large difference in the levels of savings between students who have dependent children and those who do not.
- Those students who do not live with their parents tend to have roughly double the level of savings of students who do live with their parents.

5.61 Thus, of those FE students who do have savings, comparatively, highest savings are held by those who are male, oldest, from working class backgrounds, have a family member who has studied at university, and do not live with their parents.

Table 5.41: Total savings by year of study (FT FE)

FT FE (N = 114)		Year of Study		
		1 (N = 109)	2 (N = 3)	3 (N = 1)
		£	£	£
Total Savings	Mean	503	6	0
	Median	0	10	0

5.62 The number of student answers related to 2nd and 3rd years of study are low and do not enable analysis. For those students for which data is meaningful, Table 5.41 reveals that students in their first year of study have mean savings of £503.

Summary

5.63 The data on full-time FE students' total income, expenditure, and debt and savings is summarised in Table 5.42 below. These figures represent the means (and where appropriate medians) for all students.

Table 5.42: Summary of finances (FT FE)

FT FE (N = 114)	Finance Summary	
	Mean	Median
	£	£
Income	4299	3404
Expenditure	5581	4810
Debt	1266	0
Savings	482	0

- 5.64 It should be noted that that this table does not represent a simple adding and subtraction exercise, rather the figures presented by the students from the tables above.
- 5.65 The most important sources of income for FT FE students are student support and term-time earnings. Students with the highest incomes tend to be male, older, from a middle class background, have a family member who had studied at university, have dependent children and do not live with their parents.
- 5.66 Most of expenditure is accounted for by living costs. Students with the highest expenditure tend to be female, older, from middle class backgrounds, with a family member having studied at university, with dependent children and who do not live with their parents.
- 5.67 Around half of all FT FE students have debt. A lack of debt is more prevalent amongst male and younger students, students from working class backgrounds, and those students who do not have a family member who has studied at university, do not have dependent children and live with their parents.
- 5.68 Not all FT FE students have savings. Of the quarter of students who do report having savings, the highest savings are held by those who are male, oldest, from working class backgrounds, have a family member who has studied at university, and do not live with their parents.

6. STUDENTS' ATTITUDES AND BEHAVIOUR

Introduction

- 6.1 This chapter examines students' attitudes and behaviour in terms of the financing of their own study and study in general. Students were asked about their thoughts and actions in relation to the costs of study prior to starting that study and whether they were given any guidance in this process. It considers, as well, students views on their broader financial well-being whilst studying, reporting on how their financial situation has impacted on both their studies and more generally how they live their lives outside of university and college. The chapter also considers a number of attitudinal questions. These questions cover issues such as living standards for students, educational mobility and current funding policies. The chapter also includes students' thoughts on their future aspirations and expectations, including what they expect to earn on completing their courses.
- 6.2 Most of the data for the chapter is drawn from a series of questions in the main survey. Except where discernible differences exist between types of FT HE students (i.e. sub-degree and degree only), the data from the main survey encompasses responses from FT HE combined students, part-time HE students and FT FE students. Towards the end of the chapter a complementary data set is reported – that from the interviews of working class students studying FT HE. This data set allows a drilling down into answers to some of the same questions and issues with a group of students who are the target of the HE widening access policy agenda in Scotland. It explores their personal experiences of financing study.

Main Survey Data

- 6.3 This section sequentially reports questions from the main survey related to students prior to study, during and after that study. It also reports students' thoughts on students' living standards, educational mobility the funding of study.

Considerations before Going to Study

Table 6.1: What costs of studying did you think about before starting your course?

	FT HE Combined N= 2720 ⁷²	PT HE N= 391	FT FE N= 64
	%	%	%
Rent or housing costs including bills	74	50	62
Food, drink and household goods	78	54	69
Entertainment	52	22	35
Travel costs to & from college/university	67	46	75
Books & equipment needed for course	86	77	87
Other course expenditure	33	52	42
Childcare	4	13	5
Repaying the Graduate Endowment	24	6	4
Repaying the student loan	54	16	11
Running up debts to the bank or non credit cards	35	26	19
Money lost by having to give up a job	35	15	20
Not being able to earn as much if had gone straight into employment instead	40	16	39
Using up savings	45	32	20

6.4 Across all types of students in Table 6.1 the main cost they thought about prior to commencing their study was the cost of books and equipment needed for the course. For other costs there are some variations in emphases across the different student groups. For FT HE students food, drink and household goods costs were important, as were the costs related to accommodation as well as travel to and from college and university. Food, drink and household goods were also signalled as important by PT HE students (and slightly more important than books etc.), followed by the catch-all category 'other course expenditure' (52%) and, again, costs related to accommodation. FT FE students also signalled the costs of travel as the second main consideration (75%) and, again costs related to accommodation.

6.5 Across the rest of the costs identified by the student groups several other things are noteworthy. One is the concern of FT HE students about repaying their student loan and Graduate Endowment. Entertainment costs were also important to FT HE students but likewise much less so for PT HE and FT FE students. PT HE students were much less concerned than FT HE and FT FE students about not being able to earn as much if they had gone straight into employment. On the other hand, the cost of childcare was more important to these PT HE students.

⁷² Only those students who answered 'yes' to the preceding question (did you think about the cost of studying before starting your course?) report here.

Table 6.2: Were you given any information/guidance about the cost of studying before starting your course?

	FT HE Combined N= 4331	PT HE N= 520	FT FE N= 114
	%	%	%
Yes, lots	8	20	19
Yes, some	41	38	45
Very little	38	22	20
None	14	19	16

6.6 As Table 6.2 shows, FT FE students were the most likely group to get advice with 64% of them having been given some advice/guidance about the costs of studying prior to starting their course. This group was followed by PT HE (58%), FT HE (49%).

Table 6.3: Where did you get this information?

	FT HE Sub-Degree N= 315	FT HE Degree only N= 3401	FT HE Combined N= 3716	PT HE N= 420	FT FE N= 96
	%	%	%	%	%
School or college	46	58	57	21	40
College/University attend now	60	50	50	73	60
Family & friends	23	41	39	8	18
Careers service	7	11	11	5	13
Scottish Government	1	2	2	1	1
SAAS	35	42	41	12	7
Student Loans Company	14	15	15	2	0
AimHigher website	1	1	1	0	0
LearnDirect Scotland	1	1	1	8	1
NUS	1	1	1	1	0
Newspaper advert etc.	2	7	6	1	0

6.7 Where they are currently studying, or their previous school or college that they attended, was the most likely source of advice/guidance on finance for all groups of students (Table 6.3). Family friends and SAAS were also used by over a third of FT HE degree students, less so by PT HE and FT FE students. FT HE students were more likely to use the Student Loans Company as a source of information. PT HE students were more likely to use LearnDirect Scotland.

Table 6.4: Would you have liked more information?

	FT HE Combined N= 3716	PT HE N= 420	FT FE N= 96
	%	%	%
Yes	70	43	62
No	30	57	38

6.8 As Table 6.4 reveals, 70% of the FT HE students that received information indicated that they would have liked more information on their finances prior to commencing studying. Well over half of FE students that received information would also have liked information. Most PT HE students that received information felt they had received sufficient information.

Table 6.5: How available student funding affected decision to study

	FT HE Combined N= 1480	PT HE N= 163	FT FE N= 41
	%	%	%
To study full-time/part-time	40	67	49
To study close to home to live with parents or move away	36	17	17
What subjects to take	5	13	0
What length of course to take	15	20	15
What qualification to study for	10	19	15
I would not have studied without funding	66	60	68

6.9 On the issue of student funding, over 60% of all those students responding to Table 6.5 indicated that they would not have studied without funding. Over a third of FT HE students indicated that the availability of student funding was prominent in their decision on whether they studied close to home or lived with their parents.

6.10 This table masks some important differences within HE students. FT HE sub-degree students were much more likely (60% versus 38%) to have considered the availability of student funding in the decision to study full-time or part-time.

Table 6.6: How opportunities for work after graduation affected choice of subject

	FT HE Combined N= 2495	PT HE N= 276	FT FE N= 55
	%	%	%
It made me choose a vocational subject with clear career links	50	52	49
Chose a general academic based subject to keep options open	33	28	31
Chose a time demanding subject	15	5	13
Chose a less time demanding subject	1	7	0
Chose subject for which there are plenty of jobs	53	29	43
Chose subject with weak competition for jobs	4	1	2

6.11 Around half of the students that responded indicated that they had chosen a vocational subject with a clear career link (Table 6.6). Over half of the FT HE students similarly indicated that they chose to study a subject for which there are plenty of jobs, a higher figure than FE students (43%) and PT HE students (29%). Just under a third of all students chose a general academic based subject in order to keep their options open in seeking work after graduation.

Experiences Whilst Studying

Table 6.7: Have you ever thought about leaving your course before completing it?

	FT HE Combined N= 4331	PT HE N= 520	FE N= 114
	%	%	%
Yes	38	34	40
No	62	66	60
Reason	N=1674	N=178	N=46
Financial reasons	33	26	75
I didn't like the course	12	11	5
I failed a course or module	4	6	0
There were other academic reasons	5	5	1
There were domestic/personal/medical reasons	10	34	2
I was offered a job	2	1	1
I became disenchanted with course/college/university	27	9	12
Other	7	8	4

- 6.12 Table 6.7 demonstrates that a clear majority of all students had not considered quitting their study before the completion of their course (two-thirds versus one-third approximately).
- 6.13 Of those students who had considered quitting, financial reasons were prominent for all students, though that prominence varied in intensity from around a quarter of PT HE students to three-quarters of FT FE students (though note the low number of students in FE who considered quitting). The table masks an importance difference in this respect within FT HE students: FT HE sub-degree students were more likely than FT degree only students to emphasise these financial reasons (44% versus 32%).
- 6.14 For PT HE students, domestic/personal/medical reasons most triggered their thoughts of quitting. FT HE students are most likely to consider quitting because they become disenchanted with their course of study or the college or university, and for these students this reason is almost as important as financial considerations.

Table 6.8: How financial difficulties affected work at college/university?

	FT HE Sub-Degree N= 217	FT HE Degree only N= 1952	FT HE Combined N= 2169	PT HE N= 191	FT FE N= 68
	%	%	%	%	%
Made me work on my studies harder to ensure a job at the end of it	20	14	15	9	17
Caused me worry and stress	87	87	87	83	85
Made it difficult for me to buy books and materials	43	60	58	47	45
Found it necessary for me work in a paid job	37	53	51	36	26
Made it necessary for me to work extra hours in a paid job	29	46	44	34	30
Left me unable to cover my travel costs to and from college/ university	30	25	25	20	41
Led to health problems	19	15	15	20	19
Other	8	4	4	9	4

6.15 Despite financial concerns not generally triggering thoughts of quitting study, over 80% of those students reporting that financial difficulties did affect their study-related work, reported that it caused them worry and stress during their studies (Table 6.8). Similarly, 60% of FT HE degree students said that their financial difficulties made it difficult to buy books and materials for their studies. Though less prominent, the inability to buy books and materials was also a concern for FT HE sub-degree (43%), PT HE (47%) and FT FE students (45%). Over half of the FT HE degree students found it necessary to take a paid job during their studies, a figure that was markedly higher than FT HE sub-degree students (37%) and PT HE (36%). Just over a quarter of FT FE students found it necessary to work in a paid job. FT HE degree students were also the most likely group to also work extra hours in a paid job, with nearly half of this group reporting this requirement. Around a third of the other groups reported that it had been necessary to seek extra hours in their paid jobs.

Table 6.9: Which best describes the money you have to meet your current needs?

	FT HE Combined N=4331	PT HE N= 520	FE N=114
	%	%	%
I have a lot more than I need	2	4	0
I have a little more than I need	10	8	11
I have about the right amount	29	33	13
I have a little less than I need	38	34	33
I have a lot less than I need	21	21	44

6.16 The majority of all students surveyed reported that they had insufficient money to meet their current needs (Table 6.9). FT FE students were the most likely to report that they had less than they needed with 77% having at least a

little less than they need. Within the combined HE students figure, more FT HE sub-degree students thought that they had a lot less money than they need (27% versus 20%). Just under a third of FT and PT HE students reported that they have about the right amount of money, a view expressed by just over 10% of the FT FE students.

Table 6.10: What have you gone without/cut down on because of shortage of money? (Students without children)

Students Without Children	FT HE Combined N=4145	PT HE N=350	FE N= 101
	%	%	%
Clothes	74	58	60
Shoes	61	46	47
Toiletries	22	16	25
Prescriptions or Medicines	12	10	13
Food at Home	18	18	27
Food at College or University	45	23	50
Alcoholic drinks	58	40	44
Heating	16	12	10
Visiting friends or family	44	35	47
Telephoning friends or family	22	20	29
Books and other course-related equipment	34	22	30
Trips/courses related to your studies	13	15	17
Going out/entertainment	71	65	68
A hobby or sport	31	29	39
A holiday	55	62	44
Other	4	8	16
I never go without	5	10	4
Money is never tight	6	9	4

6.17 Across all students without children there were variations in the impact of perceived financial hardship, though some commonalities (Table 6.10). Going without or cutting down on clothes was prominent across all students, though more prominent amongst FT HE students, who were also more likely to report having to go without or cut down on shoes. These students were also more likely to report having to cut down or go without alcoholic drinks. Going without or cutting down on food at college was reported prominent amongst FT FE students. Both FT and PT HE students reported having to cut down or go without holidays. All students reported having to go without or cut down on going out and/or entertainment; indeed it was the greatest perceived financial hardship for PT HE and FT FE students. As such, the financing of going out/entertainment is therefore a recurring issue for FT HE students.

