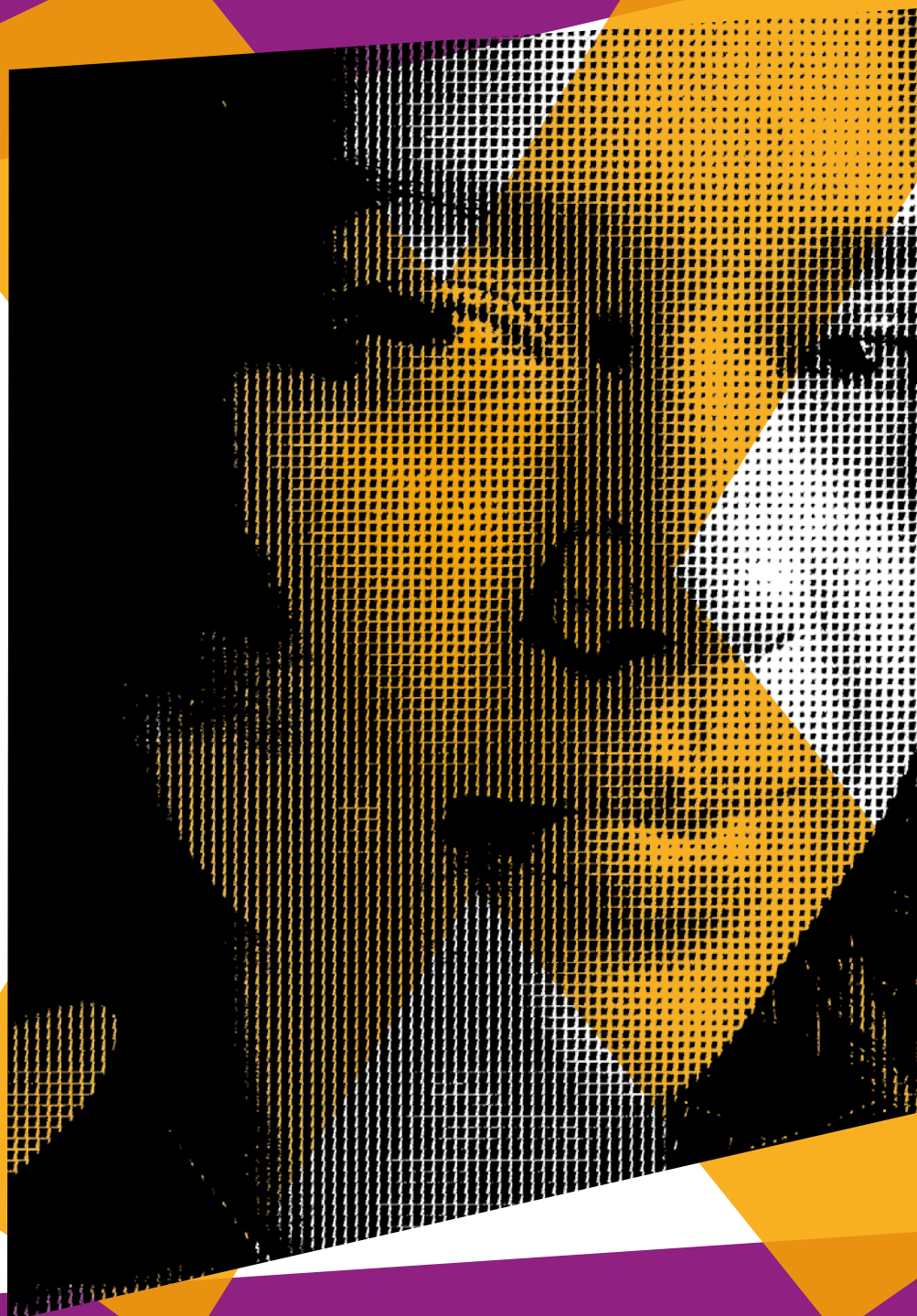


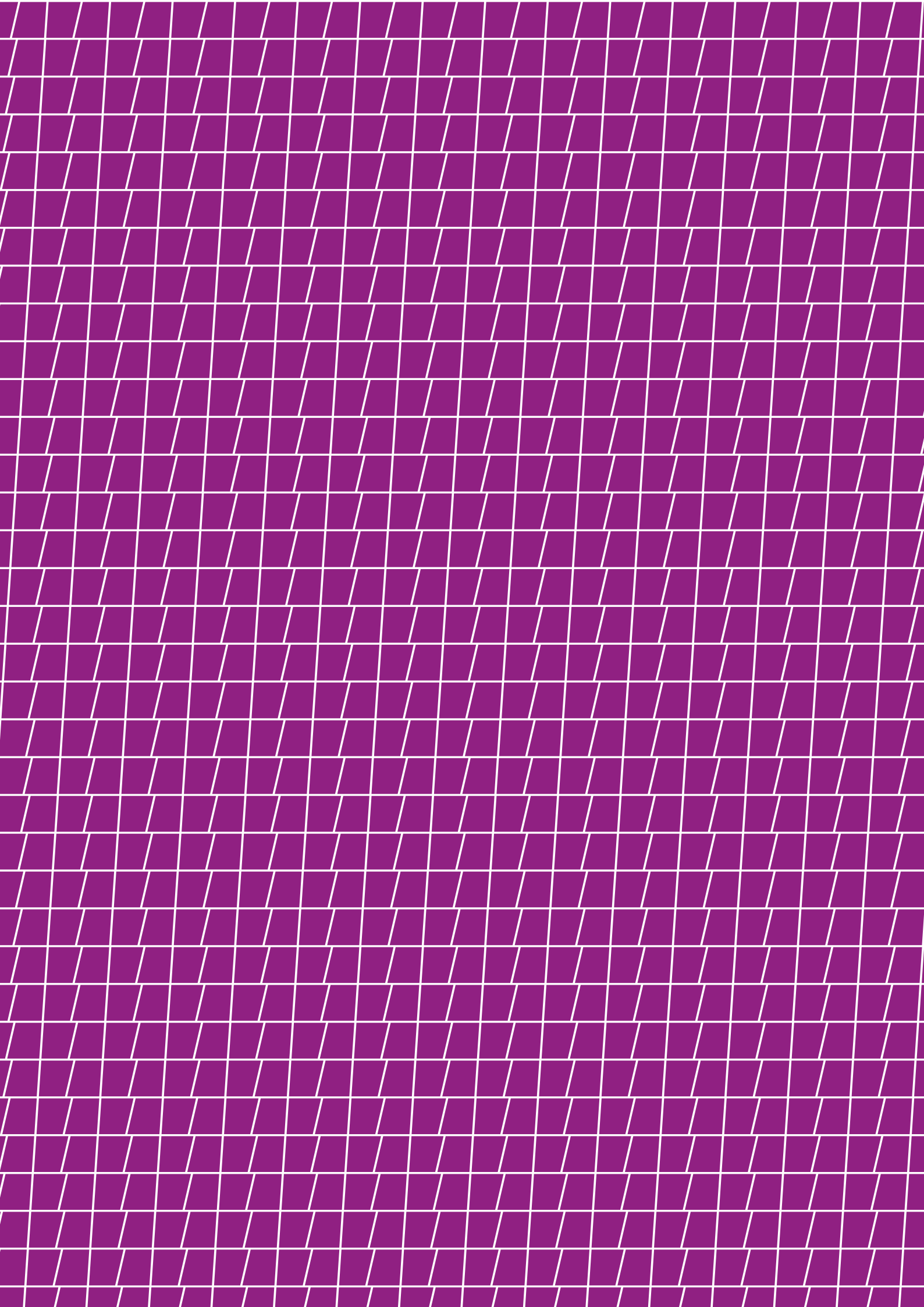
# **Class dismissed:** Getting in and getting on in further and higher education

Report of the NUS Poverty Commission



**POVERTY**  
**COMMISSION**

**nus**  
national union of **students**



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# Acknowledgements

**First and foremost, we would like to thank all of the organisations and individuals who submitted evidence or appeared before the commissioners for their time and effort, without which the commission would not have been possible.**

NUS is also extremely grateful to the 12 commissioners on our board (see Appendix 2) who did so much to help us understand key issues and the potential actions to take. Note that the final contents of the report are the responsibility of NUS alone.

The commission process was a significant project involving a number of colleagues. Thanks go to Katie Shaw for co-ordinating the initial stages, including the call for evidence and oral evidence sessions, and to David Livey for his work ensuring colleagues in Scotland, Wales and Northern Ireland were fully involved in the process. For their work to analyse the evidence and write the text of this report, many thanks must go to Melissa (Melz) Owusu, Fleur Priest-Stephens, Alan Roberts, Chi Chi Shi and David Malcolm. Further thanks to Lorna Fray and Jeremy Pilkington for their efforts proofreading and designing the final report to tight schedules, and to Shaunna Rushton and Holly Townsend for their work on communications relating to the commission. Finally, we are very grateful to Jim Dickinson, Sarah Kerton, Gareth Lindop, Cerith Rhys-Jones, Richard Stewart, Vicky Thomas, Ben Whittaker and Ian Williamson for their helpful comments on the draft report.





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■ ■ My hope, and my vision for the UK is that we will arrive at a day where my story is not against all odds."



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# Foreword

I am a black working-class single mother. I did not come through a traditional route to education. I left high school with 1 GCSE, left home at 16 – living on just £44.50 per week – and became the young mother of two beautiful girls. It was adversity not university that has moulded my life and made me the person I am today. If you were to tell any of my teachers at secondary school this would be where I am, where I have worked to be, they would have never believed you. But here I am. Against all odds. Further education transformed my life and gave me the second chance I needed. I am now the proud holder of a Level 5 Diploma in Leadership and Management and National President of NUS. I realised that before FE, I was living in the world, but not fully understanding it. Transformative education allowed me to become a part of it.

My hope, and my vision for the UK is that we will arrive at a day where my story is not against all odds. That no working-class person's story is against all odds. We will no longer be the exceptions to the rule when it comes to success and fulfilment in education. We will be the rule.

The evidence gathered by the Poverty Commission and set out in this report shows how far we have to go before that vision is real. For too many apprentices, learners and students, income is inadequate while the costs of their education keep rising. For working class students the barriers are only higher: the system creates a poverty premium that means those who don't have money to begin with end up paying more because they have to get in more debt and they can't avoid certain costs.

And it's not just money: poverty and class are linked. All too often, the assumptions made about apprentices, learners and students stem from the middle class perspective of the people who run our institutions, and mean that working class students don't see further or higher education as being for them. They don't have access to the same guidance and support to make the right decisions for them, or to help them when things go wrong. They are rejected by other students for being working class.

This has to change. Government, the FE and HE sector and the student movement must work together to take forward the recommendations of this report and challenge and dismantle all the barriers to education, so that everyone has the chance to get in and get on.

Education changed my life, and my vision is that everyone has the same opportunities as I did.



**Shakira Martin**  
NUS President

# Executive summary



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# Executive summary

**NUS established the Poverty Commission to bring issues of class and poverty in post-16 education to light – and to ensure the focus was on post-16 education as a whole rather than undergraduate study alone. This document summarises the findings and recommendations arising from initial research into these areas.**

In a society where class still determines too many outcomes, and poverty is on the rise, it is more important than ever to understand the barriers to accessing – and excelling in – post-16 education for working class people, and the ways in which poverty affects students' ability to enter and succeed in tertiary education.

The Commission took a collaborative approach to identify both problems and potential solutions. There were two main strands to its initial fact-finding work. First, we asked students, students' unions, academics, further and higher education sector agencies, trades unions, and business, charity and campaign groups to submit evidence on income and post-16 education. The call for evidence was launched in October 2017 and closed in December, and we received 66 responses in total. Second, we asked 12 individuals from these same groups to act as commissioners and hear from experts from a range of organisations. Over three full days, the commissioners heard from 13 witnesses discussing issues relating to finance, education and the way institutions and education itself is structured. The evidence received was then synthesised into the main report.

Following the announcement of the Government's review of post-18 education and funding in England in February 2018, and given the recent Diamond Review of education funding in Wales and the student support review in Scotland, this Poverty Commission report will focus on England, while drawing on the experience of the nations. Therefore references to 'the government' refer to that based in Westminster other than where stated. Further specific work for the nations will follow, along with additional analysis for liberation groups and others as required.





## Key findings

The evidence submitted to the Poverty Commission demonstrated a clear link between class and poverty in tertiary education. Further, the evidence showed that – in different ways, and not always intentionally – the result of this link is a ‘poverty premium’ endemic to further and higher education, which means that students from working class backgrounds often pay higher costs in order to access post-16 education as a consequence of class and poverty. This ranged from direct costs such as higher interest charges on student loans or commercial debt to indirect costs such as higher transport or accommodation costs arising from having fewer opportunities and choices than better-off students.



## Our key findings include:

### Student income

- Student income across tertiary education is inadequate, particularly in further education, and the sources of money available often fail to keep pace with inflation. Significant proportions of students report that they struggle to make ends meet.
- Average student expenditure routinely exceeds the income available through student support, and working class students are more likely to have to rely on part-time employment or other forms of debt to make ends meet, while being less likely to receive support from their families.
- Some groups cannot access any form of student support, with particular problems for some part-time and distance learning students as well as asylum seekers and migrants.
- Debt aversion is a significant issue for working class students, affecting not only their decisions to participate in further or higher education but also where and what to study.
- Under the current arrangements, student debt is regressive and the poorest students graduate with the highest student loan debt.
- Institutional bursaries and hardship funds are patchy across England, with working class students less able to rely on help from their families or savings if emergencies occur.
- Apprenticeship pay is inadequate. A significant proportion of apprentices are paid less than the legal minimum wage, while apprentices cannot access additional support for study costs, such as childcare.
- Other student workers often rely on insecure and low-paid work, and working class full-time students are more likely to work more than 15 hours per week, the recommended limit.
- The benefits system does not adequately support student claimants, with confusing rules around student income resulting in many mistakes, and disabled students facing cuts to benefits that limit their ability to study.
- Benefits rules mean young people undertaking apprenticeships may see family benefit claims reduced compared with those entering further education.

**‘The evidence submitted to the Poverty Commission demonstrated a clear link between class and poverty in tertiary education.’**

- Student support for undergraduates is paid termly, an antiquated arrangement that makes weekly and monthly budgeting difficult.
- The official Government data on student income and expenditure is limited – little exists on further education and postgraduate study, and data is often delayed or not kept up-to-date.

### Student expenditure

- Rising costs of transport and cuts to bus services make it more difficult for working class students to participate in tertiary education.
- Fees for access courses can mean that many working class students pay an additional year of fees to gain qualifications, in addition to the opportunity costs of an extra year of study.
- Student hall rents routinely exceed what is affordable given the maintenance loan available to students, and institutional strategies to ensure affordability are rare.
- Working class students, and other student groups including international students, can struggle to find a guarantor to rent in the private sector, leading them to use private schemes with exorbitant fees and interest rates.
- Childcare funding is inadequate and provision on campus for student parents is limited. Working class students can struggle to plan ahead because of timetables being issued late and face large deposits on childcare before they receive student support.

**‘Addressing issues of class and poverty across further and higher education requires a wide range of actions.’**

- Apprentices’ childcare costs can exceed their wages and apprentices can find it difficult to understand their entitlement to support.
- Course costs are not transparent and students and apprentices from working class backgrounds often find costs hard to manage, especially where items are compulsory.
- In research submitted to the commission, a significant proportion of students reported experiencing periods when they could not afford food or heating.
- A lack of funds means that working class students struggle to afford to participate in extra-curricular activities, which can lead to isolation from other students.

**Structures of education**

- Educational disadvantage starts in primary and secondary education, and there are clear links between poverty and child development. After a period of decline, child poverty is now rising and will increase future disadvantage for working class students.
- Experiences in school can have a significant impact on students’ attitudes to education. This can influence whether working class students feel that further or higher education is something ‘for’ them, reinforced by societal assumptions about their aspirations.
- Bullying contributes to truancy and disengagement in school, which is strongly linked to sustained disengagement with education and training.

- The relative health of the labour market and the perceived worth of further study will influence working class people’s participation in post-16 education.
- A range of social barriers prevent many individuals from engaging with education and lifelong learning, including lack of access to the internet at home, poor health and insufficient English language skills.
- Bereavement can disrupt access to education, and working class students in particular may not have the financial or emotional support they need in the aftermath.
- A range of barriers prevent prisoners and ex-offenders from accessing education, including requirements to disclose convictions on application forms when these are not relevant to the course, and inadequate information, advice and guidance in prison on educational opportunities.
- Low-income students are often more reliant on commercial debt, or carry forward such debt from before their course, which has both a financial and a psychological impact than can disrupt studies.
- Working class and Black students are more likely to commute to their educational institution, and can have restricted choices if particular subjects or qualifications are not available in their local area, or if public transport networks are poor.
- Approaches to student information, advice and guidance may assume that individual students need higher aspirations – rather than looking at how institutions can change to remove barriers to education.
- The dominant culture of higher education is middle class, and working class students can be made to feel they do not ‘belong’, ranging from feeling disconnected from their peers to being bullied by other students because of their class.
- Working class students are more likely to leave their course before achieving the final qualification, with other intersections including race and disability affecting course retention.



# Key recommendations

**Addressing issues of class and poverty across further and higher education requires a wide range of actions from government, the further and higher education sectors, and from NUS and students' unions.**

## For the UK government

*Ensure students have the money to live*

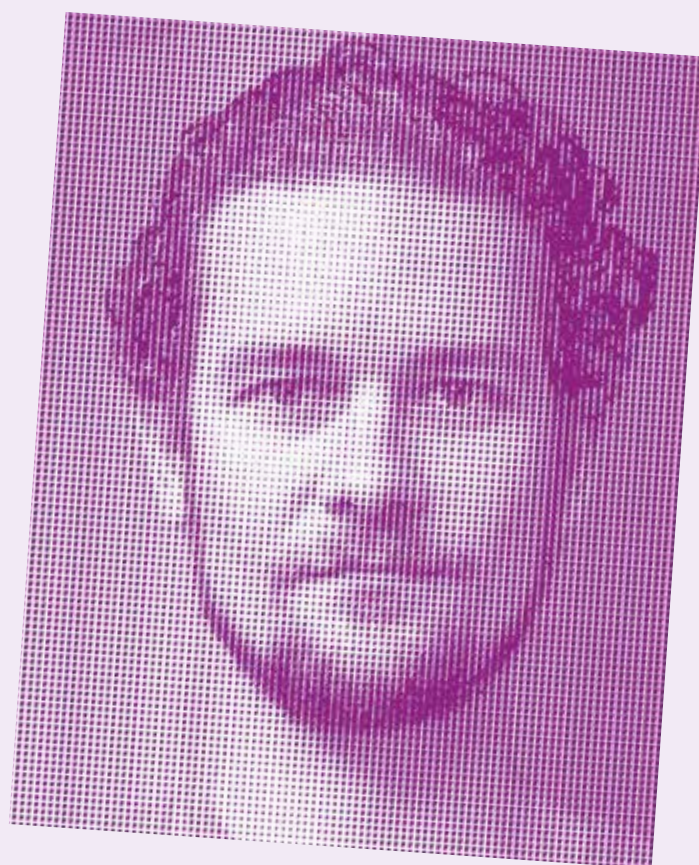
- The review of post-18 education and funding should create a minimum living income for students across further and higher education.
- The review must fundamentally reduce reliance on student loans to finance studying, and reduce the interest rate on any loans that remain.
- The Government must reinstate grant funding across further and higher education, including maintenance grants for undergraduate students, education maintenance allowance (EMA) for young further education students and NHS bursaries for healthcare students at significantly improved rates.
- Means testing must be reviewed to ensure a fair system and clear expectations of the parents and partners of students.
- Student support across all different levels of study must be pegged to inflation, to ensure that it retains its value over time.

