

OVERDUE

Scottish Students
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In The Red
RD1 1AB



**STILL IN THE
RED**



FINAL DEMAND

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UNPAID

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STUDENT FINANCE IN 2010





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Foreword



Education funding is fast becoming a topical issue for politicians both north and south of the border, but far too often not for good reasons. It would be naïve of us to suggest that the rapidly shifting political and

economic landscape is not a huge worry for the Scottish education sector. Factors such as where the Scottish Government focuses consequential cuts made by the UK coalition Government, how much additional revenue is generated through tuition fees or a graduate tax in England following the Browne Review, and the continuing effects of the recession, will all have a huge impact on the sector over the next decade, if not longer.

However, while we have no clear idea what the cumulative impact of these factors may be, we can state with absolute certainty that significant numbers of students are already being let down by a student support system which is failing in its sole task - to make participation in education based on the ability to learn, not the ability to pay.

In the run up to the 2011 Scottish Parliamentary elections, *Still in the Red* should serve as a wake up call to politicians and other decision makers. Despite what many commentators say, education is not currently free in Scotland. When a student is forced into thousands of pounds worth of commercial debt, education is not free. When a student has to work over 20 hours a week on top of their course work to survive financially, education is not free. And when the price tag of tuition fees hangs over all but the traditional full-time undergraduate student, education is not free. It is clear from our research that many students are being held back from reaching their potential - and for some, from reaching the end of their course at all.

Improvements to the student support system may come at a cost but it is a price well worth paying. Our results show clearly that short changing student support is wrong both in principle and in practice; those who would benefit most are often hurt the most, and a single student drop-out costs the state thousands of pounds without any of the benefits.

This report is one of the largest pieces of research NUS Scotland has undertaken and it couldn't come at a more opportune time. We set out to look at the student support system in Scotland from every angle. Through the eyes of thousands of students, we can catch a glimpse of what life is really like for them; where the system works and where it clearly does not. This makes our report unique and very exciting.

NUS Scotland will now begin the work of formulating solutions to the problems highlighted by this report. Real change is needed, and whether at college or university, full-time or part-time, young or mature, students will no longer tolerate an education funding debate which fails to address this urgent need. In the run up to the 2011 Scottish Parliamentary elections, we hope the findings of *Still in the Red* will be as useful to those seeking office in identifying the needs and hopes for Scotland's future, as NUS Scotland will find them in changing students' lives.

Liam Burns
NUS Scotland President

Claire Rackley
Philip Whyte
Priority Campaign Convenors

Executive Summary

Much has changed for Scottish students since the report of the 1999 Committee of Inquiry into Student Finance (the *Cubie Report*) was first published 10 years ago. However, a fragmented approach to changes to the student support system to date has left it inconsistent and inadequate, a failing which the recent economic situation has compounded, meaning fundamental reform is now urgently required to deliver a sustainable support system for Scotland's students and its future.

To identify priorities for this reform, NUS Scotland surveyed over 7,400 students from 37 institutions across Scotland about their finances and their views on the support system: 1,190 further education (FE) students, 5,283 higher education (HE) students, and 955 postgraduate (PG) students responded. The sample also included 1,207 student parents and 1,864 part-time students.

Student hardship

Insufficient financial support was a key concern raised in the survey. Across all levels, just one-third of students felt that they received enough money to concentrate fully on their studies. Only six per cent said they never worried about their finances, with 28 per cent saying they worried all of the time. 62 per cent said that not receiving enough money was having a negative impact on their studies. Over half of all of the students surveyed overall said they found coping financially over the summer particularly difficult.

Drop out

Worrying numbers of students reported they had considered dropping out because of money concerns. One-third of students surveyed knew someone who had dropped out of studies due to financial difficulties

and 36 per cent had considered dropping out themselves, with 89 per cent saying "not having enough financial support" was a key reason for considering this. At all levels, non-traditional students, student parents, and mature students exhibited higher levels of financial concern than traditional and younger students, and were more likely to have considered withdrawal due to these concerns. It is likely that these financial concerns may be a factor in Scotland's poor performance in the Higher Education Statistics Authority (HESA) statistics on widening access in terms of participation by state school leavers and National Statistics Socio-Economic Classification (NS-SEC) classes 4-7.

Supplementing income

Half of the students surveyed had had to access commercial credit and 57 per cent had borrowed or asked for money from family and friends to supplement their income. 37 per cent of students who said they had considered dropping out cited "worrying about commercial debt" as a reason for doing so. Just over half of all full-time students were working for additional income. 68 per cent were working more than the Cubie-recommended 10 hours per week and 47 per cent said that combining work with study was having a negative impact on their studies.

Future prospects

Confidence in post-education prospects varied, with nearly 70 per cent of FE students confident their course would improve job prospects, but only 37 per cent of HE students confident they would find a graduate level job within six months of graduating. 60 per cent of postgraduate students were confident they'd get a better job as a result of postgraduate study, but more than half were not



confident of finding a postgraduate level job within six months of completing their studies. One-fifth of FE students, one-quarter of HE students and one-third of PG students responding to *Still in the Red* said they felt the economic downturn had had a negative effect on their studies.

Further education students

The main concern for FE students in particular was the uncertainty of the discretionary funding system. 45 per cent of students were not clear before starting their course how much support they'd receive and 48 per cent were not confident their institution would have funding to support them until the end of their studies. Eight per cent had received a reduced rate of bursary due to shortages and a further 26 per cent were unsure if their bursary had been reduced. 62 per cent said these financial worries were impacting negatively on their studies.

Higher education students

Students in HE were particularly concerned about their finances, with 68 per cent reporting that they were not receiving enough money in student support to concentrate fully on their studies. Many students also raised concerns about the operation of the means test for calculating their entitlement to support. 53 per cent had been forced to resort to commercial borrowing to supplement their income, with 40 per cent saying they would have commercial debt on graduation. 63 per cent of HE students with commercial and student debt said that worrying about their commercial debt was having a negative effect on their studies, with 44 per cent saying the same of their student loan. 80 per cent of HE students overall said they were more concerned about having enough money to live on than reducing their student loan debt on graduation.

Postgraduate students

PG students raised a number of concerns about the lack information and support prior to applying to study, with nearly 95 per cent saying more information on PG financial support would be useful. Over 50 per cent of PG students who applied for support said they didn't find it easy, which is significantly higher than for students at other levels. Over half of the PG students responding to our survey (55 per cent) also said that, aside from the amount of financial support provided, they were unhappy with the current system of support for PG students.

Student parents

Like FE students, funding uncertainty was a key concern for student parents. Only 34 per cent said they knew how much they were going to receive before starting their course, with more than half of these students reporting that this lack of clarity made the decision on whether or not to study difficult. Of those who were receiving childcare funding, only 43 per cent said they were confident that this would last until the end of their studies, a particular concern when 79 per cent of those receiving funding said they would be unable to carry on with their studies without the government support they receive for childcare costs. Eight per cent had been refused discretionary funds because their institutions' funds had run out, and 16 per cent had received a reduced rate of discretionary funds because of funding shortages.

Part-time students

Part-time students were also affected by money worries as a result of studying. Only 11 per cent said they never worried about their finances, and 22 per cent said they worried about their finances "all the time," just six per cent less than full-time students. Over 40 per cent said that

worrying about their finances was having a negative impact on their studies, though this is significantly lower than for full-time students. While part-time students have more time to work to support themselves through study, many are still suffering hardship and more than half (56 per cent) said that working was negatively impacting on their studies.

Mature students

Mature students in FE and HE were more likely than younger students to say that they worried about their finances either frequently or all of the time, likely to be a result of increased financial commitments. Mature students were more likely to say that combining paid work and studies was impacting negatively, which is unsurprising as they are more likely to be working more than 20 hours per week than their younger counterparts. The number of mature students forced to access commercial credit was similar to younger students but they were more likely to say that worrying about their commercial debt was impacting negatively on their studies, perhaps indicating that they have higher levels of debt.

The view of school pupils

We also asked young people aged 12-16 about their views on further and higher education. A majority (97 per cent) said they wanted to carry on in school post 16. However, worryingly, 15 per cent of these said they would like to go on to further study but needed to get a job instead for the money. Over 50 per cent were already aware of some of the potential costs of going on to college or university, with 30 per cent saying the biggest reason for not going would be “not wanting to get into debt”, whether commercial or student loan debt, and 22 per cent saying it would be “not being able to afford things while studying”.

Conclusion

Overall, students feel the support system is not doing its job properly in a number of areas. A key issue is that the level of support provided is not reflective of the costs of living and studying faced by the majority of students, however, issues with access to, and administration of, support are also creating financial problems for students. A real concern is that the failings of the current system work to particularly disadvantage the most vulnerable students and also risk wasting Scottish talent and government investment by adding to the rates of withdrawal from education.



2. Background

More than ten years on from the *Report of the Independent Committee of Inquiry into Student Finance*, also known as the *Cubie Report*, there is no doubt that the situation for Scottish students is drastically different from 1999. The intervening years have seen a number of changes to the funding of further and higher education and the student support system. However, the changes have by no means eliminated the problems of the pre-1999 system and have, in some cases, created new problems of their own.

The 1999 Inquiry was an opportunity to revolutionise the student support system, to lift students out of poverty, create a guaranteed minimum income for students at least on a par with social security, and make further and higher education accessible to all. This was an opportunity the then Scottish Executive failed to fully grasp, a failure which subsequent piecemeal changes to the

system have not properly addressed, leaving student support inconsistent and inadequate. The need has therefore arisen, once again, for fundamental reform of the student support system.

Still in the Red aims to identify the priorities for this reform, highlighting where the failings of the current system are most damaging to students, and how students themselves think the system could be improved. *Still in the Red* is one of the most ambitious pieces of research NUS Scotland has undertaken, and its results are hugely enlightening as to where the strengths and weaknesses of the system are. This report is the first stage of a process which we hope will result in vast improvements for students in Scotland. Over the coming months and years we intend to build on this work to create a fairer funding system that truly supports students, from application through to graduation and beyond.



3. Introduction

In 1999, following the introduction of tuition fees and with the abolition of student maintenance grants a year earlier, applications to Scottish institutions had fallen more than in any other part of the UK. Many students in Scotland were living below the UK poverty line. Since 1990, the majority of students have been prevented from accessing state benefits. Taking into account the costs of study as well as the costs of subsistence, students have become increasingly worse off when compared to those supported through social security, let alone the general population.

As highlighted in NUS Scotland's 1999 publication, *Student Finance: In the Red*, estimated drop out rates due to hardship had reached a staggering 20 per cent¹, and these were on the increase - a huge waste of not only opportunity but of public resources. For many students, the only way to support themselves was to get term time employment. The summer hardship allowance for students had also been abolished in 1990, which removed students from accessing any support during their long summer vacation, and meant the limited support they did receive had to be stretched over the full 52 weeks of the year.

The first elections to the newly created Scottish Parliament in 1999 were therefore a hugely important opportunity to campaign for an end to student hardship. The elections resulted in the Scottish Labour and Scottish Liberal Democrat parties entering into a coalition government. Tuition fees and student support were a key point of disagreement between the two parties, and, as a compromise, the parties agreed to set up an Independent Committee of Inquiry into Student Finance, headed by Dr Andrew Cubie (now known as the Cubie Committee).

3.1 The Cubie Committee and Scottish Executive response

NUS Scotland successfully campaigned for a student representative on the Cubie Committee, met key politicians from all parties and followed the Committee's roadshow as it travelled around Scotland, ensuring there was a student voice at every open meeting held as part of the inquiry. NUS Scotland's *Student Finance: In the Red*, a 70 page publication, with evidence on the full range of student financial issues, was also submitted to the inquiry in September 1999.²

The Committee's report, *Student Finance: Fairness for the Future*, produced 52 recommendations, all of which were supported by NUS Scotland and students' associations, the AUT (Association of University Teachers, now UCU) and CoSHEP (Committee of Higher Education Principals, now Universities Scotland). These included a graduate endowment of £3,075 to replace up front tuition fees and be repaid once a graduate earned £25,000 per year.

NUS Scotland urged the Executive not to "cherry pick," from the recommendations, given that the adoption of all 52 as a full package would be most beneficial to students, and expressed disappointment when the Executive's response to the report did just this. NUS Scotland's response to the Government's post-Cubie proposals nevertheless accepted the partial changes as "the first positive change in direction in Government [further and higher education] policy since 1974."³

The government's abolition of upfront tuition fees, their replacement with a graduate endowment, and the return of student grants were welcomed by NUS Scotland, however significant concerns remained, many of which persist to this day. Chief among NUS Scotland's concerns were the income levels at which payment of graduate contributions to education were required (£10,000 per annum rather than the Cubie-recommended £25,000) as it was felt that it was unclear to what extent a graduate earning £10,000 per

1. NUS Scotland, 1999. *Student Finance: In the Red*, p. 30.

2. Ibid.

3. NUS Scotland, August 2000 *Student Finance: funding futures*



year had benefitted financially from their education. This threshold was later increased to £15,000 in 2004, still significantly less than the £25,000 recommended. Worse still, the £15,000 threshold (which is also the threshold for repayment of student loans) has not been linked to inflation or earnings, meaning it has remained at the same level ever since. Adjusted for inflation, Cubie's recommended £25,000 threshold would now stand at £32,298. Equally there were concerns over the income levels at which the full bursary would be received by students, as it was felt that these were too low to benefit all students who were in need of support.

NUS Scotland also expressed concerns at the Government's decision to make the Mature Students' Bursary funding discretionary and not an entitlement, creating uncertainty and disparity in the amount of funding these students would receive. Further key aspects of the report's recommendations have also been ignored, watered down, or insufficiently adopted. It was a particular concern that no conclusion was reached by the Government on the level at which students should be supported, which NUS had indicated should be the social security level plus education costs. Changes to bursaries and other funding still left students living far below the poverty line.

3.2 The Graduate Endowment Abolition

The Cubie-inspired Scottish Executive changes, which were introduced from 2000, held for seven years until May 2007, when the Scottish National Party became the minority government in Scotland. The SNP had pledged during the election campaign to scrap the Graduate Endowment and "dump the debt" of all Scottish students, moving away from student loans to full grants.

In the autumn of 2007, NUS Scotland surveyed more than 2,000 students about their finances and student hardship. The survey results, *Scotland's Lost*

*Opportunities*⁴, published in March 2008, found that barriers to further and higher education went beyond beginning a course; students needed more support throughout to ensure they were not forced to drop out of studies through financial hardship. The report made it clear that efforts to widen access to higher and further education could not stop at matriculation. Following the Government's *Student Income and Expenditure Survey 2004/5* which showed that students were spending up to £1,172 on participating in education, through the cost of books, equipment, travel and stationery, NUS Scotland called for student support to cover the "hidden costs" of education.

The Graduate Endowment was abolished in October 2008. Furthermore, as part of what they described as the transition to full grants, the Scottish Government replaced the £500 part-time HE students' loan (the Individual Learning Account or ILA) with a grant, which cut the graduate debt of around 20,000 part-time higher education students.

Although NUS Scotland had campaigned for the introduction of the graduate endowment as Cubie had proposed (a £3,075 endowment paid back on earnings over £25,000 per year), the resulting compromise between the Scottish Labour and Scottish Liberal Democrat coalition Government was a £2,000 endowment paid back on earnings above £10,000 per year. Introduced in a regressive manner, it was ineffective at generating the cash necessary to support widening access, as was originally intended. As a result, NUS Scotland members backed its abolition.

It was clear the funding was not available to fulfil the commitment made to Scotland's students: to move from loans to grants and write off all of their debt. Instead, in 2008, the Government announced that an additional £30 million was to be made available to improve higher education student support from 2010 to begin the transition from loans to grants for Scotland's students, and that they would be seeking views on how this should be spent through a consultation, *Supporting a Smarter Scotland*.

3.3 Supporting a Smarter Scotland

It was clear to NUS Scotland that the £30 million allocated was wholly inadequate and fell far short of what was promised. More worryingly, it was insufficient to fix a broken student support system. From NUS Scotland's work with students across Scotland, it was clear that what was needed most urgently was an increased income whilst studying, not a reduced debt on graduation.

