

Pound in Your Pocket

Wales 2014





Pound in Your Pocket, Wales 2014

Understanding the impact

Tuition fees were tripled across the UK and Wales saw the introduction of the tuition fee grant in 2012. Since then, further and higher education in Wales have been in a state of tumult, compounded by a series of budget cuts. This all culminated in a £65 million reduction to post-16 education in Wales for 2014/15.

A vocal lobby has ensured that, so far, the debate has focused almost exclusively on fees. This lobby shouts about the criteria for the Welsh Government's fee grant for Welsh students, on the funding of research and expensive subjects, and about the 'typical' 18-21 year old student.

For many in the education sector in Wales, financial support for living costs is not so much the elephant in the room, but rather the half-hearted paintjob on the walls, generally thought by universities and colleges not to be particularly 'good' but certainly 'good enough'. It is that 'good enough' that I want to challenge. Because it is not good enough.

In 2012, when the initial Pound in Your Pocket research into English students' experiences of living costs and financial support was published, the findings were stark. The research found many students struggling to make ends meet, to concentrate on their study and stay the course.

The past few years have seen the Welsh Government launch a series of evaluations and reviews into student support and funding. This includes the ongoing evaluations of the Financial Contingency Fund, Education Maintenance Allowance and the Assembly Learning Grant, to the upcoming broad review of student support and funding in further and higher education led by Sir Ian Diamond. Given the scrutiny that the Welsh Government is now placing on financial support, the time seems right to research the experiences of students in Wales, and to find out just how far the pound in their pocket was stretching.

Of course, it would be churlish in this introduction to not highlight the differences that exist between the UK nations in support and funding, from the Assembly Learning Grant to the structure and eligibility of the Financial Contingency Fund, Wales' support is different. One such difference saw Wales retain EMA, although in a form that led to an 18 per cent drop in students receiving the support. Similarly, where England has targeted support for young parents in further education, discretionary funding in Wales ends up shouldering this burden with 42 per cent of the fund in 2010/11 being spent on childcare provision.

Just as the financial support available differs, so too do the needs of learners in Wales. The rurality of much of Wales, our transport infrastructure and the geographical scope of our institutions – with many covering multiple local authorities – makes transport a vital issue. Local government cuts have placed already inconsistent and precarious transport support even more at risk.

Given the uncertainty around so much of our support and funding, I want Pound in Your Pocket Wales to look at maintenance support across education and across Wales. I want us to look at the wellbeing of students in further and higher education, parents and non-parents, those with disabilities, and adult learners. I want us to understand what factors influence students' experience and how best they can be supported to stay in education. We need to have the evidence to make clear to the reviews, the evaluations, the principals and vice-chancellors, and the Government what actually makes a difference in widening access and retention.

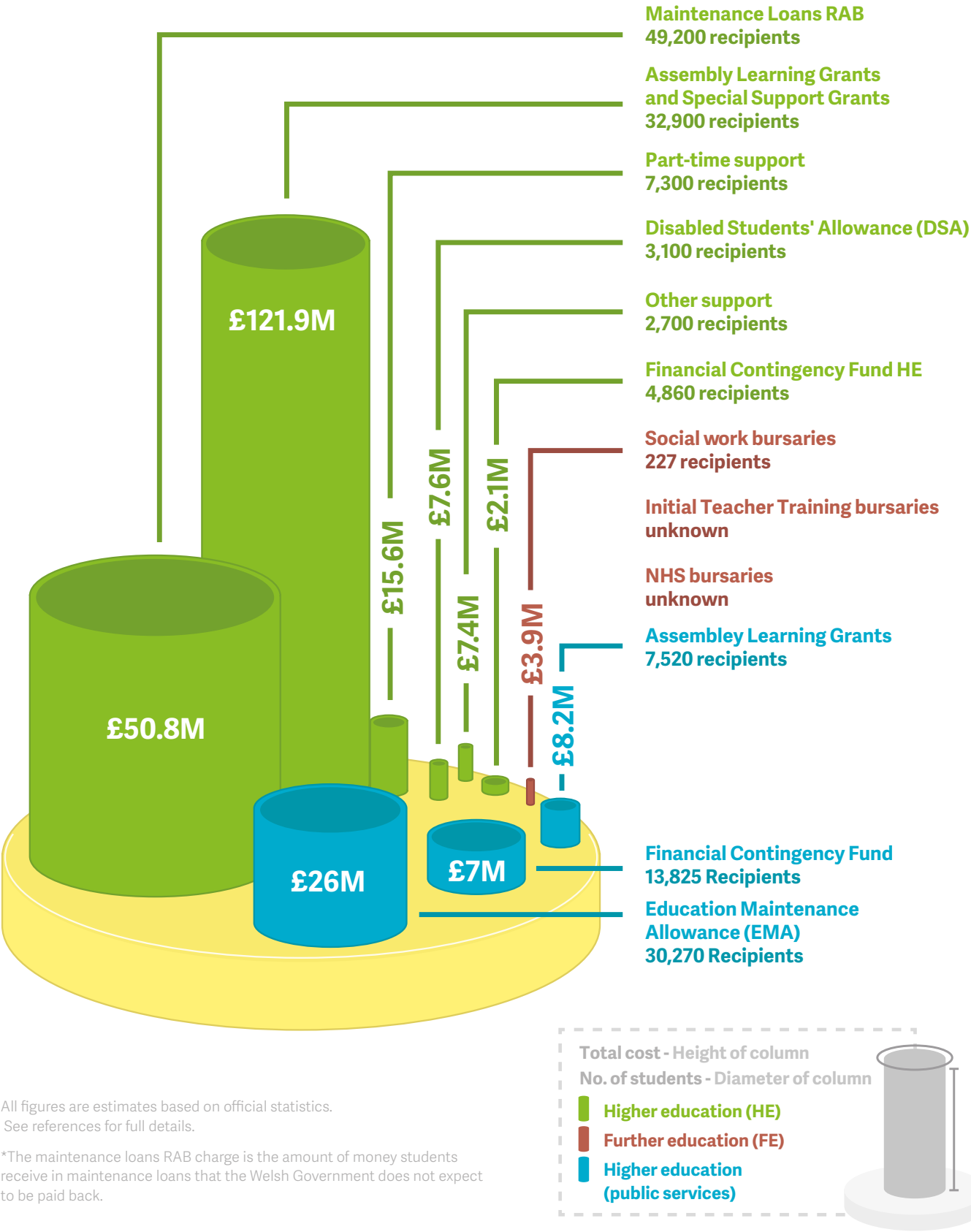
What is already clear is that it is the most vulnerable, and most in need, who are not being given the support to access education. Disabled students, student parents, adult learners and those from low-participation neighbourhoods are amongst the worse off, in both wellbeing and overall finances.

Our challenge is now to policy makers and the education sector in Wales. Our findings have laid the groundwork. Where there are limitations in our research, we have outlined a way forward. If we want a fair and just education system in Wales, we must recognise the role that maintenance support plays and the dire and desperate experiences of too many students in Wales. Too often we hear the education sector bandy about its ambition to be world-class. This is a word used almost exclusively as a byword for research. Well, we believe we should aim to be world class in other ways. Wales must open doors to those who have been shut out of education for too long. We must improve the attainment and retention of our students in education. We must promote a fair and supportive education system.

In unity,

Beth Button
NUS Wales Deputy President, 2013/14

Major sources of student support



References in graphic

Assembly Learning Grants, Special Support Grants, Disabled Students Allowance, part-time support and other support, including Childcare Grant, Travel Grant, Parents' Learning Allowance and Adult Dependents' Grant

<http://www.slc.co.uk/media/694173/slcsfr062013.pdf>

Education Maintenance Allowance (EMA)

Amount: <http://www.senedd.assemblywales.org/documents/s20715/EBC4-38-13p2%20-Recipients>: <http://wales.gov.uk/docs/statistics/2013/130925-ema-awarded-wales-2012-13-en.pdf>

Assembly Learning Grants

<http://wales.gov.uk/statistics-and-research/assembly-learning-grants-awarded/?lang=en>

Maintenance loans RAB

Amount: <http://www.senedd.assemblywales.org/documents/s10351/CYP4-27-12%20Paper%201a%20-Recipients> and total expenditure: <http://www.slc.co.uk/media/694173/slcsfr062013.pdf>

Calculations are made as a proportion of the total RAB charge, based on total maintenance loan expenditure against fee loan expenditure.

Social work bursaries

<http://assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs/gen-ld9445-e.pdf?langoption=3&ttl=GEN-LD9445%20->

Financial Contingency Funds in higher and further education

<http://wales.gov.uk/docs/statistics/2014/140327-financial-contingency-funds-2012-13-en.pdf>

No public data was available at the time of publication to indicate the number of recipients and total cost of Initial Teacher Training or NHS bursaries in Wales.

Recommendations

Maintaining investment

- There is a clear impetus in our findings for greater investment in maintenance support across further and higher education.
- The combined maximum amount of maintenance support available to an individual student in 2012/13 was £6,901. In 2011/12, it was £7,501.
- NUS Wales recommends that investment in maintenance support should at the very least be kept at current levels with inflationary increases.

Debt and borrowing

- High levels of debt are associated with low levels of wellbeing and an increased likelihood of dropping out of education. Our findings showed that the most common types of debt incurred by higher education students were overdrafts and credit cards. A small but significant number of students are also taking on high-risk debt, such as pay day loans.
- Where students feel the need to use credit to support living costs, we need to ensure that sustainable and ethical means of lending are available to them.
- NUS Wales recommends that the Welsh Government commit and work to expand the role of credit unions on campuses in Wales. The Welsh Government should support and enable regional credit unions to work with universities and students' unions to improve information and accessibility for students.

Course costs

- Despite HEFCW's guidance on provision of information on the cost of study, more than a third of all students report that costs were not known before they began study. The main unknown costs were childcare, musical instrument hire, bench fees and specialist software. An initial investigation of institutions' websites proves details on mandatory course costs very difficult to obtain.

- NUS Wales recommends that HEFCW investigates the extent to which institutions conform to the guidelines on good practice included in circular 'Provision of information for students on cost of study' W10/07HE.
- NUS Wales recommends that the guidance be revised to make it clear to institutions that course costs should be made prominently available on institutions' websites. This includes in related web pages, such as student support, fee and funding information, and financial advice.
- Childcare is the cost that most people cited they were unaware of in advance. More work must be done to understand this and what this reflects.
- Further education institutions do not have similar guidance requiring institutions to outline course costs.
- NUS Wales recommends that similar guidance is given to further education institutions to make course costs transparent in advance of students starting their courses.

Student parents

- Parents were shown to be among the worst off in both financial wellbeing and their finances overall. Seventy-seven per cent of parents agreed that they worried about not having enough money to meet basic living expenses. Parents were far less likely to receive financial support from their families when compared to other students.
- The greatest expenditure in the Financial Contingency Fund in further education is childcare, according to Welsh Government data. This accounts for approximately £2.8m of the total £7m in the scheme.

- Providing childcare support in discretionary means is uncertain and unreliable. Parents are not guaranteed to receive it. If it is received, the funding is not secure. This is ultimately nonsensical. Parents need certainty before they can commit to learning. Many childcare providers also will require certainty before they offer a place.
- Recent research says more effective ways of funding childcare are needed given the demand for it is disproportionate within the Financial Contingency Fund in further education, according to a report by OldBell3 in 2013.
- Care to Learn gives English students targeted entitlement to childcare support, which is available to any student parent aged under 20 at the start of their course.
- When Care to Learn was under threat in 2011, NUS UK's research in England found that 77 per cent of recipients said they could not attend learning without Care to Learn, and 97 per cent said it made a positive difference to their ability to attend
- NUS Wales recommends that the Welsh Government introduce a targeted childcare scheme for further education students to improve access for young parents. This would help reduce the number of NEETs across Wales and tackle generational deprivation.