*Ensure students and apprentices are paid a fair wage*

- The apprenticeship minimum wage should be increased, and apprentices should move on to the appropriate age rate after six months.
- Minimum wage rates for young people under 25 should be brought up to the same rate as the National Living Wage for those aged 25 and over.
- The National Living Wage rate should be increased to the real living wage, as set by the Living Wage Foundation.
- The Government should ensure compliance with minimum wage laws, especially for those apprentices being exploited by employers.

*Ensure the benefits system enables students who need extra support*

- The Government should undertake a full review of the articulation between the student support system and social security system to ensure students with additional needs are fully supported.



- Support for families with young apprentices should be reviewed to ensure parity with students in other forms of further education.

*Ensure students are able to budget effectively*

- Student support should be paid monthly or weekly to enable students to budget more effectively.

*Ensure student parents in further education have access to support*

- Care to Learn childcare funding should be extended to provide cover for apprentices and the upper age limit should be increased to 25 years old
- Childcare funding should be made available to adult learners.

*Ensure we have accurate and current data on student income and expenditure*

- The Government should ensure timely publication of future Student Income and Expenditure Survey reports, and ensure that work on the next edition begins immediately.
- Equivalent data must be collected and published on income and expenditure in further education and postgraduate study.

*Ensure that barriers in children's early years and prior to entering study are removed*

- Greater investment is required in early years education, parental and primary outreach to support working class students into tertiary education.
- Ensure there is more action on tackling bullying and education on improving personal relationships in primary and secondary school.
- The Government should provide more funding so that all families can access the internet.
- The Government should restore funding to teach English for Speakers of Other Languages (ESOL) and enable refugees and asylum seekers to access funding and support to progress in tertiary education.



**'In a society where class still determines too many outcomes, and poverty is on the rise, it is more important than ever to understand the barriers to access.'**

#### **For the further and higher education sectors in England**

*Ensure the costs of educational participation are fair*

- Education providers should develop a strategy to reduce the costs of studying as far as possible, including conducting full audits of course costs associated with studying and apprenticeship programmes, from reading lists to accommodation, and considering ways to reduce or remove costs for students from low-income backgrounds.
- Education providers should be transparent about the costs of study for individual programmes to enable students to plan and budget accordingly.
- Higher education providers should include measures to ensure access to affordable accommodation for low-income students in institutional access and participation agreements.
- Education providers should develop guarantor schemes for students who do not have family support to enable them to access accommodation.
- Further and higher education providers should work with local childcare providers to secure preferential rates for student parents, as well as more flexible childcare options.

*Ensure students can access extra support if needed*

- Further and higher education providers should ensure they have well-funded and well-publicised hardship schemes.



*Ensure high-quality work opportunities for students who want them*

- Each education provider should develop a student employment strategy, which prioritises students for suitable internal jobs, and ensures that external job opportunities have appropriate hours, living wages and good employment conditions.
- Education providers should work with employers to secure paid internships for working class students.

*Ensure that people who are in or have left the criminal justice system can access education*

- Remove compulsory criminal offence disclosure from course application processes where this is unnecessary.
- Include better advice on accessing tertiary education within the prison system.

*Ensure greater collaboration on access to further and higher education*

- Further and higher education providers should collaborate on access to study at a regional level, including mapping subject and qualification availability.

*Ensure information, advice and guidance meets the needs of learners not providers*

- Change institutional approaches to information, advice and guidance to address institutional barriers and avoid the automatic assumption that prospective students should increase their aspirations.
- Support school teachers to develop conversations with their pupils about their future academic career.
- Ensure sufficient access to student money advisers in all education providers.

*Ensure greater access to part-time education*

- Expand options to undertake individual course modules so learners do not have to commit to full degree programmes to participate in higher education.

**For NUS UK and students' unions**

*Ensure we campaign effectively on student transport*

- Use local elections and other influencing opportunities to ensure local authorities use their powers under the Bus Services Act 2017 to ensure accessible and affordable local transport for students.

*Ensure we have a new model of accommodation provision in higher education that works*

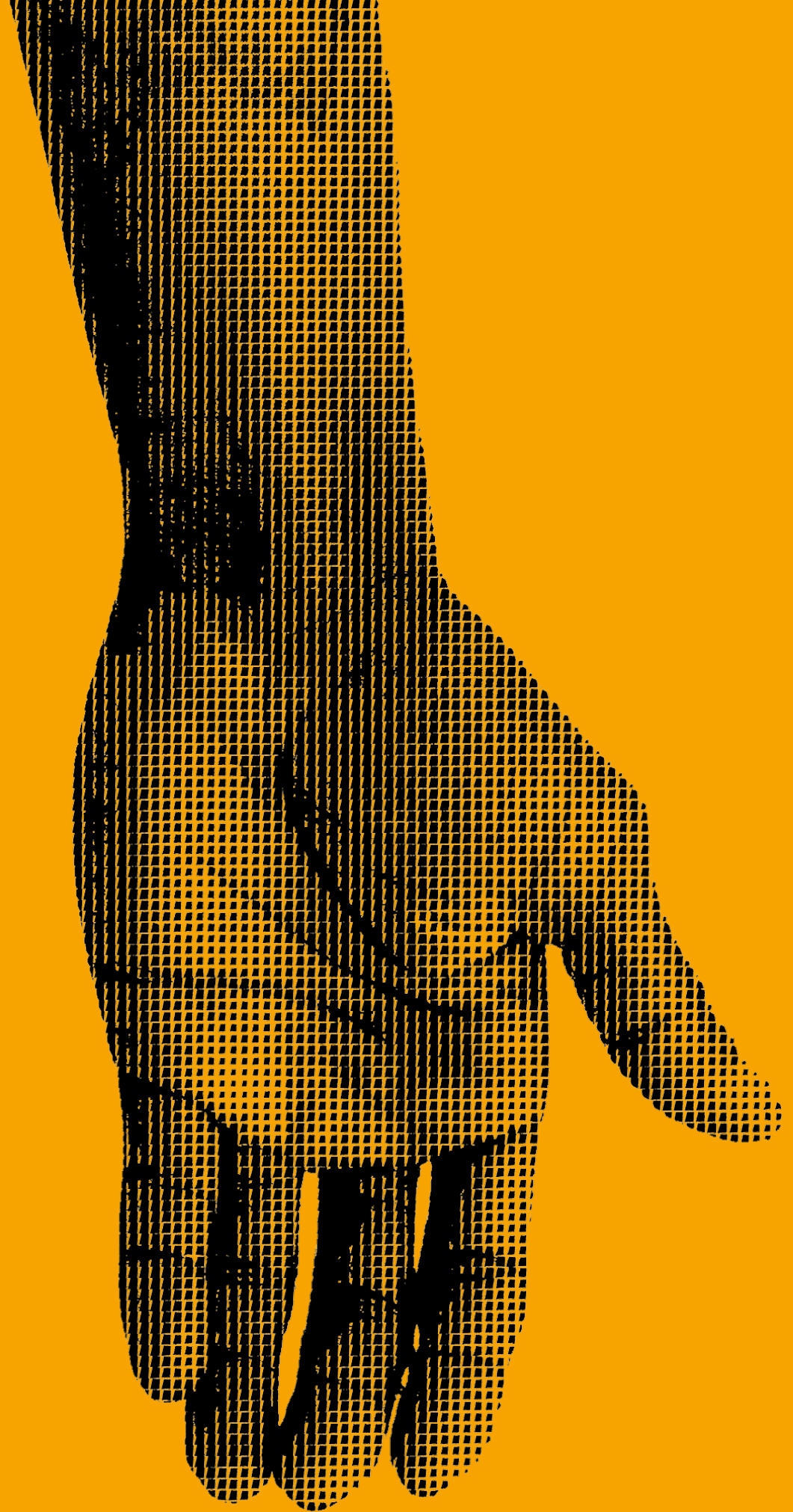
- NUS must develop a new model of student accommodation that meets the needs of contemporary students and ensures true affordability for students using not-for-profit and cooperative approaches.
- NUS must develop a definition of educational affordability that does not inadvertently promote increases in loans for students.

*Ensure students' unions address class in their activities*

- Students' unions should develop interventions that help students understand each other, value differences and work towards a shared language that addresses stratification by class.

*Ensure we close the gaps in our evidence*

- NUS must carry out further work where we have identified evidence gaps in relation to low-income students, such as postgraduate and healthcare students, and ensure some of our existing work is kept up-to-date, including our Accommodation Costs Survey and Pound in Your Pocket research on finances.



# Abbreviations and acronyms

<b>AoC</b>	Association of Colleges
<b>CPAG</b>	Child Poverty Action Group
<b>DfE</b>	Department for Education
<b>EMA</b>	Education Maintenance Allowance
<b>ESOL</b>	English for Speakers of Other Languages
<b>FE</b>	Further education
<b>FSM</b>	Free school meals
<b>HE</b>	Higher education
<b>HEFCE</b>	Higher Education Funding Council for England
<b>HEI</b>	Higher education institution
<b>IAG</b>	Information, advice and guidance
<b>LGBT+</b>	Lesbian, gay, bisexual, trans plus
<b>MMU</b>	Manchester Metropolitan University
<b>NASMA</b>	National Association of Student Money Advisers
<b>NEON</b>	The National Education Opportunities Network
<b>NEET</b>	Not in education, employment or training
<b>OFFA</b>	Office for Fair Access
<b>OU</b>	Open University
<b>OUSA</b>	Open University Students' Association
<b>PBSA</b>	Purpose-built student accommodation
<b>PIPs</b>	Personal Independence Payments
<b>POLAR</b>	Participation in Local Areas
<b>PRS</b>	Private rented sector
<b>SIES</b>	Student Income and Expenditure Survey
<b>UCAS</b>	University and Colleges Admissions Service



# Introduction

# Introduction

**The NUS Poverty Commission was established in July 2017 to ensure that class and student poverty are no longer overlooked in further education (FE) and higher education (HE), and to provide recommendations to address the issues we identify. This document summarises the findings and recommendations arising from the commission's initial research in late 2017 and early 2018.**

In the UK, class all too often determines outcomes in FE and HE. This is not an especially controversial statement, but the impact of class on access, progression and success in tertiary education does not receive the attention it requires. Even when it does, the focus can be too narrow, looking only at full-time undergraduate study rather than at tertiary education in all its forms or the connections between different levels and modes of study.

Discussions around class in education research and policy can sometimes focus on household income levels. While class cannot be understood without some reference to differences in income levels, it is also a function of cultural and social capital (see definitions below) and needs to be considered in this context. In particular, UK society must address the ways in which the current structures and attitudes of those involved in FE and HE enable or inhibit students from working class backgrounds (see definition below).

Moreover, income in itself does not tell the full story about student experience, even when discussing student finance. Poverty (see definition below) is a serious problem among students in tertiary education, but debates around student funding rarely properly acknowledge the issue, again especially when looking at students not in full-time undergraduate study. Of course, student poverty does not exist in isolation: after many years of decline, poverty is increasing in the UK across all age groups, with 30 per cent of children in 2015/16 living in poverty.<sup>2</sup> There are multiple causes for this recent rise in poverty, including benefit cuts, stagnating wages and rising housing costs. These same factors will influence the number of students in poverty. For individuals who are unable to access adequate

**"There remains an entrenched and unbroken correlation between social class and educational success."**<sup>1</sup>

student financial support, and who cannot rely on parental subsidy, poverty may prevent them from accessing, or continuing in, tertiary education. This situation has to change.

## Aims and objectives

The Poverty Commission took a collaborative approach to understand the current situation for working class students and students experiencing poverty in 2018, in terms of accessing, progressing through and succeeding in FE and HE. We also wanted to generate solutions for the problems we identified and highlight positive examples of work already being undertaken. We sought to involve NUS' diverse membership and engage with partner organisations across the UK – including trades unions, campaigning bodies, charities, and FE and HE sector agencies – in order to identify the key issues, examples of good practice and potential solutions.

One main objective was to use the evidence we gathered to compel government to review its own policies on tertiary education funding. Reflecting the growing urgency of the issue, the Westminster government announced a review of post-18 student funding in tertiary education in England after our project was initiated. The Poverty Commission report will be used to inform the NUS response to this review and to make strong recommendations to the Department for Education (DfE). The need to inform the government funding review means this report focuses on the experience in England, but we will follow up with further work in the Nations, as explained below.



The government's student support review will be a critical moment to make fundamental national policy changes in England. Yet national policy alone cannot address all the issues we raise in this report, and much work is required in individual institutions to address many of the cultural and structural issues highlighted by those responding to our call for evidence. For that reason, we also use our findings to make recommendations and pose questions to the FE and HE sectors, and indeed to the student movement and NUS itself, as well as government.

More generally, this report adds to a wider body of work on the ways in which FE and HE interact with poverty. We have not undertaken a full literature review as a comprehensive review of available academic literature evidence was published by researchers at the University of Manchester, commissioned by the Joseph Rowntree Foundation, in 2014.<sup>3</sup> That research examines evidence relating to the ability of FE and HE to help move individuals out of poverty, and we encourage those using this report to read that work. To highlight the priority areas for change, our report touches on academic work that was drawn to our attention, as well as more recent literature and the full range of evidence on the student experience submitted to us.

**"More generally, this report adds to a wider body of work on the ways further and higher education and poverty interact."**

### Definitions used in this report

The Poverty Commission sought to use an inclusive definition of **poverty**, to allow for the broadest range of evidence submissions. This recognised that poverty can refer to the financial barriers students may face in accessing education or succeeding in education, but that it might also refer to wider forms of deprivation and how these intersect. The index of multiple deprivation used by the Department of Housing, Communities and Local Government covers:

- income
- employment
- health and disability
- education, skills and training
- living environment
- crime.

We did not restrict submissions to any of these individual areas. As this report focuses on students, it follows that the content will look most closely on the impact of poverty on education, skills and training.

Although we seek to be inclusive, note that our definition of poverty distinguishes between students experiencing short-term financial difficulties but who are otherwise well-supported and well-resourced and those who experience a sustained lack of funds and resources. There is an overlap between these two groups, but the focus of this report is on the latter.

The commission used a broad definition of **working class**. Whereas some decades ago it was relatively easy to classify individuals by occupation, the nature of work has changed. Boundaries between social classes are blurred and newer occupations are often less obvious in their relative position. To some extent, class is a function of culture as much as economics. For these reasons, class is less easily understood in our society than it once was.

In general, in discussing 'working class students' in this report, we mean those with low household incomes. This means students who were, or are, entitled to full financial support such as Free School Meals (FSM) or maximum maintenance grants/loans, accepting



that this – like all definitions of working class – has its limitations. We also use the term disadvantaged, either where this is used in other research as a specific term, or else for a group where opportunities are restricted because of lack of time or money.

This report also refers to **cultural and social capital**. These terms have been developed by academic sociologists such as Pierre Bourdieu to help explain the ways that class manifests itself in practice, including some of the non-financial ‘assets’ that class may not convey.

In this report, ‘cultural capital’ broadly means the way a certain cultural understanding and vocabulary is associated with the elite in a society – the more an individual possesses this understanding and vocabulary, the more cultural capital they can command. This can include a better understanding of the ways to navigate FE and HE, including the student finance system, knowing which colleges and universities are ‘better’ than others, or an understanding of which GCSE and A-level subjects are ‘valuable’ compared with others. Cultural capital can make adapting to the new culture of a university or college easier – for example, when a university uses Latin phrases or has unspoken cultural rules similar to those used in the private school system. More broadly, accents, fashion and taste can also reflect cultural capital – often in subtle ways and without individuals necessarily realising whether they possess cultural capital of this sort. Cultural capital can come in many different forms, and working class students will possess their own cultural capital, but this may not be valued in all forms of tertiary education. Enabling working class students to make the most of tertiary education does not necessarily mean changing the student, but the understanding of what is deemed valuable.

Social capital works in a similar way to cultural capital, but focuses more on an individual’s access to networks and contacts that can enable their success. Although not directly related to income, those from richer backgrounds will often have connections via their parents, school, college and/or university that provide greater opportunities and interventions than for their peers without such connections. This can include opportunities for internships, mentoring and job openings. In this way, social capital can help to explain why, even if an individual gains cultural capital by learning the spoken or unspoken rules outlined above, they cannot necessarily benefit to the same extent as those who also have access to networks of power and influence. Like cultural capital, such social networks come in various different forms, not always limited by class (including faith groups, party politics, trades unions and the student movement itself). Nevertheless, students and prospective students from working class backgrounds often possess far less social capital than their wealthier peers.

Where we refer to **the government** in this report, we mean that based in the Westminster parliament rather than the governments of the devolved Nations, unless otherwise stated. As noted above and below, although the Poverty Commission research covered the UK as a whole, this initial report focuses on the experience of working class students in England, to inform the Westminster government’s forthcoming review of student support.

### **The scope of this report and forthcoming resources**

In terms of its geographic remit, the Poverty Commission sought evidence from across the UK, and indeed beyond. Poverty does not respect national borders, and although student finance policy is distinct in the four Nations of the UK, many of the same structural and cultural barriers will exist in Aberdeen, Belfast, Newport and Leicester alike. However, as outlined in the aims and objectives section above, this report focuses on the situation in England to maximise opportunities around the forthcoming review of student finance in post-18 tertiary education announced by the Westminster government, and the less formal review

of 16-18 education also under way. That said, we draw on the experience of the Nations in our analysis – including the recently completed Diamond Review of education funding in Wales and student support review in Scotland. In 2018, we will support further work to place the Poverty Commission findings in the specific contexts of the Nations.

We also recognise that poverty and class intersect with liberation identities and characteristics (that is, Black, disabled, LGBT+ and women students) in a range of ways. As part of the commission process, NUS liberation campaigns were encouraged to submit evidence, and other respondents made reference to liberation in their submissions. This report examines that evidence in its analysis, but – recognising the need to help campaigners understand the complexities more easily – will provide further, more specific briefings on any helpful findings relating to liberation areas later in 2018.

Similarly, where it may help to draw out our findings relating to other specific groups – such as apprentices or student parents – we will aim to provide further analysis in due course.


Finally, respondents provided evidence of a broad range of interventions that had a positive impact on either the access or success of working class students or which alleviated poverty among students. In order to ensure these are given due prominence, we will produce a further publication to help students' unions, institutions and others identify what works and what may apply to their own contexts.

### The structure of this report

The report introduces the Poverty Commission's role and outlines the methodology employed to gather evidence. It then provides an overview of the current policy context. Next, it looks at the evidence submitted across three broad thematic areas:

- the evidence submitted on all forms of student income, and the extent to which policy enables or restricts students from working class backgrounds and those who experience poverty
- the evidence on student expenditure, and how different costs of study or living affect working class students' experiences
- the structural and cultural features of tertiary education, from pre-entry to qualification, and how they affect working class students.

We finish with a short conclusion and a set of recommendations for NUS and the student movement, the wider FE and HE sectors, and finally for government and its review of post-18 tertiary education funding in England.

 The Commission took a collaborative approach to identify both problems and potential solutions."

# Methodology

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# Methodology

**Research for the Poverty Commission was carried out between October 2017 and March 2018. The first phase of the project was formed to answer the research question: 'What are the barriers to accessing and excelling in post-16 education for working class people?' As such, the Poverty Commission sought to understand the perspectives and experiences of the organisations, charities and sector bodies that work to understand and overcome these barriers.**

We recruited a board of 12 commissioners, with diverse expertise, each with a stake in our research question and a different perspective to bring. The names and short biographies of our commissioners are set out in Appendix 2. We ran three commissioning sessions with the board, themed around different class barriers in, or to, post-16 education: 'money', 'structural issues' and 'education'. We invited four organisations or individuals with expertise on the chosen topic to each session, in order to give evidence to our commissioners. Based on this evidence, the commissioners then discussed and formulated recommendations for reducing the class barriers in post-16 education.