NUS Scotland's 2009 research⁵ illustrated how student hardship had reached very high levels and how students' concerns were more about commercial debt than student loan debt. The research revealed that students were working long hours to pay their bills to the detriment of their studies, accruing commercial and student loan debt, and debt to family and friends. The report also highlighted the overarching impact that the economic recession was having on students' lives. It was clear from the research that students from lower socio-economic classes were likely to be more concerned by commercial debt than student loan debt. Furthermore, the Scottish Government's own research in the *Higher and Further Education Students' Income, Expenditure and Debt Survey 2007/08* showed increasing levels of commercial debt and financial hardship⁶ among students over the last few years. Despite this reality, most of the Government's suggestions in its consultation paper focussed on reducing graduate debt.

Following the close of the consultation and the subsequent publication of the Government's proposed options, NUS Scotland submitted a further amended option for the distribution of the £30 million to the Government. Taking into account the Government's suggestions, it aimed to deliver more money in students' pockets.

On October 28th 2009, the Cabinet Secretary for Education and Lifelong Learning announced that the Government would be adopting the NUS suggested option in full.⁷

Combined with the Government's proposal this means that from the 2010/11 academic year, a £1,000 Independent Student Bursary will be introduced, the maximum level of "additional loan" will increase by £180, and will be extended to cover independent students on low incomes as well as the least well off young students. In total, this proposal will increase the poorest young students' income by £662 and the poorest independent students' income by £1,227 - now both a maximum of £5,852.⁸

The proposals will also see an additional £2 million invested into financial support for childcare costs for student parents and a review to look at moving to an entitlement system - a key ask of NUS Scotland throughout the consultation period.

While these changes are welcome, it is clear that once more the improvements have been piecemeal and insufficient to tackle the general lack of support students are receiving from the student support system. It was for this reason NUS Scotland set about reviewing the student support system, considering, from the perspective of many different groups of students, where it is working well and where improvements are required.

3.4 The Changing Economic Climate and Policy Changes

Recent changes in the economic climate have affected demand for further and higher education, and for student support, prompting a number of changes to the student support policy landscape, and raising the prospect of further changes.

5. NUS Scotland, Summer 2009. *Overstretched and Overdrawn, A survey of student hardship* <http://www.nus.org.uk/Documents/Overstretched%20and%20Overdrawn.pdf>

6. *Higher and Further Education Students' Income, Expenditure and Debt in Scotland 2007/08* is a report every 3 years which looks at the financial situation of students. www.scotland.gov.uk/publications/2009/06/24115743/0

7. A link to Cabinet Secretary's announcement can be found here - <http://www.scottish.parliament.uk/business/officialReports/meetingsParliament/or-09/sor1028-02.htm>
A link to the press release announcing the changes can be found here - <http://www.scotland.gov.uk/News/Releases/2009/10/28143958>

8. NUS Scotland, 2009. *Supporting a Smarter Scotland Consultation Options Paper* <http://bit.ly/dCF00r>



The recession has led to a significant increase in the number of people applying to study and increased the numbers of students remaining in education. While this is undoubtedly a positive development, it has meant that funding sources such as bursaries, discretionary (hardship) and childcare funds have been put under an incredible amount of strain. To date, decision makers have sought to address increases in students and shortages in funding through piecemeal changes.

The Scottish Funding Council (SFC) has revised its guidance on bursary conditions for FE students in areas such as travel allowances, attendance criteria and study costs, all of which act to stretch existing funds further.⁹ In universities, the cap on controlled subjects has been reintroduced. Already, the SFC has had to move to ensure articulating college students are not rejected from continuing to university due to worries over financial penalties for those institutions over-recruiting and concerns over students that are able to study at university level being rejected.

On a local level, some colleges have reduced the amount of bursary paid to students each month to below SFC guidance levels, or reduced the number of weeks they support students for. Some have increased attendance requirements to 100 per cent or stopped bursary payments altogether with very little notice.

The bonuses (a maximum of two payments of £150 per year) previously paid to FE students in receipt of the Educational Maintenance Allowance (EMA) for attendance and achievement have been withdrawn due to shortages in funding and the future of the EMA scheme is now uncertain beyond December 2010.

In higher education, discretionary funds have also been put under pressure. Anecdotal evidence suggests that some institutions have increased their entrance requirements in response to increased applications. Such blanket approaches have severe

implications for widening access to further studies when many admissions policies do not contextualise applications by looking at an applicant's social background, previous opportunities or quality of secondary school attended.

At postgraduate level, maintenance support which was previously available at undergraduate support levels for certain one year courses through the Postgraduate Students' Allowances Scheme (PSAS) has been removed to allow for more postgraduate tuition fees support to be provided through the scheme.

Finally, the twin threats of severe cuts to public spending proposed by the UK coalition Government, and the impending increase in income to English universities through proposals from the Independent Review of Higher Education Funding and Student Finance, led by Lord Browne, have led to concerns over the long term sustainability of the university sector in Scotland.



4. Background to the survey

NUS Scotland's *Still in the Red* Survey took place between January and April 2010, online and also in hard copy at a number of institutions. The aim of the survey was to uncover the strengths and weaknesses of the current system of student support at all levels. The survey was divided into tailored questions for students in further education, higher education, postgraduate study and student parents.

Over 7,400 students responded to the survey from institutions across Scotland and at all levels; 1,190 further education students, 5,283 higher education students, and 955 postgraduate students. Student parents were also well represented with 1,207 responding across study levels, and the response rate of part-time students was also high at 1,864, again across all levels. The survey design and sample size allowed us to look in detail at the perspectives of many sub-groups of the

student body and has been hugely beneficial in bringing together this publication.

We also collected case studies and qualitative evidence from a range of partner organisations who have specific interests in student funding, including the British Medical Association's Scottish Medical Students Committee (BMA SMSC), Child Poverty Action Group (CPAG), the Educational Institution for Scotland (EIS), One Parent Families Scotland, the Open University (OU), the Royal College of Nursing Scotland (RCN Scotland), the Scottish Trade Union Council (STUC), the University and College Union (UCU) and Young Scot, as well as from "sounding boards" of students.

This report will look first at the cross cutting issues found in the survey to be affecting all groups of students before looking at the system from the perspectives of further education (FE), higher education (HE), postgraduate (PG), part-time, mature, and parent students.





5. General findings of the survey

Issues with the student support system differed between levels of study and groups of students. However, a number of overriding themes emerged from the responses. Perhaps unsurprisingly, the major concern across the board was hardship, with levels of financial worry and stress high amongst the majority of students.

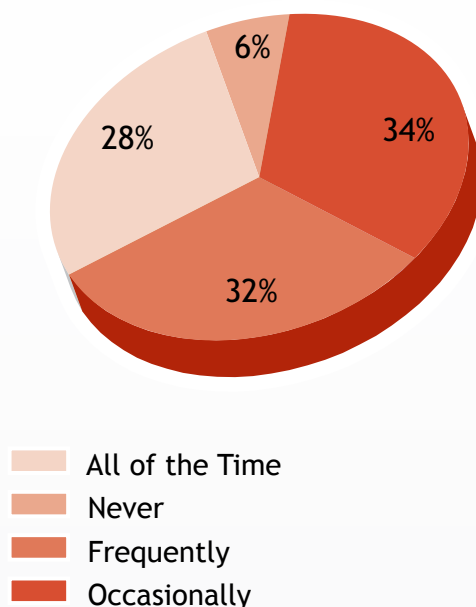
5.1 Student hardship

The purpose of the student support system is to provide funding to those who need it to allow them to study to the best of their ability. It seems clear that the current system is failing in its task if large numbers of students are too concerned about their finances to focus fully on their studies.

A majority of students were aware in advance of the potential for financial hardship while studying, with 62 per cent of those going into FE from school and 59 per cent of those going into HE from school saying their biggest financial worry before beginning studies was “not having enough money to get by.” This is a real concern if it means potential students are being put off from studying by similar financial worries.

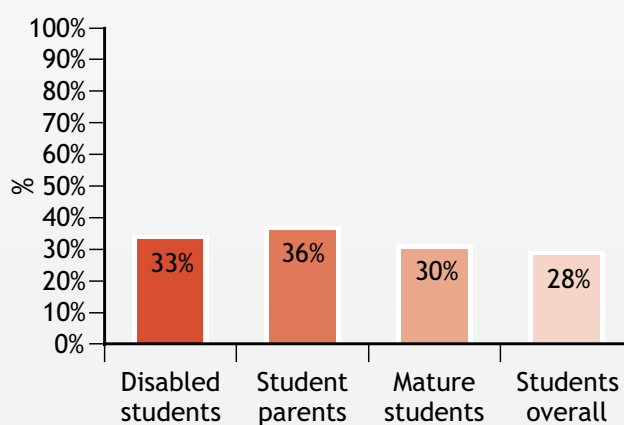
Having begun studies, it is clear that these students feel justified in their concerns. Just one-third of the students we surveyed felt that they received enough money in student support to concentrate fully on their studies. Only 6 per cent said they never worried about their finances, with nearly one-third saying they frequently worried about their finances and 28 per cent saying they worried all of the time.

Fig. 1. Do you worry or stress about your finances?



Student parents, mature students and disabled students were the most concerned about their finances, with 30 per cent or more of each saying they worried “all of the time” about money.

Fig. 2. Percentage of students who reported worrying “all of the time” about their finances, by group



PG students receiving Research Council Funding, one of the most generous forms of student support available, were the least concerned about their finances, with a much lower 12 per cent saying they worried “all the time” about money.

Co-curricular activities

It is widely recognised that the social capital generated while attending university or college has a huge part to play in delivering social mobility. Involvement in societies, sports, volunteering and skills development is no longer seen a peripheral activity which is simply enjoyable, but as a key vehicle for developing the networks, professional experience and skills necessary to be successful post-graduation in an ever more competitive graduate and global market.

Research has found that students face significant barriers to accessing these opportunities because they are forced to supplement their income by working long hours (this will be covered in more detail later on) or because they simply cannot afford to take part in some activities. The Scottish Government’s *Higher and Further Education Students’ Income, Expenditure and Debt in Scotland 2007-08* found that 31 per cent of full-time HE and 39 per cent of FE students said they had had to go without or cut down on participation in a hobby or sport because of a shortage of money.

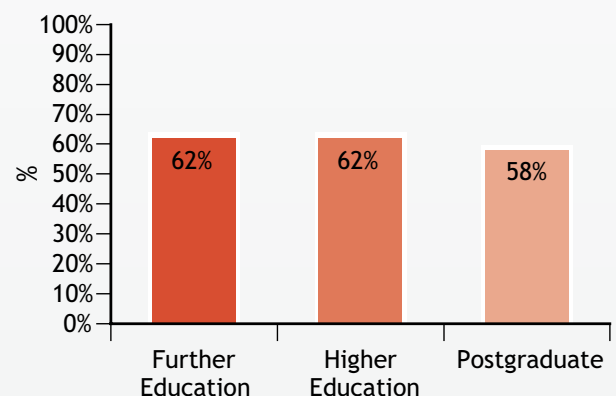
Sports clubs and societies are a vital part of the experience of further and higher education, shaping college and university leavers. If we accept that access to these activities increase the chance of social mobility post-graduation, then it is important that the student support system levels the playing field for all students to participate, regardless of background.¹⁰

Drop out

The levels of student hardship are a serious concern not only because of their potential impact on the wellbeing of students, but also because they are an indication of the failure of the student support system to do its job. Nearly two-thirds (62 per cent) of all students said that not receiving enough money in student support was having a negative impact on their studies.

Clearly, greater investment in student support could pay dividends in both the quality of education a student can gain and ultimately in reducing drop-out; increasing both the return on the public pound from more talented graduates and also stopping needless waste of public money through non-completion.

Fig. 3. Percentage of students reporting that “worrying over not having enough money” is having a negative impact on their studies, by level of study

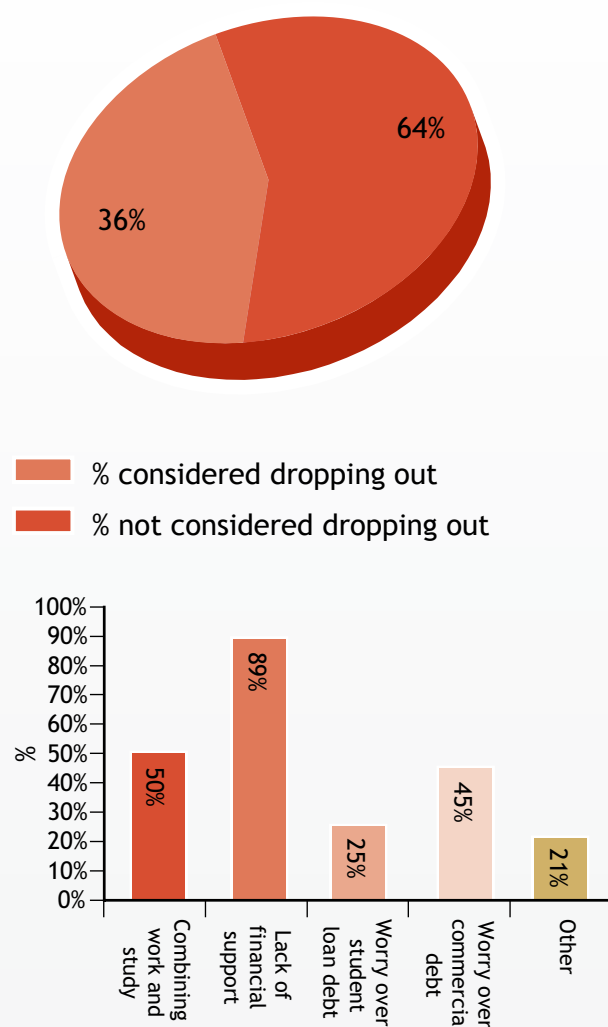


Financial concerns are also often cited as a reason for students withdrawing from studies, and this is something the student support system should be striving to prevent. One-third of students surveyed knew someone who had dropped out of studies due to financial difficulties and 36 per cent had considered dropping out themselves, with 89 per cent saying “not having enough financial support” was a key reason for considering this.

10. *Higher and Further Education Students’ Income, Expenditure and Debt in Scotland 2007/08*
www.scotland.gov.uk/publications/2009/06/24115743/0

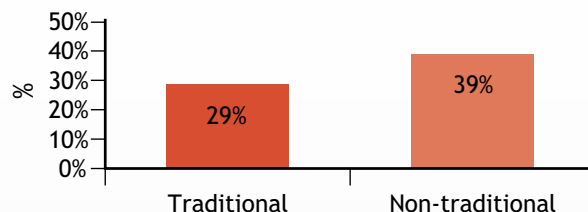


Fig. 4. Percentage of students who have considered dropping out, and their reasons for doing so (respondents could give more than one reason)



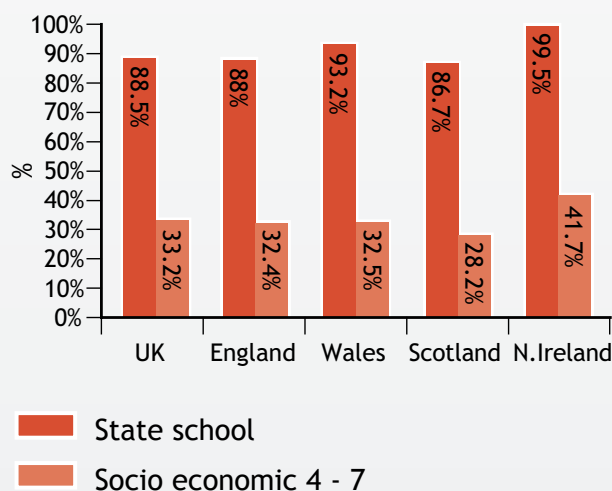
Non-traditional students (students whose parents or guardians have not completed a degree) were more likely to report thoughts of dropping out than traditional students; with 39 per cent of the former and 29 per cent of the latter saying they had considered this. Non-traditional students were also more likely to say that their commercial debt was a concern which led them to consider this (38 per cent rather than 34 per cent) whereas traditional students were more likely to say their student loan debts were a worry which led them to consider leaving (21 per cent rather than 19 per cent).

Fig.5. Percentage of traditional and non-traditional students at all levels who have considered dropping out



It is a serious concern, given HESA statistics show Scotland has a poor record at widening access to university for people from lower socio-economic groups and state school pupils (see Fig.6. below), if the lack of funding made available to students means that more non-traditional students are considering withdrawing from studies than traditional students. Student parents and disabled students were also more likely to have considered dropping out of study due to financial concerns, with 43 per cent of both saying they had thought about leaving, and again the major reason being not receiving enough financial support.