Transport

- Transport for learners in further education is currently the responsibility of local authorities. Transport policies differ from authority to authority, including the cost and level of subsidy, the eligibility criteria, and the mode of transport provided.
- Cuts to local government budgets have meant that transport for further education students is increasingly at risk, with a number of local authorities discussing the removal of support.
- NUS Wales research shows the cost of travel is putting a strain on students' abilities to balance their commitments between work, study and family life,

- with 37 per cent of students who pay more than £20 a week reporting this. This group also indicated they found it significantly more difficult to understand their financial support entitlements.
- Time spent travelling has an impact on balancing relationships and on concentrating on studies, according to our research.
- Nearly two thirds of further education students spent more than 30 minutes travelling in one journey.
- Six in 10 further education students had costs associated with travel with one in five paying £20 or more a week.
- Our research found that students who lived in rural areas spent more time and money on transport.

- NUS Wales recommends the introduction of a national concessionary fare scheme for young people aged 16-18 on public transport
- NUS Wales recommends the introduction of a pan-Wales financial support scheme for further education students that will ensure that:
 - Support is fair and consistent across Wales.
 - Students are easily able to identify what support they're entitled to.
- The administration of such support must enable the continuation of, where relevant, either:
 - Financial support for the use of public bus services.
 - The use of college-provided bus services.
- Such a scheme should be developed in conjunction with a national concessionary fare scheme to ensure that both schemes are complimentary and cost effective.
- NUS Wales recommends a review of transport routes to and from colleges across Wales to establish any gaps in provision and establish what form of transport is best placed to meet needs – whether public bus services or college-arranged transport.

Financial education

- Students who have received formal financial education are more likely to have lower debt levels and higher levels of wellbeing.
- Students with debt of more than £1000 are twice as likely to have seriously considered leaving their course.
- Our research found that 27 per cent of those with formal financial education had a debt of £1001 or more compared to 40 per cent of those who had received no formal financial education
- NUS Wales recommends that the Financial Education and Inclusion Bill be passed to make financial education a fundamental part of the learning experience across school years.

Information about financial support

- Only four in 10 students said that they find it easy to understand what financial support they are entitled to.
- Postgraduate students and adult learners in further education were both more likely to say they were 'not at all clear' on what support they were entitled to prior to their course, according to our research.
- NUS Wales recommends that the Welsh Government works with partner organisations and stakeholders to ensure communication about student support and funding is clear and prominent across organisations' websites and institutions' prospectuses.
- NUS Wales recommends the Welsh Government explore the possibility of constructing a one-stop online hub for students that outlines support and funding available across different modes and levels of study.

Clubs and societies

- Students who participate in clubs, activities and societies in higher education are more likely to feel able to manage their finances, and more likely to feel supported from family and friends in doing so.
- Of those who do participate, 60 per cent said that finance is a barrier when deciding to participate in clubs and activities.
- Around half of those who participate in clubs and activities spent more than £100 participating in the first term of 2013/14
- Participating in clubs, activities and societies is beneficial not only to students' overall sense of wellbeing, but also to their sense of financial wellbeing.
- Already in Wales, some universities subsidise participation in clubs, activities and societies through their fee plans and funding arrangements with their students' unions.
- NUS Wales recommends that fee plan guidance be revised to make it explicit that using fee plan income to fund access for students to clubs, activities and societies would qualify as funding for equality of opportunity.
- The benefits of student-led clubs, activities and societies to financial and overall wellbeing are clear. Unfortunately, our responses showed that there was a very minimal uptake of this provision in further education. This is likely as a result of student-led and organised activities being less prevalent and less developed in further education institutions.
- NUS Wales recommends that Estyn and the Welsh Government publish guidance for further education institutions around the development of student-led clubs, activities and societies and particularly how they are relevant to Key Question 1.2 ('Wellbeing') of the Further Education Inspection Framework.

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Overview

NUS Wales conducted an online survey of further and higher education students in Wales. The study sets out to better understand students’ experience of financial support and the sources of income they use to pay for living expenses, as well as examine the extent to which financial considerations affect their wellbeing. A total of 1971 valid responses were received between December 2013 and February 2014.

This report presents headline statistics from the key areas explored in the survey. These are:

- Student wellbeing: How do financial considerations affect students’ lives?
- Financial competence: To what extent are students capable of navigating finance?
- The cost of study: What expenditure do students incur to study?
- Student support system: What do students receive from the student funding system? What sources of information, advice and guidance are used to find out about these entitlements?
- Meeting the costs: What sources of financial support and/or income do students have beyond those provided by the student support system? To what extent are these sources needed to meet the costs of study?
- Student debt: What types of debt do students take on during their studies?

The analysis of this data has been conducted primarily through the lens of student wellbeing. The relationship between financial factors and wellbeing indicators are at the heart of the narrative as we try to understand what impacts on student wellbeing and the nature of that impact.

Responses from sub-groups of interest have been aggregated and presented for comparison. These include further education and higher education students, postgraduates, part-time and full-time students and ‘young’ and ‘adult’ students. Due to the different financial support available to them, responses from student parents and disabled students, are also presented, both separately and within the general analysis.

Consideration has also been given to respondents’ gender, ethnicity and sexual orientation, as well as their background using the POLAR 3 methodology, which describes the number of people within a postcode area who progress to higher education. This represents an important proxy for understanding the effect of socio-economic background on student experiences of financial support.

Methodology

The bilingual questionnaire consisted of multiple-choice questions (with closed and multiple responses), as well as open text boxes where respondents were able to elaborate on what they valued about the financial support they received and any changes they would make to the student support system. Where questions asked participants to respond to a statement (such as ‘I feel able to concentrate on my studies without worrying about finances’), responses were given on a five-point Likert scale ranging from Strongly Agree to Strongly Disagree, with a neutral central option. The survey was designed by the NUS Policy Unit with NUS Wales.

Quality control

- Quality controls were built in to the questionnaire design at a number of stages:
- Respondents who reported themselves as ineligible to take part in the survey, for example because of their nationality, were filtered out at an early stage.
 - Routing was built into the survey to minimise errors. For example, only students who indicated that they had dependent children were asked questions about childcare expenses.
 - In questions asking students to express an opinion about how the support system works, options were presented to respondents in a randomised order to minimise bias.

Self-completion

Eligible students were invited to complete the questionnaire online. It has been suggested that online surveys provide a good opportunity to ask questions that might require the respondent to check documents. Whilst the questions were designed so that respondents did not have to recall items, the survey format allowed respondents to check any relevant information if necessary. The online method also provided a level of perceived anonymity that we

hoped would encourage participation in the survey, which examined some sensitive financial issues.

Informed consent

A detailed consent form, providing information about the aims of the study, the use of the data and the content of the questionnaire, was the first compulsory element of the survey. Individuals, who did not consent, by positively answering four separate questions, were not allowed to progress with the survey. Respondents were offered the chance to be sent a copy of the final report via e-mail.

Sampling

Mixed recruitment methods were used to pursue a large sample. E-mails were sent to verified students through NUS databases. The e-mail targeted students studying in Welsh further or higher education institutions, such as universities, further education colleges, sixth form colleges and apprenticeship providers, and included a mix of part-time and full-time students.

The online survey link was also directly promoted to students by students’ unions. A briefing was produced for students’ unions to support them in promoting the survey. In addition, the online survey link was promoted directly to students by their institutions and a range of organisations including: NUS, NUS Wales, Higher Education Wales, ColegauCymru, the National Training Federation and UCU.

Weighting

Responses have been weighted where possible. Where the weighting factor applied would introduce instability into the results we have not applied a weight. Each figure includes the count, and figures are only shown where we are confident that the results are internally reliable. Caution is advised when making national comparisons on these groups.

Sample profile

The research consisted of 1,971 online interviews conducted between 19 December 2013 and 24 February 2014. Considering the profile of valid responses:

Level 771 respondents were undertaking an FE qualification, 1,034 were undergraduates and 116 were postgraduates.

Gender 1,113 women responded (57 per cent of the sample), 697 men (35 per cent) and 161 (eight per cent) did not specify their gender.

Age 578 respondents (29 per cent) were aged 16-18; 283 (14 per cent) were aged 19; 724 (37 per cent) were aged 20-24 while 237 (12 per cent) were aged 25 or over.

Diversity

- 486 (25 per cent) of respondents identified as disabled and/or specified they had at least one known disability
- 102 (five per cent) identified as a Black or minority ethnicity.
- 187 (ten per cent) identified as lesbian, gay or bisexual while 191 (ten per cent) did not choose to identify.
- 20 (one per cent) of respondent’s gender identity was not the same as that assigned at birth.

Key findings

These are the top 10 most critical findings in the report:

1.

There are clear associations between financial support policy and practice, student wellbeing, socio-economic background and retention.
2.

Financial difficulties are pushing many students to the brink of 'dropping out'.
3.

Around a third of students across all groups report negatively on their wellbeing, on key indicators such as 'ability to meet the cost of basic expenses like rent and bills' and 'ability to concentrate on studies without worrying about finances'.
4.

Even relatively small levels of debt (more than £1000) in the form of bank loans, credit cards or high risk borrowing, such as 'pay-day lenders' and 'cheque cashers', are strongly associated with poor student wellbeing.
5.

High debt levels and poor financial wellbeing are associated with a lack of formal financial education.
6.

Access to financial support from the family has a significant association with both wellbeing and progression to further study.
7.

Students in societies and clubs feel more able to manage their finances and call on the support of their peers.
8.

Course related costs are prevalent, expensive, and often concealed. There is a clear association between high course costs and low wellbeing.
9.

High levels of accommodation and transport costs are associated with reduced wellbeing. There is a particular impact on students from rural areas.
10.

Older students, student parents, disabled students and students from low-participation neighbourhoods are amongst the worst off in both financial wellbeing and in their finances overall. Information about financial support is not clear to all students, especially adult further education and postgraduates.

Student wellbeing

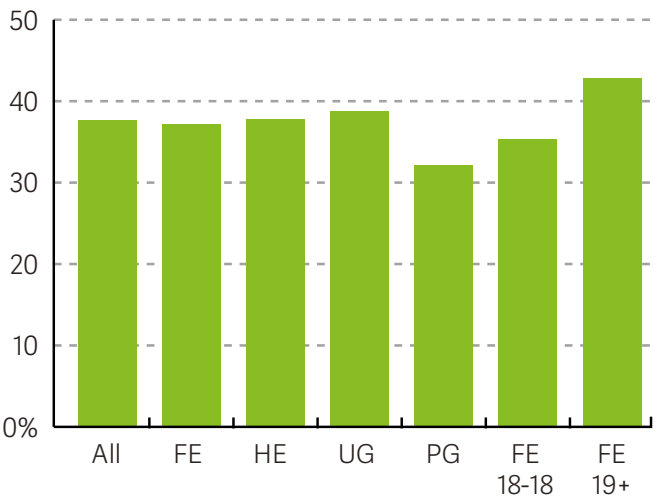
How do financial considerations affect students' lives?