Concurrently, we ran a written consultation process, putting out a call for written submissions from organisations across the FE, HE and third sectors, to feed into our evidence gathering. We received 66 submissions from a wide range of organisations. These respondents are listed in Appendix 3.

We then analysed the evidence gathered through these two processes, drawing out themes and key recommendations that are presented in this report. As outlined in the introduction, further analysis and reports will follow in due course.

**"What are the barriers to accessing and excelling in post-16 education for working class people?"**

# Chapter 1:

# **Policy context**



# Policy context

**In order for the findings of the Poverty Commission to be understood in full, they must be placed in the current national policy context. Nearly every political party claims to be committed to social mobility and tackling poverty, but there is a wide divergence in views on the most effective approaches. Moreover, this agenda must compete with other ideological and financial priorities in terms of public funding and educational policy.**

Most significantly, a number of changes to student finance policy in England have had a range of effects on students from working class backgrounds and those experiencing poverty. Equally, there have been interventions to improve the educational access, retention and success of students in general, and students from disadvantaged backgrounds in particular, some of which have sought to offset any impact from changes to student funding and finances.

This chapter provides an overview of current statistics relating to access and participation in FE and HE, and student income and expenditure, in order to establish why class and poverty in FE and HE must be discussed. It also looks briefly at how student finance and approaches to social mobility in FE and HE in England have changed over the last decade or so, ahead of the analysis in subsequent chapters.

## Post-16 education access and participation

First, this section looks at access and participation in England across four areas of FE and HE: apprenticeships, general FE, undergraduate and postgraduate study.

### Apprenticeships

Apprenticeship starts have more than doubled in the last 10 years, from 184,000 in 2006/07 to 495,000 in 2016/17.<sup>4</sup> However, progress has not been linear, and the 2016/17 figures are around 18,000 lower than those for 2015/16. Although apprentices are often assumed to be young, 48 per cent of new apprenticeship trainees in 2016/17 were aged 25 or over. Some 29 per cent were aged 19–24, and the remaining 25 per cent were 18 or younger.

Access to apprenticeships in England varies by apprentices' location and class. The Social Mobility Commission notes that only 40 per cent of apprenticeships in the North East are at advanced or higher level, compared with 46.5 per cent in London. Meanwhile, those from wealthier families are 2.5 more likely than their less well-off peers to know that degree apprenticeships, which lead to higher qualifications than other apprenticeships, exist.<sup>5</sup>

### General FE

Adult FE learner numbers have dropped sharply in England as a result of cuts to funding and the introduction of 19+ Advanced Learner Loans for adults to cover the cost of tuition. The Association of Colleges (AoC) estimates that the number of adults starting FE has declined from 2.7 million in 2009 to 1.4 million in 2016.<sup>6</sup>

The government has announced that maintenance support in the form of loans will be available through for learners studying level 4–6 qualifications at the new Institutes of Technology, but not at other FE providers. At the time of writing, it is unclear how or where the new institutes will be formed, but there is some concern that maintenance support will not be available across all FE institutions, creating a two-tier technical education sector.

Working class learners in England are more likely to take up vocational rather than academic qualifications and have lower attainment. In 2017, a significantly higher proportion of 16–18-year-old disadvantaged learners (defined in these statistics as those eligible for free school meals or who were in some form of care) were studying for applied general qualifications (24.6 per cent) and technical qualifications (23.7 per cent), compared to those studying A-levels (15.4 per cent). The average A-level grades of disadvantaged learners were lower than those of their non-disadvantaged peers. Working class students' average points score in vocational qualifications were also lower than those of better-off students, though the average grade was similar between these groups.<sup>7</sup>

However, measures of attainment do not consider learners' previous success or educational disadvantage in school, and highlighting how poverty can have a detrimental effect throughout the education journey does not consider the impact that colleges and FE institutions may have. 'Value-added' progress measures give a clearer indication of this, showing how a learner has progressed in line with the level of attainment they were expected to achieve when they started their course.

In 2017, across both A-levels and Applied General qualifications at level 3, the value-added scores for disadvantaged students are lower than those for non-disadvantaged students, and there is a larger differential in vocational qualifications than for A-levels.<sup>8</sup>

#### *Undergraduate study*

As is often noted by government ministers, 2017 saw the highest number of 18-year-olds entering HE in England, as well as the highest number of disadvantaged students.<sup>9</sup> Despite this apparent success, there remain significant challenges in making HE accessible to all. In 2017, students from the highest HE participation areas (a geodemographic model that provides a rough proxy for areas of least deprivation) remained 2.3 times more likely to go to university than those from the lowest participation areas.<sup>10</sup> The Social Mobility Commission notes that in Kensington and Chelsea (a high participation area), 50 per cent of the most disadvantaged young people go to university, while in Hastings, Barnsley or Eastbourne the equivalent figure is just 10 per cent.<sup>11</sup>

For mature and part-time students, who are more likely to be from working class or disadvantaged backgrounds than younger and full-time students,<sup>12</sup> the picture is even worse. The number of part-time and mature students accessing HE has declined sharply in recent years. Part-time university student numbers reduced by 58 per cent between 2008 and 2015,<sup>13</sup> and mature students' applications to full-time courses are also in decline.<sup>14</sup>

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Access is not the only factor. In 2015/16, non-continuation (dropout) rates in the UK for young students rose for the third successive year, to 6.4 per cent for first degree entrants (compared with 6.2 per cent in 2014/15). This is concerning enough, but as is so often the case, the statistics only worsen when looking at this trend in terms of students' backgrounds. Young students from disadvantaged backgrounds are more likely to drop out of HE – 8.8 per cent of disadvantaged first year students did so in 2014/15.<sup>15</sup> Black students<sup>16</sup> – who are more likely to be from disadvantaged backgrounds – are also more likely to leave before the second year of their course, with 10.3 per cent doing so in 2014/15.<sup>17</sup> Mature student non-continuation rates are higher still, at 11.6 per cent in 2015/16, while – compounding the decline in access to HE – part-time students' dropout rates are highest of all, with around a third of part-time learners not continuing past their second year of university in 2014/15.<sup>18</sup>

#### *Postgraduate study*

The number of students undertaking postgraduate study in the UK has increased modestly in the last few years after a sharp drop in 2012/13, now standing at 552,000 in 2016/17.<sup>19</sup> Widening participation statistics are not collected in a systematic way at postgraduate level, but Higher Education Funding Council for England (HEFCE) research – using a range of different criteria – has found that students from disadvantaged backgrounds are less likely to progress to either postgraduate taught or research programmes,<sup>20</sup> even controlling for other factors such as undergraduate degree attainment.

### FE funding

FE student funding in England has never been as generous as that available in HE. The support available for individual students has reduced, and what remains is often paid at the discretion of the education provider rather than being a student entitlement as previously. Most notably, the Education Maintenance Allowance (EMA) and Adult Learning Grant, both of which paid up to £30 per week to learners from poorer backgrounds, were scrapped for new students from 2011. The EMA was replaced with the 16–19 bursary fund, which offers a guaranteed minimum bursary of £1,200 per year to ‘vulnerable’ learners in that age group who are leaving care or claiming certain benefits. Other learners can apply to their educational institution for discretionary support from the fund, but there is no guarantee they will receive assistance. For adult learners, uncertain discretionary funds are the only form of funds for general living costs.

While FE colleges receive money for these funds from central government, the discretionary funding now in place is lower overall than the total funding available under the old entitlement schemes – the budgets for both types of discretionary funds have not increased since 2011. This represents a significant financial squeeze for learners, particularly those on the lowest incomes. For example, the guaranteed £1,200 bursary figure was based on the old EMA entitlement of £30 per week (a rate first set in 2004) over an assumed 40-week course. Using the Bank of England’s inflation calculator, this would now be worth over £1,750 if it had kept pace with inflation since 2004 or £1,390 if it had increased in this way since 2011.

The current Chancellor of the Exchequer, Philip Hammond, has announced a scheme of maintenance loans for FE students on certain higher-level technical courses that are scheduled to be introduced in 2019/20. However, the current indication is that only those studying at new Institutes of Technology will be eligible for this support. While exact rules around eligibility and levels of entitlement have yet to be clarified, it seems likely that these loans will only fund a small proportion of learners.

Some other costs are funded for FE learners, notably childcare funding for those under the age of 20 through the Care to Learn scheme, and some limited funds for residential courses. In both cases, the levels of grant available have been frozen for many years. Care to Learn, for example, pays actual childcare costs of up to £160 per week outside London and £175 per week inside London. These rates have remained static since 2008/09 – using the Bank of England calculator, they would be £203 and £222 respectively if they had increased by inflation each year to 2017. For adult learners, childcare funding again comes from discretionary budgets and many are unable to access any support whatsoever.

Local authorities have a legal duty to ensure adequate transport provisions are in place for FE students aged 16–18, but in practice many local authorities have little in place, and subsidised transport is increasingly rare due to funding cuts.

More broadly, funding for general FE has declined, with the ‘funding rates’ (that is, the money paid to providers) for 16–17 year-olds being frozen since 2013/14 and the Adult Skills Budget being cut by 29 per cent between 2010/11 and 2015/16 and remaining static since then.<sup>21</sup> In part, this reduction in funding for general FE has been to allow greater funding of apprenticeships, supplemented by an apprenticeship levy on larger employers. Apprenticeship trainees cannot access student finance but do fall within minimum wage legislation. The April 2018 apprenticeship minimum wage is £3.70 per hour, applying to all apprentices under 19, and those 19 and over in the first year of their programme. When the apprenticeship rate was first introduced in 2010, it was set at £2.50 per hour. This rate has since increased by more than inflation but remains less than half the rate available to those aged 25 and over.

## HE funding

In HE, the predominant funding theme since 2010 has been a shift towards student loans for both tuition costs and student maintenance.

Aside from the notorious decision by the coalition government to increase tuition fees to £9,000 in 2012, perhaps the second most controversial move in this period was the decision to scrap maintenance grants for new students from 2016 in favour of larger student loans. As student loans are partially means-tested, and as they are more likely to rely on state funds, the decision means that students on the lowest incomes are likely to graduate with the highest student loan balances, which introduces a significant regressive element to HE funding.

The justification for the move away from grants, aside from the need to reduce the UK's budget deficit, was that it would enable students to receive a higher level of cash during their studies. However, frequent freezes in the loan amount following the financial crash mean the rise is not as great as it first appears. If all figures had been uprated with inflation each year, the system in place in 2008 would in 2017 offer a headline loan of £4,268 and a grant of £3,596, totalling £7,864, for a student entitled to full support and living away from home outside London. The loan figure for an equivalent student under the actual 2017 rules is £8,430, a difference of £566 or 7.2 per cent. An above inflation rise is not to be dismissed, but some student costs, especially rent,<sup>22</sup> have increased by an even greater amount.

The net effect of the shift to student loans, along with the 2012 increase in tuition fees, has been to markedly increase student loan debt among HE students in England. The average debt on entering repayment in England doubled between 2011 and 2017,<sup>23</sup> with the effects of the abolition of maintenance grants still to be seen in the statistics.

Other forms of financial support for HE students, especially the remaining supplementary grants for those with children, adult dependants or disabilities, have seen similar freezes over time. The Parents' Learning Allowance, for example, was worth £1,470 in 2008/09, and would be worth £1,865 in 2017/18 had it kept pace with inflation. The actual rate in 2017/18 is £1,669. Aside from rate freezes, Disabled Students' Allowances have also seen significant changes in their delivery, reducing direct government expenditure and moving much responsibility for non-medical support to individual educational institutions. Disabled students must also contribute the first £200 towards the cost of any IT equipment that official assessments agree they require.

There have been other stealth reductions on student income. Not only has inflation eroded the level of some support, the household income thresholds for support have been frozen since 2008. For example, had the current household income threshold of £25,000 for full student support increased by inflation since then, the 2017/18 threshold would be £31,711 and a much higher proportion of students would be entitled to full support.

Following another controversial decision, the NHS bursary scheme was scrapped for new students undertaking healthcare degree courses in England from 2016. Under the old rules, such students paid no fees and received a combination of a means-tested bursary and reduced rate student loan. Now, these students are treated in the same way as other undergraduate students, needing to pay annual tuition fees of £9,250 and apply for loans to cover their living costs. As a result, the debt levels of healthcare students have increased from around £7,500 for a three-year course to well over £50,000. The Department of Health and the DfE both justified the move in part by explaining that the total cash available to students while studying would markedly increase, reducing student poverty. This will be true for some students but, once entitlement to benefits is taken into account, many healthcare students with children will receive less funding under the new system.<sup>24</sup> As healthcare students are much more likely to have children, this is a significant issue.

There was limited funding available for postgraduate students before, with the exceptions of Postgraduate Certificate in Education (PGCE) and social work courses. A new loan has been introduced for taught Masters degree programmes in England, with a maximum of £10,609 available in 2017/18. However, while any entitlement is a step forward, this loan is intended to cover both tuition fees and living costs. In benefits calculations, it is assumed that 70 per cent of this loan is used for fees, leaving just over £3,000 for annual living costs. A further loan scheme for research postgraduate courses, worth £25,000 for the whole course, will be introduced from 2018/19.

### Student income and expenditure

For several decades the DfE and its predecessors have conducted a Student Income and Expenditure Survey (SIES) among HE students in England, usually around once every three years. This large-scale, quantitative survey asks several thousand students to record data relating to their income – including employment, family support and commercial debt – as well as all forms of expenditure. It is the most significant and methodologically robust survey of its type.

Although the fieldwork for the most recent survey was conducted in 2014/15, and despite the parallel survey conducted among Welsh students being published in spring 2017, the English SIES was only published in March 2018. There was no stated reason or clear indication for such a delay – in 2015, the then universities minister, Jo Johnson, informed Parliament it would be published in “early 2016”<sup>25</sup> and in the summer of 2017 that it would appear “shortly”.<sup>26</sup> Prior to its publication, the most recently published survey related to data collected in 2011/12, before the significant reforms of 2012. Even though it is now available, the underlying data of the 2014/15 survey is now three years old and fieldwork should be underway for the next iteration.

The SIES does at least provide some data on income and expenditure for undergraduate students – no similar government research is available for those in FE or postgraduate study. There is limited official data

on apprenticeship pay, although not their expenditure and costs. The most recent Apprenticeship Pay Survey in 2016<sup>27</sup> reported that the median pay for apprentices in Great Britain was £6.70 per hour for those on level 2 and 3 apprenticeship programmes, and £9.83 for those on level 4 and 5. This disguises significant variations between programmes: for hairdressing apprentices, the median wage was just £3.47 per hour at level 2 and 3, compared with those on management apprenticeships who were paid a median of £8.75 per hour. The research showed that 18 per cent of apprentices were being paid below the applicable minimum wage rate (£3.30 per hour from April 2016). Lower pay and non-compliance with minimum wage law was more prevalent for younger and women apprentices.

For many years, NUS has published average cost of study figures for full-time undergraduates. As is the normal practice, the figures for 2017/18 (set out in full in Appendix 1) use the most recent SIES figures – 2014/15 – uprated by inflation each year, and supplemented by more recent data from the NUS/Unipol Accommodation Costs Survey. The figures show that average expenditure for a student on a notional 39-week course, excluding fees, is now £18,038 in London and £14,138 elsewhere. Rent is the single most significant cost, representing over 50 per cent of the total in London. This expenditure compares with a total student loan payment for those on an average household income of £10,009 in London and £7,237 outside<sup>28</sup> (which is intended to contribute to costs over the summer only during term-time). Students must make up any shortfall through a combination of family support, employment, savings, commercial debt and/or hardship funds.

Clearly few, if any, students are precisely average, and individual costs will vary, but a shortfall of well over £8,000 between student income and expenditure will push some students into poverty. Those on the poorest incomes will receive somewhat more in loans, but at a total of £12,046 in London and £9,240 outside,<sup>29</sup> this still leaves a significant gap and such students will often be unable to rely on family support or savings.



Closing the gap between student income and expenditure will not be an easy task, and government, education providers and others must consider mechanisms to limit increases in expenditure while maximising increases in student support. However, the lack of recent official data available in the public domain makes it more difficult to identify the right solutions to this challenge.

### Widening participation

Policy on widening participation in education is in some respects less clearly defined than that on student finance. Successive governments have stated that social mobility needs to be improved, with FE and HE a key part of this work, but by no means the only mechanisms.

The Life Chances Act 2010 established a Social Mobility Commission. Under its chair, Alan Milburn, a former Labour Secretary of State for Health, its remit was to monitor social mobility in Great Britain, conduct research as required and report on progress. In successive annual reports, this body highlighted a significant number of challenges to social mobility, including the growing economic divide between London and other parts of the country, the prevalence of unpaid internships in certain industries and the concentration of internships in London, uneven access to apprenticeship schemes, endemic low pay and limited access to housing. Despite its work, the commission's most recent report in November 2017 stated that social mobility was getting worse not better. In December 2017, the entire commission resigned, including Milburn and his deputy Gillian Shepherd, a former Conservative Secretary of State for Education. They stated that the focus on Brexit has made it impossible for the present government to take appropriate action to improve social mobility.

Several current government policies are intended to support social mobility and access to education, especially by those from disadvantaged backgrounds. Apprenticeship policy is often seen as a motor of social mobility, with the expansion of apprenticeships at higher levels a way of improving access to professions

for those from disadvantaged backgrounds.<sup>30</sup> The government has introduced a levy on larger employers as a way of funding more apprenticeships and has a target of 3 million new apprentices by 2020. However, the government acknowledges concerns that – as with HE qualifications – those from better-off backgrounds will benefit more from this expansion.<sup>31</sup> Moreover, some of the funds for this scheme have come at the expense of funding for other FE routes. More recently, the government has announced that it wishes to expand access to vocational and technical education, partly via new vocational qualifications called 'T-levels' it hopes will be seen as equal to A-levels. The government's forthcoming review of student support includes vocational and technical education and is expected to make recommendations on how students on these courses should be funded.

In HE, work on widening access to education and social mobility has a more defined structure. As a consequence of the tuition fee rise in 2006, an access regulator – the Office for Fair Access (OFFA) – was established. All HE institutions (HEIs) in England who wished to charge higher fees were required to submit detailed plans on widening access for OFFA's approval. Although OFFA never failed to agree a plan, it often required revisions and, over time, access to HE has improved – as set out above.

Research funded by OFFA and others has changed access to education work over time. Under its second and last Director, Les Ebdon, OFFA championed a move away from institutions providing financial subsidies – fee waivers or cash bursaries – towards outreach work. For example, 59 per cent of total spend in the HE sector on access to higher education in 2015/16 was on direct financial support, and 16 per cent on activities including outreach. By 2020/21, it is expected these figures will be 41 per cent and 23 per cent, respectively. This said, many institutions still consider financial support as a key element of their work to widen access to HE.



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Similarly, in recent years OFFA asked HEIs to move away from a sole focus on access to the whole student life cycle, including student retention and success. This move is reflected now that OFFA's work has moved into the new Office for Students – access agreements have been renamed access and participation plans, and the new Director for Access and Participation, Chris Millward, is expected to make retention a much stronger focus.