Table 6.11: What have you gone without/cut down on because of shortage of money? (Students with children)

Students With Children	FT HE Combined N=186	PT HE N=170	FE N= 13
	%	%	%
Clothes	67	42	77
Shoes	51	26	72
Toiletries	26	18	31
Prescriptions or Medicines	8	4	0
Food at Home	25	14	24
Food at College or University	48	12	56
Alcoholic drinks	59	37	53
Heating	19	10	15
Visiting friends or family	63	32	62
Telephoning friends or family	32	12	39
Books and other course-related equipment	46	15	18
Trips/courses related to your studies	17	10	22
Trips or holidays arranged by the school	23	10	19
Going out/entertainment	82	55	88
A hobby or sport	54	26	62
A family holiday	75	59	85
I never go without	3	14	3
The child(ren) never go without	34	44	35
Money is never tight	1	9	0
Other	2	6	3

6.18 For students with children, the pattern of perceived financial hardship is more mixed (Table 6.11). For both FT HE and FT FE the greatest perceived financial hardship again occurs in relation to going out/entertainment (but note small number of respondents). PT HE students also feel the pinch on going out/entertainment, but for these students family holidays feel the pinch most. Family holidays are also squeezed for FT FE students. Both FT HE and FT FE students report going without or cutting down on clothes, shoes, alcoholic drinks and sports and hobbies, as well as visiting friends or family. Within the combined HE students figure, FT HE degree only students were much more likely than FT HE sub-degree students to go without or cut down on books and other course related equipment (55% versus 20%). Once again FE students also appear to go without or cut down on food at college. For all of these students, however, making sure that their children never go without appears to be more important than going without themselves. Moreover, virtually none of these students report that money is never tight.

Table 6.12: This academic year, have you ever been in the situation where you have not been able to pay for any of the following:

	FT HE Sub-Degree N= 372	FT HE Degree only N= 3959	FT HE Combined N= 4331	PT HE N= 520	FT FE N= 114
	% of N	% of N	% of N	% of N	% of N
Utility bills	22	14	15	16	22
Repayments on credit cards or loans	17	12	12	14	17
Rent/ Mortgage	12	11	11	9	25
Food	28	22	23	13	29
Travel to and from college/ university	27	18	19	13	42
No	47	60	59	67	36

6.19 FT HE students, both sub-degree (28%) and degree (22%) students were most likely to report that the item they have not been able to pay for during the academic year is food (Table 6.12). For PT HE students the most likely item was utility bills (16%). For FT FE students the item they could not pay for was travel to and from college (42%).

Post-study Expectations

Table 6.13: What do you expect to do when you finish your current course?

	FT HE Sub-degree N= 372	FT HE Degree only N= 3959	FT HE Combined N= 4331	PT HE N= 520	FT FE N= 114
	%	%	%	%	%
Get a job in your chosen career	38	51	50	25	32
Get a temporary/fill-in job	5	7	7	1	3
Get a different sort of job from one you've had while studying	1	1	1	3	0
Get a better job from one you've had while studying	3	3	3	17	1
Start my own business	2	2	2	3	1
Take more advanced course	38	14	16	26	56
Take a different course at similar level	2	1	1	6	1
Take time off – go travelling	4	10	9	1	0
Retire	0	0	0	2	0
Be unemployed	0	0	0	1	1
Other	1	1	1	6	2
Don't know yet	7	9	9	10	4

6.20 The group of students that remained most confident about their prospects after graduation was FT HE degree students. Table 6.13 reveals this, with over half of this group suggesting they would get a job in their chosen career. This sense of optimism was less apparent in the FT HE sub-degree students (38%), FT FE students (32%) and PT HE students (25%). A number of respondents also indicated that they are likely to take a more advanced course once they have completed their current course. This view was expressed by over half the FT FE students, nearly 40% of FT HE sub-degree and a quarter of PT HE students. Surprisingly only 14% of FT HE degree students indicated they were likely to take a more advanced course.

Table 6.14: What has influenced your choice of what to do when you finish your current course?

	FT HE Sub-Degree N= 372	FT HE Degree only N= 3959	FT HE Combined N= 4331	PT HE N= 520	FT FE N= 114
	%	%	%	%	%
The need to pay debts off	20	28	27	12	12
To earn as much as possible	23	30	29	19	22
The desire for personal fulfilment	59	67	66	62	47
Need to get advanced qualifications for sort of job I want	47	24	26	35	49
Need to gain experience to get sort of job I want	36	27	28	19	27
The influence of others	5	9	8	4	4
My experience at college/university	26	26	26	13	19
Job opportunities that are available	22	27	27	20	16
The need for a bit of a break	6	12	12	7	0

6.21 The most consistently reported response from all HE students to the question of what has influenced their choice of what to do when they finish their current course was to seek personal fulfilment (Table 6.14). This desire for personal fulfilment was reported by 67% of FT HE degree, 62% of PT HE, 59% of FT HE sub-degree. It was also important for FT FE students at 47%. However, more important for FT FE students was the need to acquire advanced qualifications in order to obtain their desired job (49%). There were variations in emphasis on the need to pay off debts. It clearly did not drive post-study choices but was more important to FT HE degree only students than either PT HE or FT FE students. Perhaps relative, these students also had more drive to earn as much as possible.

Table 6.15: How much do you expect to earn on graduation?

	FT HE Sub-Degree N= 372	FT HE Degree only N= 3959	FT HE Combined N= 4331	PT HE N= 520	FT FE N= 114
	%	%	%	%	%
Less than £12,000	21	8	9	9	31
£12,001-15,999	23	13	14	12	18
£16,000-19,999	21	22	22	18	20
£20,000-23,999	16	29	28	21	15
£24,000-27,999	9	14	13	18	8
£28,000-31,999	5	7	7	6	2
£32,000 plus	6	8	8	15	6

6.22 The Prospects website - <http://www.prospects.ac.uk> - which is the UK's official graduate careers website cites recent data from the Higher Education

Statistics Agency (HESA) which suggests that the average salary for full-time first degree graduates from 2007 whose destinations were known and who were in full-time employment in the UK six months after graduating was £19,300. The same website also reports the most recent survey from The Association of Graduate Recruiters (AGR) the median salary for graduates in 2008 is £24,500.

- 6.23 The expectations of our respondents, as indicated in Table 6.15, are broadly in line with these figures. Around a third of FT HE degree students for example expect to earn between £20,000-23,999 on graduation, with just over a fifth expecting £16,000-19,999. Similarly, 37% of the FT HE sub-degree students and 39% of the PT HE students also expect a salary somewhere between £16,000-23,999. Perhaps surprisingly, 35% of FE students also expect to earn a salary within this bracket, though 31% of FE students also expect to earn less than £12,000 when they complete their course. In this respect and not unsurprisingly, more FE students than HE students expected to earn the lowest income; though a similar percentage as for FT HE sub-degree students expected to earn more than £32,000.

The General Experience, Outcomes and Funding of Study

Table 6.16: Thoughts on living standards for students

	FT HE Combined N= 4331 %			PT HE N= 520 %			FT FE N= 114 %		
	Agree	Neither	Disagree	Agree	Neither	Disagree	Agree	Neither	Disagree
Very important students able to afford internet access at home	90	8	2	85	13	2	81	14	5
Very important students able to afford books needed for course	94	5	1	92	7	1	92	6	2
Very important that students able to afford to buy PC & accessories	75	20	4	76	19	4	64	28	8
Very important that students able to afford daily newspaper	25	44	31	32	38	30	20	41	39
Very important that students able to afford leisure equipment	27	52	20	17	50	33	16	57	27
Very important that students able to afford weekly evening out	68	25	7	48	32	20	54	30	16
Very important that students able to afford evening out several times per week	8	34	59	2	23	76	7	33	60
Very important that students able to afford to live independent of parents	58	33	9	48	43	9	57	40	4
Very important students have adequate space to study	95	5	0	91	9	0	89	11	0

6.24 When considering living standards for students the most important areas identified by all the survey respondents was students' being able to afford books needed for courses (identified by over 90% of all sub-groups), having an adequate space to study and students being able to afford internet access at home (Table 6.16). Students' ability to buy a PC and accessories was also accorded a high degree of importance by the respondents.

Table 6.17: Thoughts on educational mobility

	FT HE Combined N= 4331 %			PT HE N= 520 %			FT FE N= 114 %		
	Agree	Neither	Disagree	Agree	Neither	Disagree	Agree	Neither	Disagree
People with degree get better paid jobs than those without	69	23	7	63	27	10	56	38	6
People with degrees get better choice of job than non-graduates	79	17	5	74	20	6	65	33	3
People with degrees have better work conditions than those without	33	48	19	32	51	17	33	46	21
People with degrees have greater control of working lives than those without	39	42	19	39	44	17	43	45	12
People with degrees have better social lives than those without	11	52	37	11	57	33	13	57	30
People with degrees have greater job satisfaction than those without	20	54	27	17	56	28	27	54	20

6.25 On the question of educational mobility in Table 6.17, all students agree that having a degree as opposed to not having a degree helps to get a better paid job, though FE students seem less convinced – though self-interest/affirmation may be at play here. All students also agree that having a degree provides for better job choices. It is interesting though that whilst it is perceived that the chances of getting a job are improved by having a degree, there are more mixed perceptions that having a degree results in those workers having better working conditions; likewise greater control over working lives. In addition, a majority neither agreed nor disagreed that workers with degrees had greater job satisfaction – not even HE students could agree that this outcome might occur.

Table 6.18: Thoughts on funding policy

	FT HE Sub-degree N= 372 %			FT HE Degree only N= 3959 %			FT HE Combined N= 4331 %			PT HE N= 520 %			FT FE N= 114 %		
	agree	neither	disagree	agree	neither	disagree	agree	neither	disagree	agree	neither	disagree	agree	neither	disagree
Current funding policies are pretty fair	31	28	41	29	30	42	29	30	41	15	39	46	15	49	36
Current funding policies favour the rich	15	49	36	20	41	39	19	42	39	28	51	22	20	50	30
Current funding policies favour the poor	25	46	29	34	38	28	33	39	28	14	49	37	22	49	29
Current funding policies overlook those from remote areas	34	59	7	28	63	9	29	62	9	34	60	5	36	52	12
Students should not be expected to contribute toward fees	71	23	6	69	21	10	69	21	9	56	27	18	56	34	10
All students should get non-repayable living costs grant	68	25	7	58	25	18	59	25	17	42	37	21	62	31	7
Students from less well-off families should get non-	74	18	8	71	19	9	72	19	9	67	23	10	72	25	3

repayable living costs grant																
Students should not be expected to contribute toward fees & living costs until after graduation	62	28	11	61	25	14	61	25	14	50	34	15	56	35	9	
A graduate tax would be fairer than individual loans	20	64	17	16	54	31	16	54	29	26	51	23	21	70	9	
Government should give extra money to students studying shortage subjects	29	51	20	31	41	28	30	42	27	34	47	19	25	59	16	
Government should give extra money to students who work in public sector	31	45	24	35	33	32	34	34	32	32	44	25	25	56	20	
It's more important to fund lower income background students	48	34	18	46	32	22	46	32	22	49	33	18	57	41	2	
Students should be able to claim unemployment	51	24	25	38	21	41	39	21	40	50	20	30	55	23	22	

benefit during vacations															
--------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

- 6.26 On the question of whether overall current funding policies are pretty fair, a significant minority of students disagreed with this view (Table 6.18). Over 40% of both FT and PT HE students disagreed with the view that current funding policies are fair, with over a third of FE students also disagreeing with this proposition. It is noticeable that fewer PT HE and FT FE than FT HE students perceived current funding policies to be fair.
- 6.27 There was also clear agreement amongst all students, and a majority in all cases, that students should not be expected to contribute towards fees and living costs after graduation.
- 6.28 There was consistently strong support for the view that students from less well-off families should get non-repayable living costs Student support. Over 70% of FT HE sub-degree, FT HE degree and FT FE students supported this view. Sixty seven per cent of PT HE students also supported grants for poorer students. Similarly, respondents were more likely to express support for Government supporting students from lower income backgrounds. Over half of FE students agreed that it is more important to fund lower income background students, a view also supported by nearly half of both full and part-time HE students.
- 6.29 The vast majority of HE respondents agreed with the proposition that students should not be expected to contribute towards fees, with respectively 71% of FT sub-degree and 69% of FT degree students supporting this view. Support for this view also came from PT HE and FE students though their endorsement of such a view was not as widespread with 56% of both groups supporting the view that students should not contribute towards fees. There was also relatively strong support for the view that all students should receive non-repayable living costs grants, with FT HE sub-degree and FT FE students particularly supportive of this view. There was little support from any students for a graduate tax to replace loans.

Interview Data

- 6.30 This section reports data from the interviews conducted with 52 FT HE students from working class backgrounds drawn from the main survey. The participation rate in higher education of students from lower social classes remains stubbornly low and concerns continue about the impact of funding policies for low income families, with the working classes shown to be more averse to risk and debt (Archer and Hutchings 2000; Christie and Munro 2003; Connor et al. 2001; Knowles 2000; Forsyth and Furlong 2000, 2003a). The purpose of these interviews therefore was to explore the personal experience of these students in relation to the financing of their own study and higher education study more generally.
- 6.31 Appendix C provides brief details of the interviewees' study. The interviewees identified themselves as having parents who were machine operatives, sales and customer service staff, personal service staff or elementary staff – the lower occupations. It must be noted that these self-selecting interviewees cannot be considered as representative of all students, particularly as the majority (37) were mature students (25 years old and over). However, they are a group who have a specific set of financial needs and who raise concerns in policy terms.
- 6.32 The interviews explored these students' reasoning and thinking about how finances are managed alongside study. As with the questionnaire for the main survey, questions were asked sequentially about attitudes and behaviour prior to, during and potentially after studying higher education. Questions also asked them to think about their general attitudes to the financing of higher education study. In this report we concentrate on a selection of the findings – the financial circumstances of the interviewees, why they said they went to university, the paid work that helped them fund their education, their views on student loans, their attitude to debt, why some had chosen not to take a loan, and who they thought should pay for their education.
- 6.33 The data from the interviews is presented sequentially, asking the students to reflect on the financing of their higher education study prior to, during and potentially after university. Their attitudes to the general funding of higher education study are then presented. First, however, some brief details of the students' financial circumstances are provided.

The Financial Circumstances of the Interviewees

- 6.34 The majority of respondents had parents who both worked (31 of the 52). Parents were able to assist in the financing of these students through university. However, as the majority of our interviewees were mature students and, in policy terms, there is no expectation that the over 25 year olds are supported by their parents, these students could have been doubly disadvantaged: from working

class backgrounds and without financially contributing parents. Also, given that most interviewees were mature, it is probably not surprising that some had parents who had now retired or who had died. These particular students are unlikely to have enjoyed the level of support that those who had parents still working were able to provide.

- 6.35 There were other personal circumstances associated with their parents that may have impacted on finances. Some of the interviewees had experienced the death of one or both parents, while some had been raised either by single parents or extended family members.