Financial difficulties and the risk of leaving the course

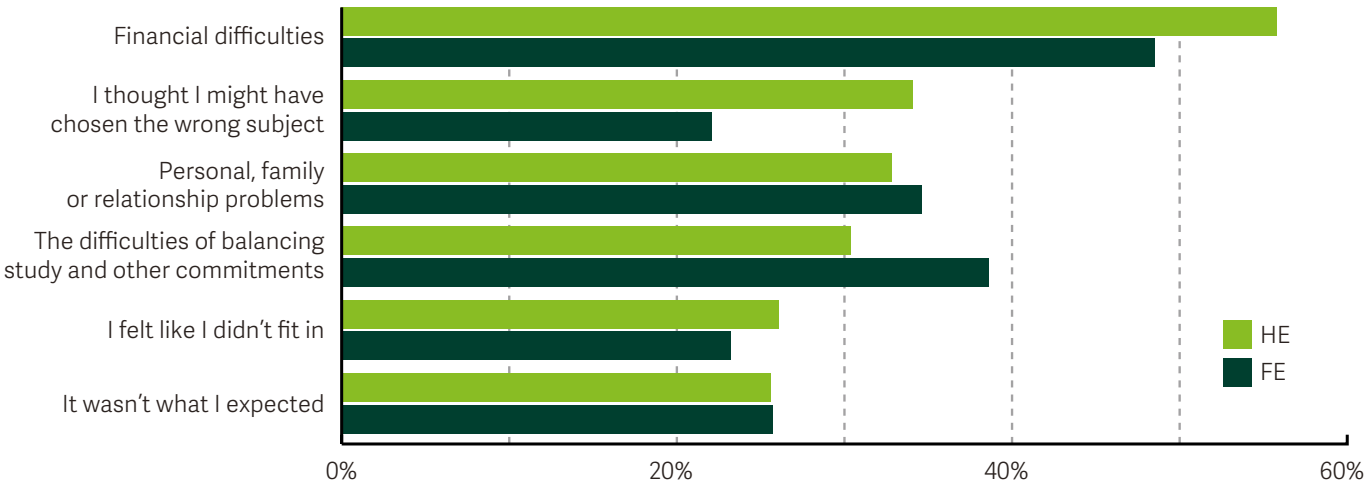
Overall, just over a third of all students have seriously considered leaving their course. This proportion was consistent across all groups: further education, undergraduate and postgraduate students. But it was more pronounced with further education students over age 19, where this figure raises to 42.8 per cent.

Respondents who indicated that they had seriously considered leaving their course were asked for what reason(s), and provided with a list of possible options. Overwhelmingly, when asked why they had considered leaving their course, the most common reason for all students surveyed was financial difficulties. Within further education, 48.5 per cent of students reported this and within HE 55.8 per cent.

Have you ever seriously considered leaving your course?



Top reasons for considering leaving - HE vs FE



Worries about cash-flow and basic living expenses

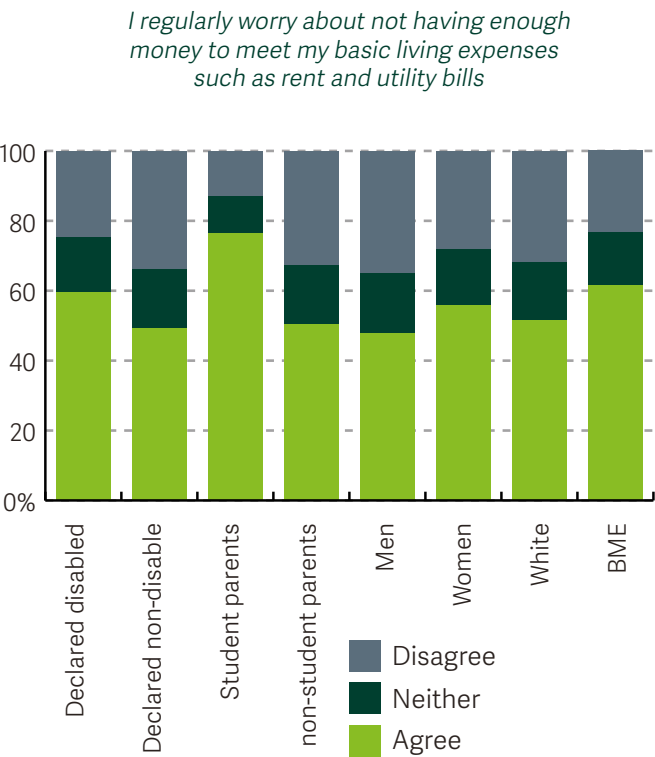
‘I regularly worry about not having enough money to meet my basic living expenses such as rent and utility bills.’

Overall, 51.8 per cent of respondents across the sample agreed or strongly agreed with this statement, while fewer than one in three respondents (30 per cent) disagreed or strongly disagreed.

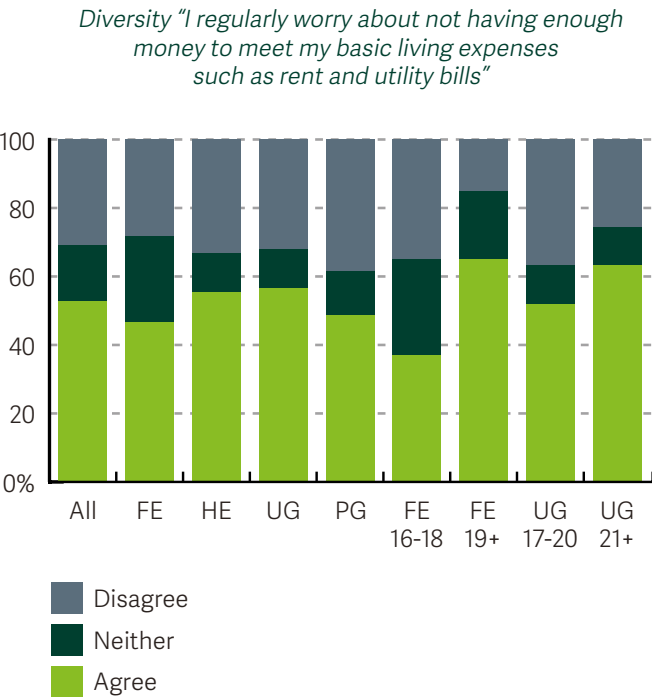
Within further education, more than one in three (37 per cent) respondents aged between 16 and 18 years old on entry agreed or strongly agreed, compared to 65 per cent of respondents aged over 19 on entry.

For undergraduate respondents, 63 per cent of respondents aged over 21 on entry agreed or strongly agreed compared to 52 per cent of respondents aged between 17 and 20 on entry.

There were similar levels of agreement among postgraduate respondents; with 49 per cent agreeing or strongly agreeing that they regularly worried about not having enough money to meet their basic living expenses such as rent and utility bills.

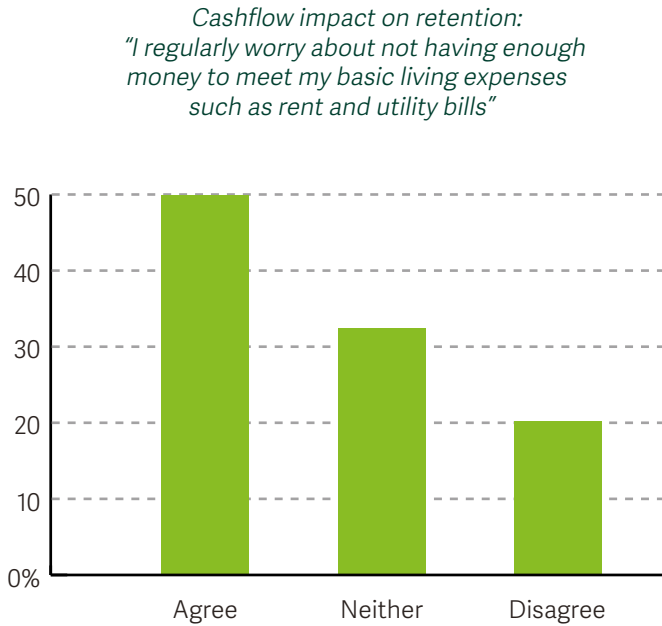
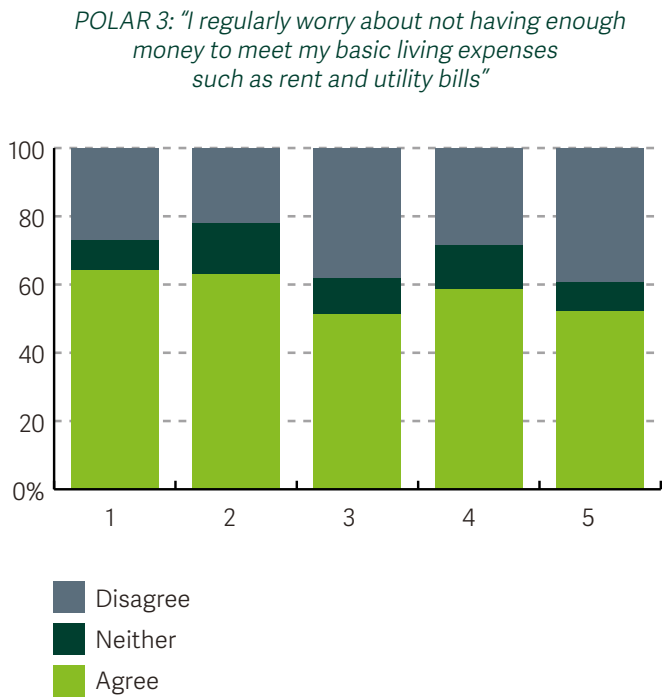


Seventy-seven per cent of student parents and 60 per cent of disabled respondents agreed or strongly agreed that they worried about not having enough money to meet basic living expenses such as rent and utility bills; as did 56 per cent of women, compared to 48 per cent of men.



Those from lower-participation neighbourhoods were significantly more likely to worry about cashflow, with 64 per cent of those from POLAR Quintile 1 (those from the lowest participation postcodes) agreeing or strongly agreeing with the statement.

The potential impact of cashflow concerns on those who agreed with the statement was evident, when their responses to having considered leaving their course were drawn out. For those that agreed or strongly agreed with the statement "I regularly worry about not having enough money to meet my basic living expenses such as rent and utility bills" they were twice as likely to have seriously considered leaving their course.



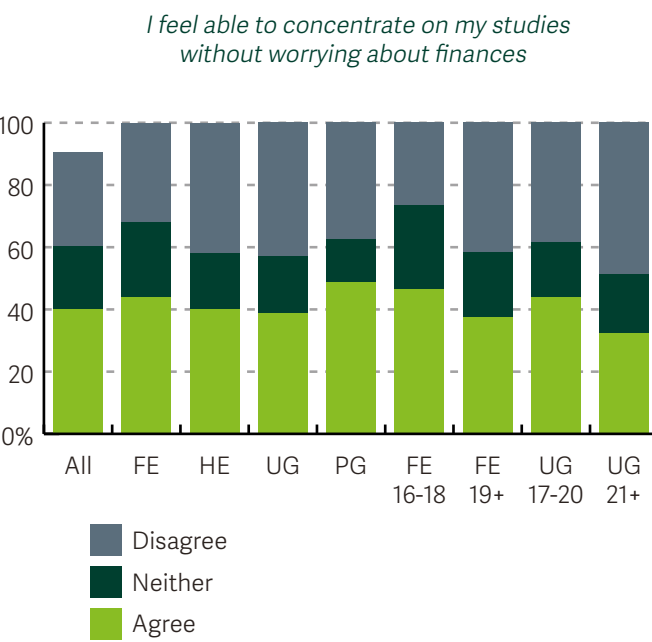
Ability to concentrate on studies

‘I feel able to concentrate on my studies without worrying about finances.’

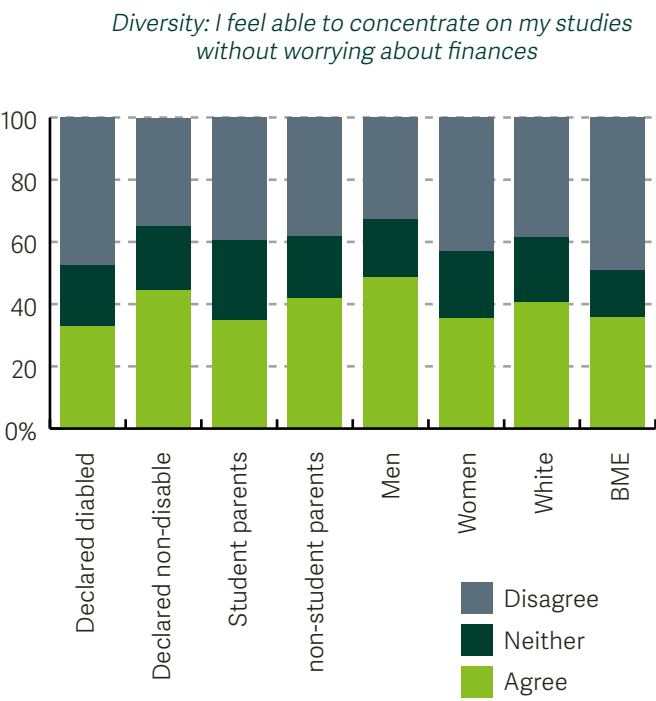
Overall, 30 per cent of all respondents disagreed or strongly disagreed with this statement, and did not feel able to concentrate on their studies without worrying about finances.