Fig.6. Percentage of entrants to Scottish universities from state schools and National Statistics Socio-Economic Classification (NS-SEC) classes 4-7 (young, full-time, first degree entrants) 2008/09

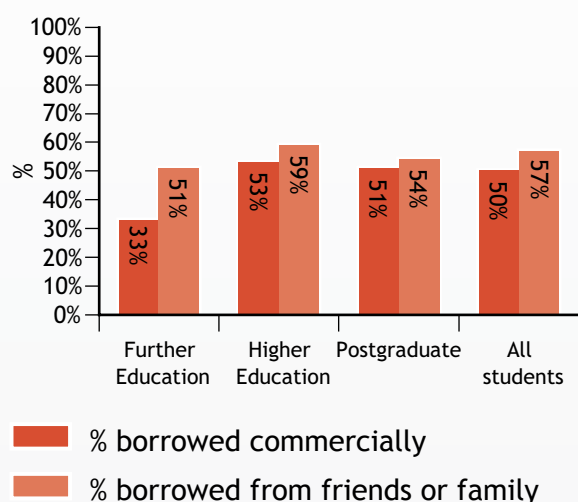


Source: Higher Education Statistics Authority

Commercial borrowing

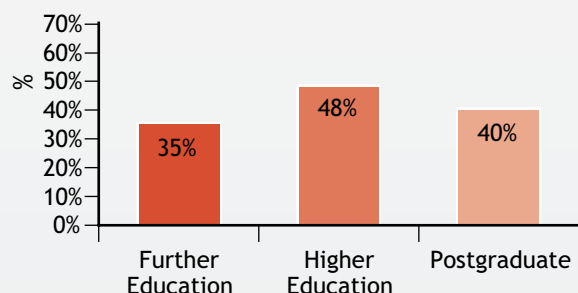
Half of the students surveyed had accessed commercial credit (credit cards, bank loans, doorstep lenders, cash-a-cheque services etc.) to supplement their income and 57 per cent had borrowed or asked for money from family and friends.

Fig.7. Percentages of students who have borrowed money, either commercially or from friends and family, by level of study



Levels of commercial borrowing are a particular concern as over one-third of students said that worrying about their commercial debt was having a negative impact on their studies and 45 per cent of students who said they had considered withdrawing from their courses cited “worrying about commercial debt” as a reason for doing so.

Fig.8. Percentages of students citing worrying about commercial debt” as a factor in considering dropping out, by level of study.

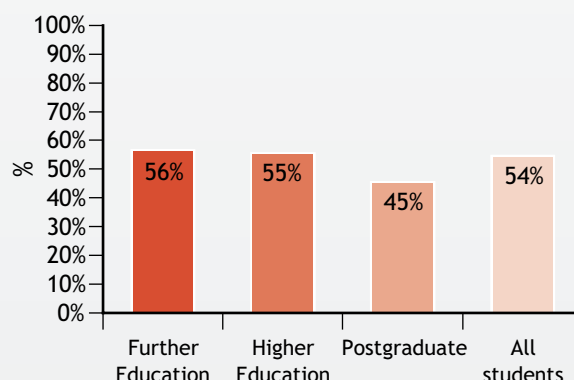


It seems clear that students are being forced to turn to increasing levels of commercial debt as they find their government support insufficient to meet their costs. As stated earlier, this fits with findings from the Scottish Government’s own research showing a 60 per cent increase in commercial debt for HE and a massive 333 per cent increase in FE students’ commercial debt levels¹¹ in recent years. Increasing reliance on commercial debt will mean that more and more college leavers and graduates begin their working lives saddled with large amounts of high interest debt, which unlike government supported debt, they will be required to repay regardless of their income. Furthermore, as the economic recession continues, access to cheaper and more reliable forms of credit will be restricted, meaning students will be forced to turn to much riskier and higher interest loans.

Summer hardship

The abolition of the summer hardship allowance for students in 1990, combined with restrictions on accessing state benefits, removed students from access to any support during their summer vacation. While a small number of students remain eligible for benefits during this period, most will need to find employment or rely on commercial credit for income as no student support is received. Over half of the students surveyed overall said they found coping financially over the summer difficult.

Fig. 9. Percentages of students reporting that they find coping financially over the summer holiday period difficult, by level of study



11. *Higher and Further Education Students’ Income, Expenditure and Debt in Scotland 2007/08*
www.scotland.gov.uk/publications/2009/06/24115743/0



NUS Scotland's submission to the Cubie Committee in 1999 highlighted this issue and urged the Government to tackle this problem by allowing students unable to work, or to find work, access to the social security system. The *Cubie Report* agreed, recommending that full-time students genuinely unable to find work during the summer vacation should have access to social security benefits to prevent hardship.

Our survey results have shown students are finding it increasingly difficult to secure jobs. Furthermore, many student comments highlighted the difficulty of finding a job for the summer while studying for exams, which take place at the end of term. This meant even those who were able to find summer jobs suffer a period of hardship between finishing study and finding employment. In response to the question, "what one thing would you change about the student support system?" students commented:

"That there is more money available, especially over the summer months. The money you receive stops in May, and if you have exams [until] the end of May it doesn't give you much time to earn money for June. In May you need to concentrate on exams - not finance worries."

Full-time HE student, University of Edinburgh

"The summer holidays are a very difficult time for students who are not working, and it is very hard to find work for all kinds of reasons. I live in a place where there are no jobs or job prospects. I am constantly worrying about what I will do for money in the summer break, and it has not been made clear to me what my options are. I think there should be more financial support and information should be available for support over the summer break."

Full-time S/NVQ student, Moray College

Summer hardship is an issue which has been around for many years, with little action taken to address the problem. Our research clearly shows that students are struggling financially over this period in the absence

of support, but also struggling to find work to support themselves. It is therefore likely that the problem will get worse, rather than better, as summer employment becomes more difficult to find, and may lead to some students being unable to return to study following the summer break.

Council tax over the summer period

A further summer hardship problem facing some students is in relation to Council Tax. Most full-time FE and HE students are exempt from paying Council Tax. However, students on "2 plus 2" degrees and other articulation paths, which are designed to improve progression from college to university, are currently being charged Council Tax which they cannot afford. This includes students progressing from an HND in college to second year of university, and students articulating to third year of university from an HNC in college.

Whereas a student studying a 4 year traditional degree course would not incur Council Tax charges from enrolment to graduation, students studying a 4 year degree course using an articulation route are charged Council Tax for the summer that they articulate between the college and university. This can amount to hundreds of pounds which many students cannot afford, particularly during a time when, as evidenced by our survey, hardship levels are already high. If this problem persists, it may become a financial barrier to students who would otherwise take advantage of "2 plus 2" courses, traditionally exactly the students from non-traditional backgrounds amongst whom we need to widen participation. Similar problems exist with the Council Tax system for other groups of students, such as graduates going on to PG study and international students studying in Scotland as part of their degree course.



Liz Rogers, 23, starting a PhD at the University of Dundee

Liz is going on to study a PhD in English at the University of Dundee. She has faced Council

Tax charges of over £300 for the summer period between her undergraduate and postgraduate degree. While students are not charged Council Tax during their undergraduate degree, students moving from college to university or from undergraduate to postgraduate study are.

Liz said:

“Being charged Council Tax over the summer was something I could ill-afford. I will be self-funding my way through my PhD, working in two jobs alongside my studies just to get myself through it. To be charged hundreds of pounds over the summer period was very difficult and will impact on my finances.”

“Starting my PhD in minus figures in the bank is really worrying and not the best way to start. Students need a bit of breathing space after they’ve graduated to look for a job, or to save up for their further study.”

5.2 Working and studying

The low level of support available at all levels of study means that many full-time students need to work alongside their studies to supplement their income. Our survey found that just over half of all full-time students were working for additional income. HE students were the most likely to be in work, compared to FE and PG students, which may be a reflection of the larger disparity between the support available to them and their necessary expenditure, as well as other factors.

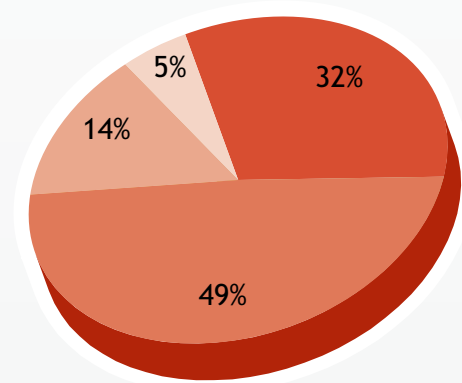
The *Cubie Report* recommended a term-time maximum of about 10 hours of paid employment a week as a “reasonable

balance between the need or wish of students to supplement their basic income and the interests of their studies.”¹²

However, it is clear that this is not only difficult for students to achieve but also that the income from student support is insufficient for students to survive financially with the income from 10 hours per week.

68 per cent of all of the full-time students who were in employment were working more than the Cubie-recommended 10 hours per week. 19 per cent were working more than 20 hours per week and five per cent were working more than 30.

Fig. 10. Number of hours worked per week (in term time) by full-time students in paid employment during studies



- Up to 10 hours
- 10 to 20 hours
- 20 to 30 hours
- 30+ hours

It is clear that working these hours will not only have an impact on the time these students have to study, but also on their ability to take advantage of the full range of experiences that colleges and universities have to offer and to reap the benefits of these. The fact that the student support system forces students to rely on unreasonable levels of paid work to survive

12. Independent Committee of Inquiry into Student Finance, 1999, *Student Finance Fairness for the Future*, Section 14, p175



financially is an increasing concern as the economic downturn means employment is harder to come by.

Nearly two thirds of the full-time students who had looked for work to supplement their income found it hard to get a job, citing a lack of available jobs which suited the hours they were able to work and the increased competition for any jobs that were available, with a number also saying they felt their lack of experience was a problem.

Nearly half (47 per cent) of all the students we surveyed said that combining work with study was having a negative impact on their studies, reinforcing the point made by the *Cubie Report* that too many hours of paid work is detrimental to study. However, with insufficient funds available in student support, the option of reducing hours of paid work is simply not available to many students in Scotland.

Welfare of students in the workplace

We also asked those students who were working if they felt they were well treated by their employers, and the majority did. However, 11 per cent of the full-time students in employment felt they were treated badly by their employers, with a number saying that their employers were inflexible in allowing them hours to fit around studies. Many felt they were not given sufficient control over their hours, forced to work either more or less than they wished to, and missed out on studying or lost out on money they needed as a result.

Part-time work and Medical students

The workload of some courses can make it either difficult or impossible for their students to take on part-time work, making these students more susceptible to hardship. As BMA Scotland has pointed out, this is particularly the case for medical students whose courses require them to undertake clinical placements which prevent them from taking on part-time work. In addition, these courses typically last for 45 weeks of the year during clinical years, rather than the standard 30 weeks, giving them less time to earn money in the summer break.

Student teachers also have an incredibly demanding course and most do not have the time to take on a part-time job. This is particularly the case with PGDE students, who are on placement for the vast majority of their course. Any spare time they have is taken up with preparing for lessons, which is an absolute necessity if they are to graduate. The EIS has pointed out that this is a particular problem as many teaching students are mature students with greater financial responsibilities, many of whom are then forced to rely on others to support them as they study to become teachers.

Fair tips

NUS Scotland is supportive of the STUC's work to ensure students working in the hospitality industry receive any tips and gratuities left in recognition and to end the illegal practice of using these monies to offset the minimum wage. Employers are no longer allowed to use tips received in cash to offset the minimum wage. However, there are still a number of loopholes in relation to gratuities charged as part of a bill that is ultimately settled by credit or debit cards. When students are struggling with insufficient money to pay their bills, it is important that employers are not operating unfair tips practices which will leave them out of pocket for their work.

5.3 Applying for support

Overall, a majority of students said that they found the application process for support straight-forward, with 71 per cent of those who applied saying they found this to be an easy process. However, a significant minority (29 per cent) had difficulties in applying for support. While the reasons for these difficulties differed between levels of study and groups of students, which will be covered later, many of the difficulties with support applications centred around the amount of paperwork required, confusing language on forms and delays in processing forms and payments.

It would seem clear that additional support, direction and information on the application procedure would be useful for students at all levels. Where students may be applying for more than one form of support, for example student parents and disabled students, joined up thinking and processes could make applications less laborious and time consuming for both students and administrative staff.

5.4 Future prospects

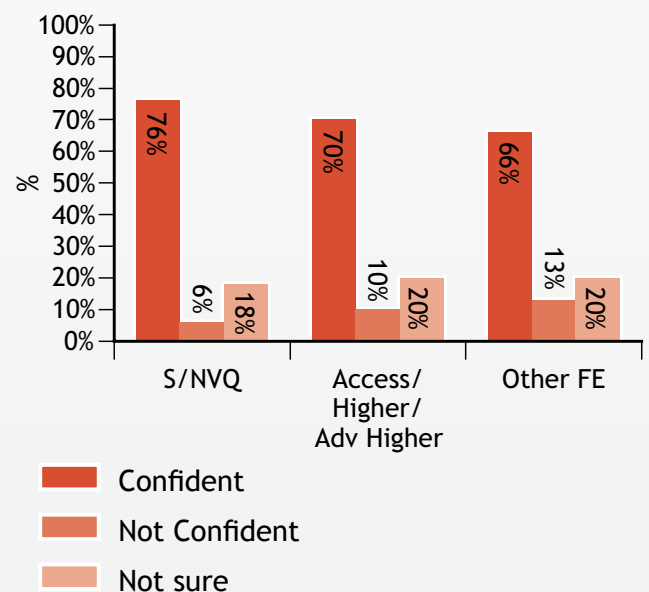
We asked students at all levels about their future beyond the end of their current course of study. While the response was somewhat positive in that many believed they were improving their future prospects and would consider going on to further study, students were not so confident they would be successful in finding the level of job they wanted as a result of their qualifications. Our survey also found confidence levels differed quite significantly between different groups of students.

Only 37 per cent of HE students were confident they would find a graduate level job within six months of graduating, and just 23 per cent of disabled HE students were confident of the same. This contrasts sharply with the reality of the situation. Although graduate employment

is falling (the most recent HESA figures from 2008/09 showed that graduate employment rates six months after graduating in Scotland had dropped from 69 per cent in 2007/8 to 65 per cent in 2008/9)¹³ this still shows there may be a large gap between students' perceptions about getting a job after finishing studies and the reality.

Nearly 70 per cent of FE students were confident their course would improve their job prospects. Students studying for a Scottish or National Vocational Qualification were the most confident, with 76 per cent saying their course would improve their prospects. 60 per cent of PG students were confident they would get a better job as a result of PG study but more than half of those who wanted one were not confident of finding a postgraduate level job within six months of completing their studies.

Fig.11. Are you confident that your current course will help your job prospects?



13. 2008/9 HESA stats available here <http://bit.ly/aLwL7J>



Fig. 12. Are you confident that, if you want one, you will be able to find a graduate-level job within six months of graduating?

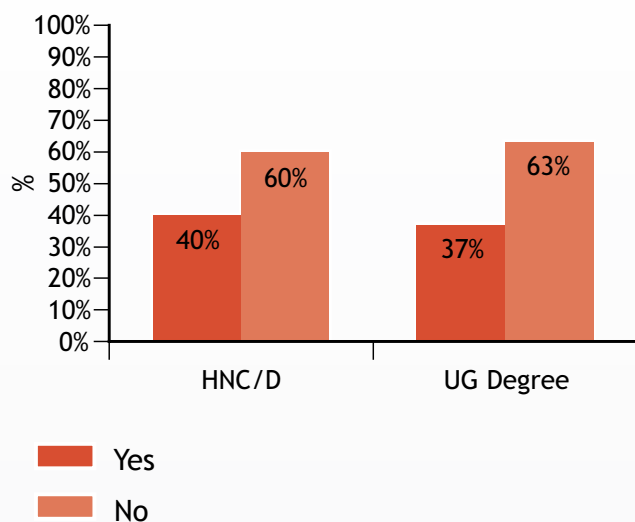
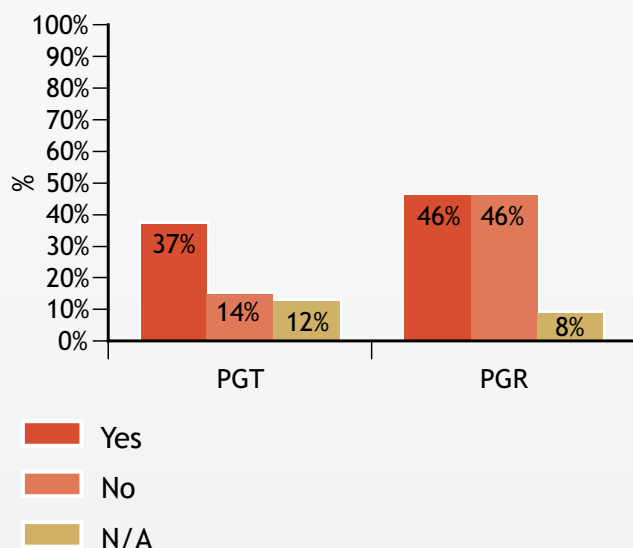


Fig. 13. Are you confident that, if you want one, you will find a postgraduate-level job within six months of completing your studies?