Reasons for Going to University

- 6.36 There were a number of reasons why students entered higher education, such as injury while in employment or serious illness.
- 6.37 More generally, students regarded higher education as a way of improving their job prospects and regarded it as form of vocational training. While the students were not asked what they did before going to university, it sometimes emerged during the interviews that a good number had been in low paid jobs such as shelf-stacking in supermarkets or other routine work in call centres and saw education as a way out into the external labour market or upward through firms' internal labour markets. As two interviewees remarked:

'I left school when I was 16 and I only left with standard grades and I didn't go in for Highers and I think it was when I was about 23 ... I was just floating about [in a] kind of dead end job if you like, no disrespect to the people who work in those jobs. But it just wasn't for me so I thought ... I wanted a career in social work.'

'I just felt that my opportunities were limited. I thought that it would open a lot more doors. I didn't see much progression in many jobs that I was doing at the time.'

'I worked in social work for years prior to doing my degree and I thought I better go and get the degree to follow up, to progress professionally.'

- 6.38 Some interviewees admitted to being less strategic and felt that they simply fell into university, prompted by tutors and careers advisors:

'All I wanted to do was leave school and earn money. And the family weren't well off, so I felt that my contribution would help. And it was through doing a HNC back in 2005, and doing Higher English at night school that it made me ... as the end of the course came up, it was my English tutor that suggested going to university. But that was never

something that had been on my radar, but I thought well I'll apply at clearing and if it happens, it happens. And it happened.'

'My careers advisor has said to me, you should probably go and do social sciences, didn't have a clue and left and then went and worked for a year. That's when I was 18. I was 19 when I made the decision to go back, because I decided that I didn't enjoy like working at that level, I wanted to go to university and get a degree.'

- 6.39 As a consequence the interviewees had mainly chosen vocational degrees that they perceived would lead to specific jobs in, for example, forensic chemistry or teaching. Appendix C lists the students' career plans and aspirations.

Thinking About How They Might be Funded

- 6.40 In terms of considering how their study was to be financed, the mature students told of having to be self-directed in sourcing funding and often felt disappointed in that endeavour:

'There is a thing called Funder Finder which allows you to put in as many details as you can sort of remember and it gives you details of bursaries and things that you might be able to apply for. Unfortunately, none of them really fitted me.'

'There was no way that I could find out exactly how much money I'm going to have each week.'

'There's not really a lot of information forthcoming, you've got to search it out.'

- 6.41 By contrast, the younger students recalled being more confident that funding existed and would be forthcoming:

'I've not really thought about it until I actually got a place, you know, and that was a big issue because ... how on earth am I going to pay for this and SAAS is there and also because my sister gets money from SAAS as well, so that was quite a help as well because she gets it perhaps I'll get it as well. So I tried and there it was.'

'My chemistry teacher at the time let me know about the bursary scheme and gave me application forms and was a reference in that, and we basically, you know the Careers Advisor told us about the Student Awards Agency for Scotland's Bursary Scheme.'

'I just thought it would take care of itself ... because I knew I'd be getting funding from SAAS.'

Working Through University

- 6.42 Once at university, the majority of interviewees undertook paid employment during term-time and/or vacations. Only 6 of the 52 interviewees did not work, though felt that it would have been beneficial to do so but could not; the reasons being either health problems or having childcare responsibilities.
- 6.43 Some of those students with paid employment were able to use the skills that they had acquired before coming or while at university to generate income to financially support themselves. Most however, as the main survey also indicated (Chapter 2, Table 2.35) had routine jobs in call centres, retail or hospitality for example. And they worked, they felt, out of necessity:

'I can't afford a lot of the books that they ask to buy. You get them out of the library if you can [but] unfortunately the library has like one copy of each one so if you're unlucky then someone else has taken it out before you.'

'In total [student funding] was just enough to get by. I mean, that's basically what it is, enough to get by. Not that I think you should be living in luxury and driving your Ferrari at university, but in terms of, like, you know, it doesn't afford you any kind of ... you've got to work, you've got to go to university, so that's, you know, you just get by on that.'

- 6.44 The Cubie Report of 1999 recommended ten hours paid employment per week for HE students so that, in effect, part-time work could complement full-time study. Some students adhered to this approach but realised that they were lucky to be able to do so; many others were undertaking longer hours – confirming the main survey findings for both FT HE and FT FE students (Chapters 2 and 5, Tables 2.37 and 5.15 respectively).

'I normally would do about nine or ten hours a week. I know there are people who need to [do] like sixteen hours or even more, twenty hours ... I don't know how they do it. I suppose if you've got to do it, you've got to do it. So I'm probably fortunate enough that I can get away with only working the nine hours or ten hours a week which I'm quite happy to do. I would rather be a bit short of cash than ... [be] stressed out'

'Finances definitely take away from study time because I've got to work extra, you know, and I've got to work as many hours as I can. Although 22 [hours] is on my contract but I've got to take as many as I can. For instance I'm due four weeks holiday and I've had to say well, "Would it be okay if you paid me for them." Because I need the money rather than a holiday.'

- 6.45 As the two quotes above indicate, the students are having to make trade-offs. Whilst having paid employment provided financial viability for studying, the interviewees noted that such work impacted on their study:

'... because of my shifts it left me little time to study.'

'I had to do extra hours quite often. That did affect me, and it was night shift that I was working as well, and so that did affect me in terms of going to lectures or concentration levels or just having time to do the work'

'... it has also meant that other times when I would like to be fresh and awake and bright as a daisy, I'm kind of slightly tired because I've not had enough sleep and I've been standing in the bar till one or two in the morning.'

- 6.46 ... and their general university experience:

'You hear a lot about student life, and the social aspect of things, and I don't feel that I really got the whole University experience. ... I didn't really get to know a lot of people, fellow students. And that was perhaps difficult in terms of projects and just having people to kind of talk to about particular studying or research you were doing.'

Attitudes to Student Loans

- 6.47 Of course, as the data in Chapter 2 illustrates, paid employment is not the only source of income for these students; all were eligible for student loans. Most exercised that option, though a small number (6) chose not to.

- 6.48 The vast majority of the students spoke about an inevitability in having to have a student loan. Student loans were described as 'unavoidable', 'necessary', simply 'a means to an end' or as 'the norm'.

'I have the attitude that if I don't have the money in my hand for something I want, I can't afford it. And I just don't ... get it. It's just the way I was brought up. My parents were like that and I've always been like that all my life ... it would really cause me sleepless nights if I thought I owed money that I couldn't repay. And it's not worth it ... [but with student loans] it's a means to an end, really, isn't it? If I want to get this qualification, if I want to go to university, I'm going to have to take this on.'

'I've got two sets of student loans. The first set of student loans I have is based on one repayment system and the other set of student loans is based on another repayment system and I'm not entirely sure what

the difference is but I know that so far I have to be earning something like £15,000 a year before I even think about paying them back. So in that way they're a lot less stressful but I do know that I'm going to leave university with quite a lot of them.'

- 6.49 There were still concerns expressed, however, about having to take on a student loan, which is not surprising given that the interviewees were the types of students with backgrounds more likely to make them debt adverse, according to research:

'Just a student loan, I mean that's a big debt for me because as a family we don't have any debt apart from the mortgage. So I just hate debt altogether. We've never had an overdraft or anything, not that we're rich, just that we're... if we can't afford [it] we don't have it, you know.'

- 6.50 Despite their background, some of the interviewees were, nevertheless, relaxed about student loans as debt. Indeed, student loans were perceived differently to other forms of debt:

'I mean it's, it's still a debt but as debts go it's not one that you should really lose sleep over.'

- 6.51 A small number of interviewees went as far as to argue that they did not even consider their student loan as debt, one saying:

'I'll be honest and say that I don't really count student debt when people ask me about my debts.'

- 6.52 The interviewees also noted that another key difference between commercial loans, such as those available from banks, and students loans was the way in which the latter was to be paid back, although interviewees appeared to be vague on the details of what paying back might entail.

- 6.53 Some students, however, were more concerned, and a small number had decided not to take out a student loan. One who did not explained why:

'It really, really freaks me out, like completely freaks me out, that's why I don't want a student loan because I can't stand thinking of how much interest that I'm going to have.'

- 6.54 Other reasons as to why students had not taken out a loan included direct or indirect experience of past bad debt problems. For example, one interviewee spoke of a family member who had £30,000 worth of debt and this student did not want to replicate this problem and so was set against taking out a student

loan. The family member referred to was also against that student taking on more debt.

Attitudes to Debt Generally

6.55 Thus, whilst the students saw debt derived from student loans as normal, inevitable and different, there were still mixed attitudes about study-related debt and debt in general. Some of the students were very relaxed about the debt they had accrued or were accruing as a student, as these two examples show:

'[Debt] ... it's going to happen anyway, may as well live with it.'

'... you can't go to university unless you are [willing to take on debt]. I mean, that's the point. You see the loan, just says it all, I mean, you can't go to university unless you're willing to take on debt. I don't have the resources to fund my way through university ... so I have to take on debt.'

6.56 There were those students who were less accepting of debt generally, and for whom taking on debt was not welcome:

'It probably runs in my family ... it's probably a life experience thing in terms like you know eventually you need money for things so if you have to borrow money then essentially that's what you have to do, so it's not okay but it's just there's some things that's the only way you can get things done.'

'I hate debt, I hate owing money, absolutely hate it but, when you don't have a choice in the matter that's hard but it's not something I would choose to do, and it's not something I would recommend anyone to do, because once you're in it getting back out is just impossible just about, especially now.'

6.57 For some the attitude to debt had been shaped by earlier, very personal experiences, not social class background. For example, in the case of one student who had become bankrupt this student had '*learned how to budget properly, because it wasn't until I went to declare myself bankrupt that I got any kind of help with budgeting*'.

6.58 However, in the main, debt was an accepted fact of student life, and there was a hope, if not expectation, that the financial difficulties being experienced now were an investment that would bring benefit in the future:

'I think the debts are manageable. Being a graduate the opportunities are there to earn more in the end, so I think it's worth it.'

Attitudes to the Financing of Study

6.59 There were mixed opinions about the satisfactoriness of current funding provision for higher education study.

Table 6.19: Attitudes to current funding provision

	Interviewees 24 years and under	Interviewees 25 years and over	Overall
	%	%	%
'Good'	17	11	28
'Adequate'	11	26	37
'Getting better'	3	-	3
'Bad'	6	23	29
No clear answer	-	3	3
Total			100

6.60 As Table 6.19 indicates, only a minority of the students thought that current funding provision is good. However, overall, most thought that current funding is at least adequate. Interestingly though, the older, mature students (those of 25+ years) were more likely to state that current provision is bad – perhaps because they are more aware of past funding arrangements before student loans.

6.61 Mature students with dependent children were more vocal in their concerns about accumulating debt whilst studying:

'When a single parent or a lone parent's going back to work or to college, they're doing it to better themselves and better their families. Instead just now, they end up even more in debt than what they were to start with.'

'People are concentrating more on working and earning money to survive rather than actually studying and exploring their own potential and exploring their own self development through academia.'

6.62 When asked about who should pay for students' higher education, the most popular answer across the students was the government. Interviewees provided dual reasons as to why the government should pay. Firstly, they stated, the government would get the money back later in income tax. Alternatively, interviewees acknowledged that they were now or at least should be being weaned off dependency on their families. As one interviewee stated:

'I don't think my family, anyone in my family, at my age should have to contribute just to keep me supported.'

6.63 A small number mentioned that current or future employers may contribute, particularly if the course was vocational. Some interviewees thought that

students or their families should pay, or at least make some contribution if they could afford it. For example one of these interviewees said:

'I don't think they (students) should get everything handed on a plate.'

6.64 In discussing current funding provision for the study of higher education, the interviews raised a number of points. The most common of these points raised by the interviewees are presented in Table 6.20 below.

Table 6.20: Points raised about current funding

	Interviewees <24 years	Interviewees >25 years	Overall
	%	%	%
Not paying fees has enabled them to study	14	9	23
Means testing for bursaries/loans etc bears little resemblance to support parents/partner can actually give	11	6	17
The student grant should be reintroduced to replace student loans	9	9	18
The same funding for undergraduates should be available for postgraduates	3	-	3
Financial support for students bears very little resemblance to the cost of living	6	26	32
Reduction in Council Tax should be 50% where partner/flat-mate works and not 25%	3	-	3
Previous tax contributions etc of mature students should be recognised and rewarded	-	3	3
Students should receive full financial support for childcare	-	3	3
Student contribution to travel costs (the first £185) should be available as a grant	-	3	3
Financial support for students coming off benefits should not be less than amount previously received in benefits	-	3	3
Mature students should be eligible for the same travel discounts as younger students	-	3	3
Clear information about any equipment required for a subject should be available with financial support given to purchase	-	3	3
More collective information should be available about all sources of financial support available to students	-	3	3
Level of financial support for students in Scotland is resultant in a greater focus on working rather than studying	-	3	3

6.65 Although raised, and clearly of some concern for some of the interviewees, as the table shows, there is no groundswell of opinion expressed on any of the points. Younger students were more likely though to opine that not paying fees has enabled them to study and to query the efficacy of means testing bursaries and loans, and to suggest that student grants be reintroduced. The same issues were of similar salience for mature students. Although some younger students perceived a disjuncture between the available financing and the costs of living – ‘they don’t give you enough money to live on never mind do anything else,’ - it was mature students who were much more vocal in this respect. This perception was iterated by a one such student with a dependent child:

‘I really don’t think they’ve taken into consideration the actual cost of living. If you think about it four, four and a half thousand in a year is actually what, probably about four months of someone’s wages, I know it’s probably hard to encourage people to go out and get part-time work

and stuff like that but, sometimes people just cannot do that, I mean I couldn't do it because I had my son, you know'

- 6.66 Beyond the opinions expressed in Table 6.20, as with the respondents to the main survey there was a clear belief that the government should help those students who are struggling or who come from families who cannot afford to pay.

'They're [the government] looking for [a] good workforce and well qualified people but they've got to put in the effort and if ... the parents are able to pay it, but not many parents can, are able to pay it.'