Higher education student respondents were more likely to struggle in this respect than further education students. Of higher education students, 42 per cent either disagreed or strongly disagreed with the statement, versus 32 per cent of further education students.

This was also an issue picked up by older students from both higher and further education, with further education students over age 19 (42 per cent) and higher education students over age 21 (49 per cent) significantly more likely to disagree with the statement than their younger peers.



Almost half of all BME students (49 per cent) and those who declared a disability (47 per cent) disagreed that they were able to concentrate on their studies without worrying about their finances, with 43 per cent of women and 39 per cent of student parents disagreeing with the statement.



Cultural capital

For young people in higher education whose parents have a higher level qualification, 42 per cent agreed that they found it easy to understand what financial support they were entitled to.

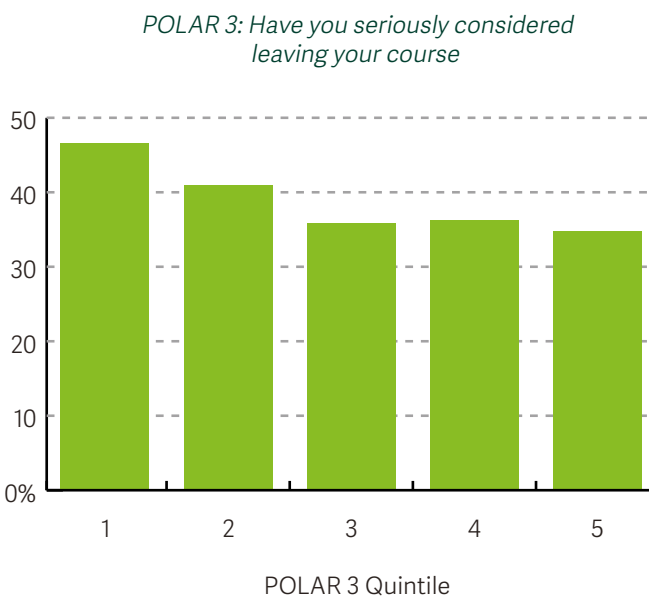
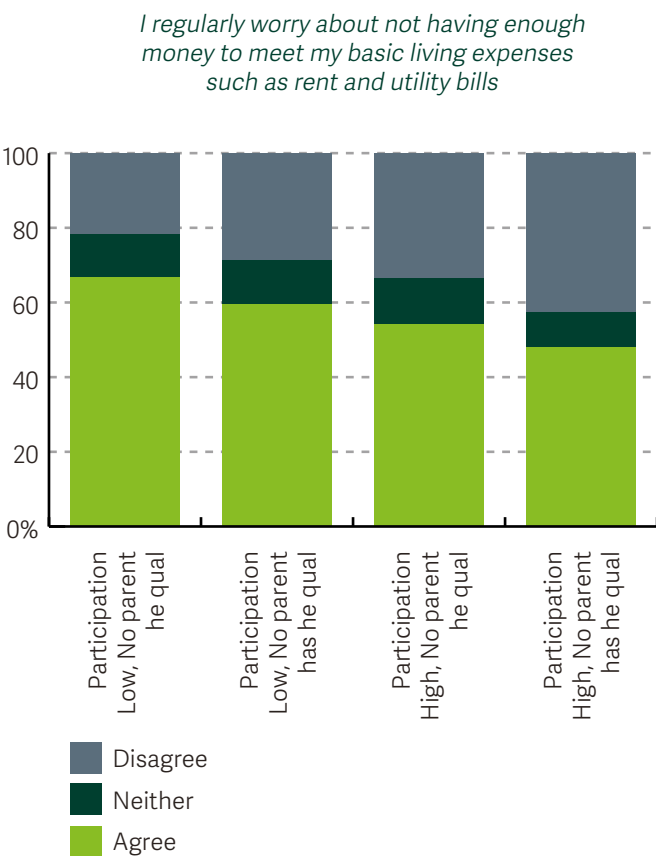
Students from low-participation neighbourhoods whose parents had no higher level qualifications were less likely to have a sense of financial control. Of these, 81 per cent worried about their current financial situation, compared to 62 per cent of their peers from high-participation postcodes.

In terms of basic living costs, 70 per cent of students from low-participation neighbourhoods struggle significantly more. Our responses indicated that they also worry about balancing commitments, and are significantly more concerned about future debt, with 81 per cent versus 67 per cent.

There is clear exposure here for students who do not have a background – either through their local communities or their families – in higher education, which is affecting their ability to navigate their finances.

The impact of this is demonstrated in their ability to concentrate on their studies. Only 31 per cent of those from low participation neighbourhoods, whose parents did not have an HE qualification reported that they were able to concentrate on their studies without worrying about finances, with one in two of them affected by concerns of finance, versus one in three of their peers from high participation neighbourhoods.

Ultimately, these students who lacked this kind of support – from family, friends and those with experience of higher education - were more likely to state that they had considered leaving their course: 47 per cent of respondents from POLAR Q1 reported that they had seriously considered doing so, compared to 35 per cent from POLAR Q5.



Financial competence

To what extent are students capable of navigating finance?

Formal training

We wanted to understand the extent to which students in Wales had been given information about personal finance as part of their formal education. Just three in 10 respondents had.

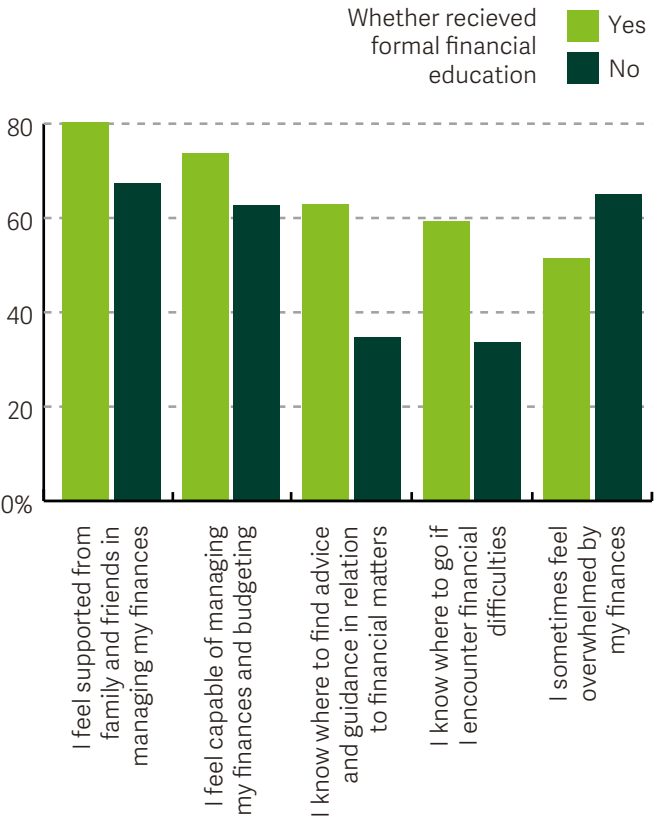
Managing finances

Formal training on personal finances is associated with respondents' ability to manage their finances and to know where to seek help when they need it.

Overall, 65 per cent said they 'feel capable of managing my finances and budgeting', but nearly three quarters (74 per cent) of those who received formal financial education felt capable. Similarly, those without financial education were more likely to 'sometimes feel overwhelmed by my finances' (65 per cent) compared to those with (52 per cent).

In terms of seeking support and advice, those who had received financial education are also more confident of where to find support, with six in 10 saying they both 'know where to find advice and guidance in relation to financial matters' (63 per cent) and 'know where to go if I encounter financial difficulties' (59 per cent) compared to around a third who had not received financial education (35 per cent and 34 per cent respectively).

- Compared to those who did not receive financial education, those who did were:
- less likely to feel they have 'little control over their financial situation' (44 per cent – with financial education; 53 per cent – without);
 - less likely to worry about their financial situation (61 per cent – with financial education; 71 per cent – without);
 - less likely to worry about having about meeting their bills (44 per cent – with financial education; 56 per cent – without);
 - more likely to feel they can concentrate on their studies without worrying about finance (49 per cent – with financial education; 38 per cent – without).



Considering level of study, there is no significant difference between those in further or higher education when asked about feeling 'supported by their family and friends in managing their finances' (70 per cent overall agreed that they did feel supported). Nor are there significant differences between further and higher education when asked if they knew 'where to find advice and guidance' – although just four in 10 of all respondents (43 per cent) did feel they knew where to find it.

Two thirds of students in higher education report sometimes feeling 'overwhelmed by my finances', compared to just half of those in further education. However, it seems that higher education students are more likely to 'feel capable of managing my finances and budgeting' (71 per cent) than those in further education (55 per cent).

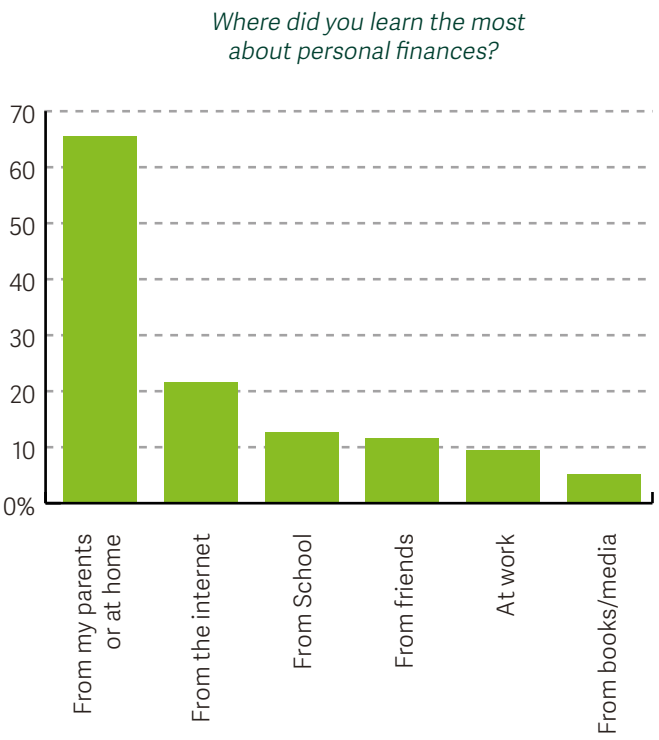
Impact on debt levels

Formal financial education also seems to have an impact on levels of debt. We asked respondents their current level of debt excluding government student loans and mortgages. Most respondents (41 per cent) had between £1-£1000 of debt, followed by 28 per cent who had £1001-£5000 and 23 per cent with no debt.

One quarter (27 per cent) of those with a formal financial education had debt of £1001 or more, compared to 40 per cent of those who had not received a financial education.

Learning about finances

The chart below shows where students learned the about personal finances in addition to a formal setting. Nearly two-thirds learned from their parents at home, one in five (22 per cent) from the internet.