69 per cent of HE students had considered moving on to PG study and 79 per cent of FE students had considered moving on to HE.

However, in both cases, issues around the student support system and their financial situations were potential barriers to these students progressing.

58 per cent of FE students who had considered moving on to HE after their studies did not know if the different funding systems would be a problem, indicating that not enough information is available regarding HE student support. This raises the prospect that some FE students may be deterred from continuing their studies by confusion or misconceptions about the HE support system.

39 per cent of the HE students who said they had considered going on to PG study said existing debt from studying would be a major concern in their considerations on whether or not to do so, and just 2.4 per cent said that debt would not be a concern at all. Half of the current PG students responding to our survey said that pre-existing commercial and student loan debt was a concern for them when deciding to undertake PG study.

So students' lack of confidence in their future prospects may be closely connected with the current economic downturn, but as there is a significant disparity in graduate employment figures and students' expectations, it is clear that more information and employment guidance may help to address some of these concerns. More information on the funding possibilities for continued study at all levels would also help to remove any information barriers to continued learning.

For those considering a move to PG study, improvements in the student support available at HE level would obviously leave them with less worrying levels of debt, but it may be that further support is needed to ensure the financial burden of previous study is not a barrier to postgraduate study.



Ryan Baker, 23, University of Stirling graduate with a 2:2 in Psychology

Ryan studied Psychology at Stirling University. After graduating this summer with a 2:2 he is now unemployed and looking for jobs.

Ryan said:

"I am now on benefits and looking for work. I am looking for anything that would fill the time to be honest. I would ideally love a graduate job but they just aren't out there. There's a problem with non-graduate jobs like Subway the sandwich shop for example. They would rather employ a 16 year old they can pay less rather than train me for the next two months. You never get anywhere with those so you're stuck in the middle. I'm still so glad I did my degree, though, and I think in four or five years when I'm in a good job and I'm happy it will be wonderful. But it's frustrating that we graduated at this point in time."

A number of HE students also mentioned the impact of prices, with increased cost of food and utilities meaning they had less money to survive on, and on savings as interest rates fell. Others mentioned the impact on parents or partners who were no longer able to support them in their studies due to reduced income, increased outgoings, unemployment or redundancies. This is a particular issue as parent and partner contributions to student support are usually initially based on the previous year's income.

One-third of the PG students who responded to the survey felt that the economic downturn had impacted negatively on their studies. Many of these students mentioned increasing concerns about the value of the time and money they had invested in PG education now there were fewer jobs available. The increased reluctance of banks to lend money following the financial crisis was also an important issue for postgraduate students, who are more likely to have to rely on private loans to fund their continued studies.

5.5 Economic Downturn

One-fifth of FE students, one-quarter of HE students and one-third of PG students responding to *Still in the Red* said they felt the economic downturn had had a negative effect on their studies. A key reason for this amongst FE students, compared to those studying at other levels, was an increase in anxiety regarding the sustainability of funding, or potential reductions in their future funding. Some reported being warned by college staff to apply early for funding because of shortages.

Both FE and HE students also cited the economic downturn as a factor in the increased difficulty of finding part-time work, with the additional time spent on searching and applying for jobs being detrimental to studies.



6. Still in the Red: FE

How are students funded?

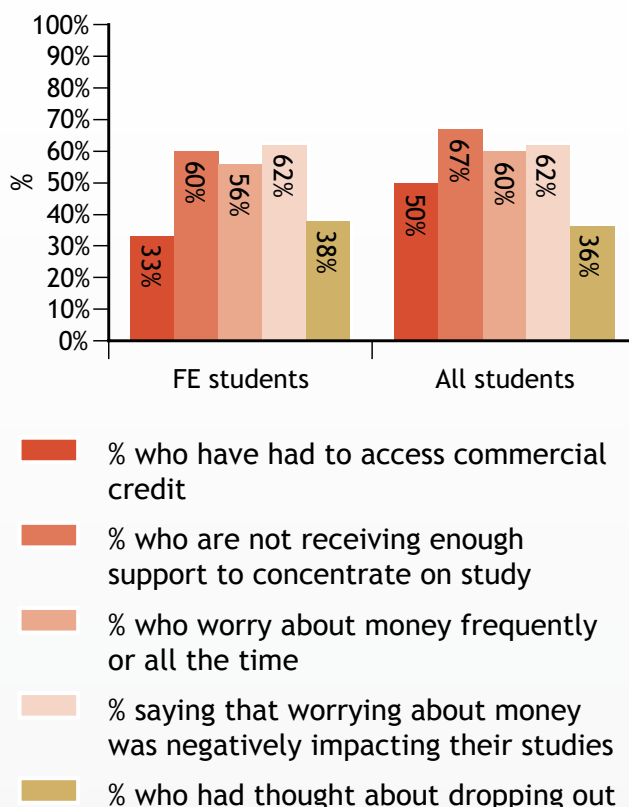
Most full-time FE students who receive government student support get a college bursary. This is provided to students by their college and is discretionary in nature, meaning colleges vary in the support they provide and funds are limited, and allocated on a first-come first-served basis. Bursaries (2009/10) are paid at up to £89.07 per week for young students, with an additional £35.40 a week for those living away from home, students aged 18 to 24 can receive up to £70.48, or £89.07 if they are living away from home. Students aged 25 and over who are not living at home can receive up to £89.07 per week. Bursary funding is paid to students for a maximum of 43 weeks per year and is non-repayable. Maximum support is available for students with household incomes of £20,351 or less (for students under 18 and over 25) or £24,275 for students between 18 and 24.

FE students aged 16 to 19 can instead receive an Educational Maintenance Allowance (EMA) of £30 per week. EMA is not discretionary, but is only available to students from the lowest income families (households with an income of less than £20,351 per annum, or £22,403 if there is more than one child in the family).

The FE discretionary or hardship fund is available to assist students with emergency financial needs. The amount paid will vary and students must have evidence to prove they will have exhausted previous funds and will suffer hardship without assistance.

We have seen how financial hardship has affected students in general. Figure 14 shows the impact of financial hardship on FE students in particular.

Fig.14. Financial hardship indicators for FE students and students overall



The clear concern for many FE students in Scotland relates to the locally funded, discretionary nature of college bursaries. 60 per cent of the FE students responding to our survey who were receiving support were doing so through college bursaries. A number of students' responses highlighted the ability to speak to bursary officers on a one-to-one basis for advice about their support and finances as a positive aspect of the system.

"Any information you require regarding all aspects of student support are easily accessible and well explained. The student support staff in the college are friendly, approachable and very helpful."

Full-time FE student,
Glasgow Metropolitan College

However, there were also a number of negatives. The discretionary system means students are unable to budget or accurately predict if they can afford to enrol on a

course. Support may be paid at different rates and according to different criteria depending on where a student is studying, creating a situation where students may be compelled to choose their institution of study based on financial rather than educational concerns, as well as potentially disadvantaging those students who are unable to travel far or move away to attend college - most commonly disabled students and student parents.

Less than half of the college bursary recipients responding to our survey said it was clear to them prior to starting their course how much financial support they would receive and over half of these students - 31 per cent of college bursary students overall - said this made it difficult for them to decide whether or not to study at all. As we were only able to survey current students, we are unable to identify instances where this funding uncertainty may have put off prospective students altogether.

Bursary funding is also cash-limited and available on a first-come, first-served basis. We asked students if they were confident that their institution would have the funds to last until the end of their studies. Only 48 per cent of college bursary recipients were confident of this, with over half either unsure or not confident that the funds would last.

Fig. 15. Was it clear how much funding you would receive?

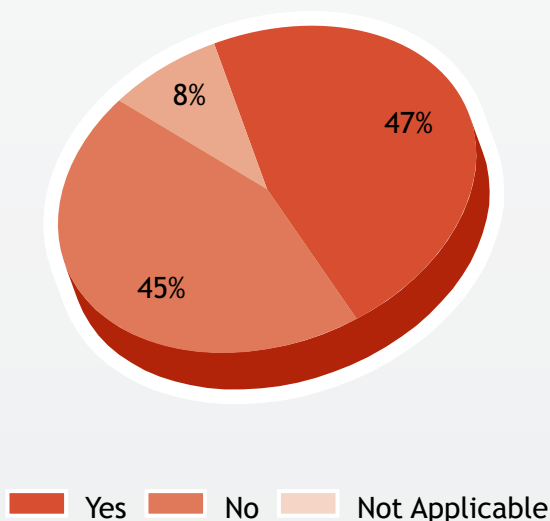
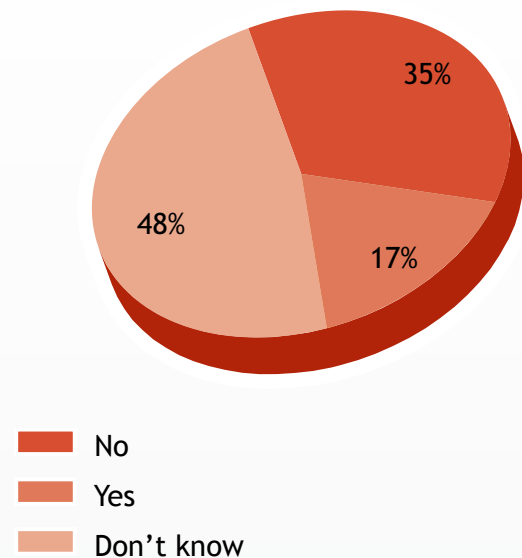


Fig.16. If you receive support from your institution, are you confident they will have funds to last until the end of your studies?



Eight per cent of bursary recipients reported that they had received a reduced rate of bursary due to shortages at their institution, and a further 26 per cent weren't sure if their bursary had been reduced or not. The data indicates that the uncertainty of this cash-limited, first-come, first-served system of support means students are worried throughout studies about whether their support will last.

A NUS Scotland survey of college principals in October 2009 found over 90 per cent of colleges had severe pressure on their bursary funds and many had been forced to cut support for current students and close the doors to new students. Students are aware of the bursary shortage of recent years and in some cases, warned by college staff to apply early or miss out on funding. It is therefore perhaps unsurprising that just under two-thirds (62 per cent) of further education students said that worrying about not having enough money had had a negative impact on their studies.



Jacquie MacDonald, 43, FE student and bursary recipient, James Watt College

Jacquie was studying an Art and Design qualification at James Watt College with a view to going onto higher education. She has two children. In May of 2010, James Watt made the decision to cut nearly 2500 students' bursary payments in half for the month of June. For Jacquie, this meant she had two weeks' notice to budget for a cut in support of what amounted to hundreds of pounds.

Jacquie said:

"I couldn't believe that the college could do this at first. I had read through what they pledged to give me in bursary at the start of the year, and had stuck to my end of the bargain. I had budgeted throughout the year and so to get two weeks' notice of a cut of hundreds of pounds was incredibly difficult and stressful, and it really affected my health."

"Many of the students here worked to get the college to reverse their decision, which for some of us they did. If they hadn't I would have had to borrow on my credit card or get a loan just to get us through the costs of day-to-day living, paying bills and buying food."

"It's totally unfair that this can happen to college students. I'm going on to study an HNC which will mean my support is given through SAAS. While this will be student loans at least it will give me peace of mind that I know what I'll get and that it will last through to the end of my course."

With an entitlement or guaranteed support system, this source of stress would be removed altogether. As HE funding and EMA are centrally funded demand-led budgets, students can be secure in the knowledge that this support will last until the end of their studies. As a reflection of this, FE students in

receipt of EMA were noticeably less worried about their finances than students in receipt of college bursaries, with 20 per cent saying they worried about their finances "all the time" compared to 30 per cent of college bursary recipients.

The cuts to the EMA announced by the Scottish Government in June 2010 will bring further pressure on students struggling to get by. The cuts will end bonus payments of up to £300 for up to 25,000 pupils and college students, a huge amount of money to people already struggling to get by.

Furthermore, the Scottish Government announced that it would review the system in December 2010 to see whether further cuts are required. According to NUS UK's recent EMA Satisfaction Survey, 59 per cent¹⁴ of EMA recipients said they would be unable to study without it. The threat of further cuts hanging over students on the EMA will bring huge uncertainty, risking increasing financial strain and increasing drop out.

Attendance

Support in FE can depend on a student's attendance levels. SFC guidance to colleges sets the attendance requirement at 90 per cent (AY 2010/11) for a college bursary. However, a number of colleges have increased their attendance criteria beyond the guidance to conserve bursary funding, some to 100 per cent. Achieving attendance of up to 100 per cent may be very difficult for older students, students who support themselves by working, and especially those with disabilities, mental health problems or caring responsibilities, and they may lose out on funding as a result. As one student commented, in response to a question about what in the support system should be changed:

"To have understanding that single parents have to tend to sick kids and should not be penalised in their bursaries because they've had to take time off to tend to sick kids, if they are not behind in studies, then their bursaries should be left alone."

Full-time S/NVQ student, Coatbridge College

Articulation

The responses to our survey also suggest that the funding system may also be acting as a barrier to students articulating from FE to HE. While nearly 80 per cent of the FE students we surveyed said they had considered going on to study at HE level after their course, nearly one-third of these students said they thought the difference in funding systems would be a problem for them and just over half were not sure if the differences would cause difficulties. Only 15 per cent were confident that funding would not be an issue for them.

FE Support: Student views

Strengths

- Students value face-to-face advice and local support from college bursary officers
- Students are confident their courses will improve their prospects
- EMA funding provides the poorest young students with a guaranteed sum on a regular basis

Weaknesses

- The discretionary system for college bursaries allows inequalities between students
- The possibility of funding being reduced or withdrawn during studies is causing anxiety and stress to students, which is impacting negatively on their studies
- Actual reduction and withdrawal of funding is creating further student hardship
- Requiring high levels of attendance from students as a prerequisite for receipt of funding fails to take into account the range of living situations of today's students and may disadvantage some of the most vulnerable students
- Differences between FE and HE funding systems may be preventing some students from progressing from one stage to the next

Students and benefits

The majority of students who responded to our survey were not receiving any state benefits, however, unsurprisingly, part-time students were more likely to be receiving benefits. Of those students who were receiving benefits, 76 per cent were either unhappy with, or unsure about the interaction between the student support and benefits system. As CPAG have highlighted, the rules on benefit eligibility for students are complicated, sometimes Jobcentre Plus staff are not aware of these rules, and the interaction with student support further confuses the picture.

For most people, in or out of work. Housing Benefit is available to help pay rent. However, this benefit is not available to most full-time students. This means that students not only have to finance their daily living costs while they are studying, but also be able to pay their rent.

Benefits can also either reduce the amount a student is entitled to in student loan, or their student loan can remove their entitlement to benefits. This is the case whether they choose to take the student loan or not, meaning that students who are eligible for benefits while studying have no option but to incur student loan debt.

7. Still in the Red: HE

How are students funded?

Full-time HE students are funded through a mix of student loans and bursaries, with additional support available in certain circumstances (disabled students, students with dependants). The maximum support available to the poorest students (those with a household income of less than £24,275) is £5,852 per year (AY 2010/11) compared to £6,403 in England. The minimum support (for those with household incomes of £60,000 or more) is a loan of £915, compared to £3,564 in England. Support is tapered from those students with the lowest household incomes to those with the highest.