Conclusions

- 6.67 Drawing on data from both the main survey and the interviews with full-time higher education students, this chapter has considered the attitudes and behaviour of these students prior to starting their studies, the financial challenges and the choices they make as a result of these challenges whilst studying and their views as to what their futures are likely to be after studying.
- 6.68 Responses from the main survey indicate that prior to starting their studies students appear to have mixed experiences as to the extent and usefulness of the provision of information and guidance about the costs of studying, with FT HE students particularly indicating that they would have liked more information prior to starting their studies. Whilst studying, students across all of the sub-groups reported a number of difficulties with a number indicating that they had thought about leaving their course prior to completing.
- 6.69 Although it was only an issue for a minority of students, the main reason indicated for considering leaving their course early was due to concerns about their finances. However, over 80% of all students reported that their financial difficulties had caused them worry and stress during their studies. Students also reported that they often went without or cut down on a number of things due to perceived financial hardship.
- 6.70 In looking forward post-study, a number of respondents indicated that they were likely to continue their education with another, more advanced course. For those students looking to go in to employment there was a generally realistic assessment of their likely earnings for their first job after graduation, though only a minority of PT HE and FT FE students thought that they would obtain a job in their chosen career; likewise only 50% of FT HE students. There were also mixed expectations about the impact of having a degree on various job outcomes, for example working conditions and job satisfaction.
- 6.71 When questioned about current funding policy it was clear there was a degree of discontent with the current arrangements, with a significant minority of students disagreeing with the view that current funding policies are fair. In particular,

students indicated their support for targeted support from government towards students from low income backgrounds.

- 6.72 Many of these attitudes and behaviours appeared crystallised amongst the students from working class backgrounds that we interviewed. These students, for example, expressed the same attitude towards current funding – that government support should target students who were struggling financially or from less well-off families. Overall though, with the exception of mature students being more likely to express a desire for the return of student grants, most of the interviewees seemed relatively satisfied with current funding arrangements.
- 6.73 There was, however, concern about the accumulation of debt as a consequence of studying, but also some resignation about its inevitability. This concern, particularly for mature students with dependent children, tended to centre on the disjuncture between the level of funding currently available and the costs of living. Given the finding from the main survey that students with dependent children have the most expenditure (see Chapter 3, Table 3.6), this concern seems justified.
- 6.74 Whilst most students had student loans, some did not in an attempt to avoid accumulating debt. However, generally, having a student loan was perceived as normal, again inevitable and also different from other types of debt, particularly that derived from commercial sources such as banks.
- 6.75 To help ease their financial difficulties whilst studying, most students had paid employment. This employment often involves relatively long working hours – certainly more than recommended within the Cubie Report of 1999. As a consequence, it was perceived to have a detrimental effect on the process and outcomes of study as well as the general student experience.
- 6.76 Most students hoped, and indeed expected, that the financial hardships being experienced now would be ameliorated by future benefits, particularly through the acquiring of better jobs. Indeed, these students appeared vocationally instrumental in the choice of subject for study.
- 6.77 Younger students appeared satisfied, even indifferent, to sourcing information about the cost of study and the availability of funding prior to going to university. Mature students were more likely to express dissatisfaction in this regard and felt disappointment in the lack of available information, an experience that was compounded, particularly for those with dependent children, by the level of debt being accumulated during study.

7. COMPARATIVE ANALYSIS

Introduction

7.1 In relation to the findings of the current study, this chapter reports two types of comparison. Firstly, it compares the full-time higher education combined students (FT HE Combined) data with the findings from the control group survey. This control survey was designed so as to make an assessment of differences in patterns of income, debt and expenditure between non-students and students, with the data for the latter providing data triangulation. The data was generated by a postal survey sent randomly to young Scots. The purpose of this survey was to benchmark students' finances against the finances of other young Scots. Secondly, the chapter makes a backward comparison with the FT HE and the further education (FE) data with findings from the previous Scottish study conducted in 2004-05 by Callender et al.⁷³ In this second comparison headline data only is compared.

The Control Survey Comparisons

7.2 With transitions from education to work having become more protracted and with many young Scots who decide not to progress to higher education encountering precarious labour market situations and making costly transitions to independent living, it is clear that financial hardship is not the preserve of students but may extend to the young working population. In this first comparison section, we explore the differences between the two groups in relation to the HE findings from the main survey reported over Chapters 2-4 in order to determine the extent to which students encounter greater financial hardships than qualified young people who do not progress to higher education. Given the small size of this sample, some caution needs to be exercised in the interpretation of the comparative analysis. As with the main survey and in the same way, data for the students from the control survey have been annualised where appropriate.

Sample Characteristics

7.3 Ninety responses were received from those reporting themselves as not being students, hereafter called non-student control. Over two-thirds of respondents reported living with their parents while 10% lived in their own home. The vast majority of respondents (89%) had Highers or A levels as their highest qualification, while the remainder had alternative qualifications that would permit progression to higher education (as outlined in the sample specification). Responses were also received from 274 respondents who reported being students (hereafter called student control group). All of these students were studying HE. Over half of the respondents reported living with their parents while

⁷³ Callender et al. (2005).

36% lived in rented accommodation with others and 4% lived in their own homes. These figures are not dissimilar from those of FT HE students in the main survey, of whom 43% lived with their parents, 36% in rented accommodation and 6% lived in their own homes.

- 7.4 Members of the two groups were all in the age range 19-21 (in both groups, 93% were aged 20 and 21). Among both the non-student and student control groups, males made up 45% of the sample and females 55%.

Table 7.1: Hours worked by occupation (non-student control group)

	Full-time (n = 67)		Part-time (n = 13)	
	% working FT	Mean hours worked per week	% working PT	Mean hours worked per week
Managers & Senior Officials	6	40	-	-
Professionals	3	38	8	20
Associate Professionals	9	41	-	-
Admin Staff	24	39	23	32
Skilled Trades	16	39	8	40
Personal Service	9	35	15	25
Sales/ Customer Service	24	38	39	27
Machine Operatives	7.5	41	-	-
Elementary	1.5	48	8	13
Average hours		39		26

- 7.5 The vast majority (78%) of the non-student control group reported working full-time with, 14% reporting working part-time and 2% working in both full-time and part-time jobs. Of those who reported their occupation and hours, administrative and sales and customer service occupations were the most popular occupations, with most full-time employees working between 38-41 hours per week (Table 7.1). This profile broadly fits the distribution of employee jobs by industry within the Scottish economy as indicated in the Scottish Government's (2008) *Scottish Economics Statistics 2008*.

Table 7.2: Hours worked by occupation (student control group)

	Full-time (N=25)		Part-time (N= 121)	
	% working FT	Mean hours worked per week	% working PT	Mean hours worked per week
Managers & Senior Officials	-	-	2	21
Professionals	17	38	2	15
Associate Professionals	17	45	4	27
Admin Staff	4	22	8	17
Skilled Trades	17	30	1	-
Personal Service	4	6	3	17
Sales/ Customer Service	21	31	55	14
Machine Operatives	8	41	3	17
Elementary	13	22	23	18
Average hours		32		16

- 7.6 Of the student control group, 53% reported having paid employment, of this figure 83% worked part-time and 17% full-time (Table 7.2). Of all students therefore almost one in ten (9%) reported working full-time. Clearly the students who are working full-time are working more hours than recommended by the Cubie Report of 1999 as an acceptable level of hours for students to work whilst pursuing full-time study. However, so too, at 16 hours on average, are those students who work part-time.
- 7.7 The distribution of employee jobs by industry for the student control group is different from that indicated in the *Scottish Economics Statistics 2008*. The industries that are most popular with these students are retail and hospitality (37% of these students work in the former, 16% in the latter). However, this pattern is in line with numerous studies on student labour. These studies have consistently reported that students are most likely to work in retail and hospitality, in sales and customer service and elementary occupations (Warhurst and Nickson 2007).
- 7.8 In the main survey of FT HE combined students, only 39% of respondents reported not working during term-time i.e. 61% of the HE students from the main survey were working in paid employment during term-time (Chapter 2, Table 2.31). This 'in-work' figure is slightly higher than that for the student control group. However, the average part-time hours reported as being worked in the student control group are higher than those reported in the main survey for all full-time HE students – 16 versus 12 hours. (Although 16 hours were also worked by FE students in the main survey, Chapter 5, Table 5.15). In the main survey, the most popular industry was also retail, with strong presence in hotels and other services (Chapter 2, Table 2.35).
- 7.9 Members of the non-student control group were asked if they had ever considered going to college or university but had decided against it for financial

reasons. Over 40% of all non-students reported that they had. The group were also asked if they had failed to complete a course for financial reasons, with 13% reporting that they had.

Table 7.3: Total income by characteristics (non-student and student control groups)

	Non-students (N = 90)		Students (N = 274)	
	Mean Income	Median Income	Mean Income	Median Income
	£	£	£	£
Age				
19	7877	8428	4779	3517
20	9109	9518	4867	4519
21	9633	9464	4505	4255
Sex				
Male	10183	10385	4521	4041
Female	8466	9000	4862	4638
Living with parents				
No	9523	9692	5291	4775
Yes	9090	9055	4255	3831
Social class				
Working class	10405	9672	5578	4880
Middle class	9026	9365	4434	4242
Total Income	9241	9439	4708	4423

7.10 Irrespective of age and sex, the mean income of members of the non-student control group was more than twice that of the student control. Among the non-students, mean female income was around 10% lower than male income, while among the student control group mean income was slightly higher for females (Table 7.3). For students as well as non-students, those respondents from the working classes tend to receive a higher mean income. For those in employment, it is recognised that workers entering working class occupations tend to reach an earnings plateau fairly quickly, while middle class occupations can involve low initial training wages but experience steady wage increases thereafter. If members of our non-student sample are failing to enjoy significant patterns of occupational mobility, these explanations could help explain this variance.

7.11 Respondents from the non-student control have a mean income covering both full-time and part-time employment of £9241; respondents to the student control £4708. The mean income for FT HE combined students in the main survey is £5,166. As might be expected, compared to the non-student control group, the main survey FT HE students also have a much lower income. Compared to the main survey for FT HE students, the student control group's income is slightly lower, despite all students working in the same industries typically. However, it is a difference that has no significance given the sample size for the student control group.

Table 7.4: Sources of income (non-student and student control groups)

	Non-students (N = 90)		Students (N = 274)	
	Mean Income	Median Income	Mean Income	Median Income
	£	£	£	£
Total Income	9241	9439	4708	4423
Received from paid work	8587	9000	2167	1418
Received in DWP benefits	124	0	5	0
Received as informal contribution	474	0	1444	831
Received in education related loans, grants and bursaries	0	0	1058	602
Other	56	0	34	0

- 7.12 The vast bulk of non-students income is derived from paid employment. Despite students' high levels of engagement in paid employment, the work-related income of the non-students is around four times higher (Table 7.4). With some of the non-students being out of work, this group also received more in benefits. While students received an average of £1444 in informal contributions, non-students received around a third of that sum but which still represented an outlay for their parents. In addition and unlike the non-students of course, the students received study-related income from grants, bursaries and loans etc.
- 7.13 The median income received from paid work for the non-student control is broadly comparable to published data on the general UK population with the *2008 Annual Survey of Hours and Earnings* (ASHE) noting that the median income for the 18-21 year age group is £9,744.
- 7.14 Whilst there are some specific item differences, perhaps accounted for by the small size of the student control, the income pattern for the student control group and main survey HE students is similar. Income from paid employment is similar for the student control group and the FT HE students in the main survey (£1945 versus £2167). Study-related loans, grants and bursaries etc. amount to £1575 for the student control group and just over £2000 for the main survey students (Chapter 2, Table 2.4).

Table 7.5: Total expenditure by characteristics (non-student and student control groups)

	Non-students (N = 90)		Students (N = 274)	
	Mean Expenditure	Median Expenditure	Mean Expenditure	Median Expenditure
	£	£	£	£
Age				
19	5564	5776	8460	8074
20	7680	6838	5923	5743
21	8240	7308	5906	5367
Sex				
Male	7736	6572	6104	5970
Female	7787	7610	6020	5509
Living with parents				
No	9045	9136	6914	6323
Yes	7077	6300	5394	5035
Social class				
Working class	8119	8958	6336	5690
Middle class	7427	6734	5901	5665
Total expenditure	7764	6787	6058	5721

7.15 Not only do the non-students have a higher income, they also have a higher expenditure than the student control (Table 7.5). Likewise the non-student group has considerably more expenditure than that of the FT HE students in the main survey (£7764 versus £6339) (Chapter 3, Table 3.4).

7.16 Both male and female students in the student control group spent around 30% less than non-students. These differentials were similar whether or not students and non-students lived at home. Of particular note is that while for non-students mean income exceeds expenditure, for the students, expenditure exceeds income (for males by around 30% and for females by around 20%). This pattern is similar to that for the FT HE students in the main survey (£6339 versus £5166). It may be a basic point, but it confirms that, for this age group, studying incurs debts. By contrast, non-students have some capacity to save.

Table 7.6: Total and types of expenditure (non-student and student control groups)

	Non-students (N = 90)		Students (N = 274)	
	Mean Expenditure	Median Expenditure	Mean Expenditure	Median Expenditure
	£	£	£	£
Total expenditure	7764	6787	6058	5721
Housing costs	1545	1130	1492	1350
Living costs	6031	5512	4442	3869
Child-care costs	33	0	0	0
Other cost	155	0	124	0

- 7.17 Both students and non-students report spending most of their income on living costs (Table 7.6), followed by housing costs. None of the student control group had childcare costs, though some were incurred for the non-student group.⁷⁴ Housing costs were similar for both student and non-student populations, although living costs were about 35% higher for non-students, perhaps suggesting that discretionary spending among students was limited.
- 7.18 The respondents from the non-student control spend more than the FT HE combined students in the main survey. The data for FT HE students from the main survey resonates with that of student control data (£6339 versus £5943).
- 7.19 In terms of the distribution of expenditure the student control and the main survey students have similar living and housing costs. The housing costs for the non-students groups are also similar to those of students. However, the non-students living costs are much higher.

⁷⁴ It should be remembered here that the control groups (both students and non-students) were 19-21 years old and that the respondents to the main survey included older and mature students. Hence child-specific costs are likely to be more salient for respondents to the main survey.