The cost of study

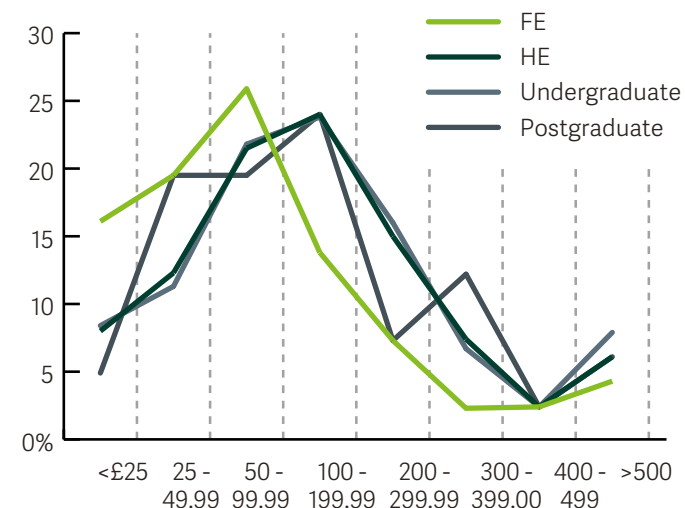
What expenditure do students incur to study?

Course costs

Across all groups, 55 per cent of students had paid for materials, activities or other costs associated with completing their programme of study: 61 per cent of undergraduate respondents, 48 per cent of further education respondents, and 50 per cent of postgraduate respondents.

About one in four (25 per cent) further education respondents spent between £50 and £99.99 on materials, activities and other costs associated with completing their study in the last academic term. Around one in four (24 per cent) undergraduate respondents and postgraduate (27 per cent) respondents had paid between £100 and £199.99 in the previous academic term.

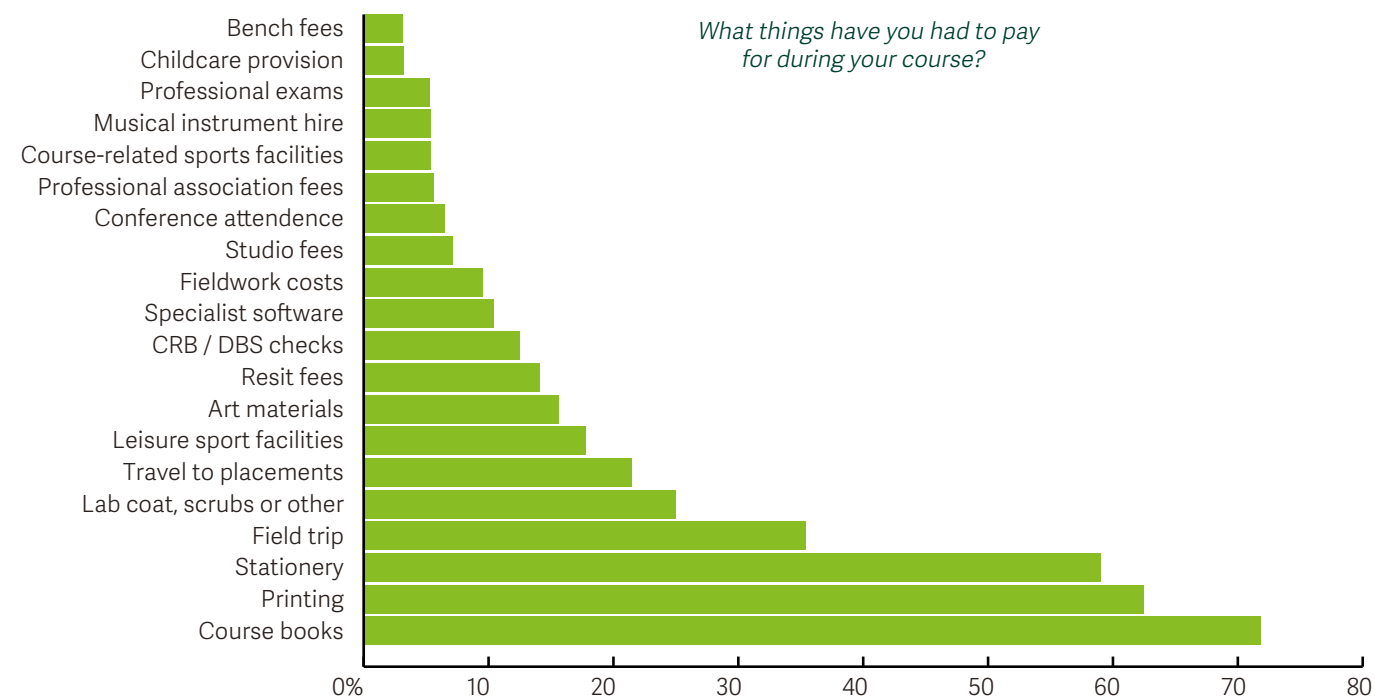
Costs associated with course,
last academic term, by level of study



Course costs: relative prevalence

We took a census of what costs students were incurring, so we can see the relative prevalence of different kinds of cost. 72 per cent of the course materials that respondents indicated they had paid for were course books, with other significant costs including printing (63 per cent per cent), stationery (59 per cent), field trips (35 per cent per cent), uniform costs (25 per cent) and travel to placements (22 per cent per cent).

What things have you had to pay
for during your course?

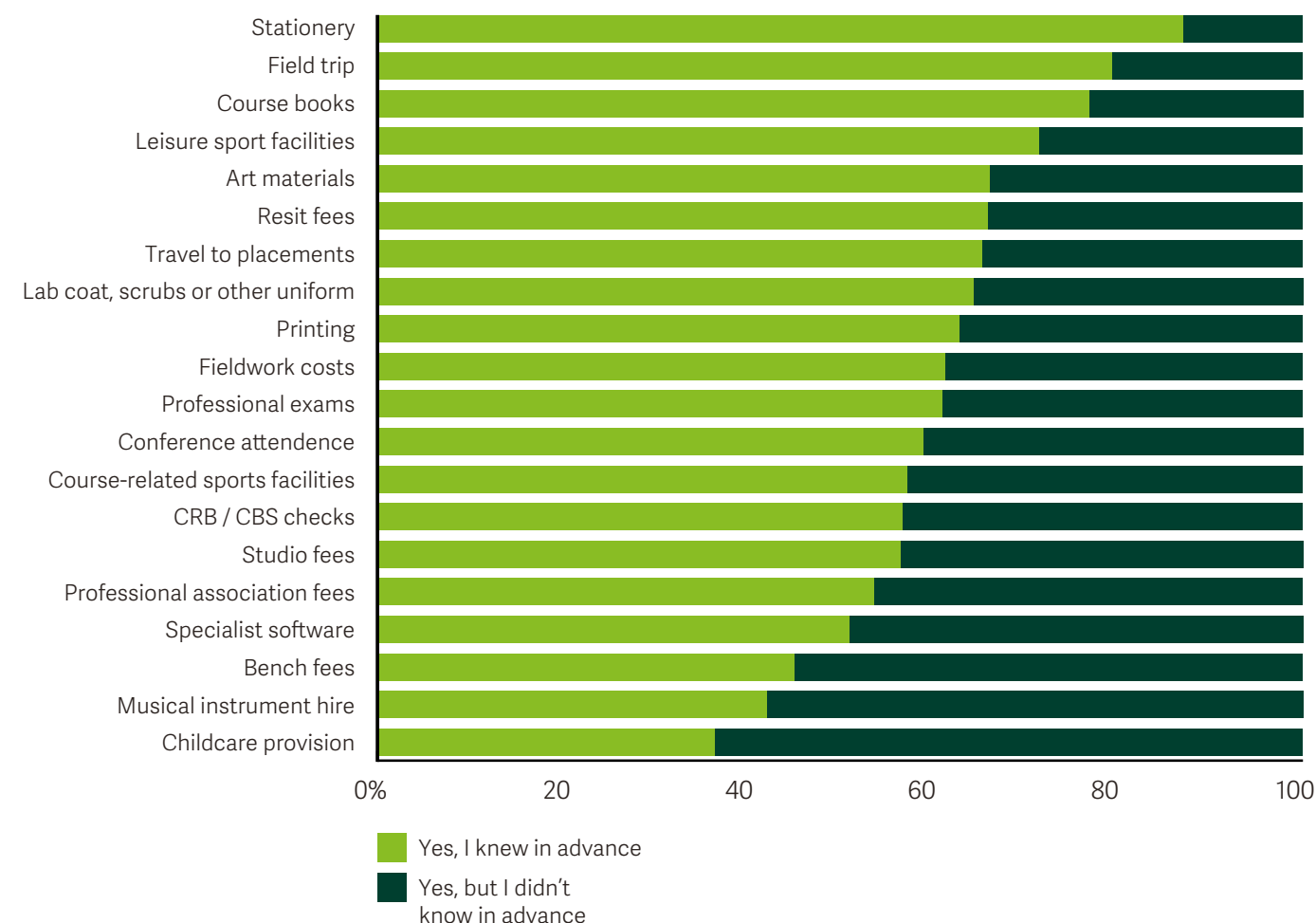


Course costs: transparency

Within these costs, we asked whether they were known in advance, to try to understand the impact of the Higher Education Funding Council Wales (HEFCW) policy on the transparency of additional costs. On average, just over a third of all reported costs were not known in advance. Some of the most 'hidden' costs were also some of the more expensive costs, with 64 per cent of those paying childcare fees not having known about these costs in advance.

Childcare costs in particular are of great importance to student parents, particularly when we reflect on the cash flow wellbeing responses for this group, but more work must be done to understand this. Does it reflect not knowing how much childcare would cost as a student, in the context of information about timetables, about half-terms and the university calendar, or about the practical availability of advertised childcare facilities on campus?

Index of hidden costs



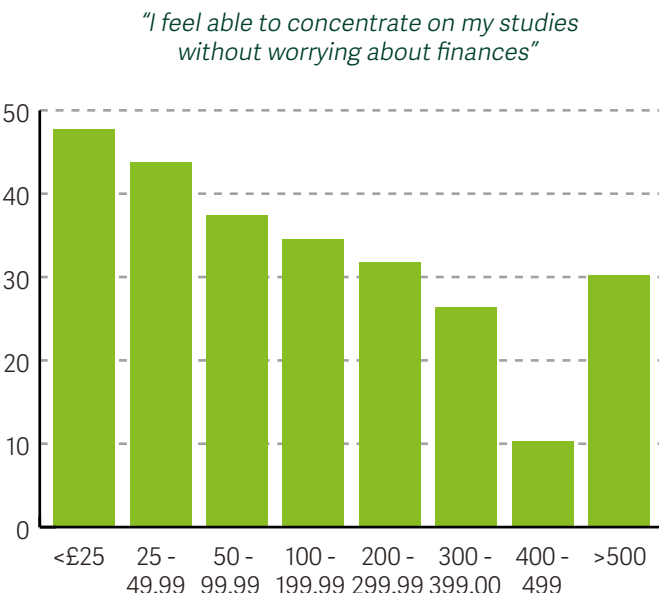
Course costs: wellbeing

Forty-eight per cent of respondents who paid less than £25 in the last academic year on costs associated with their course indicated that they felt able to concentrate on their course without worrying about finances. Respondents who had paid higher costs were considerably less likely to indicate that they felt able to concentrate, with the level falling to 38 per cent where costs were at a level of £50-£99.99 per term, and down to 25 per cent in the £300-£399 per term range.

Fewer than one in two respondents (45 per cent) who paid less than £25 in the previous academic term on course materials indicated that they regularly worried about not having enough money to meet basic living expenses such as rent and utility bills. This figure rose to 67 per cent where costs were at a level of £100-£199.99 per term, which is the amount that a quarter of higher education students surveyed were paying.

Accommodation costs

83 per cent of further education students aged 16-18 on entry to their course did not pay monthly rent or a mortgage. In contrast, the majority of undergraduate, postgraduate and further education students 19 years and older paid between £200 and £399 per month on monthly rent or mortgage.