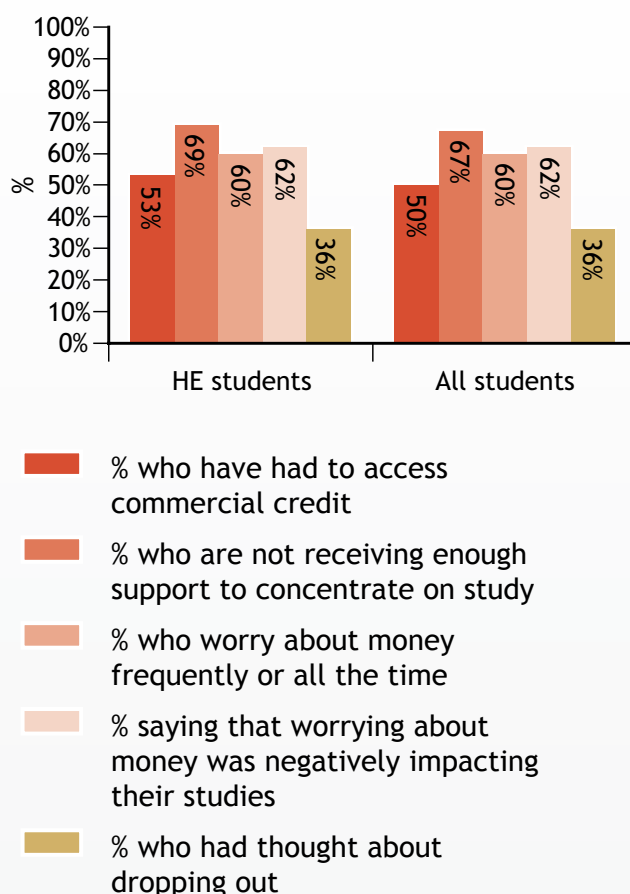
Unlike bursaries in FE, loans and bursaries in HE are demand-led and centrally administered (by the Student Awards Agency for Scotland or SAAS), and the funding is an entitlement, so where a student is eligible, they will be guaranteed funding.

Students in HE can also receive an income assessed grant for travel expenses, though they are required to meet the first £159 of travel costs from their student loan.

Students experiencing financial hardship or emergency finance can apply for support from the HE Discretionary Fund run by their institution. This is cash-limited and normally individuals should not receive payments totalling more than £3,500 from the discretionary funds towards living costs in any one academic year.

HE students responding to our survey were the most strongly affected by hardship, suggesting that for students in higher education, the gap between financial need and available support is most stark.

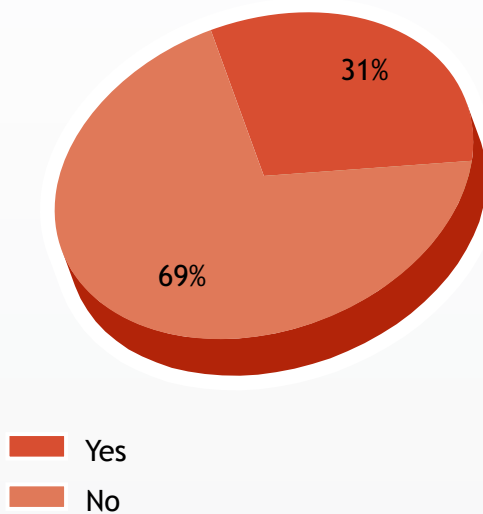
Fig.17. Financial hardship indicators for HE students and students overall



Students in HE were more likely to be concerned about their finances than students in FE, with 68 per cent reporting that they were not receiving enough money in student support to concentrate fully on their studies, compared to 60 per cent in FE. Non-traditional students were also more likely to report that money worries were distracting them from studies, with 70 per cent saying they were not receiving enough money to concentrate, compared with 65 per cent of traditional students. A shocking 79 per cent of students who were receiving discretionary (hardship) funding from their institution said they were unable to concentrate on studies because of insufficient financial support. With

less than one-third of HE students overall feeling they were supported well enough to concentrate on studying, it is clear that the support system is failing in its key objective in HE.

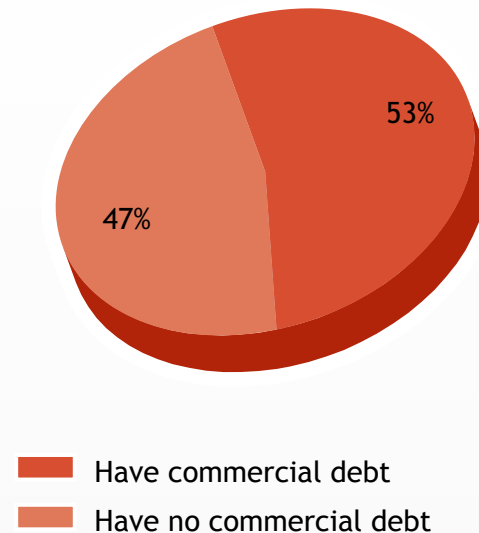
Fig. 18. Do you have enough money to concentrate on your studies?



Non-traditional HE students were also more likely to say they worried “all of the time” about their finances, whereas traditional students were more likely to say they worry only “occasionally”. The student support system exists to provide access to education to students regardless of their background, and it is a clear failure of this aim if the negative impacts of the system are disproportionately affecting certain groups of students.

Over half of the HE students we surveyed (53 per cent) said they had been forced to resort to commercial borrowing to supplement their student support income, compared to 35 per cent of FE students. Over 40 per cent thought they would have commercial debt when they completed their studies, estimating on average that this would take four years to pay off.

Fig. 19. Percentage of HE students with commercial debt

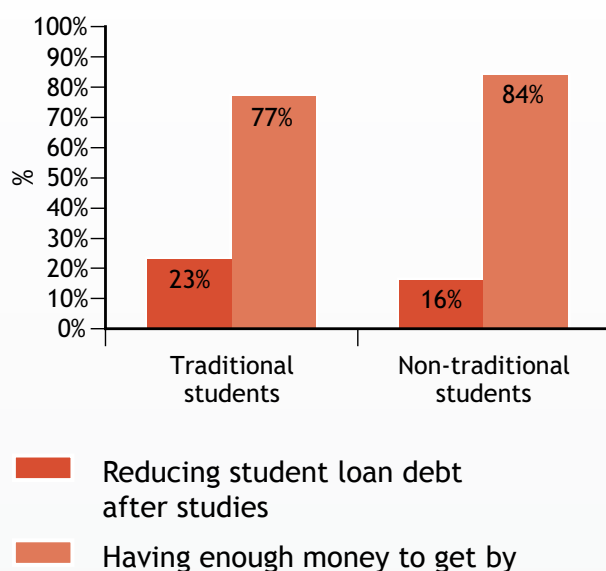


Over half of HE students had been forced to borrow or ask for more money from friends or family, which was also higher than for FE students. Only five per cent said they never worried about their finances, again exhibiting a higher level of financial stress than FE students.

Non-traditional students are much more concerned about having enough money to get by than traditional students (84 per cent as opposed to 77 per cent) and less concerned about student loan debt (16 per cent as opposed to 23 per cent), despite the fact that non-traditional students are usually seen as more likely to be put off study by debt concerns than traditional students.



Fig. 20. Are you more concerned with having enough money in your pocket to complete your studies or reducing the amount of student loan debt you have at the end of your studies?



Students in receipt of the Young Students' Bursary, who are the lowest income students, were also more likely than students overall (67 per cent as opposed to the overall 59 per cent) to say that not having enough money was their main concern.

Disabled HE students

Disabled HE students seem to be facing particular financial problems. 37 per cent of disabled HE students (compared with 27 per cent of HE students overall) said they worried about their finances all of the time, and only three per cent (compared with five per cent overall) said they never worried. 73 per cent (compared with 62 per cent overall) said that worrying about their finances was having a negative effect on their studies. 73 per cent also said they did not receive enough in support to concentrate fully on their studies.



Matthew McPherson, 21, studying Sociology at the University of Edinburgh

Matthew is entering his final year studying Sociology. He receives full bursary and student loan but struggles to get by on this alone. During the summer he has applied to a number of jobs without success and is now facing real financial problems in going back for his final year. He has already been forced to borrow from family and get into commercial debt.

Matthew said:

"The whole student support system assumes that students will be able to work part-time during the term and full-time over the summer. I got made redundant from my term-time job and have applied for over 20 summer jobs but I'm either underqualified for jobs relevant to my degree or overqualified for your usual summer jobs.

"I'm already in debt to the bank and have had to get money from my family to see me through and I'm really worried that my finances could impact on my education as I go into my final year with dissertations and final exams. I have thought about dropping out and while I don't think I'd go through with that, financial worries are often on my mind.

"I find it frustrating that politicians are always talking about 10 or 15 years down the line when in terms of student support it's the month to month or week to week that matters. I'm not thinking about 10 years down the line, I'm not even thinking about when I graduate, I'm just concentrating on getting through the next month. I would rather have government debt than debt with a bank and I think politicians in Scotland should realise this and get students the money they need."

60 per cent of HE students said they'd have student loan debt when they finished their studies, with the average estimate being they would owe £13,745. Students estimated their debt would take around 11 years to pay off, though a high proportion said they were unsure how long the repayments would take. However, it is clear that students who have both student loan and commercial debt view the two differently; 63 per cent of HE students with commercial and student debt said that worrying about their commercial debt was having a negative effect on their studies, with 44 per cent saying the same of their student loan, and of those who said they'd considered dropping out 29 per cent said that their commercial debt was a factor in considerations, compared with 19 per cent saying their student loan debt was. 80 per cent of HE students overall said they were more concerned about having enough money to live on than reducing their student loan debt on graduation.

Means test

NUS Scotland's *Still in the Red* survey asked all students what one thing they would change about the student support system, and one of the issues raised by students, particularly in HE, was the means test for student support, especially the student loan, which a number of students felt was unfair. In 1999, Cubie recommended that there should be no assumption of parent or spouse contribution to students where household income was below £23,000. Adjusted for inflation, this threshold should have been £29,715 in 2009, up to £9,364 higher than the current threshold for FE and nearly £5,500 more than the threshold for HE.

Income assessments are based on the previous financial year's income and so may differ from actual household income. Assessments can be readjusted within the academic year if a household's income has changed by 15 per cent or more, but any

changes in income that are smaller than this will be overlooked. Assessments also fail to take into account any outgoings (e.g. mortgage, loans or other necessary expenditure) outwith supporting students and so may overestimate a household's available funds. The level of support provided is assumed but not necessarily received as there is no compulsion to provide this. As a result, the system can seriously disadvantage those students with parents or partners unable or unwilling to support them. The 2008 revision of the means test meant that a "partner" now includes someone in a civil partnership or living with the student in an established relationship.

Estrangement

Specific groups of students are also disadvantaged by the current operation of the system including students who are estranged from their parents and students affected by parental separations. Estranged students should be classed as independent, however, there is currently no clear and transparent Scottish Government policy on determining estrangement. SAAS currently requires "evidence" from the student in order to prove the estrangement. Providing this can be incredibly distressing for the students and may mean students are denied or reluctant to apply for funding to which they are entitled. This is a particular issue for LGBT students who may become estranged from parents who have reacted adversely to disclosure of their LGBT status. A letter from a person of "professional standing" can suffice but the letter must state that the parental relationship has permanently broken down, often a near-impossible judgement to make.

Separations

For students affected by separations, where the parent they live with has a new partner, the means-testing system considers the combined income of the student's parent



and partner, while in reality the student may only be supported by one. Means testing will also fail to take into account other children not living with a parent as dependants. Students whose parents are separated may therefore be further disadvantaged by levels of assumed income higher than the reality. As one student commented, responding to our question on what they would change:

"[I would change the assessment of] household income. My mother's new husband gives me nothing financially but as he has married my mum I lost all funding, which my parents don't pay, so their...increased household income comes out of my pocket. I know many others in a similar situation and it is atrocious."

Full-time HE student, Edinburgh University

Administration and flexibility of HE support

Beyond this, a number of students' comments were related to the application process and administration of the system, particularly around the need for better communication with students, availability of information on support and one-to-one advice on money issues.

"[I would improve] the contact with actual people, many a time have I or someone else phoned SAAS and had to wait an hour or more to actually speak to a human and not an automated system."

HE student, Ayr College

Students also raised the need for more flexibility in the way in which the support system operates; more choice for the individual students, and more recognition of their individual situations, and flexibility in the support system to adapt to this. As one student commented:

"I did not want to have to take a student loan, but was forced to as I was not granted a student bursary. I have just turned 20 years old, I left school at 16 to look after my mother with Multiple Sclerosis. SAAS said that I had officially been 'working' since

leaving school and for this reason I was not eligible for the student bursary."

Full-time HE student,
Glasgow Metropolitan College

"The web site was pretty poor, so initially [I] was not getting dependants grant, once this was resolved, [I] was informed that I had been overpaid it was removed in a lump sum leaving us financially crippled, had to sell engagement rings and other jewellery to pay mortgage."

Full-time HE student, UWS

While HE funding offers a guaranteed entitlement to funding in a way that the majority of FE funding does not, the inability of the HE funding system to adapt to individual cases or provide one-on-one advice and information is clearly an area in which lessons could be learned from FE, where a number of students commented positively on the help they received from bursary officers.

Hidden course costs

Student support fails to recognise the true cost to students of participating in higher education. An NUS/HSBC student experience survey in 2009 found that 19 per cent of university students' weekly expenditure went on course-related costs, such as books, equipment and field trips.¹⁵ Costs are especially high for medical students and art students. Medical students' outgoings are higher due to expensive reference books, clothing, essential equipment and increased travel, due to clinical placements.

The student experience survey found medical students had the second highest rate of study expenditure, on average over £37 per week. Art students are often required to pay a "materials fee" of up to £150 when enrolling on a course, which is often not made clear on applying. Despite the fee, students still have to pay for additional equipment, printing, and visits. Final year shows can be particularly expensive to put on, costing from hundreds to thousands of pounds depending on the subject. In both

cases, the level of hidden course costs raises concerns about increased hardship, but also that students from lower income backgrounds may be disadvantaged or excluded because they are unable to cover these costs.

BMA Scotland has also raised concerns that the fee to sit the UK Clinical Aptitude Test, required for admission to many medical schools, is a specific “hidden cost” which deters students from even applying to do medicine. A bursary is available to cover the costs of taking the test, but this is only for those on the very lowest incomes. 2007 UCAS data shows that 60 per cent of applicants for medical courses were from managerial and professional backgrounds, which raises the concern that the higher costs of even applying to a medicine course are deterring non-traditional and lower income students.

HE Support: Student Views

Strengths

- HE funding is an entitlement so students are not concerned funding will be reduced or withdrawn
- Students appreciate monthly loan payments rather than payments on a termly basis like in England

Weaknesses

- The amount provided in student support leaves students living below the poverty line
- The system of means testing is disadvantaging a number of students. It is clear that many are not receiving the parental contributions assumed by the means test
- Students are forced to work long hours or take on expensive commercial debt to cover their costs of living
- Students face significant participation costs in HE which cannot be met through the support they receive
- There is a clear problem of summer hardship, with students struggling to get by over the summer months
- The current system is harming non-traditional students in particular as they are having to access commercial debt and worrying about their finances at greater levels than traditional students



8. Still in the Red: Postgraduate students

How are students funded?

Postgraduate (PG) students on certain taught vocational courses can have their fees (around £3,400) paid for by the government through the Postgraduate Students' Allowances Scheme (PSAS). Students on some postgraduate courses, such as teaching (PGCE/PGDE), receive student loans and bursaries on the same terms as undergraduate HE levels.

PG taught and research students can also apply for scholarships or Research Council funding, which varies from tuition fees payments only, up to annual support of around £13,000 from some Research Councils.

Postgraduate students can also apply for an Independent Learning Account (ILA) funding grant of £500 for tuition fees or a Professional Career Development Loans of up to £10,000 from a high street bank.

Postgraduate students responding to our survey were facing similar financial problems to students overall, and some were more likely to say their financial situation was impacting on their ability to concentrate on their studies, and that the economic downturn had negatively affected their studies. Figure 21 shows the key student hardship issues for both taught and research postgraduates.



Laura Howell, 31,
postgraduate student
at Glasgow Caledonian
University

Laura is studying an MSc in Occupational Therapy (pre-registration). It's a two-year, full-time course

which she came into study straight from employment within the NHS.