Table 7.7: Percentage of respondents who reported having to go without various items (non-student and student control groups)

Have gone without or cut down on for financial reasons...	Non-Students (N = 90)	Students (N = 274)
	%	%
Clothes	53	65
Shoes	39	59
Toiletries	10	21
Prescriptions/ medicines	6	10
Food at home	11	19
Food way from home	16	36
Alcoholic drinks	44	59
Heating	10	19
Visiting friends/family	20	32
Phoning friends/family	11	18
Books	5	25
Trips related to study	0	11
Going out/ entertainment	43	66
Hobby or sport	11	31
Holidays	40	51
Childcare	0	1
I never go without	7	7
Money is never tight	12	8
Other item	3	2

7.20 Respondents were asked to indicate if they had had to go without a range of items due to lack of funds (Table 7.7). On every item, the students were more likely to report having to go without, often by a substantial margin. Yet perceived hardship was widespread; only 7% of students and 12% of non-students saying that money was never tight. Almost one in 5 students and one in 10 non-students had gone without essentials such as food at home or heating. Around 6 in 10 students and 4 in 10 non-students had gone without alcoholic drinks or forms of entertainment. Among the students, one in 4 had gone without books, while one in 10 had been unable to afford a trip related to study.

7.21 As with the control group, in terms of going without, FT HE students in the main survey also reported that they went without clothes, shoes, alcoholic drinks, going out/entertainment and holidays.

Table 7.8: Respondents who reported being unable to pay for various items due to financial constraints (non-student and student control groups)

Items unable to pay for:	Non-Students (N = 90)	Students (N = 274)
	%	%
Utility bills	6	14
Rent/mortgage	7	12
Travel to work/college	4	15
Credit cards	11	11
Loan repayments	3	3
Student loan repayments	4	5
Food	5	15

7.22 Students were more likely than non-students to find themselves in a position where they were unable to pay for essential goods and services (Table 7.8). Food, travel to college or work, utility bills, rent and credit cards were all mentioned by between 10 and 15% of the students. Non-students were equally likely to have problems with credit card payments, but were far less likely to have problems with other essential goods and services.

7.23 Similar proportions of FT HE combined students in the main survey reported being unable to pay for various items because of financial constraints. The percentage of FT HE combined students unable to pay for travel to work or college was marginally higher (19%). They were also substantially more likely to be unable to pay for food (23%) (Chapter 6, Table 6.12).

Table 7.9: Respondents description of the extent to which their money was sufficient for their current needs (non-student and student control groups)

Best description of money for current needs	Non-Students (N = 90)	Students (N = 274)
	%	%
I have a lot more than I need	2	2
I have a little more than I need	19	9
I have about the right amount	37	36
I have a little less than I need	38	37
I have a lot less than I need	4	15

7.24 Respondents were asked to indicate the extent to which their current income was sufficient to meet their current needs (Table 7.9). Just under half of the students and well over half of the non-students indicated that they had about the right amount or had more than they needed. However, slightly more than half of the students and just over 40% of the non-students had less than they needed, with 15% of students indicating they had a lot less than they needed.

7.25 In terms of income sufficiency, around 40% the FT HE students in the main survey felt that they had about the right amount or had more than they needed; around 60% felt that they had less than they needed (Chapter 6, Table 6.9). As

with the control students, a large minority of main survey students, around 20% in this case, said that they had a lot less money than they needed.

Table 7.10: Total debt (non-student and student control groups)

	Non-students (N = 90)		Students (N = 274)	
	Mean Debt	Median Debt	Mean Debt	Median Debt
	£	£	£	£
Total Debt	2940	850	3520	1300

7.26 Mean total debt for non-students in the control group is £2940 and for the student control £3520 (Table 7.10). The students therefore have more debt than non-students. The overall margins here are not great though given the relatively high sums reported by non-students, but obviously levels of debt among the students would be far higher if student loans were included.

7.27 Mean total debt for FT HE students in the main survey is £4987 (Chapter 4, Table 4.4). This is substantially higher than that of non-students and students in the control group.

7.28 What is significant in both cases of students is that they have more debt than non-students.

Table 7.11: Total savings (non-student and student control groups)

Non-students (N = 90)		Students (N = 274)	
Mean savings £	Median savings £	Mean savings £	Median savings £
3996	2000	4752	3000

7.29 Perhaps surprisingly, the level of savings held by the student sample was higher than for the non-students (Table 7.11). We suspect that this points towards the habits of those students who work and save during vacations to help meet term-time expenses.

7.30 Among the students, 56% claimed to have some savings, compared to 62% of the non-students. 49% of the FT HE students in the main survey claimed to have some savings.

Summary

7.31 Our survey suggests that both students and non-students encounter significant levels of hardship and have relatively low levels of discretionary spending. Students, though, clearly faced greater financial hardships with lower income and expenditure than those who were not studying. Indeed, for students, expenditure tends to exceed income by a substantial margin. Despite the extensive

engagement of students in paid employment (far greater, on average, than that regarded as acceptable in the Cubie Report of 1999), it is not uncommon for students to encounter severe hardship, having to go without essentials, as well as having to reduce course related expenditure.

- 7.32 Comparing the data for student control group and the FT HE Combined students from the main survey reveals similar levels of income (£4708 versus £5166) and expenditure (£6058 versus £6339), though the latter students have more debt (£3520 versus £4987) and lower savings (£4745 versus £1596).
- 7.33 Comparing the students in the control survey and FT HE students in the main survey across a range of measure, the data reveals that the latter students:
- Work in similar industries
 - Work slightly less part-time hours in paid employment.
 - Have similar levels of income
 - Have similar levels of expenditure
 - Have higher levels of debt (but this finding should be treated with caution)
 - Have perceived similar hardships
 - Have lower levels of savings
- 7.34 The student control therefore provides a useful source of data triangulation. Whilst there are some differences, there is enough consistency for the data to offer some validation for the data presented for all FT HE students from the main survey.
- 7.35 The data from the non-student control group revealed that a large percentage had been deterred from further study at college or university for financial reasons. This finding is important. More generally, comparing the non-students in the control survey and the FT HE students in the main survey, the data reveals that the latter:
- Work in different industries; the students tend to be more concentrated in particular industries, non-students spread more across all industries.
 - Work less hours in paid employment, even when working part-time
 - Have lower levels of income
 - Have lower expenditure
 - Have higher levels of debt
 - Have lower levels of savings
- 7.36 This comparison thus demonstrates the utility of having a non-student control group. More importantly it confirms that students have higher levels of debt than non-students. Whilst non-students have a higher level of commercial debt, debt related to study over-shadows the total debt of non-students. Total mean debt for non-students is £3000; the study-related mean debt alone of students is £3467.

In addition, these students also have commercial debts. Overall, the mean total debt for FT HE students is £4987.

Comparisons with the Previous Scottish Study

7.37 This comparative section has two tasks. Firstly, it integrates the current Scottish study's findings from the FT HE (FT HE Combined) data with similar data from the previous studies of students in Scotland (Callender et al. 2005). Secondly, it integrates the FE data from the current Scottish survey with similar data from the previous Scottish study.

7.38 It should be noted, however, that there are differences in the research design of the previous Scottish study. The 2004-05 Scottish study of income, expenditure and debt for HE and FE was based on a nationally representative sample drawn from 15 Higher Education Institutions (HEIs) and 20 Further Education Colleges (FECs). Across the institutions a total of 1,317 face-to face-interviews were conducted. The vast majority of these interviewees (832) were under-graduates studying at both HEIs and FECs. The remainder (485) were students studying in a FEC, undertaking a variety of non-advanced courses.

7.39 For both the HE and FE comparisons, data is presented on total income, expenditure and debt, the distribution of income, expenditure and debt by type or source and then by the personal characteristics of the students.

Higher Education Comparisons

7.40 The section compares, where possible, FT HE data from the current Scottish study with that of the previous study of Scotland.

Table 7.12: Mean total income

	Scotland 2007-08	Scotland 2004-05
Total Income (£)	5166	5795

7.41 Table 7.12 indicates that mean total income for students in Scotland has decreased in recent years. The main reason appears to lie with students receiving significantly less informal contributions, as Table 7.13 highlights. This development requires further analysis. Students also now have lower student loans, which resonates with the point made in Chapter 1 in relation to current data from the Student Loan Company. It should be noted, however, that income from other student support has risen slightly, indicating a slight shift in income sources for students within that which is study-related. Some of the detail on the sources of this income is indicated Table 7.13 below.

Table 7.13: Sources of mean income

Sources of Income	Scotland 2007-08	Scotland 2004-05
Received in student loans	1430	1602
Received in education related grants & bursaries	759	700
Received from paid work during term-time	1945	1693
Received as informal housing contribution	163	1348 ⁷⁵
Received as informal living contribution	290	
Other*	570	187

Notes: * 'Other' income for the 2007-08 survey includes all other sources of income not already listed in the table, including income derived from benefits. The definition of 'Other' income for the 2004-05 survey does not include income derived from benefits as this income source was documented separately. Mean income derived from Social Security Benefits in 2004-05 was £265.

7.42 From Table 7.13, the level of informal income appears to have decreased though may have been artificially inflated in the previous study with the inclusion of a 'share of partner's income' in the previous Scottish study. What has increased is students' income from paid employment, up 15% since the last Scottish study. Sources of income from government related to study i.e. from student loans and education-related grants and bursaries has roughly stayed the same if combined. From the table the key difference relates to sources of informal income, which appear to have decreased considerably since 2004-05, but should be treated with caution because the methodology used to calculate the previous figure for informal sources may not be comparable.

Table 7.14: Mean total income by student characteristics

Total Income (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	4965	5322
25 years and over	8096	7850
Sex		
Male	5142	5466
Female	5186	6050
Living with parents		
Yes	4178	4666
No	5975	6108
Dependent children		
Yes	8997	9629
No	4937	5483

7.43 Overall, income has decreased or stayed roughly the same in relation to the personal characteristics of Scottish students over the past few years. Income for female students has decreased (down nearly 14%) as has that for students living with and without parents as well as with and without dependent children. (These figures should perhaps be seen in relation to the sources of income outlined above in table 7.13.)

⁷⁵ Includes a 'share of partner's income' (Callender et al. 2005: 44, footnote 17).

Table 7.15: Mean total expenditure

	Scotland 2007-08	Scotland 2004-05
Total Expenditure (£)	6339	6604

7.44 Overall, mean total expenditure has stayed roughly the same for Scottish FT HE students, Table 7.15 reveals. Within this headline figure, however, there has been a decrease in living costs, as Table 7.16 below reveals.

Table 7.16: Types of mean expenditure

Types of Expenditure	Scotland 2007-08	Scotland 2004-05
Housing costs	1116	1197
Living costs	3954	4515
Child-specific costs	203	67
Participation costs	957	824
Other costs	110	-

7.45 Housing costs have stayed roughly the same for Scottish FT HE students, though living costs have fallen by about 12%. Child-specific costs appear to have risen, which is an important development given that such costs can be important for particular students e.g. mature students.

Table 7.17: Mean total expenditure by student characteristics

Total Expenditure (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	5753	6344
25 years and over	10134	7728
Sex		
Male	6355	6717
Female	6327	6521
Living with parents		
Yes	5317	5816
No	7187	7083
Dependent children		
Yes	14144	7981
No	5913	6490

7.46 Expenditure appears to have risen in Scotland for mature FT HE students (up just over 30%) and those students with dependent children (up nearly 80%). Of course these two types of student are often the same. Expenditure for younger, male and students living with parents and without dependent children appear to have decreased in Scotland.

7.47 The table shows that expenditure for students with dependent children is now much higher. A large part of the difference probably relates to child-related costs.

The previous study reported child costs as £618 compared with £3815 reported by students in the current survey. One explanation for this difference is that the previous survey calculated child costs differently, subsuming these costs within participation costs. However, participation costs were lower in the previous survey (see Table 7.17) and this therefore requires further analysis. This comparative result therefore should be treated with caution.

Table 7.18: Total mean debt

	Scotland 2007-08	Scotland 2004-05 ⁷⁶
Total Debt (£)	4987	5099

7.48 In Scotland debt has stayed roughly the same over recent years, Table 7.18 suggests.

Table 7.19: Types of mean debt

Types of Debt	Scotland 2007-08	Scotland 2004-05
Study-related credit	3467	4277 ⁷⁷
Commercial credit	1284	307
Overdraft	Included in above figure	437
Arrears	Included in above figure	56
Informal credit	236	22

7.49 Study-related debt appears to have dropped in recent years in Scotland for FT HE students (Table 7.19). This finding would resonate with figures highlighted in the introduction of this report from the Student Loan Company (SLC) that reveal that the amounts owed by Scottish students was less in 2006-07 than in 2005-06. Commercially-derived debt, however, has risen considerably. Pooling commercial debt and overdrafts for the 2004-05 students, this type of debt has risen by just over 60% for Scottish FT HE students in recent years. Informal debt has also risen and is now more than 10 times higher, though the starting figure for 2004-5 was low.

⁷⁶ The 2004-05 survey reports both 'borrowings' and 'debt', and separately. However the sources of debt are not broken down. Instead 'borrowings', figures are offered, see Callender et al. (2005: 139-159). Caution is therefore necessary here.

⁷⁷ Refers to 'outstanding student loan debt'.

Table 7.20: Mean total debt by student characteristics

Total Debt (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	3923	4687
25 years and over	13081	6883
Sex		
Male	5005	5054
Female	4962	5132
Living with parents		
Yes	3171	2981
No	6435	6194
Dependent children		
Yes	13110	5816
No	4572	5040

7.50 Table 7.21 highlights that since the previous Scottish study, some debt has stayed roughly the same e.g. for female students while that for younger students has decreased. Some students are now incurring more debt e.g. those students living with and not living with parents. Most debt increase has occurred though for mature students and those students with dependent children (both have more than doubled).

Further Education Comparisons

7.51 The section compares FE data from the current Scottish study with that of the previous study of Scotland.

Table 7.21: Mean total income

	Scotland 2007-08	Scotland 2004-05
Total Income (£)	4299	4377

7.52 Mean total income for FE students has stayed roughly the same in Scotland over recent years (Table 7.21).

Table 7.22: Sources of mean income

Sources of Income	Scotland 2007-08	Scotland 2004-05
Received in student loans	0	0
Received in education related grants & bursaries	1776	1329
Other sources of student support	Included in above figure	486
Received from paid work during term-time	1566	948
Received as informal housing contribution	132	803
Received as informal living contribution	262	Included in above figure
DWP Benefits	414	743 ⁷⁸
Other	150	68

7.53 Income through study-related sources has stayed roughly the same for FE students in Scotland over recent years (Table 7.22). Income received from paid employment though has increased greatly (up 65%). Income from informal sources has also increased, up by about a quarter.