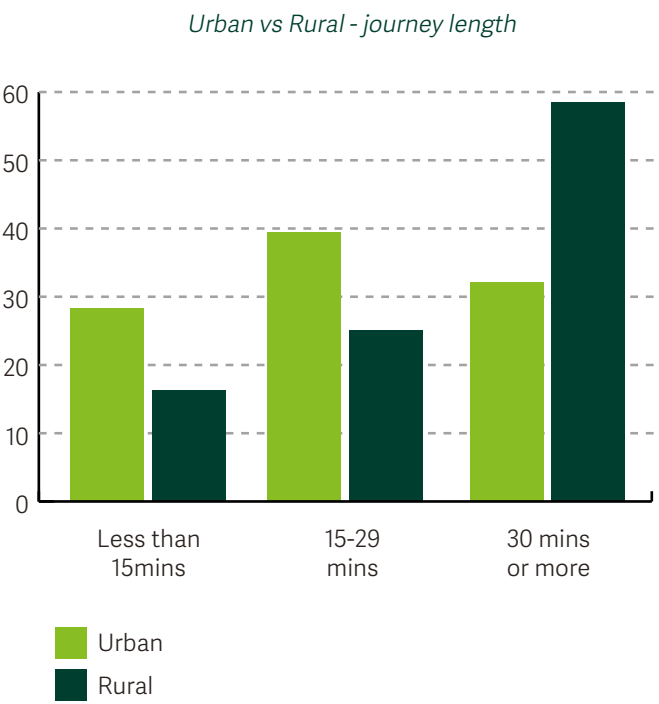
A lower proportion of respondents (39 per cent), reporting no monthly rent or mortgage fees, indicated that they regularly worry about not having enough money to meet their basic living expenses than those who paid monthly rent or mortgage fees. In comparison, almost two in three respondents (62 per cent) who paid between £300 and £399 per month indicated that they regularly worried about not having enough money to meet basic living expenses such as rent and utility bills.



Transport costs

Around six in 10 (62 per cent) further education students had costs associated with travel. The majority of these costs were £20 or more. The majority (56 per cent) of undergraduate students had no travel costs. However, one in five (22 per cent) paid £20 or more per week. We also asked how much time students spent travelling. Forty-one per cent of all students reported spending 30 minutes or more on one journey to their place of study. This figure was significantly higher for further education students, 64 per cent of whom spent more than 30 minutes travelling in one journey.

The cost of travel, both in cash and time, is putting strain on students' abilities to balance their commitments between work, study and family life, with 37 per cent of those who pay over £20 per week in transport costs reporting this. This group, too,

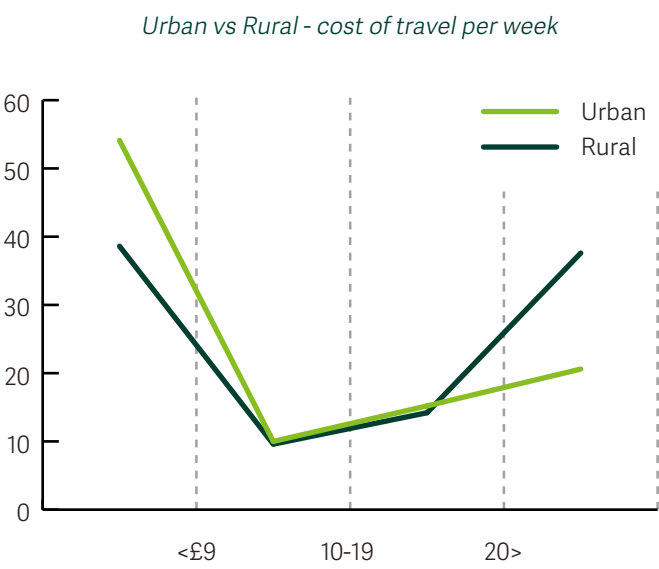


indicated that they found it significantly more difficult to understand their financial support entitlements, which raises questions about their ability to access support for travel costs.

Time spent travelling also has an impact on balancing relationships and on concentrating on studies. Only 39 per cent of those spending more than 30 minutes travelling to their place of study reported being able to concentrate on their studies adequately. Thirty-two per cent in this group reported that they were not able to balance their commitments between work, study and family. These compared with those whose journeys were less than 15 minutes are 48 per cent and 22 per cent respectively.

Urban vs rural based students

We compared the costs of students who live in Office of National Statistics' classified urban postcode areas against those who live in rural areas. What we found was that rurally based students spent more time and more money on transport.



Student support system

What do students receive from the student funding system? What sources of information, advice and guidance are used to find out about these entitlements?

Government and institutional support

Across the sample, only around four in 10 (39 per cent) respondents agreed that they ‘find it easy to understand what financial support I am entitled to’. Students in higher education were more likely to disagree (39 per cent) with the statement compared to students in further education (34 per cent).

Only slightly more than a quarter of respondents (27 per cent) agreed that it was ‘completely clear’ how much financial support they would receive before they started their course; half said it was ‘somewhat clear’ while 16 per cent said it was ‘not at all clear’.

Students in further education were considerably less clear about their financial support before they started their course. Just two thirds were completely or somewhat clear. In contrast, 84 per cent of higher education students were completely or somewhat clear.

Adult further education students were more likely (26 per cent) to say that they were ‘not at all clear’ on their financial support before they started their course compared to younger FE students (16 per cent).

Postgraduates were more likely to say that they were ‘not at all clear’ (21 per cent) compared to undergraduates (13 per cent).

Learning grants and student loan

Among undergraduates (excluding NHS students), three quarters receive a student loan for living costs. Of these students, three quarters have a loan debt of more than £1,000. Three in 10 indicated their loan was between £1,000 and £4,999. Fifteen per cent had a maintenance loan in excess of £12,000. While just 20 per cent of full-time students had no maintenance loan, this compares to 80 per cent of part-time students.

Two in 10 undergraduates (excluding NHS students) were in receipt of an Assembly Learning Grant.

Discretionary support

Seventeen per cent of students in further education had applied for discretionary funding from their institution, compared to nine per cent of students in higher education.

Students who had applied for discretionary support were more likely to report worrying about their financial situation (80 per cent) than those students who had not applied for discretionary funding (67 per cent). Similarly, discretionary support applicants were more likely to worry about meeting their rent and utility bills (66 per cent) than those who had not applied for support (50 per cent). They are also less likely to feel able to balance their ‘commitments, such as work, study and family/relationships’ (43 per cent) than those who had not applied (55 per cent). Only around a quarter (28 per cent) of discretionary support applicants felt able to concentrate on their studies without worrying about finances compared to 44 per cent of those who had not applied for funding.

Support mode and frequency

Clear preferences were expressed for support in the form of cash across all groups.

In further education, slightly more than half (53 per cent) of students selected ‘a cash allowance to cover costs’ as their preferred mode of support. The next most popular option among further education students was the provision of free transport to and from their course (12 per cent), followed by the provision of free books, tools or equipment (10 per cent).

In higher education, slightly more than two thirds (67 per cent) of respondents selected ‘a cash bursary as their preferred method of financial support; 11 per cent selected ‘a fee discount’ and just 5 per cent selected ‘a discount on services provided by your university or college’ (18 per cent selected a combination of two or more of these options).

Groups differed considerably on the question of payment frequency, with young further education students strongly favouring weekly payments (79 per cent) and adult further education students favouring monthly (46 per cent) and to a lesser extent weekly (28 per cent). Among younger higher education students, 46 per cent preferred monthly payments followed closely by termly (39 per cent). Preferences for monthly payments harden as age increases; 56 per cent of those aged 21-24 preferred monthly while 63 per cent of those aged 25+ did.

Meeting the costs

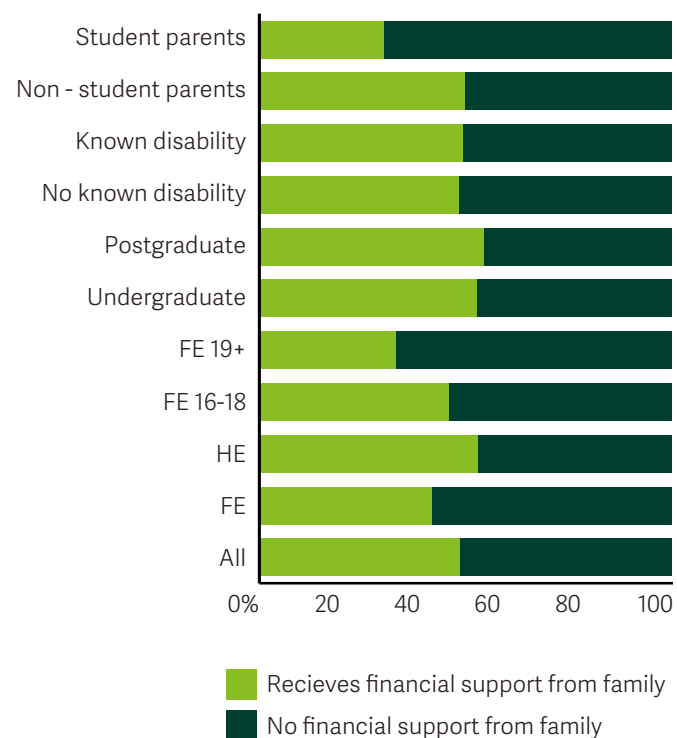
What sources of financial support and/or income do students have beyond those provided by the student support system? To what extent are these sources needed to meet the costs of study?

Family support

Half of respondents (49 per cent) indicated that they received support from their family, such as from their spouse, partner, parents or other relatives. The types of support received by family ranged from financial support, accommodation and living support, childcare, transport, and food and groceries. The groups most likely to be in receipt of support from their family were postgraduate students (54 per cent) and undergraduates (53 per cent).

Only 30 per cent of student parents indicated that they received support from their family compared to 70 per cent of students who were not student parents.

Proportion of respondents in receipt of financial support from family



Equally low support was available to further education students aged over 19, with only 33 per cent receiving such support.

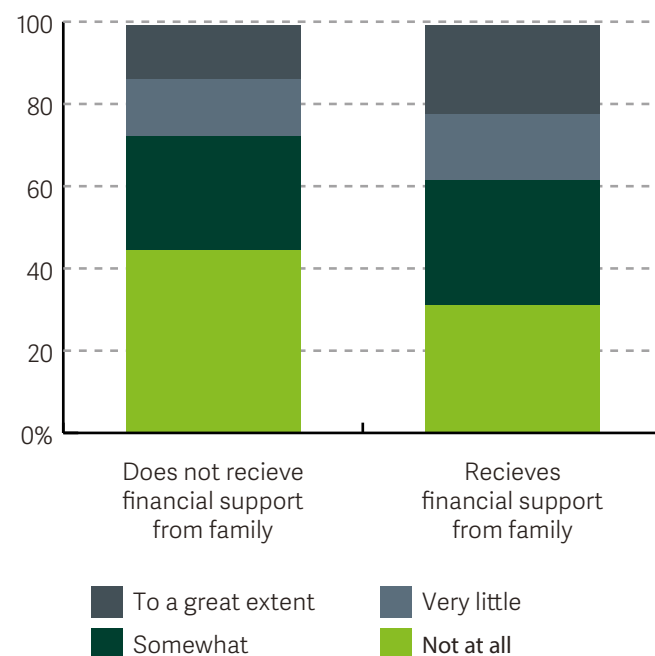
Family support and progression

Ability to draw on family sources of support had a significant bearing on their decision to progress to their current level of study or not. Almost half (44 per cent) of respondents who reported that they were in receipt of no family support – financial or otherwise – indicated that financial considerations affected their decision to progress to their current level of study to a great extent, compared to one in three (31 per cent) of those who were in receipt of family support.