Work on broadening access to HE is also being undertaken at a sector level. Universities UK convened a Social Mobility Action Group in 2016, to help identify how the HE sector could contribute to social mobility and reduce inequality. The group involved "vice-chancellors, representatives from schools, colleges, students, employers and third sector organisations, and academics and practitioners working on widening participation".<sup>32</sup> It identified two key areas of future work: evaluating educational access and success initiatives to ensure these are effective, and ensuring collaboration across the sector and with schools, colleges and employers. This work is now being taken forward by Universities UK.

# Chapter 2:

# **Student income**

# Student income

**The next three chapters summarise the evidence received by the Poverty Commission and provide NUS' analysis of key themes arising from this evidence.**

**This chapter examines the evidence submitted on student income. Respondents submitted a wide range of comments on the current student finance arrangements, including the extent to which student loan debt affected working class students and those experiencing poverty. However, student support is only one source of income, and we received a range of evidence discussing the impact of social security benefits and income from employment, as well as the financial literacy of students.**

## Adequacy of current support

The commission received evidence from a wide range of respondents relating to the perceived inadequacy of current student support arrangements.

Even where students were receiving full student support, evidence suggested they were more likely to experience hardship than other students. Bristol University Students' Union reported that in its annual survey of students, those "who defined as working class, had received FSM or who had a [household] income of £25,000 or below were more likely to agree that they had experienced financial hardship while at university, with 55 per cent agreeing compared to 35 per cent of all students."<sup>33</sup> University Alliance reported that even with the 2016 increase in student maintenance loans, following the abolition of maintenance grants, their members reported that students still struggled to make ends meet on the loan they received.<sup>34</sup>

In respect of FE, the reduction in overall funds available following the abolition of EMA in favour of the 16–19 bursary fund was highlighted, with the AoC and the Policy Consortium noting that the total EMA budget in its last full year of operation was £560 million, compared with the 16–19 bursary budget of only £180 million in 2016/17. With support for poorer FE students or those experiencing poverty so limited, the AoC argued for a "more effective" system for FE student support, including reinstatement of EMA and the introduction of bursaries for adult learners.<sup>35</sup> The Young Women's

Trust reported that the lack of financial support in FE, including the abolition of EMA, was a factor in young women's ability to participate, or remain, in FE. It also noted the lack of childcare funds for learners aged over 20 and the particular barrier this created. It recommends that Care to Learn be extended to cover young women up to 25 years old.<sup>36</sup>

Both the National Society of Apprentices<sup>37</sup> and the TUC<sup>38</sup> noted that apprentice income was not adequate to cover all costs. This reflected both poor apprenticeship pay in many cases (see below for further discussion) but also a lack of access to some of the additional support available to FE students, not least Care to Learn.

Several features of the current HE system were also critiqued by respondents to the Poverty Commission. The current HE student finance rules assume a certain level of parental support for younger students, although this expectation is not always made clear to parents or students, and in any event cannot be legally enforced. Even where parents were aware of this expectation, students did not always receive support. Moreover, the threshold for parental support has not increased in many years, meaning that many students who would previously have been counted as 'most disadvantaged' by virtue of receiving full student support no longer qualify. This poses questions for the way in which disadvantage is understood, and how far the 'squeezed middle' counts as working class or in poverty. Several respondents argued that the concept of parental contributions needs revisiting, including Edinburgh University Students' Association and Worcester Students' Union.

The National Education Opportunities Network (NEON) highlighted that the lack of HE provision in some coastal towns reduced access to education as some prospective students felt they could not afford to move away.<sup>39</sup> Some would not wish to move in any event, but this reduced educational access for those who would consider studying away from home in the absence of what is perceived to be adequate support.

Respondents also raised the lack of HE student support during the long summer vacations. The current student loan system incorporates a notional amount for the summer – this is why the final year payment is lower – but this is not made clear to students as there is no summer loan instalment and the amount borrowed is paid in three equal instalments at the beginning of each term.

As a way of addressing the concerns around income adequacy, some respondents raised the concept of a minimum student income along the lines of that proposed by the 2016 Diamond Review of student support in Wales,<sup>40</sup> following which full-time Welsh HE students starting in 2018/19 or later will receive grant and/or loan support equal to 37.5 hours at the National Living Wage over 30 weeks, and all students will receive some form of grant regardless of household income. A different version of this minimum student income also exists as policy in Scotland. Further work to analyse these approaches and how they might apply to England should be undertaken, including the best way to determine what costs a minimum student income should reflect. Some complexities need to be addressed here, including the way a student's residential status is incorporated, and ensuring that students with additional needs, such as student parents, are properly supported. However, setting support at a realistic level and providing students with some clarity on the support they can receive – and, where appropriate, a clear expectation from their parents – would help to address many of the concerns outlined in this area.

### Entitlement to support

Many respondents were concerned that some groups were excluded from student support, either in whole or in part, and argued that entitlement needed to be extended to avoid excluding working class and otherwise vulnerable students. The Open University (OU) and the Open University Students' Association (OUSA) were concerned that too many students on part-time and distance learning courses were unable to access support under current rules. There were two aspects to this. Firstly, support for fees, with both OU and OUSA citing the restrictions on those studying for qualifications equivalent or lower to those they already hold.<sup>41</sup> Secondly, access to course costs or maintenance

support, with the OU referencing a report that found "a key barrier to choice [for part-time students] seemed to be a lack of disposable income... In England, the challenge of the lack of a maintenance grant for part-time study was often mentioned."<sup>42</sup>

The Children's Society<sup>43</sup> and NEON<sup>44</sup> raised the issue of migrant young people in the UK without indefinite leave to remain, in particular those who come to the UK as unaccompanied minors. Under the current residency rules, those without refugee status must have indefinite leave to remain and residency in the UK for a certain period of time to qualify for student support. Although some educational institutions do offer very limited scholarship schemes, it is impossible for this group to enter HE without access to tuition fee support or maintenance. The complexities of immigration law mean that it can be difficult for individuals to understand whether they qualify for student support, even when they do.

### Debt aversion

Perhaps the single most common concern in relation to income raised by respondents to the Poverty Commission was debt aversion among people from working class backgrounds. This section therefore looks at debt aversion in relation to student loan debt, but we also discuss the impact of commercial debt in Chapter 4.

Professor Claire Callender from the UCL Institute of Education and Birkbeck University noted that student debt has increased sharply for at least the last decade, while household income has stagnated. The result is that students are more reliant on student loan debt. Callender reported on a forthcoming study into attitudes to debt among undergraduate students, based on fieldwork carried out in 2015 – before the abolition of maintenance grants. She had conducted a previous study into attitudes to student debt in 2002; compared with this, the new research reveals that students in general have become more accepting of debt over time – "they have accepted the reality [of debt]". However, the divide in attitudes between those from wealthier and poorer backgrounds had become wider, and working class students remained much more debt averse, which

reduced their likelihood of applying to university. She believed that although prior attainment was a key factor in HE participation, her research indicated that debt aversion played a role and blunted the expansion of participation among working class students.<sup>45</sup>

Evidence submitted by the Child Poverty Action Group (CPAG) Scotland highlighted studies by Sarah Minty,<sup>46</sup> and Lucy Hunter Blackburn<sup>47</sup> that supported Callender's position. According to Minty, students in England were less debt averse than Scottish students overall, echoing Callender's findings that English students had had to 'accept reality'. Minty nevertheless found that working class English students remained more debt averse than their better-off peers, and that this affected their decision-making in relation to pursuing education.

Several respondents indicated that the impact of debt on choices in relation to HE was not only related to deciding whether to participate but also choices about where and what to study. Minty found the working class English students who were averse to debt employed different strategies to reduce their exposure to debt, including intending to apply to a local university so they could commute from home and reduce expenditure on accommodation, or looking into apprenticeship or nursing courses that did not charge fees (the study was conducted before the changes to healthcare student funding in 2017).<sup>48</sup> Other respondents, including the Union of Manchester Metropolitan University (MMU),<sup>49</sup> and the Equality Challenge Unit, raised similar points. The Equality Challenge Unit added that there are intersectional aspects to this situation, with Black and minority ethnic students being more likely to live at home, in part to avoid debt.<sup>50</sup> Think Forward, which works with "hard to reach, disengaged young people" in London, Kent and Nottingham, reported that a lack of finances also affected the choices of those looking to enter FE.<sup>51</sup>

In attempting to explain this debt aversion, respondents highlighted some older Joseph Rowntree Foundation evidence, which stated that "a fear of debt ... could exert a much greater deterrent effect on disadvantaged students' continued participation than could actual debt, especially when this fear was coupled with a lack

of confidence, about both their chances of academic success and their chances of finding a job at the end of it all to pay off this debt."<sup>52</sup> This perceived risk of debt was raised by Callender in her evidence, as well as GuildHE,<sup>53</sup> both in terms of increased uncertainty in society around the economic returns on a degree, and how far working class students understand the way in which the student finance system works. The AoC noted that the extension of loans in FE created a similar issue, observing: "people need to be optimistic about their future prospects to be prepared to take on debt for education."<sup>54</sup> The Policy Consortium supported this view, stating that adults with mental health conditions may feel particularly reluctant to take on loans for FE.<sup>55</sup> In addition, Callender's published research found that attendance at an FE college was associated with greater debt aversion.<sup>56</sup>

The irony of the current system is that, following the abolition of maintenance grants, undergraduate students from poorer backgrounds will now graduate with the highest student loan debts, despite being the most debt averse. Some respondents highlighted analysis from the Institute for Fiscal Studies, showing that student debt will rise from around £57,000 for a three-year course for the poorest 40 per cent of students, while students from the richest 30 per cent of backgrounds will leave with debts of around £43,000.<sup>57</sup> Those who have underlying entitlement to social security benefits, such as student parents, have access to higher loans and will, potentially, graduate with even more debt. Although student loan repayments remain tied to income, this still represents a regressive situation, with some graduates from working class backgrounds paying off greater debts than their better-off peers following otherwise similar career paths.

It is perhaps unsurprising that the commission received evidence that students from low-income backgrounds were more likely to worry about repaying student debt. In their student survey, the University of Bristol Students' Union found that "students who defined as working class, received FSM or who had a household income of £25,000 or below were more likely to agree that they worried about repaying future debts from education costs compared to other students. 65 per

cent of these students agreed with this statement, compared to 55 per cent of all students and 39 per cent of students who fulfilled none of our widening participation criteria.”<sup>58</sup>

The impact of student debt on part-time HE students, and the categories of student more likely to look at part-time study, also featured in many responses. The OU, OUSA and the TUC all highlighted that debt aversion had played a role in the decline in part-time study. As the OU pointed out, the government’s own impact assessment on student finance changes stated that “students from ethnic minorities, less advantaged backgrounds and mature students are more debt averse and cost sensitive than others. Additionally, research suggests that single parents and female students are more likely to be debt averse.”<sup>59</sup>

Universities UK sounded a note of caution, stating that in the research it had conducted with students, access to sufficient maintenance support was more important than concerns around debt. Even so, the organisation supported restoring grant funding to the poorest students.<sup>60</sup>

Unsurprisingly, given this level of concern around debt, by far the most common recommendation on student income from respondents was finding ways to reduce student debt levels by restoring maintenance grants in HE, along with EMA and NHS bursaries. Some respondents also raised the abolition of tuition fees.

### **Bursaries and hardship**

Respondents raised the topic of access to additional support from educational institutions, either through general bursary schemes or hardship funds. In HE, a number of institutions do provide support in the form of bursaries to students, based on income, academic attainment or student characteristics (eg if the student is a care leaver). Some bursaries will be in kind, such as free or subsidised accommodation for estranged students, who are often LGBT+. Universities UK stated that, in England, “bursaries, scholarships, hardship funds and fee waivers ... for lower income students and other under-represented groups reached £447.5 million”.<sup>61</sup>

In its evidence, the Russell Group of universities stated that its members accounted for £260 million of this expenditure.<sup>62</sup>

Universities UK said that in its experience, students favour bursaries and educational institutions use tools provided by OFFA to help demonstrate the impact of bursaries. However, Callender noted that while institutional bursaries are usually provided at Russell Group universities, other institutions are less likely to do this, and as a result some of the poorest students miss out on additional help. Moreover, the range of eligibility criteria and lack of ability to compare institutions makes it difficult for students to use the availability of bursaries deciding where and how to study.<sup>63</sup>

Similarly, access to discretionary or hardship funding from educational institutions is at best patchy.

Central government funding for hardship support in HE in England ceased in 2014/15, and although some institutions have invested in hardship, in other areas it has been cut. While central government funding for discretionary support continues in FE, it is almost the only form of support available to FE students and remains inadequate, as outlined in Chapter 1. Most full-time students cannot access the limited hardship funding available through local authorities, while apprentices may be unable to access any support at all. Step Change noted that young people have fewer savings than older people to act as a cushion if there is an emergency.<sup>64</sup>

Several respondents highlighted the need for strong discretionary financial support to help students with unexpected costs or cashflow issues, including Arts University Bournemouth and its students’ union,<sup>65</sup> and the NUS Welfare Zone.<sup>66</sup> Other potential solutions to hardship discussed by respondents included improving access to credit unions, although Step Change stated that demand exceeded supply for this resource, and that they had not become as widespread as had been hoped.<sup>67</sup>

## Employment

Earnings from employment make up a key part of many students' incomes, although for some groups of students – such as student parents and those on courses with placements – time for such work is limited.

In the case of apprentices, wages may be the only source of income. Respondents highlighted the low level of the apprenticeship minimum wage and argued that it should be increased significantly. The TUC had a particular concern that the low wage levels encouraged some employers to exploit those on apprenticeship programmes.<sup>68</sup> Even if an apprenticeship programme is of good quality, with wages often so low, and as apprentices are unable to access additional support like Care to Learn, the evidence submitted suggested that many apprenticeship trainees struggle financially. The Young Women's Trust conducted research among young apprentices. Of those surveyed, 43 per cent stated that the costs associated with doing an apprenticeship such as travel to work, buying clothing and paying for childcare, are higher than their earnings as an apprentice. More than half of the participants in that research said they found it difficult to pay basic bills.<sup>69</sup> Issues relating to expenditure are covered in more depth in the next chapter.

Worse still, the TUC highlighted that, according to official government figures, almost one in five apprentices are not even receiving the agreed apprenticeship National Minimum Wage. In some sectors, minimum wage non-compliance has reached very high levels, most notably hairdressing (46 per cent), childcare (27 per cent) and construction (25 per cent).<sup>70</sup>

Respondents criticised the minimum wage for other student workers for being too low, with those including the GMB trade union highlighting the existence of age differentials as an issue for many students. The GMB argued that this, in turn, reflected the low quality of work available for students, with many being reliant on insecure forms of work and open to greater risk of harassment and stress as a result. As women, Black people and disabled people are more likely to be in insecure work, this compounds the discrimination they can face.<sup>71</sup>

For several respondents, the impact of part-time employment on academic life was important. GSM London highlighted that as wages were so low, it often required students to work more than 15 hours a week, which could have a detrimental effect on studies. GuildHE reinforced this point, adding that students attending their member institutions in London were particularly likely to work more than 15 hours a week. In addition to the direct impact this has on students' studies, the MMU Students' Union noted that the need to work could mean students were then unable to attend extra-curricular events that might increase their social capital.<sup>72</sup>

## Social security benefits

Most full-time students are unable to claim social security benefits, but for a significant minority – largely student parents, disabled students and others in vulnerable situations – benefits form an essential part of their income. The Poverty Commission received a number of representations about the benefits system in relation to students and how access to benefits could be improved.

Some respondents mentioned the transition from benefits to student status, especially in relation to those who could no longer claim benefits on taking up study. Some respondents, including CPAG Scotland, argued that people receiving benefits who wish to enter FE or HE should be allowed to continue claiming while they study, instead of having to take out student loans. The organisation believed this would improve access to tertiary education for working class parents and others by reducing their eventual debt.<sup>73</sup> The National Association of Student Money Advisers (NASMA) also noted the apparent contradiction of a loan being taken into account as 'income'.<sup>74</sup> However, such changes in policy would not be easy. Benefits policy as a whole focuses on moving people who are deemed able to work into employment and only those who cannot work due to disability, age, or very young families are exempted from the conditionality that accompanies most working-age benefits. The Department for Work and Pensions



views the maintenance of students to be the role of the DfE (or its equivalents in the devolved administrations), and convincing it otherwise would require a significant shift in philosophy.

Even taken on its own terms, the current situation for students who can continue to claim benefits while studying is problematic. In particular, respondents highlighted the complex interactions between the social security system and student support. Not only are students uncertain about their entitlements, but MMU students' union noted that complexity means benefits agencies are prone to mistakes in assessing benefits claims: "The transition from welfare benefits to student funding can be fraught with complications despite a student's best efforts to ensure they are informed about their entitlement." Where a benefits agency makes a mistake, overpayments or financial hardship can result, and in some cases prospective students choose not to take up study.<sup>75</sup> CPAG Scotland and NASMA noted a particular issue with the transition from Universal Credit to study, as payment periods might not match up, leaving students without support from either system for a number of weeks.<sup>76</sup> Other issues raised included a lack of benefits entitlement during breaks in study.

Additionally, different forms of study are treated in different ways under the current benefits eligibility rules, which can have an impact on student choice. Parents cannot claim Child Benefit for their children undertaking apprenticeships, but can for those participating in other forms of FE. Think Forward reported that the family of one young person it worked with insisted he take up a college course rather the apprenticeship he would have preferred to maintain his family's benefits entitlement.<sup>77</sup>

The NUS Disabled Students' Committee raised a major issue in the way recent wider benefit reforms had affected disabled students who relied on this support. Disability Living Allowance was replaced by Personal Independence Payments (PIPs) in 2013, which have more restricted eligibility requirements – meaning that fewer disabled people are eligible at all, or eligible for enhanced rates, restricting their ability to study. In some cases, when a disabled person took up study, this was being used to challenge their eligibility for PIPs.<sup>78</sup>

Meanwhile, some disabled students cannot claim the new Universal Credit due to poorly drafted regulations that prevent them from accessing the necessary assessments.<sup>79</sup> NASMA also raised the challenge for student carers, who very often are unable to claim carer's allowance if they move into full-time study.

Ensuring that the totality of state support enables people to enter and succeed in FE and HE is critical. There is a need for wider benefits policy to be reviewed – the Joseph Rowntree Foundation observed that the freeze on benefits was causing hardship to families across the country, including student families.<sup>80</sup> However, there are a number of student-specific issues relating to state support and there needs to be a review of the way student support and benefits interact to help clarify and address those problems.

### Money management

Finally, ensuring that students are able to best manage the money that they do receive was a further point of concern for respondents to the Poverty Commission. As a practical matter, NASMA, the students' union at MMU and the NUS Welfare Zone<sup>81</sup> all highlighted the payment structure of HE student support, which is paid in three termly instalments, and argued that monthly payments, as in Scotland, would enable students to budget more easily. GuildHE stated that access to financial education is critical for working class students, and that FE and HE institutions have a duty to ensure these students are aware of the financial opportunities available to them.

■ ■ Even where students were receiving full student support, evidence suggested they were more likely to experience hardship than other students."

# Chapter 3:

# **Student expenditure**

# Student expenditure

**This chapter focuses on how the expenditure requirements for working class students contribute to, and compound, financial poverty and emotional hardship.**

**A number of expenditure themes repeatedly cropped up in the evidence submissions and are explored in this section: transport costs, access fees, housing costs, childcare, food, energy and course costs.**

## Transport

The cost of using public transport to attend college or university was the most commonly cited problematic area of expenditure in the evidence submitted to the Poverty Commission. A number of students' unions, the TUC, the National Society for Apprentices and others all commented on the impact of the cost of public transport on students, particularly those studying in FE or apprenticeships.