Table 7.23: Mean total income by student characteristics

Total Income (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	3948	- ⁷⁹
25 years and over	5787	6885
Sex		
Male	4667	4055
Female	4066	4688
Living with parents		
Yes	2888	3248
No	6356	6343
Dependent children		
Yes	6030	7121
No	4082	4012

7.54 Income increases and decreases over recent years vary by type of FE student (Table 7.23). It has decreased for mature and female students (down 15% and 13% respectively), those students living with parents and with dependent children (the latter down 15%). It has increased for male students (up 15%) and stayed roughly the same for students with no dependent children.

⁷⁸ Social Security Benefits.

⁷⁹ This study does not report a single figure for this age group.

Table 7.24: Mean total expenditure

	Scotland 2007-08	Scotland 2004-05
Total Expenditure (£)	5581	5320

7.55 Table 7.24 reveals that mean total expenditure for FE students has increased slightly in Scotland over recent years.

Table 7.25: Types of mean expenditure

Types of Expenditure (£)	Scotland 2007-08	Scotland 2004-05⁸⁰
Housing costs	771	785
Living costs	3741	3836
Child-specific costs	224	60
Participation costs	750	639
Other costs	94	-

7.56 Most large expenditure types have remained roughly the same in Scotland in recent years for FE students, Table 7.25 shows. Child-specific costs, however, have risen – more than three-fold – and participation costs have risen by 17%.

Table 7.26: Mean total expenditure by student characteristics

Total Expenditure (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	5164	- ⁸¹
25 years and over	7593	6247
Sex		
Male	4998	5404
Female	6044	5238
Living with parents		
Yes	3783	4687
No	8202	6765
Dependent children		
Yes	9952	6527
No	5033	5161

7.57 Expenditure appears to have risen in Scotland for FE students who are mature (up over 20%), female (up 15%), not living with parents (up 21%) and have dependent children (up a considerable 52%). Expenditure for FE students who are male or living with parents has fallen. Expenditure for students with no dependent children has stayed roughly the same.

⁸⁰ Note that the 2004-05 study appears only to have included items on the four main expenditure types and did not explore 'other' costs (see Callender et al. 2005, Ch.4).

⁸¹ The survey does not have a single figure for this age group.

Table 7.27: Mean total debt

	Scotland 2007-08	Scotland 2004-05
Total Debt (£)	1266	261 ⁸²

7.58 FE students' debt has increased considerably since the last study, up nearly five-fold, Table 7.27 reveals. This finding is worth further investigation.

Table 7.28: Types of mean debt

Types of Debt	Scotland 2007-08	Scotland 2004-05
Study-related	41	- ⁸³
Commercial credit	1097	253 ⁸⁴
Informal credit	128	8

7.59 The increase in the overall debt level identified in Table 7.28 above appears to be due to considerable increase in commercially-derived debt, up four-fold. Informal debt too has risen 16-fold, though the starting figure cited in 200-05 was low.

Table 7.29: Mean total debt by student characteristics

Total Debt (£)	Scotland 2007-08	Scotland 2004-05
Age		
24 years and under	742	- ⁸⁵
25 years and over	3487	718
Sex		
Male	560	286
Female	1827	236
Living with parents		
Yes	689	70
No	2107	780
Dependent children		
Yes	3475	722
No	989	200

7.60 Noting the need for caution signalled earlier with regard to the previous study's methodology, it appears that debt for all students has risen in recent years. For mature FT FE students the rise has been considerable (almost five-fold); likewise

⁸² As before with HE students, no debt, only 'borrowings', breakdown figures are offered for FE students, see Callender et al. (2005: 231-236). Caution is therefore necessary here.

⁸³ Not listed.

⁸⁴ Includes commercial credit, overdraft and arrears.

⁸⁵ The 2004-5 study does not report a single figure for this age group.

nearly eight-fold for female students and almost five-fold again for students with dependent children.

Summary

- 7.61 There are some differences in financial calculations across the two Scottish studies that limit comparisons. Where comparisons are possible, the data shows that for FT HE students in Scotland:
- Mean total income in Scotland has decreased slightly in recent years.
 - Mean total expenditure in Scotland has decreased slightly in recent years.
 - Mean total debt in Scotland has stayed roughly the same in recent years.
- 7.62 Where comparisons are possible for FE students in Scotland, the data shows that:
- Mean total income in Scotland has stayed roughly the same in recent years.
 - Mean total expenditure in Scotland has increased slightly in recent years.
 - Mean total debt in Scotland has increased considerably in recent years.
- 7.63 Although there are increases and decreases for different types of income, expenditure and debt and variations by type of student – both FT HE and FE – considerable change has occurred for mature students and those students with dependent children.

Conclusions

- 7.64 Making comparisons both with other contemporary data and that from previous studies is useful. It provides benchmarks plus enables developments to be identified. Moreover, the student control group data comparison offers some confidence in the robustness of the current study's data for FT HE students. Across all of the comparisons though, it should be remembered that there were some sampling, definitional and reporting differences. Nevertheless, the comparative data is useful.
- 7.65 In Scotland, non-students have higher levels of income, expenditure and savings, and lower debt than FT HE students in the main survey. Moreover, as the HE student control indicates, students are more likely to report going without particular items such as clothes and food. Despite having the qualifications that would enable them to do so, it is perhaps not surprising then that a large proportion of the non-student group reports being deterred from post-compulsory education because of costs.
- 7.66 The student control group confirmed that students are working more hours in paid employment than was recommended in the Cubie Report of 1999. Income

from this employment is rising and without it, it might be speculated that debt levels would be higher if expenditure remains constant.

- 7.67 Over recent years the income of FT HE students has slightly decreased – and, given the credit crunch and consequent recession in Scotland, the impact of both of which were unlikely to have been picked up in the current project, this situation will require monitoring. However, income has stayed roughly the same, though decreased for students with dependent children. Expenditure overall has decreased slightly; though has risen for mature students and risen considerably for students with dependent children. Overall, debt amongst FT HE students has stayed roughly the same though there have been shifts in the pattern of this debt driven by more money from commercial and informal sources. However, debt has risen considerably for both mature students and students with dependent children. These results should be treated with some caution though given that only 7% of our sample had dependent children and only 18% of our sample were above 25.
- 7.68 FE students' income has stayed roughly the same, though decreased for mature students and students with dependent children. Overall, expenditure has increased slightly for FE students, though much more for mature students and students with dependent children. Overall, debt has increased considerably for all FE students, though particularly so again for mature students and students with dependent children. The debt figure for FE students requires further investigation but seemingly driven again by commercial and informal credit – the same pattern as for HE students.
- 7.69 Notwithstanding the note of caution in 7.67 regarding sample size, an area of concern that emerges from the comparisons are the rising costs during study being borne by mature students and those students with dependent children. Widening access to post-compulsory education means encouraging participation from more 'non-traditional' students of which these two types are government priorities.

8. CONCLUSION

Introduction

- 8.1 This chapter has two main sections. Firstly, it provides summary headline figures on Scottish students' income, expenditure, debt and savings. It also maps the patterning of these finances across key groups of students in relation to the widening access and participation policy agenda in Scotland. Secondly, it revisits the limitations of the current study and offers some points for consideration in relation to the research design of any future study of Scottish students' finances.

Headline Figures

Student Income

- 8.2 Full-time students in higher education have a mean income of £5166, compared to £12,057 for part-time students. Further education students had a lower mean income: £4299. For part-timers in higher education, more than 80% of their income is derived from employment while for full-timers less than 40% relates to earnings from employment, with more than 40% coming from student loans and bursaries. Just over 60% of full-time higher education students received income from employment during term-time and around three-quarters had taken out a student loan.
- 8.3 Income varies by age and especially according to whether a student has dependent children. However, gender made little difference to income, while working class students tended to receive high levels of income (perhaps because students from more affluent families received more in the way of non-cash benefits).
- 8.4 Compared to their academically qualified peers who chose not to enter higher education, students' income represented around half of that enjoyed by the non-students. Yet both groups experienced considerable levels of hardship, with students being more likely to have to do without essential items.

Student Expenditure

- 8.5 Full-time students in higher education have a mean expenditure of £6339 (more than 20% higher than their mean income). Around 80% of this sum is spent on housing and essential living costs. Part-time students in higher education have an expenditure of £10,453, mostly spent on living costs. Further education students tend to spend less (£5581) although again this spend was more than 25% above their mean income.
- 8.6 Expenditure varied strongly between different categories of student. Those students with dependent children tend to have the highest expenditure, while

working class students spent more than their middle class peers. Part of the variance is accounted for by patterns of residence, with those who lived with their parents tending to accrue fewer expenses.

- 8.7 As with income, non-students had higher expenditure than students, in this case just over a fifth higher.

Student Debt

- 8.8 Full-time higher education students had a mean total debt of £4987, while part-timers owe an average of £4278. Further education students have a mean debt of £1266. While the majority of the debt of full-time higher education students relates to student loans, around a quarter relates to commercial credit. Mature students and those students with dependent children have accumulated the highest debts and those students from working class families owe over 25% more than their middle class peers.
- 8.9 Levels of debt accumulate over the period of study so that by the fourth year of study, full-time degree-only students owe an average of £7771.
- 8.10 While most students have to accumulate debt in order to complete their studies, non-students also run up debt. The level of debt of students, however, is much higher – almost 70% higher.

Student Savings

- 8.11 Full-time higher education students have mean total savings of £1596; part-time students have savings of £4294 and further education students £482. The levels of HE students' savings vary widely. Sub-degree students savings are half that of degree only students who, in turn have savings half that of PT HE students.
- 8.12 Note that a proportion of any savings sum might relate to money saved from vacation employment which is being used to subsidise term-time expenses, or indeed from money accrued prior to study.
- 8.13 Non-students have more than double the average level of savings of students.
- 8.14 Overall, compared to young Scots who are non-students, FT HE students have lower income, expenditure and savings and higher debt.
- 8.15 We now turn to analysis of differences amongst students. Table 8.1 below summarises the finances of the key student types. The figures are means for all students in the samples.

Table 8.1: Summary of students' finances

	Means			
	Income	Expenditure	Debt	Savings
FT HE Combined	5166	6339	4987	1596
PT HE	12057	10453	4278	4294
FE	4299	5581	1266	482

Patterns to Student Finances

8.16 The above table provides summary data on the total income, expenditure, debt and savings of the main student types. It is useful, however, to try to pattern these finances. The table below indicates the relative positioning of the finances of students who feature in the widening access agenda. In each category, such as males and females, the highest and lowest values are indicated relative to each other. Likewise mature students are compared to other age groups, those students with dependent children compared with those students without. Students from middle and working class backgrounds are compared too.

Table 8.2: Summary of relative finances of key student groups

Student characteristics	Income	Expenditure	Debt	Savings
Sex				
<i>Male</i>				
FT HE	same	same	same	higher
FE	higher	lower	lower	higher
<i>Female</i>				
FT HE	same	same	same	lower
FE	lower	higher	higher	lower
Age (Mature, 25+ yrs)				
FT HE	highest	highest	highest	lowest
FE	high but not highest	high but not highest	highest	highest
With dependent children				
FT HE	higher	higher	higher	lower
FE	higher	higher	higher	lower
Working Class				
FT HE	higher	higher	higher	lower
FE	lowest	lower	lower	highest

Notes: FT HE = FT HE Combined.
 Same = within a couple of hundred pounds difference.
 Savings figures relate to all students; to compare those students who have savings, see Chapter 4, Table 4.20 and Chapter 5, Table 5.40.

8.17 As the above summary Table 8.2 reveals, for FT HE:

- Male and female students have roughly the same income, expenditure and debt but males higher savings.
- Mature students have the highest income, expenditure and debt, and lowest savings.
- Students with dependent children have higher income, expenditure and debt, and lower savings.
- Working class students have higher income, expenditure and debt, and lower savings.

8.18 For FE, the summary Table 8.2 reveals:

- Male students have higher income and savings; female students higher expenditure and debts.
- Mature students have high but not the highest income and expenditure and also the highest debt and savings.
- Students with dependent children have higher income, expenditure and debt and lower savings.
- Working class students have lower income, expenditure and debt, and higher savings.

8.19 Collapsing these summary findings reveals that in participating in post-compulsory study in Scotland, the financial situation of male and female students is mixed for FE students but fairly similar for HE students. In terms of social class there is a disparity between the financial circumstances of working class students in HE and FE, almost a polarisation. Of salience is the financial situation of mature students and those students with dependent children. Whilst both have at least high income across HE and FE, their expenditure falls short of this income, resulting in the highest debt; they also have the lower savings, except in FE. The potential overlap between these two student groups requires further investigation.

Limitations to the Current Study and Considerations for Future Research Design

8.20 Although there were problems with the execution of the research design, that design did improve upon that of the previous Scottish study. Its scope is wider and its analysis deeper. Although the total sample size of 9181 is below the target of 14,000 students, it is considerably larger than the previous Scottish

study of 2004-05 by Callender et al.⁸⁶ In addition, the current study sought to contrast student finances with those of non-students as well as triangulate the data for student finances. It also complemented the quantitative analysis with analysis drawn from qualitative research.

- 8.21 There are issues, however, that ought to be considered in the design and scope of any future study of Scottish student finances.

Resources and Incentives

8.22 The sample for the current Scottish study may well have been even larger and representativeness made easier if the potential respondents to the main survey had been better incentivised to participate. Moreover, the current study had competition from other student surveys carried out in Scotland at the same time. In particular, the National Student Satisfaction Survey was concurrent and institutions had a strong incentive to encourage student participation in this survey whilst these institutions had no incentive other than good citizenship to participate in the student finance survey. Moreover, this latter survey was recently re-branded as the National Student Survey, a title that may cause confusion amongst the target population should the student finances survey be re-run in future years.

8.23 Similarly, whilst a comparison of student finances with the finances of non-students is desirable, the intention had been to attach a survey of the latter to a cohort of young Scots already participating in a government-sponsored survey. Not being able to do so and having instead to create new sample of young Scots to be surveyed and then effectively 'cold-calling' this sample without incentives for their participation is likely to have impacted on the response rate for the control survey.