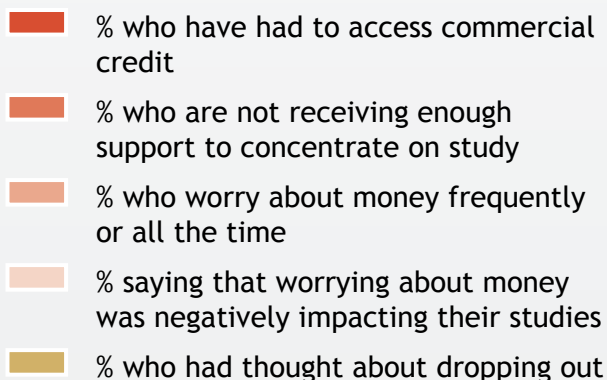
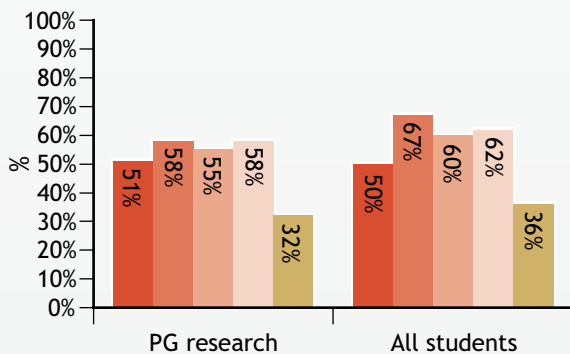
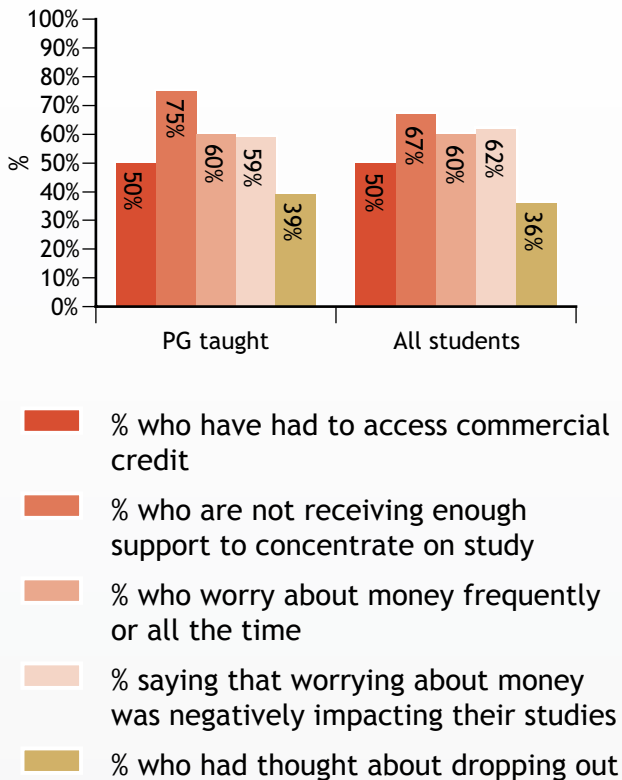
Laura said:

"When I contacted the university about studying on the course they outlined what I was entitled to in terms of funding which was useful as it's a very complicated system. I receive full funding but it's not enough to cover my course fees which means you have to come up with the difference yourself. SAAS did provide a small bursary, which is great, but I'm not eligible for loans and need to work to live."

"It's a struggle coming straight from a good job with a pension into living below the poverty line. Not knowing whether you'll get support can make this decision very difficult, especially for my colleagues with children or other caring responsibilities."

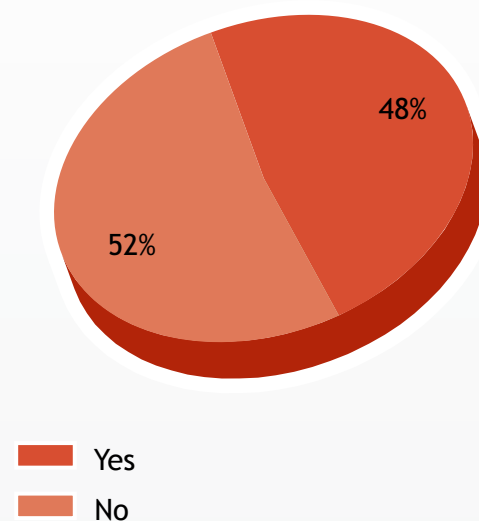
"It's very stressful trying to fund myself, work and study and it's certainly affected both my health and my results. I know I could do better, and make the most of this opportunity, if I didn't work and if I did have enough money to live off. Coming back to study from a good job is difficult enough, but the financial pressure and trying to juggle work and study makes it even more difficult."

Fig. 21. Hardship indicators for PG Taught and Research students and students overall



However, the strongest theme to come out of the research for postgraduates was a lack of coherent information and support prior to applying to study at PG level. Nearly 95 per cent of PG students thought more information on PG financial support would be useful for students. Over 50 per cent of PG students who applied for support said they didn't find it easy, which is significantly higher than for students at other levels.

Fig. 22. Did you find it easy to apply?



When asked what one thing they would change about the student support system, the most common responses from PG students were in relation to the provision of more information and more easily accessible information on the support that is available, and how to apply successfully, including making advice available to undergraduates so they aren't put off considering PG study.

"Getting information about PhD funding is very difficult, with information being spread out over various websites. Without meeting other people who have received funding from other sources I'd have had no knowledge of what is out there. A "clearing system" for all available funding, or some kind of guide to funding sources, might help."

**Full-time Postgraduate Student,
University of St Andrews**



Many also commented that there should be more financial support, but also more financial support opportunities available for postgraduate courses, e.g., “there are generous schemes and scholarships, but only for a few students” or “[a] general lack of funding, over reliance on restrictive funding councils”.

It is clear that the overwhelming majority of PG students feel insufficient information is available on postgraduate financial support opportunities, and that it is difficult to locate the information required to apply. Many suggested that a centralised register, database or website of support opportunities would help prospective PG students to discover what support opportunities were available to them, and ensure there are no potential sources of funding they may have overlooked.

Competitive funding

The competitive nature of much of the available PG financial support risks favouring students from more research intensive institutions who may be more able to assist, or more likely to encourage, prospective postgraduates. A number of students commented that it was not clear to them what was required to be successful in applying for certain types of support and more guidance for all students on this would level the playing field.

Over half of the PG students responding to our survey (55 per cent) also said that, aside from the amount of financial support provided, they were unhappy with the current system of provision of financial support to PG students, compared to 26 per cent of students overall who felt, aside from the amount of money they received, that they were unhappy with the support system for students.

Postgraduate medicine

A clear gap in the system is that Medicine cannot be studied as a postgraduate course which means that graduates have to study medicine as a second undergraduate degree and are required to pay their tuition fees up-front, which puts them under considerable financial strain even before their course has commenced. Unlike in England, there are no graduate fast-track entry courses in Scotland, which means most graduates must complete the five-year course and pay fees for doing so.

Postgraduates who tutor

Findings from *Still in the Red* indicate that postgraduates with teaching roles had fewer financial concerns and were less likely to have considered withdrawing from their courses. 29 per cent of teaching postgraduates said they had considered leaving their course, compared to 38 per cent of those who were not teaching. PG students who were not teaching were more likely to say they worry “all the time”, about their finances (28 per cent rather than 17 per cent) and less likely to say they “never worried” (eight per cent rather than 10 per cent). PG students who were teaching were also less likely to have accessed credit or borrowed money from friends and family, and less likely to say they didn’t receive enough money to concentrate on their studies.

However, PG students responding to *Still in the Red* who were teaching raised concerns that the hourly rate paid for teaching was too low and the time allocated for preparation for tutoring (for which they are eligible to be paid) was significantly less than the time actually spent in preparation, or marking assignments, meaning they were effectively underpaid. Some students also mentioned a lack of clarity in the rules for what could be claimed in payment for teaching work and the amount of hours which would be required of them. Many felt that the difficulties in preparation and teaching were exacerbated by the fact that little training and support

was provided for postgraduate teachers, or raised concerns that the “training” provided amounted to teaching under supervision and was essentially unpaid work. Others mentioned that PG students were used as sickness cover for the lecturing staff. Many were not compensated for money spent on materials required for teaching.

Non-traditional postgraduate students

The Universities and Colleges Union (UCU) has pointed out that an increase in PG students is now required to meet the future skills needs of Scotland and have raised concerns that students from deprived backgrounds cannot afford the costs of PG study. The PhD is the first step towards an academic career meaning if students are put off further study because of financial concerns then this may affect recruitment for universities in the future, particularly as greater financial rewards can be gained in other professions.

PG Support: Student Views

Strengths

- Some PG courses are funded at undergraduate levels and taught PG students can receive tuition fee support from the Government for some courses
- Research Council Funding and studentships are funded generously, and PG students in receipt of these are the least concerned about their finances
- PG students who have the opportunity to teach value the experience and additional money this provides

Weaknesses

- Disparate sources of funding means students have difficulties knowing what is available, where to look and whether they have exhausted all the funding possibilities
- The competitive nature of much of the funding was a concern raised by PG students and may disadvantage some in applying or deter some students from PG study altogether
- Assistance and remuneration for PG students who tutor varied across institutions and some felt insufficiently supported



9. Still in the Red: Student Parents

How are students funded?

Students parents themselves are funded in the same way as non-parents depending on level of study. In addition, lone parents in HE can receive a grant of up to £1,305, and a childcare grant of up to £1215. In FE, PG and for non-lone parents in HE, students can apply to their institution's childcare discretionary fund. In FE, these funds will cover between 80 per cent and 100 per cent of registered childcare costs. In HE/PG there is no limit to how much the student can receive but the fund is cash-limited, and as a result the payments are limited by the number of applicants, and not all eligible students will necessarily receive assistance.



Hazel Walker, 30, student parent - University of Aberdeen

Hazel is studying Sociology at the University of Aberdeen. She is a lone parent and is entering her third year. She receives student support in student loans from SAAS however it's not enough to live day-to-day so she has been forced to take up commercial debt and borrow from family.

Hazel said:

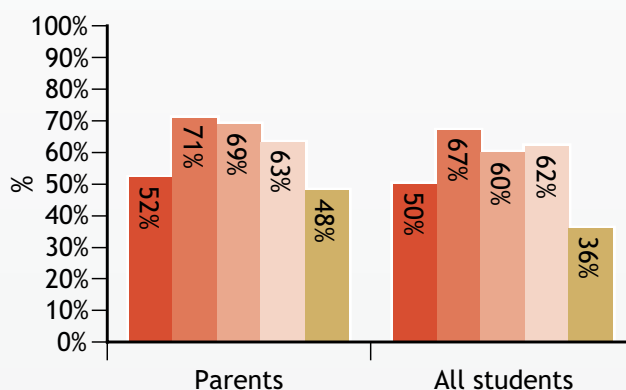
"I don't get enough help with childcare to study and to look after my son. I know he misses out on things, like I couldn't afford to continue with his guitar lessons, which I know he enjoyed. Also, I can't afford to take him on holidays or the like. It's also very difficult to know how much childcare you will get and whether this will last until the end of the year. The childcare help I

get is appreciated but just not enough to cover lectures, tutorials and studying in the library and just not enough to let me plan and budget for the year.

"I've had to borrow from the bank and from my family, and dropping out has crossed my mind, but I think it better to stick at it and hopefully get a better job at the end of it. The support I get from SAAS is not enough to allow me to concentrate on my studies.

"Coming to university has been such a liberating thing for me. Constantly worrying about money and being stressed does kind of spoil the experience. My health has suffered and it does distract me from doing my best on my course."

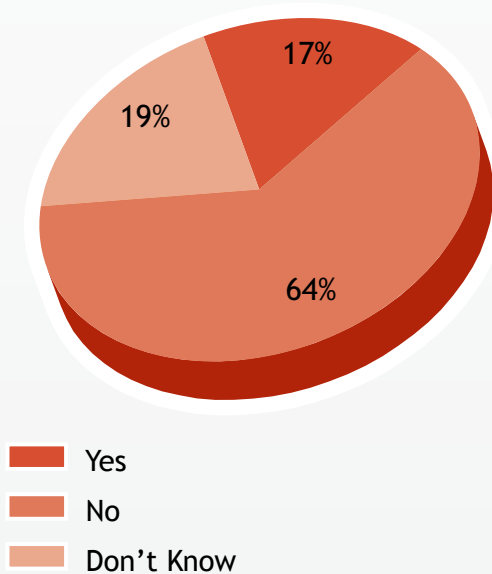
Fig. 23. Financial hardship indicators for student parents and students overall



- % who have had to access commercial credit
- % who are not receiving enough support to concentrate on study
- % who worry about money frequently or all the time
- % saying that worrying about money was negatively impacting their studies
- % who had thought about dropping out

Much of the funding for student parents is discretionary, and as a result, the main concerns around funding expressed by student parents relate to the uncertainty this causes, not only in terms of applying for funding, but also receiving it. Student parents at all levels were unsure of how much funding they would receive, which the vast majority believed made it more difficult to begin studying. Equally, a very large proportion were not confident or not sure if their support would last until the end of their course, with the majority stating that if it did not, they would be unable to carry on studying.

Fig. 24. Would you be able to continue studies without government support for childcare costs?



Two-thirds of student parents who responded to our survey said that their childcare costs were the biggest financial obstacle to them in deciding to begin their studies, indicating that the lack of entitlement to childcare support may be significant barrier to student parents even applying. One student commented:

"If the college could give you confirmation that you are entitled to childcare funds prior to the course starting it would be easier to find a registered childminder as they would know the college will pay."

Full-time HE student, Inverness College

Nearly three-quarters of the student parents responding to our survey were receiving no childcare support at all through the student support system. Of those who were receiving support, two-thirds said they found the process of applying for support easy, citing relatively straightforward forms and helpful staff as the reasons for this. However, the remaining one-third said they did not find the process easy, as excessive amounts of paperwork were required, and there were delays in the processing of childcare payments, meaning they could not pay childcare providers on time, causing them difficulties or embarrassment. One student commented:

"It would be better if we could apply before the start of semester and knew how much support we would get before and could pay the retainer and up front fees. It is embarrassing and humiliating when unable to pay the fees on time."

Full-time HE student, University of Stirling

Funding uncertainty

Only 34 per cent of student parents said they knew how much they were going to receive before starting their course, with more than half of these students reporting that this lack of clarity made the decision on whether or not to study difficult. Of those who were receiving childcare funding, only 43 per cent said they were confident that this would last until the end of their studies, with the remaining 57 per cent either not confident or unsure if the funding would last. This is especially concerning when 79 per cent of those receiving funding said they would be unable to carry on with their studies if it was not for the government support they received for childcare costs.



Fig. 25. Were you clear about how much childcare support you would receive prior to applying?

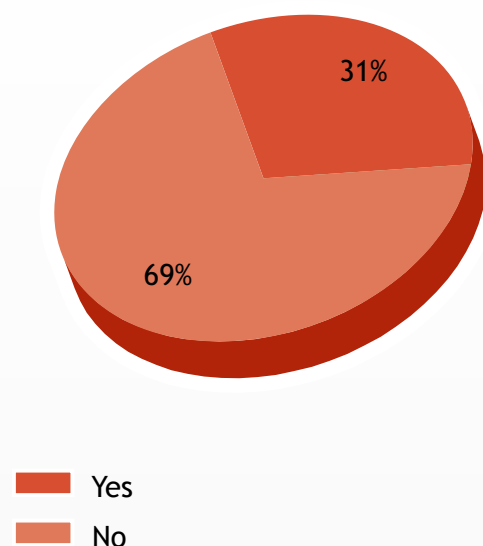
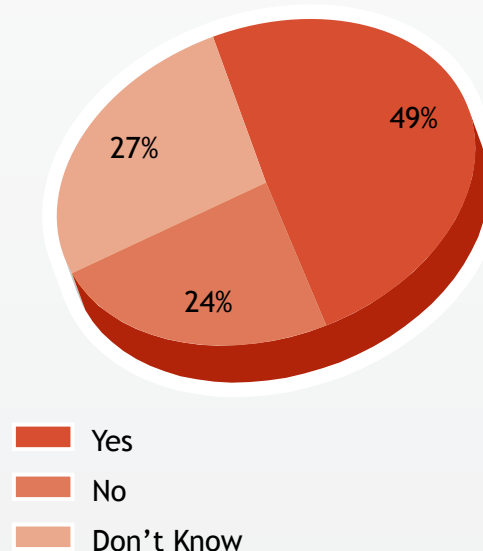


Fig. 26. If you were unclear did it make it more difficult to decide whether or not to study?



The degree of variation in the way the funds are administered at different institutions means that it is almost impossible for a student parent to predict how much

funding they might be able to receive when considering where to apply. This creates a lottery of support, with student parents in similar circumstances receiving drastically different levels of support from one institution to another. Research recently conducted by NUS UK has shown that student parents overwhelmingly choose to study closer to where they are already settled¹⁶, resulting in even more limited options for finding support with childcare costs.