The Campaign for Better transport provided evidence that cuts to bus services in local areas have left some students unable to attend their chosen college, or study their chosen subject, as replacement transport options are too expensive.<sup>82</sup> Making decisions based around transport costs and provision, rather than on an individual's aptitude or interest in a subject, will have life-long limiting implications for learners, potentially locking them out of entire sectors or careers. This point was bolstered by submissions made by the AoC, which also cited transport costs as a common reason for students dropping out of FE.<sup>83</sup>

Almost all respondents who identified transport costs as a barrier for working class students recommended that the government should provide free or heavily subsidised public transport for students and apprentices in order to attend their place of learning or training.

In practice, the cost of public transport is devolved to local authorities, which has led to a mixed picture of service availability across the UK. However, the devolution of transport provision and costs has the potential to facilitate effective localised campaigning in local elections, specifically in regions with

directly elected metro mayors (Cambridgeshire and Peterborough, Greater Manchester, Liverpool City Region, Tees Valley, West Midlands, West of England and Sheffield City Region).

## Access fees

The Bevan Foundation highlighted its research into the correlation between students' attainment levels in Wales and their eligibility for FSM.<sup>84</sup> This research found that students who qualified for FSM were over-represented in the figures for those who did not achieve five A\*-C GCSEs or equivalent.

The main post-16 options available for students without five A\*-C GCSEs are entry-level courses, level 1 or level 2 courses at an FE college or work-based learning. These come with additional barriers to access, including cost. According to the Bevan Foundation, students can pay approximately £300 to access some college courses, including entry level and level 1 courses.<sup>85</sup> In effect, students who did not achieve the grades (in this case, five A\*-C GCSEs), who are disproportionately from working class backgrounds, pay a premium to access some aspects of FE.

Evidence submitted by the University and Colleges Admissions Service (UCAS) also focused on the additional cost burden for students who lacked the right qualifications to start university courses immediately after completing their college or sixth form, who were disproportionately from a low-income background.<sup>86</sup> Working class students often face more limitations on the FE topics they can study, compared to their middle class peers, due to the lack of affordable public transport to allow them to attend institutions offering appropriate or relevant courses. The knock-on effect of this lack of choice can mean that their progression to HE or an apprenticeship can be hindered by the requirement to complete bridging or foundation courses in order to be accepted on to their chosen programme.

In practice, this means that these students pay an additional year's tuition fees (where appropriate) and accrue the associated debt, as well as an additional year's living expenses, while completing these courses. This is a further example of a premium paid

disproportionately by low-income students to access the same education as their more affluent peers.

### Housing

The cost of renting a room in purpose-built student accommodation (PBSA) or in the private rented sector (PRS) increases each year. For students living in PBSA, or halls of residence, rents have risen on average by 5 per cent per year for the last decade.<sup>87</sup> In the PRS, rents have increased on average around 1.5 per cent year on year.<sup>88</sup>

#### *Purpose-built student accommodation*

Findings from the NUS Unipol 2015 Accommodation Costs Survey, which looks at the cost and quality of PBSA in the UK, showed that many educational institutions and private housing providers continue to set their rents above inflation, and well above what would be an 'affordable' level for a student based on their income.<sup>89</sup> Furthermore, 48 per cent of educational institutions disclosed that they had no strategy to support affordable accommodation for students and had no intention of creating one.<sup>90</sup>

Evidence submitted by the UEA Students' Union suggested that some universities use their dominant market position in providing on-campus accommodation to generate additional income from students living in PBSA.<sup>91</sup> Using data obtained under a Freedom of Information request, the union found that around half of HEIs generate more than £200 profit per bed space per year in their PBSA, after covering running costs.<sup>92</sup> Furthermore, its research found that more than 20 HEIs generated more than £1,000 profit per bed space per year in their accommodation.<sup>93</sup> This suggests that some HEIs are failing to ensure their accommodation is priced in a fair and transparent way. Specifically within the context of examining barriers for low-income and working class students, it suggests that these HEIs need to reconsider their approach to affordable accommodation as a way to promote access to education for disadvantaged groups.

The impact of overpriced accommodation, compounded by insufficient maintenance loans, was brought into focus by the evidence from one student, who commented that they had to find an additional £700 on top of their loan to pay for their accommodation alone.<sup>94</sup> Another student attending a collegiate university mentioned that 12 of the 14 halls of residence were out of their price range because of their cost relative to the maintenance loan, despite the student receiving the maximum loan amount available. This pricing policy risks segregating working class students in lower-cost accommodation from others who have access to additional funds from their families.<sup>95</sup>

Since the 1990s, tertiary educational institutions have increasingly outsourced their responsibility to house their students to private providers in the PBSA sector. Opportunities for regulating and influencing the PBSA sector are limited, and the policy recommendations made to the commission reflected this. There was a strong consensus that providing affordable accommodation for working class students was the responsibility of their educational institution. Recommendations included suggesting that working class students should receive a specific allowance for accommodation, linked to the actual cost of renting a room, based on a model of institutional provision.

In London new plans drawn up by the Mayor, after successful lobbying from NUS and subject to final consultation, have made it a condition of planning permission that all new student accommodation must have 35 per cent of the rooms reserved for 'low-income' students, where the rent is no more than 55 per cent of the maximum maintenance loan available.<sup>96</sup> The plans also mandate that all new student accommodation must have a nominations agreement in place with an educational institution, effectively reinforcing the link between a university and its responsibility to provide accommodation for its students. This model has the potential to be replicated across the UK, and presents substantial campaigning and lobbying opportunities for students.

### *Private rented sector*

The ever-increasing rents charged in PBSA can mean that working class students forego this option and instead rent a cheaper room in a shared house in the PRS. Research from Bristol University, submitted to the Poverty Commission, demonstrated that living in the PRS affected students' feelings of wellbeing and connectedness with their peers, making them significantly less likely than those in PBSA to describe the impact of where they lived on their studies as 'positive'.<sup>97</sup>

Living in the PRS carries specific challenges for students from low-income backgrounds, which are particularly applicable when a student is looking for a property to rent. Landlords in the PRS will generally only let to students on the condition that they provide a guarantor – a named person who commits to paying the rent if the tenant cannot. Guarantors need to be able to prove they have sufficient income to cover any missed rent payments before they can be accepted and a tenancy granted. Students from families with low incomes, families with irregular work, international students, refugees or migrants, or students who are estranged from parents can struggle to find a guarantor. When a guarantor cannot be found, the landlord usually requires an advanced payment, of six months' rent, upfront.

Students who are unable to provide a guarantor, but who need to rent a property or room in the PRS, usually have no alternative to using credit cards or exploitative short-term loans, which carry substantial fees and annual interest rates of more than 1,000 per cent, in order to secure a property.

A different, and equally exploitative, method for students to rent without a suitable guarantor is to use a 'guarantor service', which requires potential tenants to pay a fee, often of hundreds of pounds, to a private company that can then arrange a guarantor agreement with the landlord. But student tenants must still provide a nominated person to be responsible for any missed rent payments in this agreement.

Again, these financial barriers to securing somewhere to live do not exist for middle-class or affluent students and are an example of the additional costs faced by students with low incomes.

### **Childcare**

Respondents to the Poverty Commission repeatedly identified the cost of childcare as a barrier to accessing education for working class parents, as was the financial hardship experienced by families with a parent in tertiary education.

Within HE, respondents identified specific issues for student parents that placed them at a financial disadvantage compared to students without children. Evidence from the students' union at MMU highlighted that a lack of communication between educational institutions and student parents about timetables meant that students were often unable to arrange formal childcare before the start of their course. This meant that they had to arrange childcare within a short space of time at the start of the academic year, often meaning they could not take advantage of the cheapest available option.<sup>98</sup>

Childcare providers require payment of up to a month in advance, which student parents must pay before they have been allocated any childcare bursaries or loan instalments. This can mean student parents having to pay hundreds of pounds upfront, and either having to use exploitative payday loans or delay paying for essentials such as rent or energy bills.

Evidence from the Young Women's Trust picked up on the financial hardship experienced by apprentices who have children. Its research found that 60 per cent of apprentices who are parents say their apprenticeship costs them more than they earn, compared to 43 per cent of those without children. This research also found that guidance and information provided to apprentices lacked clarity on their entitlement to access free childcare while training.<sup>99</sup>

The recommendations made to the commission around childcare costs can be grouped into three categories: solutions for apprentices, students in HE and those in FE. However there was universal agreement that the government should provide more subsidised childcare for all student parents.

For apprentices, the Young Women's Trust recommended state-funded free childcare for children under three years old, as universal provision is currently only available for 3- and 4-year-olds.<sup>100</sup>

In FE, the Workers' Educational Association recommended that colleges should work to eliminate the cost barriers that prevent working class people from accessing education, including providing on-site crèches.<sup>101</sup>

In HE, MMU recommended that universities should take more active responsibility to support students who are parents, including help with finding recommended childcare providers and enhanced bursaries to help with childcare costs.<sup>102</sup>

### Course costs

The costs associated with attending college, university or an apprenticeship are varied, but share one common theme: they were not generally advertised to applicants before being enrolled or signed up. Examples of the way these hidden costs specifically disadvantage working class students were provided to the commission by a range of sources.

In one example of hidden costs associated with vocational FE courses or apprenticeships, Think Forward cited a hairdressing course that carried a £100 charge for equipment, without which the student could not complete the course.<sup>103</sup> Other examples of equipment costs include sets of knives for a catering course, brush kits for make-up and beauty courses and art supplies for an illustration course.

Hidden costs identified in evidence to the commission went beyond essential equipment for the course itself and included the cost of appropriate clothes and shoes (especially if the course involved work placement/s), stationery and printing costs, and field trips. One submission noted that field trips are often promoted as optional when, in fact, there is a clear correlation between attending these trips and attaining higher marks.<sup>104</sup>

Evidence provided by students in HE referred to the unexpected requirement for specific textbooks for their course, which were not available in the library and which cost around £50 each.

FE colleges and the Prisoner Education Trust also commented on the necessity of having access to a laptop or computer at home to complete coursework, which was not an option for many working class students.<sup>105</sup> This had the effect of limiting the time they could spend working independently on their assignments, compared to more affluent students, as they relied on public computers.

Access to performing arts courses for working class students was raised a number of times. In particular, the Royal Conservatoire Scotland stated that the costs involved in purchasing and repairing an instrument, as well as those for attending workshops and performances, were prohibitively high for those on a low income.<sup>106</sup> This was echoed in evidence from East Kent College Students' Union,<sup>107</sup> which noted that applicants to drama schools are expected to pay a £40 audition fee, discouraging working class students from applying. Many of the submissions commented that working class students were being excluded from creative performance-based courses because of the additional course costs.

Recommendations for solutions to these issues were largely based on the need for a deposit or lending scheme for essential course materials, textbooks and equipment. They called for education providers to publicise the hidden costs associated with their courses and to make clear the finance options available for students in need of support.



### Heating and food

The experiences of low-income students are often characterised as having to make the impossible choice between 'heating or eating'. However, evidence submitted to the commission suggests some students' income is so low that they cannot keep their homes warm nor eat nutritionally balanced food.

NUS Student Eats surveyed 3,260 students on their access to healthy and nutritious food in the last 12 months.<sup>108</sup> This found that 38 per cent of students said they had been unable to eat healthy and nutritious food because of a lack of money or other resources, and a quarter said they had been hungry but did not eat because of a lack of money or other resources.<sup>109</sup> Not being able to afford food on campus was a common theme mentioned in a number of student submissions to the Poverty Commission.

In 2017 NUS conducted research into rates of fuel poverty among the student population and found that 55 per cent of respondents said their private rented accommodation was much colder, or a bit colder, than they would have liked over the winter, and that 49 per cent had felt uncomfortably cold in their accommodation.<sup>110</sup> Some 43 per cent of respondents had turned their heating off even though they would have liked to keep it on because of concerns about energy costs.

Although there are possible solutions to both of these issues – providing cheaper or subsidised food on campus and making improvements in energy efficiency for properties in the PRS – they are both primarily consequences of students having insufficient funds to afford a decent quality of life. Being comfortably warm and eating nutritious food are not luxuries. The implication that a significant minority of students are unable to afford these basic standards suggests deeper, more endemic issues around the levels of funding and income for students.

### Emotional impact of financial hardship

A clear message from students who gave evidence to the Poverty Commission was the impact they felt from struggling to afford taking part in social activities alongside their peers. This differentiation based on financial means leads to students without access to resources feeling alienated, isolated and excluded.

This was particularly pronounced in HE. For example, one student said that they had to pay £200 to join a junior common room for their halls of residence so that they would be included in social activities.<sup>111</sup>

Students commented on their feelings of being ostracised from the dominant student culture because they could not afford to buy food from restaurants and so brought their lunch from home. One reported a feeling of stigma because a fellow student had noticed their stationery was a cheaper brand compared to their classmates, and many reported feeling isolated because they could not afford to go for nights out with their peers.

Worcester Students' Union submitted evidence including this testimony from a self-identified working class student:

*"[If you are] working class you are shunned by students too ... It's ridiculous, I remember feeling inferior to everyone else because I wasn't pretty enough, I didn't dress nicely enough, I had pack[ed] lunch rather than canteen food, my car wasn't good enough. My parents' jobs weren't highly respected. The colour of my skin, smoking tobacco instead of cigarettes ... Someone knowing I can't afford lunch [and] that's why I'm 'dieting'."*<sup>112</sup>

Evidence seen by the commission suggests that working class students with low incomes, or those with children or caring responsibilities, are specifically disadvantaged in terms of the level of expenditure required to participate fully in the educational, social and cultural aspects of FE and HE. This disadvantage is compounded by the necessity for students with a low income, as a result of their financial hardship, to pay additional fees and costs that are do not apply to their more affluent fellow students.

# Chapter 4:

# **Structures**

# Structures

**This section attempts to distinguish the problems faced in accessing and succeeding in tertiary education that arise from identity and circumstance from the structures that lie outside finances. It is important to note that although this section is not explicitly about income and expenditure, these structural circumstances are, in many cases, factors that exacerbate finances. For example, financial competence, although often cited as a result of school education and cultural capital, are associated with poor financial choices and ultimately cashflow and debt problems.**

This chapter draws on the framework outlined in the Joseph Rowntree Foundation review of tertiary education and poverty.<sup>113</sup> This review brings together three reports from Barnardo's,<sup>114</sup> The Department for Business, Innovation and Skills<sup>115</sup> and research by Haroon Chowdry et al.<sup>116</sup> that summarise three main areas (and the Joseph Rowntree Foundation adds a fourth) which act as barriers to educational access, retention and success for poor and working class people. These are: poor experiences at school; personal difficulties and life circumstances; accessibility and the availability of tertiary education provision and information, advice and guidance (IAG); and labour market disincentives. These analyses are by no means exhaustive, and will be drawn out in future NUS research and briefings.

Examining these issues should begin by looking at the relationship between parental background and outcomes – before children enter formal education.

## Early years investment

When considering the progression to tertiary education for working class people, issues around IAG are deep-rooted. The POLAR measure of participation is useful in that it is a proxy for the first in family to go into higher education – in some cases, one of the few in the local community. Associations between participation in tertiary education by area and various financial wellbeing indicators are well known – indeed NUS' *Pound in Your Pocket*<sup>117</sup> series of research reports found significant correlations between low participation, age, ethnicity, disability and gender, and poor outcomes in terms of debt, wellbeing, performance and retention.

*"This inequality, however, begins before a child enters the world, their financial situation and related opportunities are pre-determined. What happens in formative years greatly impacts educational access and outcomes in later years. The gap starts off unequal and it gets worse throughout the education system. The UK has particularly high attainment gaps. That gap exists before children start school. There's almost a two year [educational attainment] gap in five-year-olds between the poorest and richest."*<sup>118</sup>

In 2016, an Ofsted report looked at the proportion of children achieving a 'good level of development' at the end of early years foundation stage, by eligibility for FSM, analysing data between 2007 and 2015.<sup>119</sup>

Children are defined as having reached a 'good level of development' at the end of the early years foundation stage if they achieve at least the expected level in the early learning goals in the prime areas of learning (personal, social and emotional development; physical development; and communication and language) and in the specific areas of mathematics and literacy.

Ofsted's analysis revealed a clear relationship between young people living in poverty, as represented by those entitled to FSM, and early child development. Year on year, the number of children on FSM who achieved a good level of development was 20 per cent lower than those who paid for school meals. This gap has been persistent year on year, narrowing only slightly to 17.7 per cent in 2015.

This persistence in the effect of social class is further demonstrated by other research from the Joseph Rowntree Foundation,<sup>120</sup> which looked at child cognitive test scores, based on parents' childhood and adult socio-economic position. This analysis shows how a child is more likely to have lower scores in cognitive testing if their parents were poor during their own childhood. These disparities in early years education demonstrate the persistence of social class and economic status. An education gap that exists from a very young age follows children throughout their education, presenting one of the key barriers to social mobility.

**“The persistent impact of the poverty gap is already visible in outcomes for children, in spite of current interventions.”**

The Institute for Fiscal Studies warns that increases in child poverty from 2017–2022 will see any improvements across Britain in the past 20 years wiped out, and that 37 per cent of children will be in relative poverty by 2022.<sup>121</sup> Investment in early years education, parental and primary outreach are a vital part of a holistic approach to securing better outcomes for poor and working class students. The persistent impact of the poverty gap is already visible in outcomes for children, in spite of current interventions. It is clear that any reductions in reducing funding for, or the priority of, this issue will have devastating, life-long consequences.

### Poor experiences at school

Submissions to the Poverty Commission and the available literature highlighted the impact of poor school experiences on working class students, notably around poor relationships, their relationship to the curricula, and attendance and bullying.

Working class people’s interpretations of their experiences at school influenced their approach to education, restricting their progression beyond compulsory education. Joseph Rowntree Foundation evidence<sup>122</sup> pointed to working class pupils having difficulties in the transition from primary to secondary school, finding the secondary curriculum too academic, and linking the language and practice of academia with middle class culture and considering further study irrelevant to their interests or needs. School leavers from deprived backgrounds reported feeling that they had been failed by their teachers, negatively affecting their motivation to keep participating in school, to

achieve and to progress through and beyond school. This undoubtedly affected the quality of teaching they received and relationships with their teachers.

In addition, work by Louise Archer<sup>123</sup> and Richard Steer<sup>124</sup> describes how some young people express feelings of ‘vulnerability’ – being looked down on in school because they come from a poor neighbourhood – as a factor that leads to disengagement from learning. In many respects, young people sense a ‘lack of fit’ between their working class identities and a culture of education that they perceive to have middle-class language, school ethos and staff. This was echoed by Oxford University Students’ Union:

*“Working class students can experience a culture shock upon arriving at Oxford; they can feel isolated as it can be difficult to find other working class students and forge a sense of community. In addition, a lot of the traditions of university and collegiate life can be alienating, especially for the first-generation students we represent ... In a purely academic sense, having tutorials or classes with students who are more academically privileged can sometimes be intimidating, as they may be more familiar with that teaching environment ... Working class students may also feel as though their curriculum does not represent people like them or the regions they come from.”<sup>125</sup>*

Research by Chowdry et al.<sup>126</sup> suggests that when young people are deciding what qualifications to take at 16 and 18, they make these decisions in the context of the here and now. Indeed, their impression of what their future holds, in terms of life and career aspirations, affect not only their choices but also the amount of energy and time that they put into their schoolwork. If working class learners feel that HE is not for people like them, they are less likely to perform academically to a standard that would make HE an option, as they put in less effort. This is not an issue of ability, or even aspiration, it is a condition of identity.