With future projects examining student finances in Scotland:

- *There must also be co-ordination amongst government departments to ensure that the scheduling of key student surveys does not clash.*
- *These projects need to be better resourced in terms of being able to incentivise student participation and institutional support as well as any participation from non-students in a control survey.*

Access

8.24 Not being able to directly access students caused problems. One problem was that the research team had to negotiate access to students through host institutions. Not only were such negotiations carried out simultaneously with over

⁸⁶ Callender et al. (2005).

60 institutions, but with multiple individuals within those institutions, for example Principals and Data Protection Officers. These negotiations were time-consuming and resource-intensive.

8.25 Once access had been negotiated, a second problem emerged, which was that communication with students for the screening survey had to occur through host institutions. The project thereby relied upon the goodwill of host institutions' officers to then disseminate the email, the screening survey and follow-up reminder notices. Both of these problems created a third problem, which was that the initial scheduling of the project became compromised and delays inevitable. These delays created scheduling problems not just for the research team, but also for the subcontractor as well as the later dissemination of the main survey. As a consequence, the main survey then clashed with student vacation times – a situation that should be avoided.

- *Future surveys need to ensure that the research team has direct access to students in order to overcome these problems.*

8.26 Another problem centred on access to students in that not every FE college in Scotland communicates directly and regularly with its students via email. This situation does not exist in HEIs. As a consequence, as this study has revealed, attempting to conduct a web-based survey with FE students is currently not feasible. Thus, whilst examining student finances in FE might be desirable, and FE colleges are willing to participate in the national study, the capacity of some colleges to directly contact their students limits the feasibility of such participation. The nature of enrolment at FE and the myriad of types of education provision also makes it difficult for any study to calculate the size of the target population for the study in FE colleges, with implications for the calculation of response rates and the generation of appropriate sample sizes.

- *Any future studies that incorporate the study of FE students' finances should either do so in the context of all colleges having regular direct email communication with their students or have a research design that features a sample of FE college participants rather than aim to encompass all FE college students as participants.*

Questionnaire Design

8.27 With regard to the participation of FE students another problem occurred – that in order to adequately accommodate questions and answers appropriate to these students, the length of the questionnaire increased. Consequently, with a myriad of routing options, the time required to complete the questionnaire also increased. It might be speculated that the enhanced time-commitment required of respondents may also have impacted on the completion rate of the questionnaire of the main survey. It is noticeable that FE students are not included in either the England and Wales studies or the European studies.

- *Future Scottish studies, if they are to include FE students, might wish to consider a research design that targets these students separately from HE students. It might even be that separate but aligned projects for HE and FE students would be more apposite.*

8.28 Whilst the cost of study for students is a policy concern, that cost needs to be assessed against the regular income, expenditure and debt of non-students. Much of what students spend is what can be called 'lifestyle expenditure' and is a choice – entertainment for example – and the sort of expenditure common to other young people. It is only by comparing the finances of students with non-students that the additional costs of study can be determined. The current study attempted to make this calculation. Unfortunately, it was difficult to secure a sample of young Scots who are non-students. The result for the current study was that only a small non-student control group was achieved. Data from this group has some utility, giving an indication of the financial situation of these non-students.

- *Future studies might want to consider how a larger sample size might be achieved. This action might require cross-departmental discussions within the Scottish Government.*

Future Research

8.29 The limitations of the current study therefore arise from its prescribed ambitions and a review of the scope and nature of the study would seem timely. In the meantime, the current study represents an improvement on the research design of the first study and provides a robust database of Scottish students' income, expenditure and debt, and which is comparable to the previous Scottish report. It also provides an indication of the finances of Scottish students compared to young Scots who are not students.

8.30 One of the strengths of the current study's research design is its innovative introduction of qualitative research with semi-structured interviews. The purpose of this introduction was to enable greater depth of analysis to be undertaken of the finances of students from working class backgrounds and whose greater access to and participation in post-compulsory education is a key policy objective in Scotland.

8.31 The findings of the current study suggest this methodology could and should be extended to any future study's analysis of mature students and those students who have dependent children. Both of these groups, as with students from working class backgrounds, are similarly targeted for widening access but as the current study reveals, have particular financial challenges whilst studying.

- *These projects need to be better resourced in terms of being able to incentivise student participation and institutional support as well as any participation from non-students in a control survey.*

REFERENCES

Archer, L. & Hutchings, M. (2000) 'Bettering yourself? Discourses of risk, cost and benefit in ethnically diverse, young working-class non-participants' constructions of Higher Education', *British Journal of Sociology of Education*, 21, 4, 555-574.

Association of Scotland's Colleges (2008) *Added Value: Key Facts 2008*, Stirling: ASC, <http://www.ascol.org.uk/docs/keyfacts2007.pdf>

Barke, M., Braidford, P., Houston, M., Hunt, A., Lincoln, I., Morphet, C., Stone, I and Walker, A. (2000) *Students in the Labour Market: Nature, Extent and Implications of Term-time Employment Among University of Northumbria Undergraduates*, Research Report no 215, London: DfEE.

Callender, C. (2003) *Attitudes to Debt: School Leavers and Further Education Students' Attitudes to Debt and Their Impact on Participation in Higher Education*, London: Universities UK.

Callender, C. and Kemp, M. (2000) *Changing Student Finances: Income, Expenditure and Take-up of Student Loans Among Full-Time and Part-Time Higher Education Students in 1998-99*, Research report no 213, London: DfEE.

Callender, C, and Kempson, E. (1996) *Student Finances: Income, Expenditure and Take up of Student Loans*, London: Policy Studies Institute.

Callender, C. and Wilkinson, D. (2003) *2002/3 Student Income and Expenditure Survey: Students' Income, Expenditure and Debt and Changes Since 1998*, Research Report no487, Nottingham: Department of Education and Skills.

Callender, C., Wilkinson, D , MacKinnon, K., and Vegeris, S (2005) *Higher and Further Education Students' Income, Expenditure, and Debt in Scotland, 2004-2005* Scottish Executive: Glasgow.

Christie, H. and Munro, M. (2003) 'The logic of loans' *British Journal of Sociology of Education*, 24, 50, 621-636.

Christie, H., Munro, M. and Fisher, T. (2004) 'Leaving university early: exploring the differences between continuing and non-continuing students', *Studies in Higher Education*, 29, 5, 617-636.

Connor, H., Dawson, D., Tyers, C., Eccles, J., Regan, J. and Aston, J. (2001) *Social Class and Higher Education: Issues Affecting Decisions on Participation by Lower Social Class Groups*, Research Report RR267, London: Department of Education and Employment.

- Cubie, A. (1999) *Student Finance: Fairness for the Future*. Report of the Independent Committee of Inquiry into Student Finance, Edinburgh: HMSO
- Curtis, S. and Shani, N. (2002) 'The effect of taking paid employment during term-time on students' academic studies', *Journal of Further and Higher Education*, 26, 2, 129-138.
- Davies, P. Slack, K., Hughes, A., Mangan, J. and Vigurs, K. (2008) *Knowing Where to Study? Fees, Bursaries and Fair Access*. Report for the Sutton Trust.
- Education and Employment Committee (2001) *Higher Education: Student Retention, Sixth Report*, HC, 124 London: House of Commons.
- Forsyth, A. and Furlong, A. (2000) *Socioeconomic Disadvantage and Access to Higher Education*, Bristol: Policy Press.
- Forsyth, A. and Furlong, A. (2003) *Losing Out? Socioeconomic Disadvantage and Experience in Further and Higher Education*, Bristol: Joseph Rowntree Foundation and The Policy Press.
- Forsyth, A. and Furlong, A. (2003a) 'Access to higher education and disadvantaged young people', *British Educational Research Journal*, 29, 2, 205-225.
- Furlong, A. and Cartmel, F. (2005) *Graduates From Disadvantaged Families: Early Labour Market Experiences*, Bristol: Joseph Rowntree Foundation and Policy Press.
- Furlong, A. and Cartmel, F. (2009) *Higher Education and Social Justice*, Buckingham: Open University Press.
- Futureskills Scotland (2006) *The Scottish Labour Market 2006*, Glasgow: Futureskills Scotland.
- Gallacher, R. (2007) 'Students need a degree of financial wisdom to pick most comfortable location for college life', *The Scotsman*, 11 August, <http://news.scotsman.com/topupfeesandstudentfinance/Students-need-a-degree-of.3315535.jp>
- Gill, J. (2009) 'Practice what you preach', *Times Higher Education*, 8 January, 30-34.
- Higher Education Statistics Agency (HESA) (2006) *Performance Indicators in Higher Education in the UK 2004-05*, www.hesa.ac.uk/pi/0405/participation.htm.
- Hunter, T. (2007) 'Working students lose out on pay', *Scotland on Sunday Business Section*, August 12, p. 9

Iannelli, C. (2007) 'Inequalities in entry to higher education: a comparison over time between Scotland and England and Wales', *Higher Education Quarterly*, 61, 3, 306-333.

Knowles, J. (2000) 'Access for few? Student funding and its impact on aspiration to enter higher education', *Widening Participation and Lifelong Learning*, 2, 1, 14-23.

Lea, S.E., Webley, P. and Bellamy, G. (2001) 'Student debt: expecting it, spending it and regretting it', in A.J. Scott, A. Lewis and S. Lea (eds) *Student Debt: The Causes and Consequences of Undergraduate Borrowing in the UK*, London: Polity Press.

Lloyd, C., Mason, G. and Mayhew, K. (2008) (eds.) *Low Paid Work in the United Kingdom*, New York: Russell Sage Foundation

Metcalfe, H. (2005) 'Paying for University: the impact of increasing costs on student employment, debt and satisfaction', *National Institute Economic Review*, 191, 1, 106-117.

Morgan, M., Roberts, C.E. and Powdrill, P. (2001) More money than sense? Investigating student money management, in A.J. Scott, A. Lewis and S. Lea (eds) *Student Debt: the causes and consequences of undergraduate borrowing in the UK*, London: Polity Press.

Reay, D., Davis, J., David, M. and Ball, S. (2001) 'Choices of degree or degrees of choice? Class "race" and higher education choice process', *Sociology*, 35, 4, 855-874.

Roberts R, Golding J.; Towell T.; Reid S.; Woodford S.; Vetere A.; Weinreb I. (2000) Mental and physical health in students: the role of economic circumstances *British Journal of Health Psychology*, 5, 3, 289-297.

Ross, A, Archer, L., Thomson, D., Hutchings, M., Gilchrist, R., John, C and Akantzilou, K. (2002) *Potential Mature Student Recruitment in HE*, DfES Research Report, RR 385, Nottingham: DfES.

Scottish Government (2007) *Skills for Scotland: A Lifelong Skills Strategy*, Edinburgh: Scottish Government.

Scottish Government (2007a) *Education Maintenance Allowances 2006-07*, Edinburgh: Scottish Government

Scottish Government (2008) *Students in Higher Education in Scottish Institutions, 2006/07*, Edinburgh: Scottish Government.

Scottish Government (2008a) *Scottish Economic Statistics 2008*, <http://www.scotland.gov.uk/Resource/Doc/258934/0076785.pdf>

Scottish Parliament Information Centre (SPICe) (2007) *Lifelong Learning: Further Education*, SPICE Briefing 07/43, Edinburgh: The Scottish Parliament.

Select Committee on Education and Employment (2001) *Higher Education: Student Retention*, Sixth Report, London: House of Commons.

Shepherd, J. (2008) 'Poor students forced to live at home', *Guardian*, 25 November, <http://www.guardian.co.uk/education/2008/nov/25/studenthousing-students/print>

Sparrow, P.R. and Cooper, C.L. (2003) *The Employment Relationship: Key Challenges for HR*, Oxford: Butterworth-Heinemann.

Stradling, S. (2001) 'The psychological effects of student debt', in A.J. Scott, A. Lewis and S. Lea (eds) *Student Debt: the causes and consequences of undergraduate borrowing in the UK*, London: Polity Press.

TUC/NUS (2006) *All Work and Low Pay*, London: TUC/NUS.

UNITE/MORI (2005) *The Student Experience Report 2005*, UNITE/MORI: London.

Warhurst, C. and Nickson, D. (2007) 'Employee Experience of Aesthetic Labour in Retail and Hospitality', *Work, Employment and Society*, 21, 1, 103-120.

THE SCREENING SURVEY

Institutions to which the screening survey was sent, with responses.

Higher Education Institutions

All 19 Higher Education institutions provided 87% of the responses to the screening survey.

	No. of Responses	%
University of Aberdeen	13	0
University of Abertay	212	3
University of Dundee	754	9
University of Edinburgh	1,109	14
Edinburgh College of Art	50	1
Glasgow Caledonian University	851	10
Glasgow School of Art	127	1
University of Glasgow	1,151	14
Heriot-Watt University	27	0
UHI Millennium Institute	108	1
Napier University	461	6
Open University in Scotland	454	6
Queen Margaret University	166	2
Robert Gordon University	3	0
University of St. Andrews	57	1
University of Stirling	501	6
University of Strathclyde	1,351	17
RSAMD	49	1
University of the West of Scotland	651	8
Base	8095	100

Further Education Colleges

27 Further Education colleges provided 13% of the responses to the screening survey.

	No. of Responses	%
Aberdeen College	1	0
Adam Smith College	226	19
Angus College	34	3
Anniesland College	62	5
Banff & Buchanan College	33	3
Borders College	22	2
Cardonald College	156	13
Carnegie (Lauder) College	4	0
Clydebank College	105	9
Coatbridge College	45	4
Cumbernauld College	50	4
Edinburgh Telford College	29	2
Forth Valley College	10	1
Inverness College	25	2
Jewel and Esk College	23	2
John Weatley College	5	1
Kilmarnock College	1	0
Lews Castle College	13	1
Moray College	60	5
Newbattle Abbey College	5	1
North Highland College	22	2
Orkney College	26	2
Perth College	55	5
Sabhal Mor Ostaig	4	0
Shetland College	13	1
Stevenson College	136	12
West Lothian College	5	1
Base	1170	100

THE MAIN SURVEY

Institutions participating in the main survey, with responses.