The increase in demand for childcare funding and the lack of flexibility in childcare discretionary funds means that student parents cannot be certain from one year to the next whether funding will be available to them, causing a great deal of anxiety and leaving them particularly vulnerable to dropping out of courses.

As institutions' discretionary funding becomes more and more stretched or restricted, students' chances of securing support are reduced. Eight per cent of the student parents we surveyed had been refused discretionary funds because their institutions' funds had run out, and 16 per cent had received a reduced rate of discretionary funds because of funding shortages. A further 26 per cent of student parents were unsure if their funding had been reduced or not. Others received no childcare funding at all, as one student commented:

"The funding ran out before I knew that I could apply."

Full-time HE student, Inverness College

In response to our question regarding what they would change about the system, students highlighted concerns about the discretionary nature of childcare support and the uncertainty this creates. A number suggested that it would be better for student parents if there was a guarantee of funding, or parents were informed about funding much earlier on. One student commented:

"I think it would be beneficial that the award be made before commencing the

course. Beginning a full-time course is a big upheaval for my children and I did not find out about the childcare until I was at college for about six weeks. It would have been devastating for me to have had to leave at that point as I really love my studies, also that would have upset the children's routine and our home life."

Full-time HE student, Moray College

Childcare flexibility

Some childcare funding is provided to students only where Care Commission-registered childcare providers are used, meaning that where students prefer, or have no option but to use friends and family to help with childcare, they are forced to pay for this themselves or rely on friends and family to help out for free.

A number of survey respondents highlighted this as an aspect of the student support system that they would like to see changed. As one student said, "three years is a long time to be expecting help for nothing."

42 per cent of the HE student parents responding to our survey and 35 per cent of FE student parents were using friends or family for childcare so this is an issue which may affect a significant proportion of current student parents.

Extent of support

Others mentioned issues with the extent of childcare support received, raising concerns that this was payable only for specific times when they were attending college or university, meaning they were having to cover a lot of the childcare costs themselves, or to risk losing out on childcare. One parent said, of their childcare support:

"It only pays for 15 weeks childcare each semester and yet childminders and nurseries insist on payment from the start date until the finish date. This means I have to pay the missing weeks myself. In the summer holidays

I can't pay for childcare so I have to give my child's nursery place up and hope there is still a place when university starts again the following year. My children lost their place once and had to start a different nursery which was upsetting for them."

**Full-time HE student,
Glasgow Caledonian University**

Support: Student Parents' views

Strengths

- Lone parents in HE receive guaranteed support and childcare funding
- Childcare funds have been increased from academic year 2010/11

Weaknesses

- A childcare funding system where the majority of available support is discretionary creates a great deal of uncertainty for student parents
- Student parents are unable to budget accurately and many are forced to begin courses they know they may be unable to complete if funding applications are unsuccessful
- A system where childcare support could be reduced or removed at any point risks causing high rates of drop out among student parents
- The way in which childcare applications and payments are handled are clearly causing problems for many parents in securing and retaining childcare, and inconvenience in dealing with childcare providers



10. Still in the Red: Part-time students

How are students funded?

Most students on part-time courses are required to pay tuition fees, which vary, but students in receipt of certain state benefits or with a household income of less than £16,510 will qualify for a fee waiver.

Students with a personal income of less than £22,000 may also be eligible for an Independent Learning Account (ILA) grant of £200 or £500 for tuition fees depending on level and volume of study.

Students may also apply to through the Postgraduate Students' Allowances Scheme (PSAS) for tuition fee support if studying a PG qualification. Students (at all levels) can also apply to their institution's discretionary funds if they are in financial difficulty. There is little financial support for living costs.



Louise Fulton, 27, part-time OU Student

Louise has been studying Psychology part-time with the Open University for over five years. She is the first in her family to study at HE level and wants to go onto get a PhD in Forensic Psychology. She has a partner and one son. She is unable to study full-time as the childcare support would not be enough. While if Louise studied full-time she would get her fees paid and access to student support, as she is only able to study part-time Louise has to pay thousands of pounds in course fees and receives no financial help at all.

Louise said:

"I'm the first in my family to study even beyond high school. I was always told I

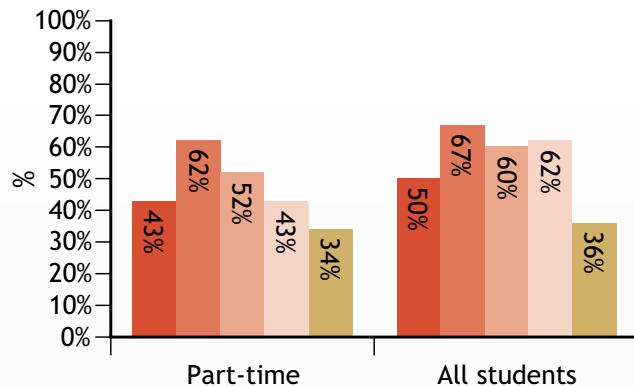
could never achieve anything in my life and told to be a hairdresser. I gave up working after having my son in 2008 as we decided if I went back to work the amount I would earn would just be taken up in childcare. I can't afford to study full-time because I can't afford the childcare. It's very unfair that I have to pay fees whereas if I studied full-time I'd get my fees paid and access to loans and grants."

Part-time students make up 40 per cent of Scottish domiciled students at universities and colleges, and this is likely to increase. However, the student support system continues to be heavily weighted towards supporting full-time students. More than half of the part-time students (53 per cent) we surveyed were receiving no support at all for their studies.

Despite the fact that part-time students are more able to support themselves by working, the differences in financial concerns between part-time and full-time students responding to our survey were not as significant as some may expect. The level of financial stress, though not as severe as for full-time students, is still a cause for real concern.

Only 11 per cent of part-time students said they never worried about their finances, compared to six per cent of full-time students, and 22 per cent said they worried about their finances "all of the time," compared to 28 per cent of full-time students. Over 40 per cent said that worrying about their finances was having a negative impact on their studies, though this is significantly lower than for full-time students (67 per cent). While part-time students have more time to work to support themselves through study, many are still suffering hardship as a number are mature students with higher expenditure, or still unable to work sufficient hours to cover their finance needs.

Fig. 27. Financial hardship indicators for part-time students and students overall

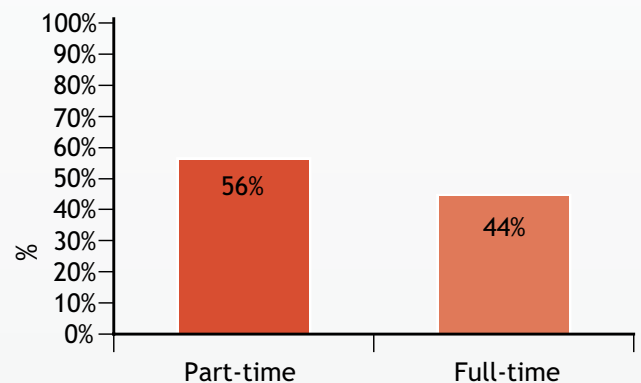


- % who have had to access commercial credit
- % who are not receiving enough support to concentrate on study
- % who worry about money frequently or all the time
- % saying that worrying about money was negatively impacting their studies
- % who had thought about dropping out

While fewer part-time students in FE and HE were considering withdrawal from studies than their full-time counterparts, it is clear that many students are struggling financially and feel that their studies are suffering as a result. There is an assumption by the system that as a significant number of part-time students are in employment, they will be funded by their employers. In reality, this accounts for only a small proportion of part-time student support. For example, in 2008/09 only 11 per cent of Open University students were receiving financial support from their employers to study. Many part-time students feel that working is impacting negatively on their studies and so employment may be damaging to part-time students' ability to study.

As the Open University have highlighted, part-time students are also ineligible for some of the specific types of funding available to full-time students such as the childcare grant, which puts them at a further financial disadvantage when compared with full-time students. Students can apply for discretionary funding for childcare, but this is limited and students are required to demonstrate hardship to receive this. In 2008/9 the OU were able to help 200 students with discretionary funding for childcare, which is just one per cent of their students in Scotland.

Fig. 28. Students reporting that work is having a negative impact on studies, by mode of study



While it is clear that part-time students could not be supported at the same level as full-time students, many feel there is a need for some additional help in recognition of the extra pressures on students who are working alongside studies. As one student commented:

"If someone is studying a course part-time, they should still be entitled to financial help so that they don't have to work so much. I know that I am personally working 30 hour weeks minimum and am studying three modules of a degree course."

Part-time HE student, Moray College

When asked by our *Still in the Red* survey what one thing they would change about



the student support system, a number of part-time students said they felt more support should be directed to those studying part-time.

“For part-time university students to gain the same rights as full-time students (e.g. all full-time students are eligible for free university education, whereas part-time students are discriminated against by having to pay fees to attend university).”

HE Open University student, Edinburgh

A number also commented that there was insufficient, or insufficiently visible, information on what support opportunities are available for part-time students, meaning many part-time students may be missing out on entitlements and many prospective students may be deterred from study. Students commented:

“[I] didn’t realise that there was assistance for part-time students. [I] will apply for ILA next year.”

**Part-time HE student,
St Andrews University**

“If people like me knew all of these things were available I would not have waited so long to come to university to study.”

Part-time HE student, UWS

Part-time support: Student views

Strengths

- Fee waivers are available for the poorest part-time students
- ILA 200 and 500 are now available as non-repayable support for tuition costs
- PSAS tuition fee support is also now available for part-time PG students
- Hardship funds are available for part-time students

Weaknesses

- Many low income part-time students still have to pay fees
- Few part-time students are supported by employers and many find work impacts negatively on their studies
- Beyond tuition fee support for some, no support is available for the costs of studying
- Part-time students are often those from the lowest income backgrounds, but no support is available beyond tuition and emergency costs
- Very limited childcare funding is available for part-time students

11. Still in the Red: Mature students

How are students funded?

In FE, mature students may be eligible for a fee waiver to cover their tuition but usually only get bursary support for maintenance where they have received very little or no previous government support for studies.

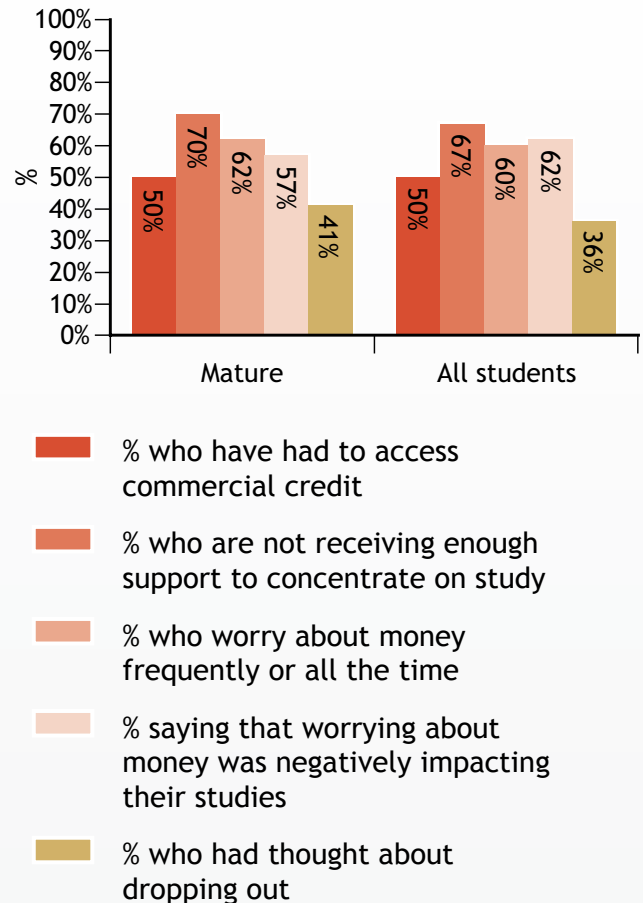
In HE, students up to the age of 54 may be eligible for support from SAAS for higher education courses. SAAS will not usually provide tuition fee payments or bursary support if a student has previously been on a full-time HE course.

However, previous study does not affect entitlement to a student loan or to appropriate supplementary grants. Mature students will also be eligible to apply for some postgraduate studentships on a competitive basis.

Mature students at all levels are eligible to apply for discretionary (hardship) funding from their institution if facing financial difficulties.

The increase in support for mature students from 2010/11 gained through the *Supporting a Smarter Scotland* consultation means that the poorest mature students in higher education are now funded at the same level as the poorest young students. However, despite the creation of an Independent Students' Bursary, young students still receive more non-repayable support than mature students. In addition, the funding provided to young and mature students remains insufficient to cover the costs of living and studying and prevent hardship.

Fig. 29. Financial hardship indicators for mature students and students overall



Mature students at all levels who responded to our survey were more likely than their younger counterparts to say they were not receiving enough money in support to concentrate on their studies. This is likely to be a reflection of the fact that their higher expenditure (due to caring responsibilities or financial commitments such as mortgages, and often exclusion from some concessions available to young students) means the support available is more likely to be insufficient for their needs than for younger students. Mature students are likely to have more financial commitments and outgoings and, as a result, the decision to begin studies, and to remain in studies, may be a much more difficult one for mature students. As one student commented:



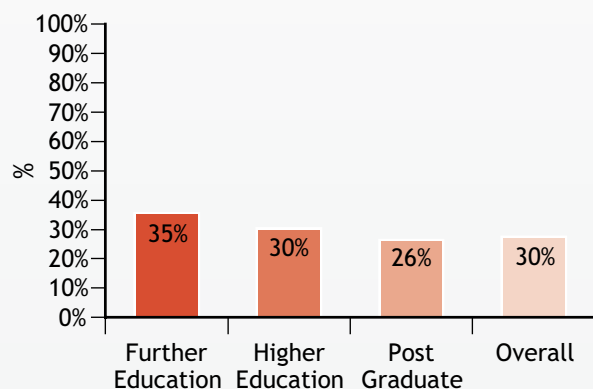
“Next semester I am going to have to sell my house as I won’t be able to keep up mortgage payments. My husband and I argue, money is a massive worry and we both know that if I hadn’t gone to university we wouldn’t be in as much hardship.”

HE Mature student, Edinburgh Napier

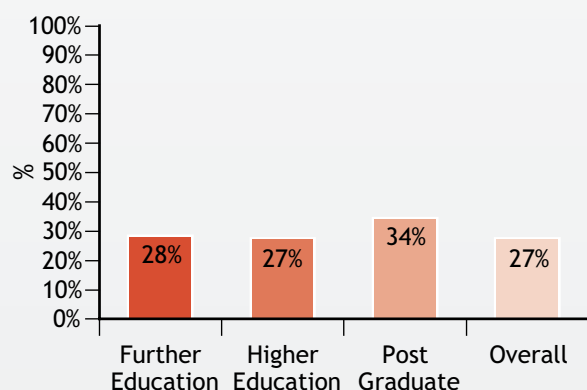
Mature students in FE and HE were also more likely than younger students to say that they worried about their finances either frequently or all of the time (62 per cent of mature FE students as opposed to 50 per cent of young FE students and 63 per cent of mature HE students as opposed to 58 per cent of young HE). The figures were roughly similar for postgraduate students.