As the evidence submission from NEON<sup>127</sup> stated, it is important to emphasise that such differences do not imply that working class people lack aspirations, either for themselves or their children. A meta-review of

literature by the Joseph Rowntree Foundation, looking at educational aspirations found that:

*“children and parents from low income families have high aspirations and value school, and that parents by and large try their best to support their children’s education. There is evidence that teachers and other professionals may underestimate the aspirations of socioeconomically disadvantaged children and parents and not appreciate the importance with which school is viewed ...”*<sup>128</sup>

These factors should be considered when supporting the teaching profession. Colleges and universities can learn a lot from schools. Working with teachers to develop and present meaningful pre-GCSE options and pathways for pupils will help to form pupils’ choices. Institutions should support school teachers to develop conversations with their pupils about their future academic careers in a way that focuses on their development and their role in society rather than just academia.

Research by Barnardo’s<sup>129</sup> reflected another issue by highlighting the significance of bullying and truancy on the likelihood of a young person rejecting formal education and becoming NEET (a young person not in education, employment or training). This research cites evidence from a report from the former Department for Children, Schools and Families (now part of DfE)<sup>130</sup> that showed that children who are persistently absent from school are seven times more likely to be recorded as NEET at the age of 16 than other young people. Bullying contributes to this truancy and consequent disengagement from education.

Between April and September 2017, 790,000 young people (aged 16–24) in the UK were NEET.<sup>131</sup> The Welsh government found that growing up in a household with a low socio-economic status is a key contributor to young people becoming classified as NEET, alongside: special educational needs, disability, caring responsibilities, young parenthood and poor mental health.<sup>132</sup> Importantly from the perspective of the Poverty Commission, when a young person is classified as NEET, their household stops receiving Child Benefit

for them, pushing young people and their families further into poverty and reinforcing barriers to entering FE or training.

These factors suggest that there should be a continued focus on bullying and personal relationships in primary and secondary school to reduce the impact of bullying and truancy on progression through education. In addition, FE and HE institutions’ involvement in any strategies on personal relationships, as a part of their outreach work could support young people’s engagement with education and progression beyond school.

### Personal difficulties and life circumstances

Poor and disadvantaged young people experience a whole raft of personal challenges and ‘super barriers’ to engagement in tertiary education, such as homelessness, lone parenting, poor health and lack of finances.

The availability of time and the cost of multiple responsibilities can be a significant factor restricting working class people’s participation in tertiary education. People who live in poverty may have time constraints because of family responsibilities, the need to work long hours to maintain their income, living in neighbourhoods with limited opportunities for life-long learning (the cost of travel is also a barrier), working in an industry that may make it difficult to access appropriate training – if progression opportunities exist. There is also clear evidence that access to a personal computer and the internet, which come at a cost, are important factors in participation in tertiary education.<sup>133</sup> There is a strong correlation between use of the internet and people’s willingness to engage in learning – any schemes that extend access to the internet should be supported.

Language is also a factor that can compound the effect of poverty on a person’s participation in tertiary education. The Workers Education Association<sup>134</sup> commented that it is well established that lacking English language skills can be a barrier to progression in education and employment, and yet provision for



teaching English for Speakers of Other Languages (ESOL) is poorly supported in the UK and does not meet the level of need. Working class, non-English speakers are doubly disadvantaged, as they are the people least likely to have the means to access support to improve their language skills to achieve the standards required for most post-16 education settings.

A key recommendation made to the commission was that ESOL should be extended, and the tertiary education sector, as well as educational institutions themselves, should work with asylum outreach charities to support progression into tertiary education.

### **Bereavement and significant life events**

The impact of significant life events, such as redundancy of a parent or partner, or bereavement, would cause major disruption to almost any student or potential student. However, the impact of these events tends to be more pronounced for working class students and those in poverty, given their relative precarity in terms of finance. In such circumstances, educational institutions and the Student Loans Company have mitigation procedures. But this particular group of course applicants and students still face some specific challenges:

- *Funeral payments* – These are available to students who sit below a certain income threshold and who receive benefits. However, a large proportion of working class students do not receive benefits, and will therefore not be eligible for these payments. Educational institutions should make hardship funds where students are ineligible for benefits.
- *Pre-application* – Bereavement in particular could act as a super-barrier to course participation as a student's family and friends may be less able to support them.
- *Postgraduate taught students* – Mitigation procedures are not adequate for students who receive a postgraduate loan, particularly for those from low-income backgrounds who may be more debt averse. Interrupting postgraduate study usually results in needing to retake the entire year and taking out

**“Language is also a factor that can compound the effect of poverty on a person's participation in tertiary education.”**

another full loan. It is vital to redraft the postgraduate maintenance loan guidance to account for mitigating circumstances in a way that does not double students' debt, as postgraduate students are currently being penalised disproportionately.

### **Prisoner and ex-offender education**

At the end of 2016, the total prison population in the UK was 84,300, of which 5.6 per cent were aged 20 or under.<sup>135</sup> Ministry of Justice statistics demonstrate that studying for higher level qualifications through distance learning in prison reduces reoffending by 25 per cent.<sup>136</sup> However, upon leaving prison, people face further barriers when trying to enter or re-enter the mainstream education and training systems.

Both the Prisoners' Education Trust and Unlock, a national charity that supports people with convictions, argue that the need to declare criminal offences on the initial UCAS form puts many individuals off applying to university and college altogether. Having to disclose convictions on UCAS and other application forms can have a 'chilling effect' and leads to fears of discrimination.

Many policies and procedures around prisoner and ex-offender education are not transparent and few colleges and universities provide specific support and encouragement for this group to apply, despite many of these students having other characteristics that do receive support (eg care leavers, or Black and minority ethnic, or disabled students). Most European

universities do not require disclosure of criminal histories on their application forms and research carried in the US found that college campuses that do not collect data regarding criminal convictions do not report their campus to be any less safe as a result.<sup>137</sup> Furthermore, time spent researching options and filling out forms is in and of itself at a premium for prisoners, as the Prisoners' Education Trust identified access to the internet itself as an issue for them.

*"I applied for a place on a Human Resource and Management course at a local university ... I met all the academic requirements ... I filled in the form, ticked the box to say I had unspent criminal convictions and made a full disclosure as requested. It did not take long for me to receive a forty-five-word email refusing me entry. I appealed but I was refused entry again. At this point, it would have been easy to walk away ... However, I decided it was worth one last effort ... [Six months after my original application a] letter came through the letter box overturning the original decision to keep me out and offering me a place on the course ... We all deserve a second chance, whatever we have done, but be prepared to fight for it – it certainly won't be handed to you on a plate."*<sup>138</sup>

There is abundant evidence to support the argument that tertiary educational institutions should remove compulsory criminal offence disclosure where this is not necessary. This could be supported by investment in tertiary education advice within the prison system.

### Debt burdens

Without access to financial support and money advice from family, working class and low-income students often have little choice but to take out loans and use credit to pay for everyday essentials, including rent, food, course materials and childcare.

In evidence submitted to the Poverty Commission, the Step Change debt charity<sup>139</sup> explained that the cycle of debt and borrowing can quickly become unmanageable for people on low incomes, and this is particularly prevalent among younger people, often because cuts to services and benefits are leaving them in financial hardship.

Low-income students have limited options when applying for credit and loans as they typically lack suitable guarantors or collateral that would allow them to access more affordable types of borrowing. Products available to these students are predominantly high-interest credit agreements, such as hire purchase schemes for furniture and electrical goods or short-term, unsecured personal loans such as payday loans. Both options carry substantial interest rates, and borrowers can easily pay back twice as much as their original loan amount even over a short period of time.

According to Step Change research, more young people under 25 are now in payment arrears compared to any other age group and they are also experiencing rapid growth in unsecured personal debt levels compared to other age groups. The psychological impact of debt can, in the organisation's view, significantly affect students' studies.<sup>140</sup>

The burden of debt for students who take out these loans goes beyond the payment terms of their loan agreement. Any borrower who defaults on a repayment schedule risks having goods repossessed and facing additional costs for bailiffs, court fees and interest on their outstanding balance. However, the true cost of short-term, high-interest loans may not be apparent until later in life when borrowers find that their credit rating has been negatively affected by having missed a payment, or that the use of a payday loan company leaves a strong negative mark on their credit file.

**"Low-income students have limited options when applying for credit and loans as they typically lack suitable guarantors or collateral that would allow them to access more affordable types of borrowing."**

Having a poor credit rating has knock-on effects for future borrowing, for example many mortgage companies, banks and building societies that offer the cheapest borrowing rates will not accept applications from individuals with a history of using payday lenders.

This is a very difficult area in which to intervene but many money advisers do an outstanding job of supporting students with advice and guidance, often with limited resources. Investing in, and supporting, money management should be a key part of any strategy to combat student debt. In-course costs should also be transparent and, where possible, removed and educational institutions should become guarantors for students from low-income backgrounds.

### **Accessibility and availability of information, advice and guidance**

The main barrier to disadvantaged young people participating in HE is their relatively poor attainments in school prior to 16. However, academic attainment accounts for only 75 per cent of the 'access gap' in top universities.

Learners are often prevented from applying to HE courses because of issues associated with the accessibility, availability, appropriateness and timeliness of the information and guidance received by young people. The most significant aspects of this barrier are problems associated with the application process and the location of the course or college.

A lack of support and IAG, either when looking for courses, or when on-course, acts as a barrier to learning for one in 10 young people.<sup>141</sup> Primary sources of advice and guidance are needed from school teachers. In our oral evidence session<sup>142</sup> on structural issues, we heard from The Behavioural Insights Team how a perceived lack of respect from teachers for working class students and class barriers in school (as discussed above) might affect such advice:

*"Teachers act as gatekeepers for university. Teachers are often trying to protect students from experiences that might be damaging for them. On distance, this is part of class identity – a change of university and moving across the country is part of appearing to move [socio-economic] classes."*

However, it is problematic to use a 'deficit approach', which focuses on how applicants behave and respond. As the Runnymede Trust pointed out in the evidence session:

*"There's a slight tendency to focus what we can do to change the applicant, not enough on what we can do to change the institution. Institutions assume they are neutral ..."*

Tertiary educational institutions should change their approaches to IAG, to address institutional barriers and avoid the automatic assumption that prospective students from working class backgrounds should improve their aspirations. These strategies should focus on institutions, rather than applicants, changing to broaden access to low-income students. Doing this through communities and schools could be transformative – educational institutions should support school teachers to develop conversations with pupils about their future academic careers in a way that is meaningful.

### **Availability of course provision**

*"Your proximity to university doesn't dictate if you go or not, but you're more likely to go to a university [that is] closer."<sup>143</sup>*

Working class people and people in poverty are significantly more likely to study tertiary education closer to home, and to study as commuter students. The consequences of this include the accessibility of certain subjects, modes of study and development pathways. This is of particular importance in areas with poor transport infrastructure and rural areas. This is more pronounced when considering the availability of prerequisite qualifications, especially for those who leave school without the appropriate qualifications for

their preferred tertiary education pathway. The Bevan Foundation<sup>144</sup> told us that:

*“Young people who are eligible for FSM come from low income families and are at a higher risk of living in poverty. The data shows that more young people from low income families are leaving school without the qualifications they need to access many of the post-16 opportunities available, eg level 3 courses or higher level apprenticeships.*

*In Wales the main post-16 options available for those without five GCSEs are entry level, level 1 or level 2 courses at an FE college or work-based learning. These come with additional barriers to access, which many young people face regardless of their GCSE achievements, including:*

*Cost – our research shows that some students from low income families are paying approx. £300 to access some courses in college, including entry level and level 1 courses.*

*Transport and geography – access to public transport is very limited in some parts of Wales and the majority of opportunities exist in urban areas.”*

Add to this the financial precarity of tertiary education options in many of the institutions who focus on widening participation, particularly part-time courses, meaning that some students also face the risk of course or module cancellation, which may result in a lack of provision relevant to the people’s career aims.

Currently a number of regions collaborate on widening access to tertiary education, such as the North East Raising Aspiration Partnership (NERAP), in many cases using the National Networks for Collaborative Outreach funding managed by HEFCE. This approach should be extended to every region and should include FE and apprenticeship options. Education providers should collaborate on access to study at a regional level, including mapping subject and qualification availability, to ensure that potential applicants can attend the course that works for them.

### Cultural divides in HE

Class markers are present in a range of ways in HE, including language, accent, dress, cultural interests and values. For any person moving from their socio-economic class into another, feelings of wariness, caution and discomfort are common but may be compounded for young people.

HE settings are predominantly middle class. Working class students who enter this environment, where their culture may not be valued, encounter specific additional challenges that require substantial emotional labour to navigate.

Expressions of class can range from obvious things such as social activities – one student mentioned the challenge of living in halls with people who went hunting at the weekend – to almost imperceptibly small markers like food choices, mannerisms and clothes. A student who featured in evidence submitted by Bristol University Students’ Union captured the impact these differences had on her:

*“I felt so uncomfortable [living in the accommodation block] – like I didn’t belong just because of the way I spoke and the clothes I wore. I ended up buying loads of new clothes in the first week because I wanted to fit in so much.”<sup>145</sup>*

Contrastingly, working class student entry into the middle-class field of university can also affect how well they fit back into working class culture when they are at ‘home’. A student testimony included in the joint submission from Worcester University and its students’ union highlights the feelings of disconnect between university and ‘home’ life, in this case while at work:

*“No one at work went to university so I had to hold my opinions back else I would get, ‘Just cos you go to uni now don’t make you better than anyone else.’ When we sat and [ate] lunch as peers from the course I was on at university, I would mention snippets of my life and everyone would react and call me a chav.”<sup>146</sup>*

Submissions made by the University of Bristol Students' Union also picked up on the elitism and prejudice experienced by some working class students, as evidenced in the findings from its annual student survey; 34 per cent of respondents had witnessed bullying, harassment (including offensive language) or discrimination based on a person's economic or class background. This rose to 43 per cent for students who considered themselves working class, had received FSM or who had a household income of £25,000 or below.<sup>147</sup>

Inhabiting a cultural and social space where one's background and culture are not the norm, and are not valued as equal, places significant strain on one's mental health. Yet opportunities for self-affirmation can be very limited for working class students in this environment, which can lead to tension, unease and unhelpful levels of self-reliance, which can prevent students from seeking support and help when they need it. A student who was the first in their family to go to university commented in the submission from Worcester Students' Union:

*"Coming to uni as a first generation student is a difficult transition to make, and ... there is very little support available. But even with the support that is there, it can be very hard to go to ... I was told by my lecturers that my academic writing wasn't very good and needed improvement – so they handed me a leaflet that said times and dates a writing workshop was on. This piece of paper had the answer to my problem on, but my reaction was to throw it away because it showed a different thing to what I wanted. I wanted my lecturer to help me with my writing, in a room where I felt comfortable and with people who knew me."*<sup>148</sup>

Students' unions, associations and guilds have always emphasised the importance of social mixing. The evidence submitted to the Commission suggests that mixing alone is not relieving working class students' social isolation or indeed helplessness. Students' unions should consider the range of activities they put on and support people to recognise issues around class and background, and how seemingly simple things

and turns of phrase can be misunderstood. Students' unions should develop interventions that help students understand each other, value their differences and work towards a shared language that addresses stratification by class.

### **Labour market incentives and perceptions of choice**

We received evidence that the labour market can create incentives and disincentives to participation in tertiary education. A Joseph Rowntree Foundation report<sup>149</sup> discussed the complex interaction between local employment markets, workforce planning and access to professions and career development:

*"Barriers for poor young people to engage with learning are, in part, around the nature and shape of the labour market and the incentives that it creates, both for young people and in relation to the behavior of firms associated with such labour markets. For example low paid employment that is often repetitive with fewer pleasant working conditions can provide weaker incentives for further education and training and, perhaps most importantly fewer opportunities for progression. At the same time, incentives will vary dependent on what local and regional labour markets offer in terms of the different patterns of opportunity, particularly in terms of wages and the range of jobs on offer."*

However, JRF reported the perceptions of the choices being presented to young people were not seen simply in terms of economics but within a cultural frame:

*"Our recent work in Greater Manchester has captured young people stating that 'school lied to us' when offering guidance and advice on the post-16 education opportunities. Messages that university is the key to jobs and success are essentially being 'seen through' by many of the young people who feel let down by the authenticity of the conversations being had in schools about future progression."*



*Evidence is emerging of a limiting and positioning discourse whereby already held deficit notions of local communities are further enhanced by school led conversations that position HE as a means of 'escaping' from the local community thereby denying both the richness and relationships already in place as well as the many alternative routes often favoured by young people."*

The final point here, the perception of working class students 'escaping' their community and HE as 'emancipator', arose during the commission hearings. There is a fine line between framing tertiary education as for example, a way into particular types of employment or to thrive in life, versus tertiary education acting as a counterpoint and 'cure' to the assumed ills of working class communities and culture. This concern echoes earlier comments about students being simultaneously part of two communities but feeling guilt or alienation from one or both of them. Respondents were critical of the middle-class norms and ivory towers paternalism in tertiary education that are so often perceived by working class people, prospective students and the families of students alike.

### **Changing career paths and part-time study**

The Sutton Trust's report on the decline of part-time study<sup>150</sup> describes how part-time undergraduate study has an important role both in widening participation in post-16 education and developing skills. This report looks at the dramatic (51 per cent) decline in part-time study since 2010 and the reasons behind this.

The report predominantly attributes this fall in numbers to a combination of policy changes around student support (who can access part-time maintenance loans), and fee levels (which affect the attractiveness of part-time degrees), combined with debt aversion, the gradual withdrawal of employer financial support for studying and the amount of time employers are willing to give workers to study. In addition, the ending of funding for most graduates to take a second degree has decimated the part-time HE market, creating a vicious cycle whereby demand has fallen, resulting in courses and modules being unsustainable, shrinking the market for those who want to study part-time.

**"Working class people and people in poverty are significantly more likely to study tertiary education closer to home, and to study as commuter students."**

The changes in part-time education funding options, employer engagement and module availability have focused potential students on the overall qualification itself, in most cases a degree. Previously, the ability to just study a module would have been attractive in and of itself.

The decline in part-time study is significant because its flexibility and the cost of participation previously made it an attractive option for students from working class backgrounds. As the Sutton Trust report points out, using the POLAR measure of disadvantage, 17 per cent of young part-time students are from the most disadvantaged group, compared to just 12 per cent of full-time students. In 2015, there were almost 2.5 times more full-time students in the most advantaged group compared to the most disadvantaged, while for part-time students, these numbers were almost equal.

For many working class people, full-time education is just not an option. Indeed, even a part-time degree would be beyond the reach of people who have existing time, family and professional commitments. Even just by offering options other than formal courses, universities and colleges would give working class learners greater opportunities to participate in HE without having to commit to full degree programmes.

### Course retention and outcomes

Separating the effects of poverty and social class from the effects of racism, ableism, sexism or other prejudices covered under the nine equality strands within the Equality Act 2010 is not straightforward.

The Social Market Foundation found that students from ethnic minorities and poorer backgrounds are the most likely to drop out of English universities.<sup>151</sup> It looked at the relationship between socio-economic score and dropout rates by educational institution, and the relationship between institutional dropout rates and the proportion of Black students. In both cases, a lower socio-economic score and higher proportions of Black students correlated strongly with higher dropout rates. We would expect this relationship be the most pronounced for students who are both Black and from low-socioeconomic backgrounds. Further, Universities UK found that the likelihood of the most disadvantaged students at university dropping out of their course is 8.8 per cent compared to the average dropout rate of 6.2 per cent.<sup>152</sup>

Disability is a key and pressing issue where the marketisation of education has been accompanied by essential supports for disabled people being dismantled. Poverty and disability are linked – disabled students are more likely to come from households with at least one disabled parent. This means that where poverty is linked to disability, the effect is compounded for disabled students.