Higher Education Institutions

19 Higher Education institutions provided 90% of the responses to the main survey.

	No. of Responses	%
University of Aberdeen	8	0
University of Abertay	118	3
University of Dundee	479	10
University of Edinburgh	681	14
Edinburgh College of Art	37	1
Glasgow Caledonian University	401	8
Glasgow School of Art	77	2
University of Glasgow	614	13
Heriot-Watt University	19	0
UHI Millennium Institute	75	2
Napier University	260	5
Open University in Scotland	309	6
Queen Margaret University	109	2
Robert Gordon University	2	0
University of St Andrews	50	1
University of Stirling	290	6
University of Strathclyde	911	19
RSAMD	33	1
University of the West of Scotland	330	7
Base	4803	100

Further Education Colleges

26 Further Education colleges provided 10% of the responses to the main survey.

	No. of Responses	%
Adam Smith College	99	19
Angus College	17	3
Anniesland College	26	5
Banff & Buchan College	14	3
Borders College	5	1
Cardonald College	80	16
Carnegie College	2	0
Clydebank College	36	7
Coatbridge College	18	4
Cumbernauld College	19	4
Edinburgh Telford College	11	2
Forth Valley College	4	1
Inverness College	10	2
Jewel & Esk College	10	2
John Wheatley College	2	0
Kilmarnock College	1	0
Lews Castle College	4	1
Moray College	25	5
Newbattle Abbey College	2	0
North Highland College	12	2
Orkney College	13	3
Perth College	30	6
Sabhal Mor Ostaig	4	1
Shetland College	7	1
Stevenson College	57	11
West Lothian College	3	1
Base	511	100

APPENDIX C

THE INTERVIEWEES

Brief study details and career aspirations of the interviewees.

No.	Type of Degree	Subject	Career aspirations
1	Ordinary	Fine Arts	Wants to do child art therapy.
2	Honours	Studying to become primary school teacher	Wants to be a teacher.
3	Honours	Geophysics	Hopes for a job in this field.
4	Honours	English and Business	Wants to do "corporate troubleshooting".
5	Honours	Social Sciences	Wants to do post-graduate study then lecture.
6	Ordinary	Doing courses on small business.	Hoping to be self-employed in arts and crafts.
7	Honours	Psychology	Thinking of post-graduate study.
8	Honours	Japanese	Wants to be an English teacher in Japan.
9	Honours	Occupational therapy	Wants to be an occupational therapist.
10	Honours	Doing Social Work	Wants to do social work.
11	Honours	Politics and Sociology	Hoping to get on graduate scheme with a company.
12	Ordinary	Computer animation	Hoping for a job in this field.
13	Honours	Chemistry	Thinking about PhD.
14	Honours	Psychology	Wants be psychologist or life-coach.
15	Honours	Was Economics, now Languages	Wants to teach English as a second language.
16	Honours	Nutrition	Wants public health job in nutrition.
17	Honours	Criminology	Thinking of jobs in the Immigration Office.
18	Honours	Does not say what is being studied.	-
19	Honours	Forensic Chemistry	Wanted to be a forensic chemist.
20	Honours	Social work qualification	Want to be social worker.
21	Honours	Social Sciences specialising in psychology	Wants to do counselling.
22	Ordinary	Sociology	Hoping to work in a university, may be in special needs.
23	Honours	Civil Engineering	Going to be civil engineer.
24	Honours	Biology	Doing science degree to make himself "employable".
25	Honours	Immunology and Microbiology	Will probably go for laboratory job in NHS.
26	Honours	History and Politics	Looking to teach in secondary schools.
27	Honours	Social Sciences	Hoping to go into housing work.
28	Honours	Medicine	Going into medicine.
29	Honours	-	Working as a quantity surveyor.
30	Honours	English and Psychology	Might do a PhD or work with children.
31	Honours	Forensic and Analytical Chemistry	Will apply for PhD. Looking for a chemistry type job.
32	Honours	Social work	Wants to be a social worker.
33	Ordinary	Accounting and Business	Going to look for an entry level accountancy job.
34	Honours	Acting and performance arts	Would look for a job with a theatre company.
35	Honours	Environment and Heritage	Will look for a job in this field.
36	Honours	Pharmacology	Now going to do a PhD in Paediatric Epilepsy.
37	Honours	Primary education	Primary school teacher.
38	Honours	Sociology, English, Education	Wants to work with vulnerable adults.
39	Honours	Psychology and Sociology	Wants to teach in a college.
40	Honours	Psychology	Wants to teach and going to do a PGCE.
41	Honours	Social Sciences	Wants to do primary teaching or social services job.
42	Honours	Social Sciences	Wants to do primary teaching.
43	Ordinary	Single parent studying for general interest.	Been looking for a job in the heritage field.
44	Honours	Psychology and Sociology	Going to post-graduate study, aiming to be an educational psychologist.
45	Honours	Food, nutrition and health	Wants to be a home economics teacher.
46	Ordinary	Arts Social Sciences	Going into teaching.
47	Ordinary	Health Science	Wants to work in health promotion.
48	Honours	Psychology and Sociology	Interested in educational psychology.
49	Ordinary	Maths and Teaching	Wants to be a Maths teacher.
50	Honours	Applied Music	Currently doing a PGDE to be a music teacher.
51	Honours	Pharmacology	Science business job.
52	Honours	Child development	Educational social policy work.

TECHNICAL DETAILS OF THE MAIN SURVEY ANALYSIS

This Technical Appendix refers to the analytical framework for the data from the main survey.

Sampling Strategy

The sampling strategy and details of the final sample size and breakdown by level of study is contained in Chapter 1.

Weighting Strategy

The data was initially broken down by level of study into the groups which we were primarily interested in i.e. Full-Time HE College, Full-Time HE HEI, Part-Time HE College, Part-Time HE HEI, Part-Time HE Open University, Full-Time FE, Part-Time FE. It became clear early on that we had insufficient responses from PT FE students to draw any valid conclusions regarding their behaviour and we therefore decided to look only at FT FE students. We then decided to weight the other groups in relation to the population totals for FT HE, PT HE and FT FE. The FT totals were further separated for weighting by whether they were degree or sub-degree students. The four populations were weighted separately, giving in effect four different surveys. This separation was done because institution and student participation varied so much between these groups: while full-time degree only students across Scotland participated in reasonable numbers, participation by sub-degree HE students was less representative across Scotland (most coming from a small number of participating FE colleges). In order to protect the results for full-time HE degree only students, the other populations were dealt with separately. In terms of the analysis, in order to be able to discuss figures for the FT HE sector as a whole, a weighted mean was taken of the degree and sub-degree means where necessary. The weights here were again based on the population totals found in the HESA and FES data

The final totals for each group are as follows:

FT HE:

Degree only	3959
Sub-Degree	372 (of which 116 attended HEIs and 256 attended Colleges)
Total	4331

PT HE 521

FT FE 114

The population totals which were used to weight the variables were the relevant HESA and FES totals for the year 2006-07 which is the most recent available data for both sectors.

In order to check whether the so weighted survey was biased by social class, a check was made on the proportion of students in receipt of the Young Students Bursary in the survey and it was found that the proportion in the survey was less than that of the student population, as indicated by data from SAAS. In this regard the results from the survey may not accurately reflect the finances of students from lower income background.

Weighting Variables

A number of variables were considered in this respect including, gender, age, level of study and year of study. Given the size of the sub-samples it was not considered sensible to use all these variables in each case. The actual weighting variables which were used for each of the sub-samples can be seen from the weighting tables which follow. Where the year of study was not given, the cases were distributed across the other years in proportion to the known sample totals in each year. Full-time sub-degree students reporting 3+ years were considered to be in year 2.

Trimming

The initial weights were examined to see if there were any very large or small weights which might bias the analysis. On examination it was found that only the weights for PT HE males studying at college had very high weights and they were trimmed to 4.5 in each case (i.e. for the two age bands). There were no weights below 0.25 and therefore there was no trimming at the bottom end.

Final adjustment

The final sets of weights were then adjusted to bring the un-weighted and weighted totals back into line for all the sub-samples.

Weighting Tables

The following tables contain the weights for all of the sub-samples:

Table D.1: FT HE HEI

Year of Course	Level of Study	Age	Female	Male
1	Degree Only	16-20	1.022247	1.873191
		21-24	0.619994	1.532631
		25+	0.39674	0.42558
	Sub-Degree	16-20	0.29418	1.410404
		21-24	0.706869	2.187294
		25+	0.92471	0.855245
2	Degree Only	16-20	1.029101	1.516004
		21-24	0.513994	1.173527
		25+	0.377884	0.691477
	Sub-Degree	16-20	0.121774	0.381443
		21-24	0.1167	0.157823
		25+	0.236431	1.133658
3	Degree Only	16-20	0.970481	1.777397
		21-24	0.601533	1.063246
		25+	0.462345	0.833452
		Total		
4+	Sub-Degree	16-20	1.698018	2.91992
		21-24	0.37739	0.910221
		25+	0.426498	0.980171

Table D.2: FT HE College

Year of Course	Level of Study	Age	Female	Male
1	Sub-Degree	16-20	1.477603	2.300215
		21-24	1.392194	2.419741
		25+	0.775333	0.754439
2	Sub-Degree	16-20	1.482778	2.343339
		21-24	1.005288	1.273699
		25+	0.366525	1.081792

Table D.3: PT HE HEI

Year of Course	Level of Study	Age	Female	Male
unknown	Degree	16-20	0.858722	2.078169
		21-24	0.462362	1.487924
		25+	0.487876	0.684389
	Sub-Degree	Total	2.981417	3.971314

Table D.4: PT HE College

Year of Course	Level of Study	Age	Female	Male
All	All	16-24	3.56621	4.915094
		25+	2.619051	4.915094

Table D.5: PT HE OU

Year of Course	Level of Study	Age	Female	Male
All	All	All	0.65477	0.607221

Table D.6: FT FE

Year of Course	Age	Female	Male
All	16-20	1.198226	2.158337
	21-24	0.722156	1.655111
	25+	0.407007	0.557333

Construction of Variables

The grouped variables were made up as detailed in the tables below. Each variable described here corresponds to a question(s) in the survey recalculated over the academic session.

Total Income
Student loan
Housing contributions from all sources
Living contributions from all sources
Paid employment term-time
Grant & bursaries
DWP Benefits
Former partner maintenance
Trust funds
Sales of belongings
Rent from lodgers
Other

DWP Benefits
Housing
Income support
Working tax
Other
Child benefit

Grants & Bursaries
Educational Maintenance Allowance
Further Education Bursary
Travel expenses
Young Student's Bursary
Mature Student's Bursary
Trusts etc
Employer's contribution
Scholarship
Hardship Funds
Disabled Students' Allowance
Lone Parents' Grant
Adult Dependants' Grant

Total Expenditure
Housing costs
Living costs
Participation costs
Other expenditure
Child specific costs

Housing
Mortgage
Rent (halls)
Rent (non halls)
Payments to parents (dig money)

Living Costs

Household fuel
Landline subscriptions
Mobile subscriptions
Internet subscriptions
TV subscriptions
Travel: work
Groceries
Take away meals
Alcohol consumed at home
Meals out
Alcohol out
Non-alcoholic out
Cinema
Clubbing
Sports
Religious activity
Hobby
Other clubs
Rental DVDs etc
Gambling
Other entertainment
Cigarettes
Newspapers
Laundry
Hygiene
Presents for others

Participation Costs

Travel: study
Computer and related equipment/consumables
Specialist equipment
Course fees

Child Specific Costs
Packed lunches
School travel
Toys/Books
Presents
Clothes/shoes
Entertainment
Pocket money
School Uniform
School outings
Tuition fees
Baby equip
Childcare

Total Debt
Commercial credit
Study-related credit
Informal loans from all sources

Commercial credit
Overdraft
Loan Repayments outstanding
Credit Cards balance outstanding
Hire Purchase

Study Credit
Student Loan outstanding
Employer's contribution to be repaid
Hardship funding to be repaid
Other grant/allowance to be repaid

Time Periods

The survey respondents were asked to give figures for all the income, expenditure and debts questions in weeks, months or years in order to make it easier for them to reply and to maximise the completed responses. These responses then had to be annualised (i.e. defining a year as an academic session). We therefore needed to define the length of an academic year. In discussion with the Scottish Government it was agreed that the most common length of term was 36 weeks and the data was therefore annualised on a 36 week or nine month basis.

Capital expenditure

A very small number of students reported significant items of capital expenditure i.e. car purchase. This figure was discounted using readily available information on the depreciation rate of cars in order to annualise these figures.

TECHNICAL DETAILS OF THE CONTROL SURVEYS

This Technical Appendix refers to the analytical framework for the data from the control surveys.

Sampling Strategy

The sampling strategy and details of the final sample size and breakdown by level of study is contained in Chapter 1.

Weighting Strategy

The data was initially broken down by the two groups, student and non-student control. These groups were weighted against the population totals found in the SQA data.

The final totals were as follows:

Student control 274

Non-student control 90

The population totals which were used to weight the variables were the relevant SQA totals for the year 2006-07.

Given the size of the two samples it was not considered sensible to weight by variables other than age and sex. In line with the main survey analysis strategy, weights in excess of 4.5 were to be trimmed. In this respect, the student control 19 year old males weight was adjusted. The final sets of weights were then adjusted to bring the un-weighted and weighted totals back into line for both the sub-samples.

Weighting Tables

Table E.1: Student control

Student Control	Male	Female
Age		
19	4.484536	0.986144
20	1.377229	0.903512
21	1.355273	0.667914

Table E.2: Non-student control

Student Control	Male	Female
Age		
19	0.905676	0.46065
20	1.470479	1.20586
21	1.236010	0.679462

Construction of Variables

The grouped variables were the same as those reported for the main survey.

Time Periods

The survey respondents were asked to give figures for all the income, expenditure and debts questions in weeks, months or years in order to make it easier for them to reply and to maximise the completed responses. These responses then had to be annualised. In line with the main survey, an annual period of 36 weeks was applied.

ISSN 0950 2254
ISBN 978-0-7559-7577-8

www.scotland.gov.uk/socialresearch

The text pages of this document are produced from 100% Elemental Chlorine-Free material.
The paper carries the Nordic Ecolabel for low emissions during production, and is 100% recyclable.

RR Donnelley B61224 06-09