Family support and wellbeing

Fifty-seven per cent of respondents who did not receive family support indicated that they regularly worried about not having enough money to meet

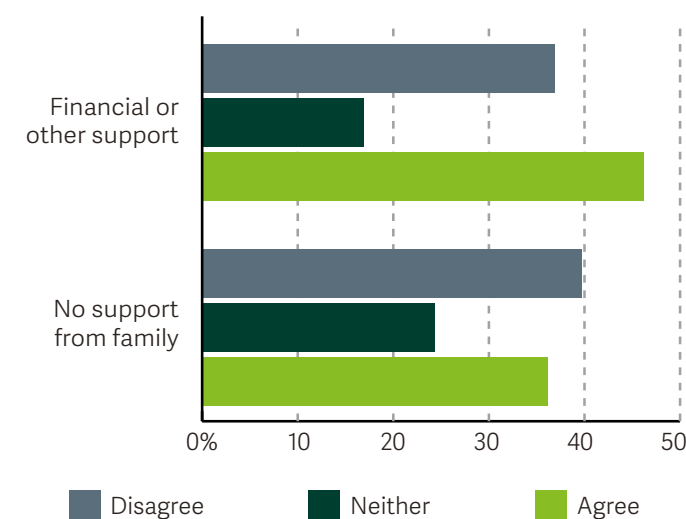
"To what extent, if at all, did financial considerations affect your decision to progress to your current level of study"



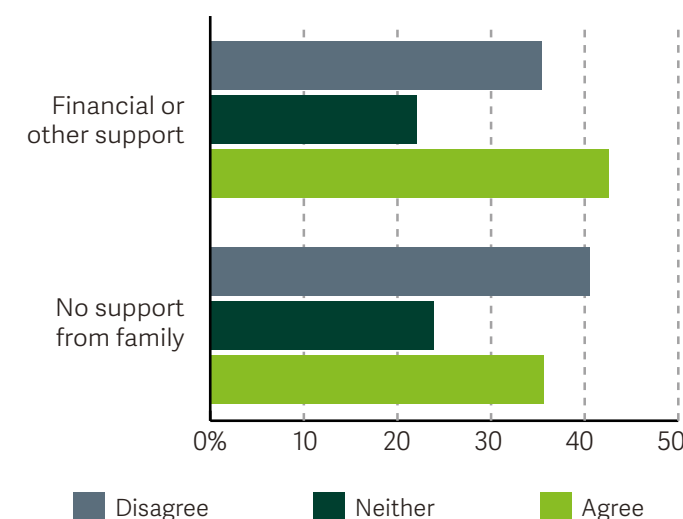
basic living expenses such as rent and utility bills. This compares to 48 per cent of students who were in receipt of family support; and 36 per cent of respondents who received no family support reported that they felt able to concentrate on their studies without worrying about finances, compared to 46 per cent of respondents who were in receipt of family support.

Finally, the role of information and financial support shows again in that those in receipt of financial or other support from their families were significantly more likely to agree with the statement "I find it easy to understand what financial support I am entitled to."

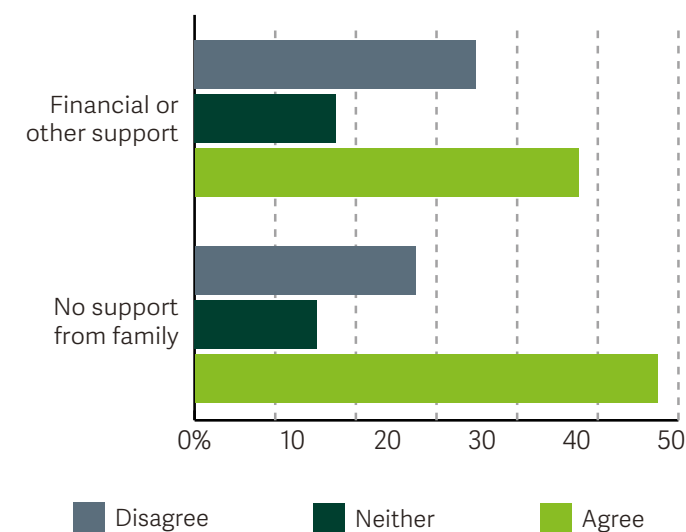
"I feel able to concentrate on my studies without worrying about finances"



"I find it easy to understand what financial support I am entitled to"



"I regularly worry about not having enough money to meet my basic living expenses such as rent and utility bills"



Taking part – support from students

How do students participate? What barriers exist?
Does participation contribute to financial wellbeing?

Sports, activities, clubs, societies

Provision of sports, activities and societies are a key part of many students’ unions and form a central part of many students’ experience at their place of study. Our research found that around four in 10 (38 per cent) students in Wales participate in sports clubs, activities or societies at their place of study, as part of their students’ union. There is, however, a clear split between further and higher education. While 56 per cent of those in higher education take part in sports, activities and/or societies as part of their students’ union, just 10 per cent of those in further education do. Due to the low take up in further education, the rest of this section focuses on students in higher education.

Who participates?

Women students are less likely to participate (53 per cent) than men (59 per cent). Younger respondents are more likely to participate – with around six in 10 (61 per cent) of those aged 17-24 taking part, compared to only around a quarter (23 per cent) of those aged 25 or

over. Student parents are also significantly less likely to take part (11 per cent) than their counterparts without caring responsibility for someone under the age of 18 (58 per cent).

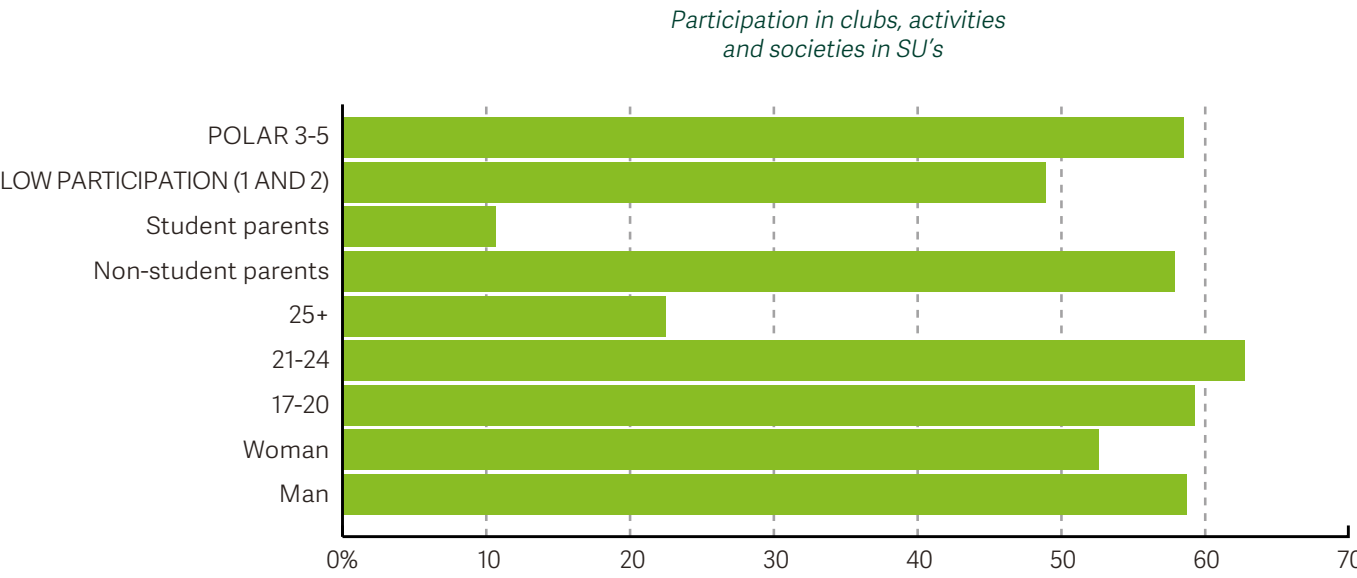
Around six in 10 students (59 per cent) from the higher POLAR groups (3-5) participate while slightly less than half (49 per cent) of those from the lower POLAR quintiles (1 and 2) do.

No significant differences in participation are found between students who identify as disabled and those who do not, or between white and BME students.

Views on taking part

Our study shows that students who participate value their experience of sports, clubs and activities from their students’ unions. Nine in 10 respondents rate their experience as ‘worthwhile’. Around half (51 per cent) believe if they had not participated they would feel like they missed out. Around eight in 10 (79 per cent) feel that their experience of participating ‘will be useful in the future’.

We asked how much respondents had spent on participating in the previous academic term (first term, 2013/14). Around half (47 per cent) of respondents spent more than £100, although 15 per cent spent nothing.



Six in 10 students who do participate said that ‘finance is a barrier when deciding to participate in clubs and activities’ (women were more likely to report this as a problem (66 per cent) than men (55 per cent)). That said, it seems that once students have decided which society to join, finance is less of a barrier. Only 14 per cent of respondents who take part disagreed that the cost of participating was acceptable and reasonable while a third said that ‘participating in clubs and activities has put a strain on my finances’.

Benefits of taking part

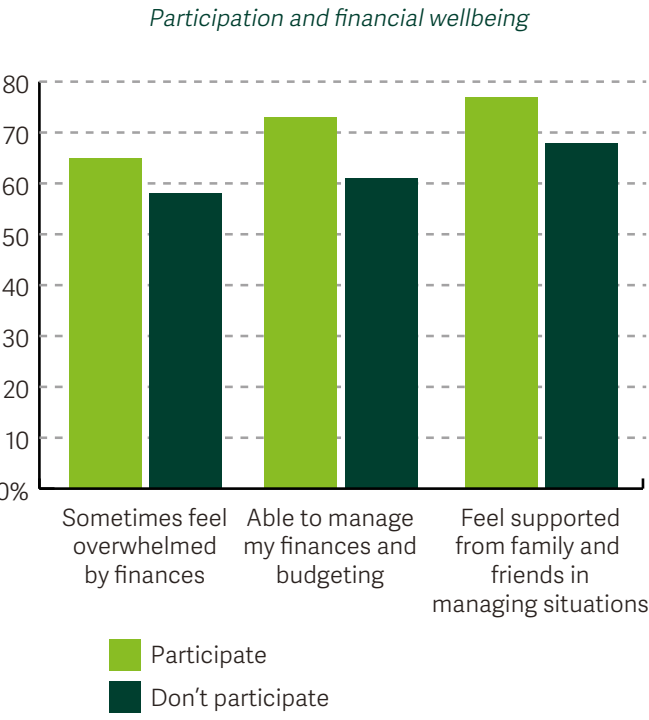
Evidence suggests that those in student organisations benefit from the close social support of their peers. Our research seems to support this. While they are more likely to ‘sometimes feel overwhelmed by my finances’ (65 per cent) than those who don’t participate (58 per cent), those participating in a students’ union club, activity or society were considerably more likely to agree that they feel able to manage their finances and budgeting (73 per cent) than those who do not participate in this way (61 per cent). Similarly, slightly more than three quarters (77 per cent) of those who participate ‘feel supported from family and friends in managing my finances’ compared to 68 per cent of those who do not participate.

Barriers to taking part

Those who do not participate in clubs, activities or societies were asked for the main reason they did not. Forty-four per cent said there was ‘not enough time’, nearly three in 10 (28 per cent) were ‘not interested’ and 15 per cent said it was ‘too costly’.

Other participation

We also asked respondents if they were involved with the students’ union in other ways (volunteering, course representative, union democratic representative, student media or fundraising (e.g. through RAG)). Three in 10 students did take part in these ways, although the proportion was slightly higher in higher education (32 per cent) than in further education (27 per cent). Fourteen per cent are course representatives while 12



per cent volunteer in their local community through their students’ union. (These figures are not mutually exclusive.)

Employment

Across the survey sample, 28 per cent of further education students, 25 per cent of postgraduate students and 22 per cent of higher education students indicated that they worked during term time and holidays. A further 9 per cent of further education students, 10 per cent of undergraduate students and 15 per cent of postgraduate students stated that they worked in term time only.