Significant changes to government policy around social security and social care in the last decade, including the overhauls of both Universal Credit and PIPs, are likely to have exacerbated this effect. Disabled Students' Allowances, including the £200 surcharge to access computing equipment, may provide further barriers to tertiary education for disabled students.

Changes to social care provisions and their impact on disabled students have not yet been measured longitudinally or in a mass study, but are likely to have a considerable effect on access to education, the kind of education accessed and attainment while within education. Measures of disability within HE may also

contribute to the invisibility of results around disability. Students' mental health conditions, in particular, may not be diagnosed. Measures for differential outcomes for disabled students are often linked to declared disability and the type of support subsequently accessed, which will not give the full picture.

Differential outcomes in tertiary education persist, or may persist, for other people who relate to the equality strands, and individuals may experience multiple intersections of disadvantage. Examples include women's post-graduation earnings outlined by the Longitudinal Education Outcomes data,<sup>153</sup> which is worse for women of colour. This gender gap is also evident in progression within work-based learning programmes. The Young Women's Trust found that apprentices from lower socio-economic groups are less likely to take up higher-level apprenticeships,<sup>154</sup> which has been supported by research by the Sutton Trust.<sup>155</sup>

Further investigation should also be conducted into other possible implications for working class students' experiences in tertiary education, such as their sexuality, religion or belief, or gender reassignment, where national data collection only passed the thresholds for public release and analysis by the Higher Education Statistics Authority for students who started courses in 2017.

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Education changed my life, and my vision is that everyone has the same opportunities as I did."

**Shakira Martin**, NUS President



# Conclusion and recommendations

# Conclusion and recommendations

**Not all working class students experience poverty, and not all of those who experience poverty regard themselves as working class. Nevertheless, the findings of the Poverty Commission show that there is a strong link between the two. Specifically, there is a market in poverty: the tertiary education environment has either knowingly or unknowingly commodified class. It has generated specific income streams by monetising inequality and risk. This 'poverty premium' is endemic and is present throughout the various educational transactions, services and consequences relating to people from working class backgrounds. Some are more direct charges, such as larger loan debts relating to studies, others are consequences of this, such as institutional rent inflation, and many are indirect, such as transport costs arising from being last in the queue for private rented student accommodation, stuck on the outskirts of a college or university town.**

What is clear is that poverty, and the dearth of opportunity that accompanies it, cannot be erased by access to education alone. Despite the promise of social mobility, for many students the cycle of poverty is replicated throughout their experience of FE and HE, albeit in different manifestations. It is not enough simply to have the academic ability to get on to a course. Without the financial and cultural capital to keep up with their peers, working class students can get left behind. In too many cases they can be socially isolated, culturally alienated and walking a precarious line between 'just getting by' and dropping out of their course.

In some respects, the problem is simple to understand. For too many students, essential expenditure greatly exceeds student income. As a result of the general decline in FE funding and/or the rise in living costs, students in FE are now worse off than their predecessors. The wages received by apprentices are clearly not fit for purpose, and have the additional disadvantage of preventing apprenticeship trainees from claiming certain benefits and accessing funding to support their living costs during their training. Finally, for some students in HE, student support funds may have risen – albeit fitfully – but costs have often risen faster.

**"Greater investment in student support is required, and students across FE and HE in England should be able to expect a minimum living income."**

Accessing financial support generally requires students taking on the substantial debt of a maintenance loan, only to find that the loan often does not cover the cost of accommodation, let alone food, clothes or books. Put simply, the system is not working.

Greater investment in student support is required, and students across FE and HE in England should be able to expect a minimum living income. This would mirror the findings of the Diamond Review in Wales and the student support review in Scotland. More than this, student loan funding cannot be the only solution for students, whatever the accounting tricks it enables for government. For working class students in particular, loan financing influences too many decisions – not only whether to study, but also what and where. Maintenance grants, EMA and nursing bursaries must be restored and improved, and the apprenticeship minimum wage should be brought up to the level of a living wage.

However, we are equally clear that increasing student income alone cannot address the issues identified in this report. Students face rising costs in a range of critical expenditure, notably transport, accommodation, childcare and course-related costs. Increasing student income by increasing student loans is burdening generations with a time bomb of debt and putting too many off further study altogether. Student loans are recycled into extraordinary profits for landlords and bus companies while students experience poverty.

**“The existence of the Poverty Commission has been welcomed by students, students’ unions, the FE and HE sectors and beyond.”**

Accommodation subsidies provided to low-income students; private landlords halving rent over the summer; discount cards for 50 per cent reductions on train fares; early bird discounts for rooms, childcare or day trips – none of these solutions will fix the bloated costs for services and goods that students rely on in order to learn. Private sector companies offering discounts legitimises rising costs and often encourages students to purchase goods or services that might not be best for them, for example high-end accommodation with the first month’s rent ‘free’.

New ways of thinking about affordability are needed. ‘Affordable’ should not just mean ‘less than market rate’, it should signify a cost that is balanced against income and one that promotes quality of life rather than diminishes it. Government, local authorities and tertiary education institutions must work together and lobby the private sector to ensure that study costs are fair, student support is adequate and accessible, and that working class students do not experience financial penalties relating to their studies.

The culture and structures of FE and HE must also change. There needs to be greater investment in early years education, significant investment in IAG for students, and work to address students’ course retention and success. Poverty is a cycle that replicates itself through exclusion – financially, socially and culturally. FE and HE, in this context, can seem distant, middle-class pursuits that are unrelated to the interests and needs apparent to many working class people. To change this relationship, and to bring tertiary education into the lives of working class communities, FE and

particularly HE providers need to change, to add to and benefit from – rather than ‘cure’ and gentrify – these communities.

Multiple barriers to educational progression and success exist beyond class and wealth, in gender, identity, language and ethnicity. Second chances are designed out of the system for many students, through scarcity of course provision and choice, and via a lack of support during life’s key transitions including from primary to secondary school, into parenthood or from prison.

The existence of the Poverty Commission has been welcomed by students, students’ unions, the FE and HE sectors and beyond. We received a wide range and impressive quality of evidence from stakeholders, and we hope this enthusiasm can be carried forward as we look to put our recommendations in practice.

For students who do make it past the innumerable, insidious barriers to their rightful participation in FE and HE, the future is not always clear. However, we can be sure that it was their grit, their determination – often built through a lifetime of disadvantage – that got them there, and we must all do more to support them along the way.



# Recommendations

## For the UK government

### *Ensure that students have enough money to live*

The review of student support in post-18 tertiary education, and the informal review of funding for students aged 16–19 occurring in parallel, represent a critical opportunity to alter the student finance settlement radically in favour of students. To tackle the issues of poverty and class highlighted in this report, both reviews should result in the introduction of a minimum living income for students across FE and HE, to provide security for students who experience financial precarity.

However, we cannot simply pile more debt on to students to achieve this. Working class students and those in poverty are debt averse. With FE, undergraduate and postgraduate educational routes all reliant on debt, this represents part of the poverty premium where students who do not go to university straight after school are more likely to require repeat years, at greater financial cost. We must therefore use the Augar review to make a fundamental reduction in the reliance on student loans to finance students. The government must reinstate entitlement to grant funding across FE and HE, including maintenance grants for undergraduate students, EMA for young FE students and NHS bursaries at significantly improved rates, and ensure a lower interest rate on the student loans that remain. It must also review the operation of means-testing to ensure a fair funding system, and be clear about financial expectations from the parents and partners of students.

Lastly, we cannot let student support wither on the vine as it has too often over the last decade. The government must ensure that student financial support across all different levels of study – including income thresholds – is pegged to inflation, so that it maintains its value over time.

### *Ensure that students and apprentices are paid a fair wage*

Employment is a key source of income for many students, particularly apprentices, yet too many students and apprentices are exploited. Pay levels need

to be improved so that many hours of part-time work do not negatively affect studies and apprentices are paid fairly for their work. The apprenticeship minimum wage should be increased, and apprentices should move on to the appropriate age rated National Minimum Wage after six months. The separate rates for young people should be brought up to the same rate as the National Living Wage for those aged 25 and over, and that rate should be increased to the real living wage as set by the Living Wage Foundation. More investment should be put in place to ensure widespread compliance with minimum wage laws, especially for apprentices.

### *Ensure the benefits system assists students who need extra support*

For many vulnerable students the social security system is an essential element of their financial support. For too many student parents and disabled students, this system simply does not work effectively. The DfE and the Department for Work and Pensions, along with the devolved administrations, should undertake a full review of links between the student support system and social security system. This review should aim to improve the system so that vulnerable students who rely on benefits experience as little stress as possible and are not deterred from taking up study opportunities or completing their course. Financial support for families with young apprentices should also be reviewed to ensure parity with those in other forms of FE.

### *Ensure students are able to budget effectively*

NUS *Pound in Your Pocket* research highlighted that the majority of students would prefer to receive their support payments and maintenance loan via monthly instalments to help them budget more effectively for the costs they incur throughout term. Monthly payments would bring clarity for students and demonstrate their income and expenditure on a regular basis, making it easier to apply for certain benefits and hardship funds. It also has the potential to influence students' accommodation choices, as it would be easier to compare the monthly costs between PBSA providers and the PRS, allowing students to find the best deal.

*Ensure that student parents in FE have access to support*

Care to Learn funding covers the costs of childcare for student parents aged 20 or under at the start of their FE course. We recommend extending the fund to provide cover for apprentices and increasing the upper age limit to 25 years old. This would have the potential to re-engage thousands of people in education and training, allowing them to gain qualifications to enhance their future employment prospects, potentially ending a cycle of deprivation within their family.

*Ensure there is accurate and current data on student income and expenditure*

Accurate data is essential to support policy, but the data on student income and expenditure in England has been repeatedly delayed. The government should ensure timely publication of the SIES reports, and ensure the next iteration is commissioned immediately. It should also ensure that data is collected on income and expenditure in FE and postgraduate study as well as undergraduate studies.

*Remove barriers in children's early years and prior to entering tertiary education*

Greater investment is required in early years education. Primary education outreach, particularly with parents and teachers, would help to support and locate tertiary education within working class communities. Hand in hand with this should be programmes to support continued quality engagement of working class pupils in schools, with more action on tackling bullying and truancy, improving personal relationships in both primary and secondary school and supporting the vital transitions into, within and out of compulsory education.

Access to IAG would be supported through ensuring that families and individuals can access the internet in homes, communities and prisons. To ensure that language skills are not a barrier to success, the government should restore funding to teach ESOL and enable refugees and asylum seekers to access funding and support to progress in tertiary education.

**For the HE and FE sectors in England**

*Ensure that the costs of educational participation are fair and clear*

Learning providers, with the support of their students and apprentices, should carry out a full audit of course costs associated with studying at their institution or incurred via apprenticeship programmes and consider ways to reduce or remove these for students from low-income backgrounds. Practical solutions to high course costs include using deposit schemes to enable students to borrow equipment and materials required for their courses, or offering weekly repayment schemes for students who may struggle to pay for materials in one go. It is important that all associated course costs are made clear to prospective students before they apply, along with the details of financial support available to help students meet these costs.

Universities are increasingly outsourcing their student accommodation provision to the private sector as old accommodation falls into disrepair and as a new wave of student applicants requires a surge in accommodation. Inviting the market to meet the housing needs of students leaves them vulnerable to market-driven rents paid to profit-seeking organisations, which unfairly affects low-income students. We believe that providing affordable accommodation should be considered as a matter of educational access, and that measures to ensure access to affordable accommodation for low-income students should form part of Access and Retention Agreements under the new OFFA arrangements.

A low-cost, high-impact way for education providers to support students looking for private rented housing is to develop a guarantor scheme for those who lack family financial support. University-backed guarantor schemes have already been successfully implemented in institutions across the UK, allowing students to access rental properties without the need for exploitative private guarantor schemes or large advanced rent payments.

Finally, FE and HE providers should work with local childcare providers to secure preferential rates for student parents as well as more flexible childcare arrangements, and offer timely and accurate advice and guidance for parents on course timetables and how to access financial support offered by the institution, government and charitable schemes.

#### *Ensure that students can access extra support if needed*

Universities and colleges should create and administer appropriate hardship funds that can be targeted at students most in need, to cover costs such as deposits for housing, course materials, childcare and transport costs – particularly for students that have mandatory placements as part of their course. Clear information on how to access hardship funds should be provided to students, specifically to those identified as vulnerable, from a low-income background and student parents.

#### *Ensure high-quality work opportunities for students who want them*

Not all students will want, or be able, to work, and adequate financial support should be provided to students so they do not have to work to meet their basic needs, especially to disabled students and student parents. Nevertheless, part-time employment helps supplement income for many students and can be beneficial for them in terms of gaining new skills and experience. However, working class students are more likely to be in low-paid and insecure work, with commensurately lower benefits. To help address this, each education provider should develop a student employment strategy, which prioritises students over other potential applicants for suitable internal jobs and ensures that external job opportunities advertised through the provider have appropriate hours, living wages and good employment conditions. Similarly, education providers should work with employers to secure paid internships for working class students, as they are all too often unable to access such opportunities if they cannot rely on parental support.

#### *Ensure that people who are in or have left the criminal justice system can access education*

Educational systems without compulsory disclosure for criminal offences have been proven to work. Tertiary education institutions should remove compulsory criminal offence disclosure from course application processes where this is unnecessary. People within the criminal justice system should be supported to take their next steps, and educational institutions should include better advice on accessing tertiary education from within the prison system.

#### *Ensure greater collaboration on access to FE and HE*

A number of regions already collaborate on broadening access to HE. This approach should be extended to every region and should include FE and apprenticeship schemes. Tertiary education providers should collaborate on widening access to study at a regional level, including mapping subject and qualification availability, to ensure that potential applicants can access a course that works for them.

#### *Ensure that information, advice and guidance meets the needs of learners not providers*

Change institutional approaches to IAG to address institutional barriers and avoid the automatic assumption that prospective students should increase their aspirations. These strategies should focus on changing institutions, not applicants. Doing this through communities and schools could be transformative – educational institutions should support school teachers to develop conversations with their pupils about their future academic careers in a way that is meaningful.

#### *Ensure greater access to part-time education*

For many working class people, full-time education is not an option. Indeed, even a part-time degree is beyond the reach of many low-income people with existing time, family and professional commitments. Universities and colleges should open the door to these communities in ways other than through formal courses so that learners do not have to commit to full degree programmes to participate in HE.

## For NUS UK and students' unions

### *Ensure that we campaign effectively on transport*

Local elections are taking place in May 2018 in England, presenting an unparalleled opportunity for local influencing by student representatives. Specifically, a key area of interest in broadening access to FE and HE for working class students is transport costs and transport provision.

The Bus Services Act 2017 devolved power to local authorities to plan their transport networks, aiming to create integrated services that meet the needs of their populations. In practice, this means that local authorities have complete control in planning bus routes, train services and new transport systems such as trams, and designing the ticketing and pricing structure for customers. NUS should ensure students' unions are equipped to lobby local authorities to use these powers in ways which address the ways inadequate provision or high cost of transport impacts on access to further and higher education.

### *Devise a new model of accommodation provision in HE that works*

Accommodation costs are the single largest area of expenditure for students in HE. Reducing the cost of accommodation to reasonable levels would remove a significant barrier to HE access and achievement for working class students and those from low-income backgrounds.

A new model of student accommodation is needed, which meets the needs of the increasing number of students who want to live in PBSA, and which ensures true affordability for students. A successful example of how universities could responsibly outsource their accommodation provision, while retaining responsibility for providing affordable accommodation, is found in a handful of students' unions and housing charities that provide accommodation on a not-for-profit basis.

Not-for-profit housing provision has worked well in the social housing sector, as standardised accommodation can be offered for low rental costs, which is allocated to those in most need. A different model for low-cost housing provision currently gaining momentum is student led cooperative housing, where properties are owned by a co-op and democratically run by student tenants. These models should be explored in more detail and lessons shared between different housing sectors.

In addition, NUS has long campaigned for measures of affordability, such as 'affordable accommodation' to be linked to the income levels of students, rather than affordability expressed as a proportion of market-driven averages. In strengthening the link between actual income and levels of expenditure, we can attempt to peg back ever-increasing costs for students.

Current NUS policy deems 'affordable accommodation' to be that offered for rent at a rate no higher than 50 per cent of the maximum student loan or grant available. However, given the recent rises in the level of maintenance loan available for all students, some providers have now started to offer 'affordable accommodation' without having to alter their rent structures or lower any rents. In truth, rent prices can continue to rise for as long as loan amounts increase. A key question to consider is how we can achieve income-linked definitions of affordability without inadvertently promoting increases in loans for students.

### *Ensure students' unions address class in their activities*

Students' unions, associations and guilds have always emphasised the importance of social mixing. This evidence suggests that this alone does not relieve social isolation for minority or marginalised groups such as working class students. Students' unions should consider their range of activities and develop interventions that help students understand each other, value their differences and work towards a shared language that addresses stratification by socio-economic class and background.

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### *Ensure we close the gaps in our evidence*

Although NUS received extensive evidence from a broad range of stakeholders, there were nevertheless areas where we need to understand more. The introduction discussed our intention to conduct further analysis of the evidence in relation to the Nations, and for the liberation groups where we have evidence, specifically students who are Black, women and/or disabled. The significant body of evidence on apprentices will also merit further discussion.

However, there are also areas where evidence is lacking. For example, there was little evidence around postgraduate study, but we are aware of concerns that access to both taught and research programmes is restricted by class, and that many postgraduate students experience poverty. Similarly, we received relatively little evidence relating to students studying more vocational qualifications such as healthcare or teaching courses. Given recent changes to student support rules and the particular challenges relating to both the profile of such students (for example, the fact they are more likely to have children) and the demands of the placements which form an essential part of these courses, this may be another area that would benefit from further exploration.

We received some evidence on the experiences of small and specialist educational institutions, but the lack of resources meant this was limited. Again, more work to look at the experience of students in these settings would be useful. The importance of discretionary and hardship funds was highlighted in evidence to the commission but the changes of the last few years have received little in-depth analysis, and NUS should look to evaluate the current position.

Finally, although we received significant evidence in relation to Black, disabled and women students, we received no evidence on the effect of poverty and class relating to LGBT+ students. This is an area NUS can look to explore with our LGBT+ and Trans campaigns. Similarly, there is more work we can do to look at the experience of students of faith through the lenses of poverty and class.

**“A key question to consider is how we can achieve income-linked definitions of affordability without inadvertently promoting increases in loans for students.”**

# Appendices



# Appendix 1 – Costs of study

*Estimated average full-time, undergraduate student expenditure for the 2017/18 academic year (39 weeks)<sup>1</sup>*

	Average expenditure	
	Inside London (£)	Outside London (£)
<b>Course costs:</b>		
Tuition fees <sup>2</sup>	8,977	8,977
Books, equipment etc <sup>3</sup>	786	507
Travel <sup>4</sup>	698	389
<b>Sub-total:</b>	<b>10,461</b>	<b>9,873</b>
<b>Living costs:</b>		
Rent <sup>5</sup>	9,215	5,981
Food <sup>6</sup>	2,018	1,934
Household goods <sup>7</sup>	456	354
Personal items <sup>8</sup>	2,249	1,988
Travel <sup>9</sup>	1,305	1,682
Leisure <sup>10</sup>	1,311	1,303
<b>Sub-total:</b>	<b>16,554</b>	<b>13,242</b>
<b>TOTAL</b>	<b>27,015</b>	<b>23,115</b>
<b>POTENTIAL INCOME</b>		
Tuition fee loan plus loan for living costs (figures for loan for living costs for 39-week period – excludes amount for long vacation)	8,977 + 7,507 <b>16,484</b>	8,977 + 5,428 <b>14,405</b>
<b>SHORTFALL</b>	<b>10,531</b>	<b>8,710</b>

<sup>1</sup> Assumes first year, full-time English domiciled undergraduate student under the new support system starting in 2017/18 receiving maximum loan entitlement, including relevant long course loan, for a 39-week period (loans are paid for 52 weeks). This would equate to an assessable family income of £41,545, the average (mean) gross household income in 2015/16 according to the Office for National Statistics.

<sup>2</sup> Average fee charged by English higher education students in 2017/18 after fee waivers, Office for Fair Access

<sup>3</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. Includes costs for books, IT and other equipment required for course. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>4</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. Includes travel to and from institution, and field trips. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>5</sup> Based on data from NUS, 2015, Accommodation Costs Survey 2014/16. Overall average rent across institutional and privately-provided halls accommodation – outside London figure is all-UK average. Prices include utility bills such as water and energy. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>6</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. This includes food and non-alcoholic drinks consumed at home and elsewhere. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>7</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. This figure includes cleaning material, laundry, white goods, consumer durables and household items over £50. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>8</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. This figure includes clothing, mobile phone bills, music media such as CDs, medical expenses, toiletries, tobacco and other small personal items. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>9</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. This figure includes other travel and holidays but not travel to and from university. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

<sup>10</sup> Based on data from DfE, 2014/15, Student Income and Expenditure Survey. This figure includes hobbies, sports and cultural activities as well as alcohol consumption. Figure uprated in line with the Retail Price Index (3.2 per cent February 2017, Office for National Statistics).

## Appendix 2 – Commissioning board

*The following individuals served as commissioners on our board.*



**Shakira Martin  
(Chair) – NUS President**

After serving as Vice President (Further Education) of NUS for two years, Shakira was elected president in April 2017. She successfully completed a

Diploma in Education and Training while sitting on the NUS Black Students' Campaign Committee as the FE representative. Shakira is the second President in NUS history not to have gone to university before taking up the post.



**Courtney Boateng – University of Cambridge student**

Despite her disadvantaged background, Courtney was able to secure a place at Robinson College, University of Cambridge to study Human, Social and Political Sciences.

Courtney is extremely passionate about encouraging young people to reach their full potential and she uses her YouTube channel to promote this vision. Her channel now has more than 30,000 subscribers.



**Iain Murray – TUC Senior Policy Officer**

Iain leads on education and skills policy at the TUC. Before joining the TUC he worked as a Senior Researcher at the Centre for Economic and Social Inclusion and before that as an Information Officer at the National Children's Bureau.



**Sam Budd – Bristol Students' Union CEO**

Sam's professional life has largely been education-focused, with a particular emphasis on creating fair access to education for all. She is currently a trustee of NUS Charitable Services and the Bristol Museum Development Trust. She is passionate about equality, diversity and inclusion issues and has won many awards with her teams.



**Debbie Weekes-Bernard – Joseph Rowntree Foundation Policy and Research Manager**

Debbie manages the Joseph Rowntree Foundation's work on ethnicity and poverty and child poverty, with additional expertise in labour markets, education, lone parents and young people. Debbie was previously Head of Research for the Runnymede Trust, where she was responsible for research on racial inequalities in education, the criminal justice system and the labour market, working closely with teachers, trades unions and academics.



**Dr Wanda Wyporska, FRSA – The Equality Trust Executive Director**

Under Wanda's leadership, The Equality Trust campaigns to improve the quality of life in the UK by reducing social and economic inequality. Wanda is also a Visiting Fellow at the University of York, a trustee of LGBT History Month and the Equality and Diversity Forum, and an author.



**Carmen Smith – NUS Wales Deputy President**

Carmen was recently re-elected to a second term as NUS Wales Deputy President. She was previously President of Grŵp Llandrillo-Menai Students' Union and a General

Senator at Bangor University Students' Union. Carmen is particularly involved with the development of the National Society of Apprentices Wales, learner voice development in FE colleges and is a board member representing the UK at the European Students' Union.



**Jeremiah Emmanuel, BEM – Campaigner**

Jeremiah is a youth activist and entrepreneur from London. He started working within his local community at the age of four, campaigning around several issues

that affected young people. After years of youth work he now runs his own creative consultancy enterprise, EMNL Consultancy.



**Andy Forbes – Haringey, Enfield and North East London College Principal**

Andy began his career as a secondary school English teacher before switching to FE. Since then his career has included roles as Principal

of Hertford Regional College, Vice-Principal at Blackpool and the Fylde College and Director of Widening Participation at Oldham College.



**Andrew Sumner – Monster UK and Ireland CEO**

Andy graduated with a degree in chemistry and has worked in sales and leadership roles with Xerox, Cable and Wireless and Reliance Globalcom. Monster is committed

to helping people 'find better' in their careers, and Andy and his team play a very active role in promoting diversity and equal opportunity.



**Dr Faiza Shaheen – Centre for Labour and Social Studies (CLASS) Director**

Faiza was born and raised in East London and is an economist, writer, activist and commentator. She is a regular contributor to debates on

popular news programmes including *Newsnight* and *Channel 4 News*, and has worked with Channel 4 and the BBC to develop documentaries on inequality. Her PhD from the University of Manchester charted the changing geography of poverty between 1971 and 2001 in the UK, and modelled the economic, demographic and societal factors driving these trends.



**Sophia Cannon – Barrister and social justice commentator**

Sophia is a broadcaster, commentator and barrister. She is currently working with American tech companies and the British government to increase diversity

in technology, design and venture capitalism, and is writing a non-fiction book, *UndercoverMutha*, about a new legal and social orthodoxy to address increasing sexual inequality, as well as an accompanying television dramatisation.

## Appendix 3 – Respondents

### **Individuals that provided oral evidence to the Commissioning board**

Alison Birkenshaw, President, Association of Colleges  
Alison Blackwood, Senior Policy & Campaigns Advocate,  
Step Change  
Professor Claire Callender, UCL Institute of Education  
and Birkbeck University  
Helen Chicot, Place Integration Lead,  
Rochdale Borough Council  
Carl Cullinane, Research & Policy Manager,  
The Sutton Trust  
Neil Foster, National Research and Policy Officer, GMB  
Gretta Gavin, National Association of Student Money  
Advisers and King's College London  
Dr Omar Khan, Director, Runnymede Trust  
Eliza Selley, Associate Advisor,  
Behavioural Insights Team  
Ruth Spellman, CEO, Workers' Educational Association  
Professor Mary Stuart, Vice Chancellor,  
University of Lincoln and Universities UK  
Dan Taubman, Consultant, Policy Consortium  
Sarah Wayman, Local Campaigns Officer,  
Children's Society

### **Organisations who responded to the call for evidence**

Aberystwyth University Students' Union  
AccessHE/National Education Opportunities Network  
Arts University Bournemouth and AUB Students' Union  
Association of Colleges  
Association of Employment and Learning Employers  
Bevan Foundation  
Bristol Students' Union  
Campaign for Better Transport  
Child Poverty Action Group Scotland  
Children's Society  
Colleges Scotland  
East Kent College Students' Union  
Edinburgh University Students' Association  
Educational Institute of Scotland  
Elevation Networks  
Equality Challenge Unit  
Equality Commission Northern Ireland  
GSM London  
GuildHE  
Hartpury College Students' Union  
Joseph Rowntree Foundation

Learning and Work Institute  
National Society of Apprentices  
Newcastle College Students' Union  
NUS Disabled Students' Committee  
NUS FE Zone  
NUS Scotland  
NUS Society and Citizenship Zone  
NUS Student Eats  
NUS Sustainability  
NUS-USI  
NUS Welfare Zone  
Open University  
Open University Students' Association  
Oxford University Students' Union  
Prisoner Education Trust  
The Royal Central School of Speech & Drama  
Royal Conservatoire of Scotland Students' Union  
The Russell Group  
Southampton Solent University  
Sport 4 Life UK  
Step Up to Serve  
Think Forward  
TUC  
University and Colleges Admissions Service  
UCU Scotland  
Union of Manchester Metropolitan University  
Unison  
Universities UK  
University Alliance  
University of East Anglia Students' Union  
Unlock  
Worcester Students' Union and the  
University of Worcester  
Workers' Educational Association  
Young Women's Trust

### **Individuals who responded to the call for evidence**

Professor Russell Deacon, Coleg Gwent  
Professor Carlo Raffo, University of Manchester  
Professor Diane Reay, University of Cambridge  
Plus four individual students



# Endnotes



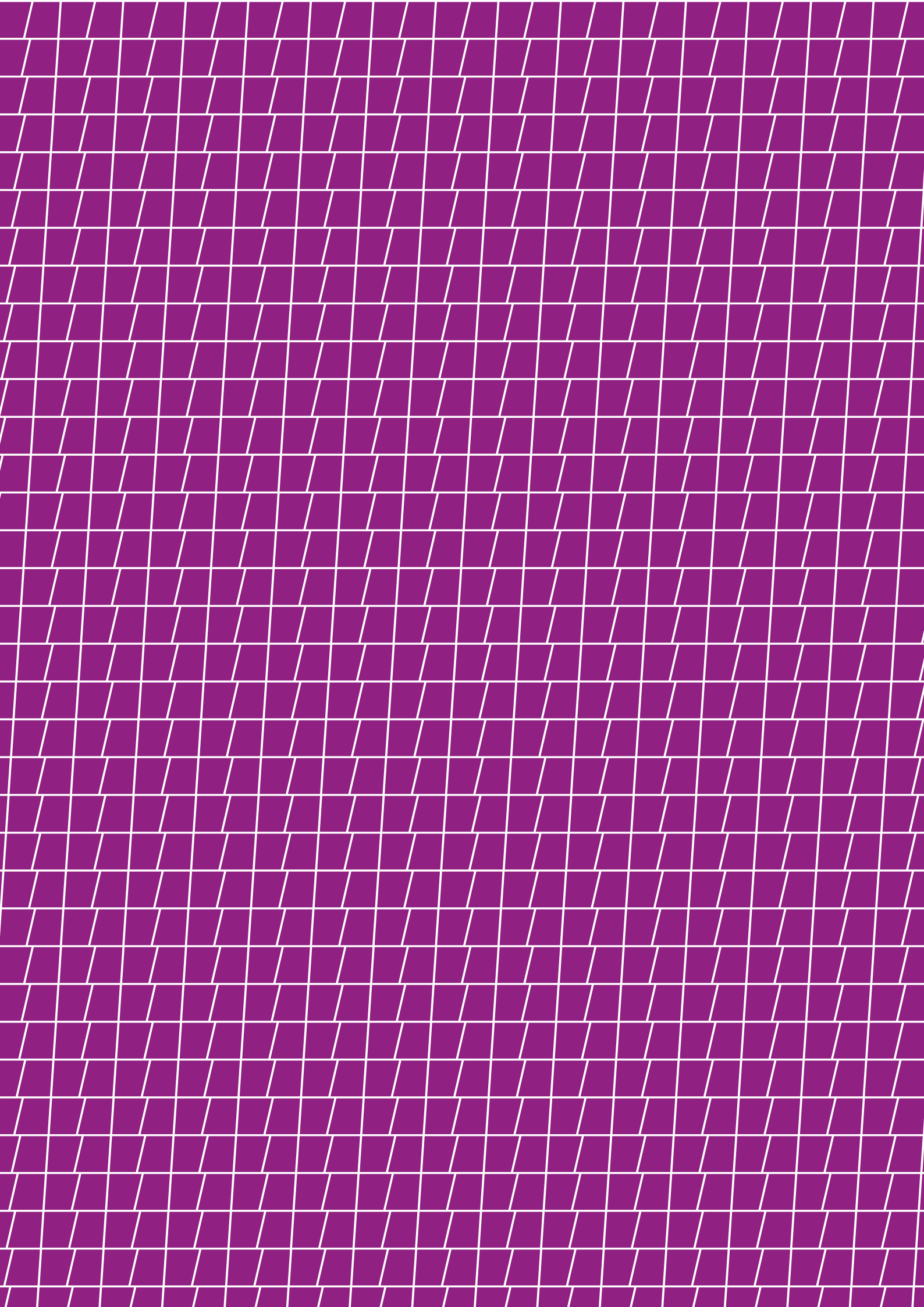
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- <sup>1</sup> Social Mobility Commission. (2017) *State of the Nation 2017: Social Mobility in Great Britain*, piii.
- <sup>2</sup> Joseph Rowntree Foundation. (2017) *UK Poverty 2017*.
- <sup>3</sup> Raffo, C. et al. (2014) *Adult and Tertiary Education and Poverty – A review*. Joseph Rowntree Foundation.
- <sup>4</sup> House of Commons Library. (2018) *Apprenticeship Statistics: England*.
- <sup>5</sup> Social Mobility Commission. (2017) *State of the Nation 2017: Social Mobility in Great Britain*, p67.
- <sup>6</sup> AoC. (2017) *Autumn Budget 2017: Association of Colleges proposals*.
- <sup>7</sup> DfE. (2018) Revised A Level and other 16-18 results in England, 2016/2017, p11.
- <sup>8</sup> Ibid., p19.
- <sup>9</sup> UCAS. (2017) *End of Cycle Report: 2017*.
- <sup>10</sup> UCAS evidence.
- <sup>11</sup> Social Mobility Commission. (2017) *State of the Nation 2017: Social Mobility in Great Britain*, piv.
- <sup>12</sup> MillionPlus and NUS. (2012) *Never Too Late To Learn*
- <sup>13</sup> Callender, C. and Thompson, J. (2018) *The Lost Part-Timers*. Sutton Trust, p8.
- <sup>14</sup> UCAS. (2017) *End of Cycle Report: 2017*.
- <sup>15</sup> UCAS. (2018) *Non-continuation summary*.
- <sup>16</sup> Although NUS uses the term 'Black students' to mean all students from non-white backgrounds, in this case the statistic refers to those with black ethnicity. Rates for other non-white student groups are lower.
- <sup>17</sup> HEFCE. (2017) *Student characteristics – ethnicity*.
- <sup>18</sup> UCAS. (2018) *Non-continuation summary*.
- <sup>19</sup> HESA statistics, 2018.
- <sup>20</sup> HEFCE. (2013) *Trends in transition from first degree to postgraduate study: Qualifiers between 2002-03 and 2010-11*.
- <sup>21</sup> House of Commons Library. (2017) *Adult further education funding in England since 2010*.
- <sup>22</sup> NUS/Unipol. (2015) *Accommodation Costs Survey 2014-2016*.
- <sup>23</sup> Student Loans Company statistics, 2017.
- <sup>24</sup> *Reforming healthcare education funding: creating a sustainable future workforce – NUS consultation response*, NUS (2016). Note that since the original proposals an additional £1,000 grant for student parents was introduced, but this still does not offset the potential differences in income in full.
- <sup>25</sup> Response to written question, Jo Johnson MP, 30 June 2015.
- <sup>26</sup> Response to written question, Jo Johnson MP, 4 September 2017.
- <sup>27</sup> Department for Business, Energy and Industrial Strategy. (2016) *Apprenticeship Pay Survey 2016*.
- <sup>28</sup> This includes the relevant long-course loan figure.
- <sup>29</sup> This includes the relevant long-course loan figure.
- <sup>30</sup> HM Government. (2015) *English Apprenticeships: Our 2020 Vision*.
- <sup>31</sup> FE Week (2018) *Fears over 'middle-class grab' on apprenticeships are valid, minister admits*. FE Week, 13 March.
- <sup>32</sup> Universities UK evidence.
- <sup>33</sup> Bristol University Students' Union evidence.
- <sup>34</sup> University Alliance evidence.
- <sup>35</sup> AoC evidence.
- <sup>36</sup> Young Women's Trust evidence, including its report Young Women's Trust (2017) *Young, female and forgotten?*.
- <sup>37</sup> National Society of Apprentices evidence.
- <sup>38</sup> TUC evidence.
- <sup>39</sup> NEON evidence.
- <sup>40</sup> Formally the Independent Review of Higher Education Funding and Student Finance Arrangements.
- <sup>41</sup> OU evidence and OUSA evidence.
- <sup>42</sup> Butcher, J. (2015) *'Shoe-horned and side-lined'? Challenges for part-time learners in the new HE landscape*. HEA.
- <sup>43</sup> Children's Society evidence.
- <sup>44</sup> NEON evidence, including the report by Alberts, N. and Atherton, G. (2017) *Falling Through the Cracks: Enabling access to HE for unaccompanied asylum seeker children*. AccessHE.

- <sup>45</sup> Professor Claire Callender evidence session.  
See also Callender, C. and Mason, G. (2017) *Does student loan debt deter Higher Education participation? New evidence from England*. LLAKES Research Paper 58.
- <sup>46</sup> Minty, S. (2017) *Young people's attitudes towards tuition fees and debt in Scotland and England*. University of Edinburgh.
- <sup>47</sup> Hunter Blackburn, L. (2017) *Using student loans for living costs: current issues in Scotland*. University of Edinburgh.
- <sup>48</sup> Minty, S. (2017). *Young people's attitudes towards tuition fees and debt in Scotland and England*. University of Edinburgh.
- <sup>49</sup> Union of MMU evidence.
- <sup>50</sup> Equality Challenge Unit evidence.
- <sup>51</sup> Think Forward evidence.
- <sup>52</sup> Joseph Rowntree Foundation. (2003) *Socio-economic disadvantage and experience in higher education*.
- <sup>53</sup> GuildHE evidence.
- <sup>54</sup> AoC evidence.
- <sup>55</sup> Policy Consortium oral evidence.
- <sup>56</sup> Callender, C. and Mason, G. (2017) *Does student loan debt deter Higher Education participation? New evidence from England*.
- <sup>57</sup> Institute for Fiscal Studies. (2015) *Analysis of the higher education funding reforms announced in Summer Budget 2015*.
- <sup>58</sup> Bristol Students' Union evidence.
- <sup>59</sup> DfE. (2016) *Equality Analysis: Higher Education Student Finance for the 2017 to 2018 Academic Year*.
- <sup>60</sup> Universities UK evidence.
- <sup>61</sup> Ibid.
- <sup>62</sup> Russell Group evidence.
- <sup>63</sup> Claire Callender oral evidence.
- <sup>64</sup> Step Change oral evidence.
- <sup>65</sup> Arts University Bournemouth and AUB students' union joint evidence.
- <sup>66</sup> NUS Welfare Zone evidence.
- <sup>67</sup> Step Change oral evidence.
- <sup>68</sup> TUC evidence.
- <sup>69</sup> Young Women's Trust. (2017) *Young Women and Apprenticeships: Still Not Working?*.
- <sup>70</sup> Department for Business, Energy and Industrial Strategy. (2017) *Apprenticeship Pay Survey 2016*.
- <sup>71</sup> GMB evidence.
- <sup>72</sup> Union of MMU evidence.
- <sup>73</sup> CPAG Scotland evidence.
- <sup>74</sup> NASMA oral evidence.
- <sup>75</sup> Union of MMU evidence.
- <sup>76</sup> CPAG Scotland evidence, NASMA oral evidence.
- <sup>77</sup> Think Forward evidence.
- <sup>78</sup> *The Guardian* (2017) 'Disabled students fear for their future as independence payments cut'. *The Guardian*, 4 April.
- <sup>79</sup> NUS Disabled Students' Committee evidence.
- <sup>80</sup> Joseph Rowntree Foundation evidence.
- <sup>81</sup> NASMA, Union of MMU and NUS Welfare Zone evidence.
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