Working time

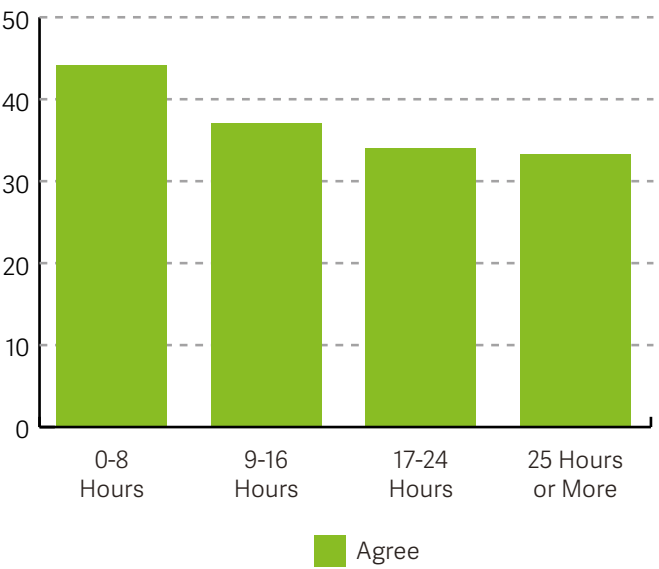
Respondents who indicated that they worked during term time and/or term time and holidays were asked how many hours they worked during term time.

The majority of further and higher education respondents who worked during term time and/or term time and holidays worked eight hours or less a week. Thirty-six per cent of higher education students reported working between 0 to 8 hours (or one day a week). Within further education, 28 per cent of students worked between 9 and 16 hours (or two days); for higher education students this was 34 per cent. A small minority of six per cent of students worked 25-32 hours a day. A slightly higher proportion (9 per cent of further education students and 7 per cent of higher education students) reported working more than 33 hours a week.

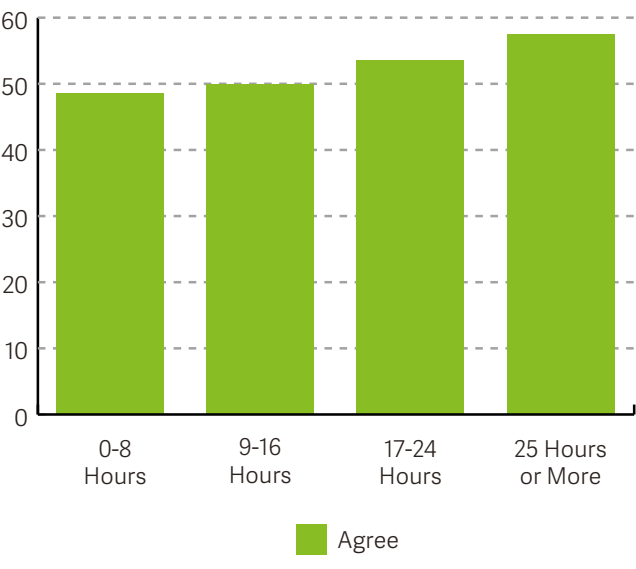
Hours worked and wellbeing

There appear to be a number of relationships between the number of hours students work and their wellbeing. Three of the indicators in particular show this, with increased hours putting pressure on concentration on studies, the ability to balance commitments between work, study and family, and are reflected in cash flow concerns.

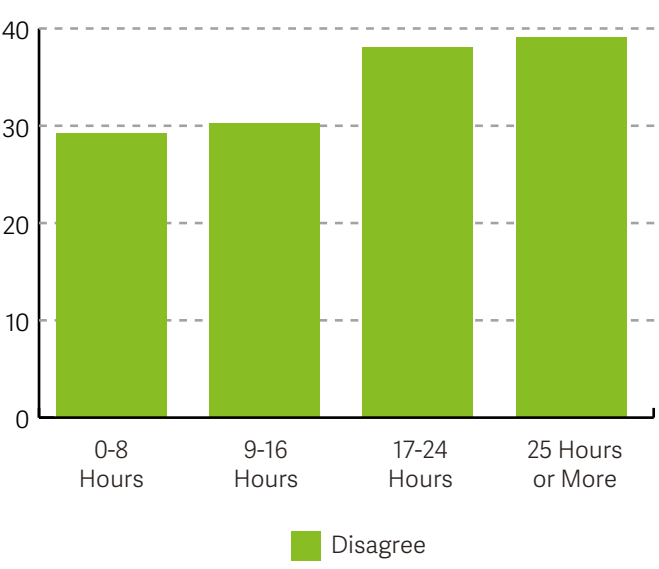
"I feel able to concentrate on my studies without worrying about finances".



"I regularly worry about not having enough money to meet my basic living expenses such as rent and utility bills"



"I feel able to balance my commitments such as work study and family/relationships"



Student Debt

What types of debt do students take on during their studies?

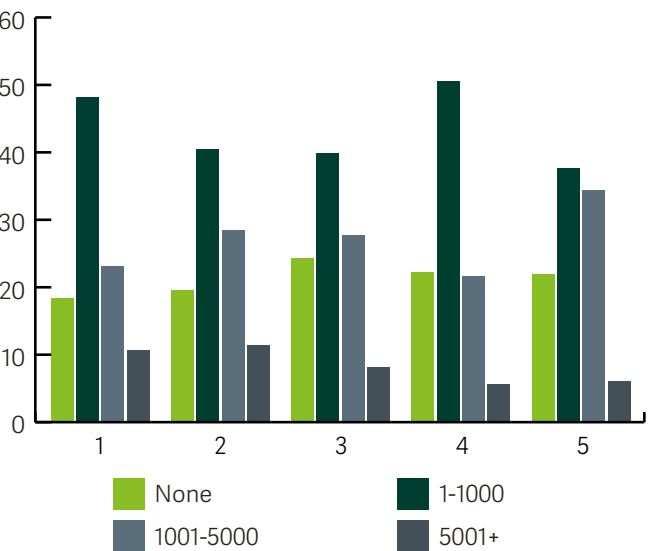
Borrowing for living costs

We asked respondents to tell us about what they have borrowed in forms other than government loans and mortgages. Overdrafts were the most common type of debt incurred, with almost half undergraduates surveyed (48 per cent) and slightly fewer postgraduates (41 per cent) surveyed reporting that they had taken on this type of debt since beginning their current course of study. Loans from family and friends were also common with one in five undergraduates (20 per cent) reporting this, with similar proportions from postgraduates. However postgraduates were more likely (20 per cent), than their undergraduate counterparts (13 per cent) to have taken on credit card debts. Only a small minority (3.6 per cent) of respondents had taken on a form of high risk debt.

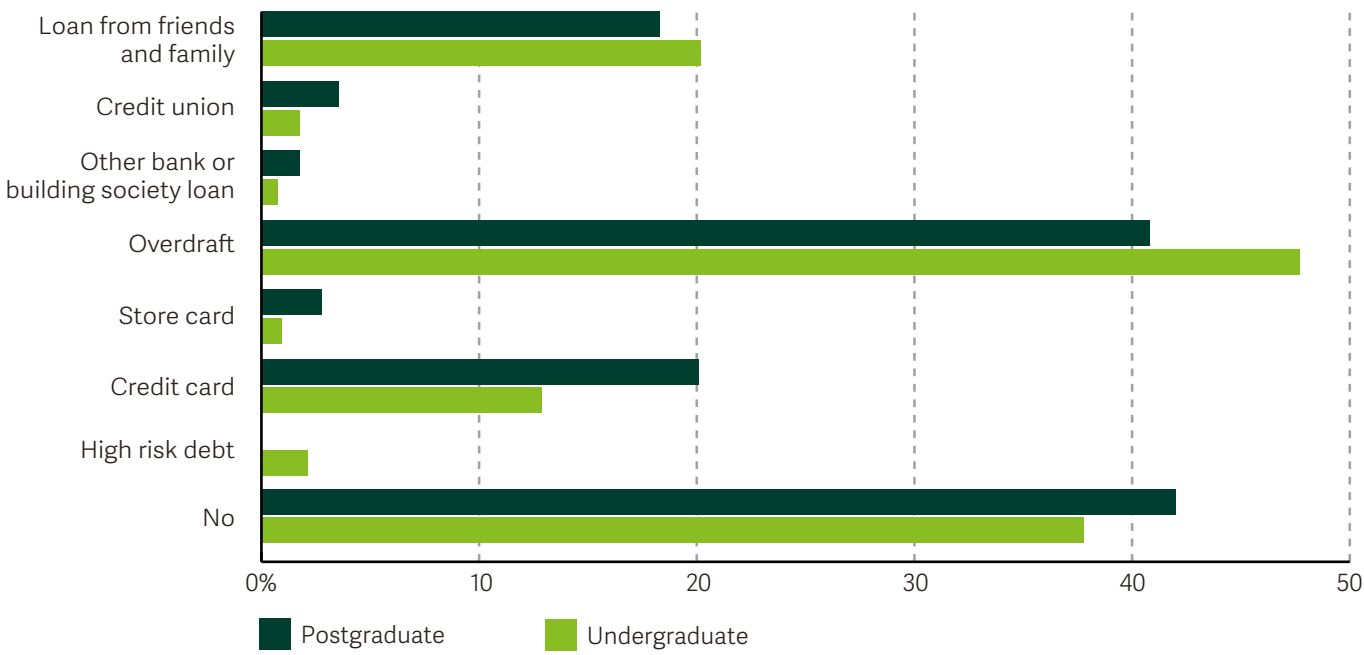
Levels of debt

We asked students what the total amount of their current debt is, excluding any government student loans or mortgages. When split by POLAR quintile, we can see that those from lower participation backgrounds are more likely to be carrying debts in excess of £5,000, significantly less likely to be carrying smaller debts of under £1000 and less likely to have no debt whatsoever. The same is true for older students, with 11 per cent of students over 25 carrying debts in excess of £15,000.

POLAR 3: "What is the total amount of your current debt, excluding any government student loans or mortgages?"



Sources of debt



Financial education and debt

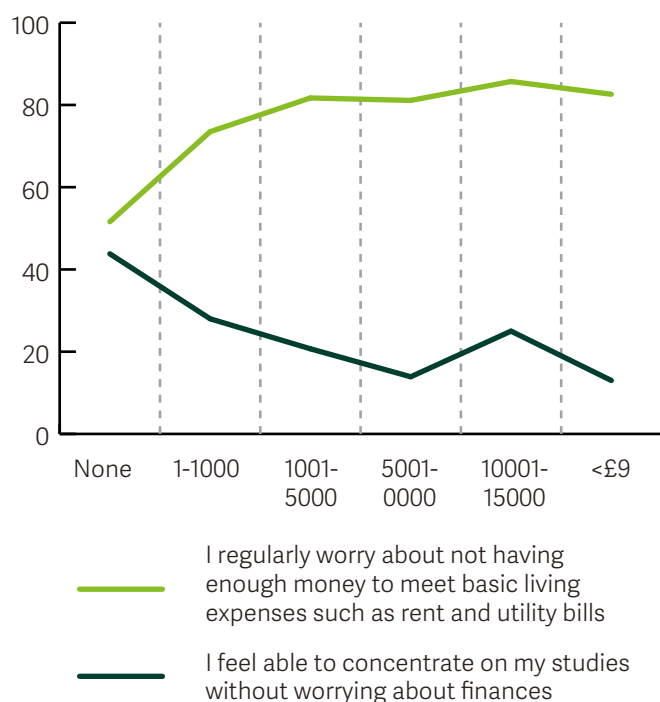
Formal financial education seems to have an impact on levels of debt. We asked respondents their current level of debt excluding government student loans and mortgages. Most respondents (41 per cent) had between £1-£1000 of debt, followed by 28 per cent who had £1001-£5000 and 23 per cent with no debt.

One quarter (27 per cent) of those with a formal financial education had debt of £1001 or more, compared to 40 per cent of those who had not received a financial education.


Debt and wellbeing

Respondents with a greater level of debt were more likely to agree or strongly agree that they regularly worried about not having enough money to meet their basic living expenses. Similarly, the greater the level of debt, the less likely a respondent was to agree or strongly agree that they felt able to concentrate on their studies without worrying about finances. Indeed, with only £1000 debts, students' wellbeing suffers significantly. It is these students that are twice as likely to have seriously considered leaving their course.

*Key wellbeing indicators by current level of debt
(excluding government loans and mortgage debt)*



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