Fig. 30. Scottish mature students reporting worrying about finances “all the time” compared with young Scottish students at all levels

Mature

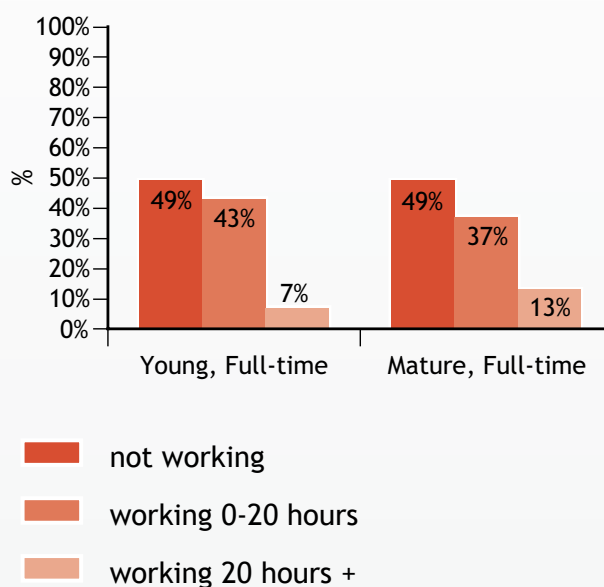


Younger



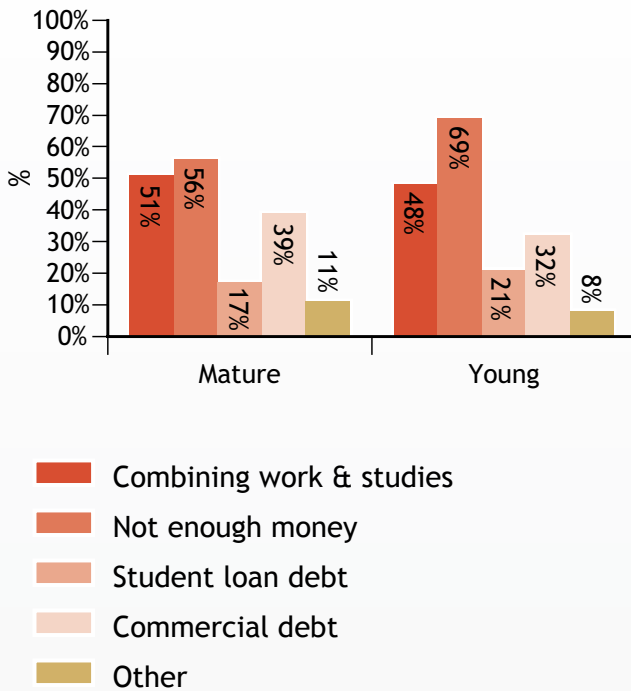
While the younger students were more likely to say that worrying about not having enough money was having a negative impact on their studies, mature students were more likely to say that combining paid work and studies was impacting negatively, which is perhaps unsurprising as they are more likely to be working more than 20 hours per week than their younger counterparts.

Fig. 31. Numbers of hours worked, FE and HE combined for young and mature full-time students



Full-time mature students in HE and PG education are more likely to be working, and more likely to be working longer hours than their younger counterparts. 15 per cent of full-time mature HE students were working in excess of 20 hours a week alongside their studies compared to eight per cent of younger full-time HE students. 11 per cent of full-time PG mature students were working more than 30 hours a week compared with three per cent of young postgraduates. Younger students at all levels who were working were more likely to be working less than 10 hours per week (14 per cent FE, 17 per cent HE and 23 per cent PG compared to nine per cent 12 per cent and 21 per cent of mature students).

Fig .32. Factors which are negatively affecting studies for Scottish mature and young students



The numbers of mature students forced to access commercial credit was roughly similar at all levels to younger students (though this was higher for mature FE students at 38 per cent rather than 30 per cent), however, as you would expect, mature students were much less likely to have borrowed or received money from family or friends to supplement their own income.

Mature students at FE and HE level were also more likely to say that worrying about their commercial debt was impacting negatively on their studies, as shown above, perhaps indicating that they have higher levels of debt than their younger counterparts.

Mature students in FE were slightly more likely to say they had considered dropping out of their course, with the lack of financial support and concerns about commercial debt as the main reasons for doing so. Mature students studying at higher and postgraduate level were much more likely to say they had considered dropping out than younger

students (42 per cent rather than 28 per cent and 40 per cent of PG rather than 29 per cent). Again, the main reasons for this were not having sufficient financial support, combining paid work with studying and worrying about their commercial debt.



Kimberley Cadden, 29, mature student - University of Edinburgh

Kimberley has experienced considerable financial difficulty during her time at university.

“When I began my degree I was already in a little debt due to having studied part-time for one year in order to gain access to undergraduate study. I hadn’t managed to earn quite enough to live on each month and had used a credit card on occasion in order to fill in the financial gaps. I soon found my loans and part-time job put together were simply not enough and by the end of the year I had to apply to the hardship fund. In June, the final month, I found that the university had run out of funds and so had to turn to my credit card to get me through.

“Over summer I couldn’t find as many hours’ work as I needed and so again had to turn to my credit card to live. This meant when I came back to uni after last summer my repayments had rocketed and were only making my situation worse. My health suffered and my studies suffered. I find it so wrong that there isn’t a safety net, or hardship funds over the summer, for people who can’t get enough money to live on.

“I was very stressed out and was beginning to question whether it was worth continuing into third year as it all doesn’t seem worth damaging my health and being almost continuously stressed and unhappy. I love my course and I feel that I should be able to have access to higher education and be able to better myself and not have this option taken away from me simply because I don’t have a wealthy background.”



When asked what one thing they would change about the current system of student support, a number of students over 25 highlighted the disparity in funding between young and mature students as something which ought to be reviewed, particularly as more and more people will be compelled to return to study to re-skill or up-skill to meet the demands of the economy in the 21st Century. Clearly it is damaging to work to widen access to mature students if they are unable to study to the best of their ability as a result of financial hardship or the need to work long hours outside of studies to support themselves.

"The student loan barely pays my bills and I have often gone without books as a result."

**Full-time mature student,
Moray College UHI**

"[I would like to see] more money for students to get through their course. I have to work four shifts a week as well as my full-time course and extra homework. This a very stressful time that could be made easier with grants or bigger loans taken into consideration."

**Full-time mature student,
Glasgow Metropolitan College**

"I have never been well off but always been proud to say I never owed anything. I can't say that now and if you were to ask me any time of the day what's on my mind the answer would be money."

Mature student, Aberdeen University

Support: Mature Students views

Strengths

- In HE, mature students can now receive comparable funding to young students through the Independent Students' Bursary

Weaknesses:

- Many mature students are eligible for little support outside of the discretionary fund which is an uncertain and limited form of funding
- Mature students often have much higher outgoings than young students and find it much more difficult to survive on the support available
- Mature students may also be ineligible for certain concessions which are available to young students, exacerbating hardship problems

Student Nurses

RCN have conducted a great deal of research on their student members. It is clear that student demographics are changing across the board, but certain courses, such as nursing, may have higher proportions of mature students. According to UCAS (2009)¹⁷, while the trends show that the number of mature applicants to universities continues to rise, the majority of university students (75 per cent) in Scotland are aged 20 and under. However, according to an RCN survey conducted in Autumn 2008,¹⁸ half of nursing students (48 per cent) responding to the survey were over 30. This has implications for hardship levels, and the bursary for nursing students is a relatively generous one for students with few commitments, but for the significant number of mature nursing students, it is not sufficient to cover their cost of living. As a result, the same RCN survey found that four in ten (42 per cent) nursing students in Scotland responding to the survey had considered leaving their nursing course, with the most common reason for considering leaving being financial reasons (61 per cent).

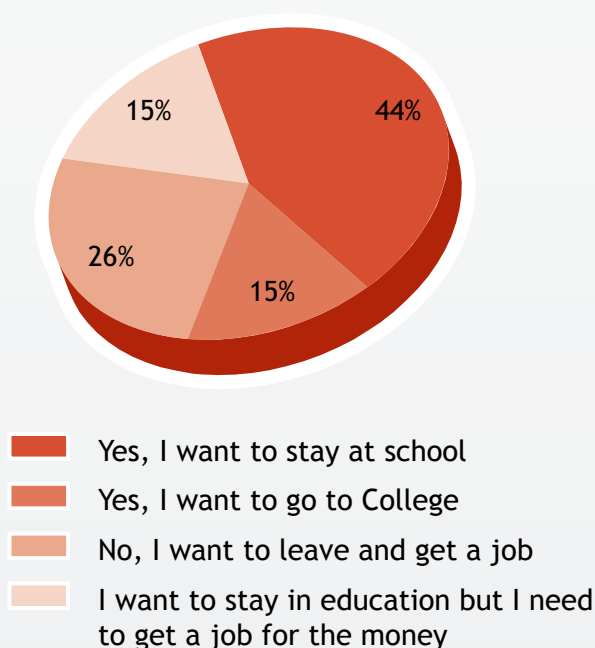
12. Perceptions of the costs and benefits of further and higher education

In asking students, our survey by definition misses out on people who have already been lost to tertiary education. Whether in dropping out or in never having stepped foot in a college or university, our survey misses those for whom the system has already failed in one way or another. We therefore worked with Young Scot to survey young people while they were still in compulsory education.

We asked visitors to the Young Scot website (young people aged 12 to 16) for their views on continuing in education.

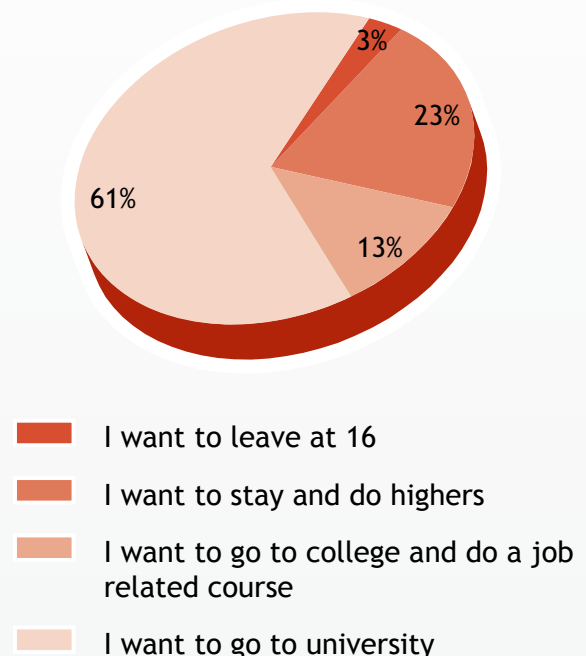
The majority of respondents were keen to keep going with their education after 16, with 44 per cent saying they wanted to stay in school and 15 per cent saying they would like to go on to college. However, worryingly, a further 15 per cent said they would like to go on to further study but needed to get a job instead for the money.

Fig. 33. Do you want to stay in education after you're 16?



When asked how long they would like to stay in education, 61 per cent of respondents said they would like to go to university, and just three per cent said they wanted to leave at 16. 23 per cent wanted to go on to do Highers, and 13 per cent said they would like to do vocational training at college.

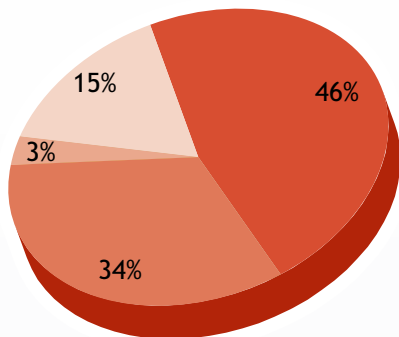
Fig. 34. How long do you want to stay in education?



80 per cent felt that staying in education after 16 would help them to get a better job, with 46 per cent saying "people with more qualifications make more money," and 34 per cent agreeing that "there are more jobs for people with more qualifications." Around four per cent did not agree that staying in education would improve prospects, with 15 per cent believing it would depend on what you wanted to do.



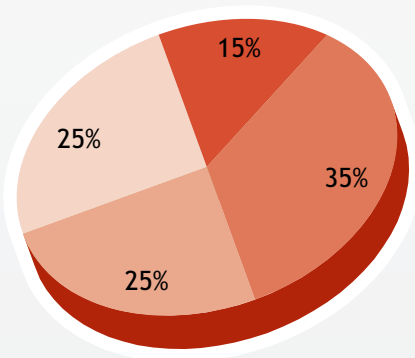
Fig. 35. Do you think staying in education after 16 will help you get a better job?



- Yes, I think people with more qualifications make more money
- Yes, I think there are more jobs for people with more qualifications
- No
- I think it depends what you want to do

50 per cent of those responding to a question about the costs of further education had never thought about how much it would cost, or did not think it would cost anything. 15 per cent felt that it would be too expensive, and 35 per cent felt that it would cost money but be worth it.

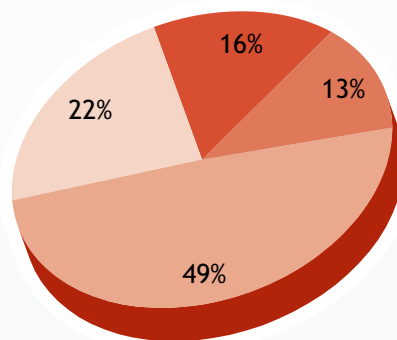
Fig. 36. What do you think about the cost of staying in education after 16?



- I think it'll be too expensive
- I think it will cost money but be worth it
- I don't think it costs anything
- I've never thought about it

49 per cent believed that if they were to go to college or university they would pay for this by getting a job. 16 per cent said they would get a loan, 13 per cent said they'd borrow from family, and 22 per cent weren't sure.

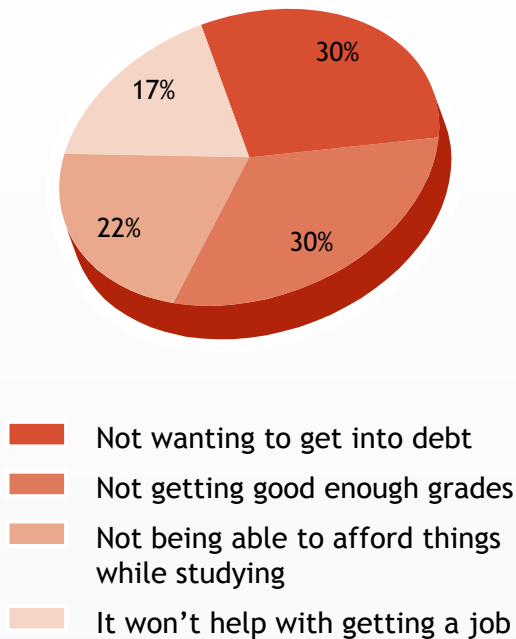
Fig. 37. If you were going to go to College or University, how do you think you would pay for it?



- I'd get a loan for the money
- I'd borrow the money from my family
- I'd get a job at the same time
- I'm not sure

Over 50 per cent were already aware of some of the potential costs of going on to college or university, with 30 per cent saying the biggest reason for not going would be "not wanting to get into debt," whether commercial or student loan debt, and 22 per cent saying it would be "not being able to afford things while studying." 17 per cent thought it would not help with getting a job, with the remaining 30 per cent saying the most likely reason they would not go would be not getting the grades.

Fig. 38. What do you think would be the biggest reason for not going to college or university?



These responses show young people have a mostly positive view of the benefits of further and higher education, but already have some concerns about the financial side of continuing in education, with some young people already indicating that they would be unable to afford it, or believing it to be too expensive. Also worrying was the number who thought they could support themselves in education by working, when in the future, with the economic downturn, and the decreasing numbers of part-time jobs, this may not be the case.

CONCLUSIONS



Our survey shows that students at all levels are continuing to suffer hardship as the money provided by the student support system is insufficient to cover their needs. As a result, many feel they are unable to dedicate sufficient time and attention to their studies. The level of support which can be accessed, even for the poorest students, bears no resemblance to the actual cost of living, let alone the cost of studying.

Work and Study

The inadequate levels of support available mean that students are working long hours to supplement their student support income. It is clear that this will have a negative impact on their studies but also their ability to accrue the social capital college and university have to offer, a particular concern for delivering social mobility through education.

Commercial borrowing

Too many students are being forced to rely on commercial credit to bridge the gap between their expenditure and student support income. Many are worried about this mounting debt to the detriment of their studies, or have considered dropping out because of commercial debt worries.

Summer hardship

Many students find coping financially over the summer vacation from studies especially difficult as support is not paid during this time, and the need to find employment immediately a term ends may impact negatively on studies and particularly examinations.

Widening access

Findings from our survey suggest that the poorest students are more likely to be affected by financial worries. It is extremely concerning that students from less advantaged backgrounds, who arguably benefit most from tertiary education, may have their academic performance disproportionately affected, disadvantaging them when compared to students from more affluent backgrounds.

Applying for support

Aspects of the application process are confusing for FE and HE students and many were unclear how much support they should expect to receive. It is clear that higher education students would appreciate greater access to advice about funding and the ability to discuss their financial situation and funding application with an advisor, in person.



PG opportunities

An overwhelming majority of postgraduate students feel insufficient information is available on PG support opportunities, that applying for PG support is a much more complex task, and it is difficult to locate the information required to apply. Many feel that a centralised register, database or website of support opportunities would help prospective postgraduate students to discover what support opportunities were available to them.



Future prospects

While students clearly recognise the value of their current course of study in terms of their future prospects, a significant number were not confident that they would be able to find employment to match their level of education upon completing the course. This is likely to have been affected by the current economic climate, but the lack of confidence in gaining employment remains out of proportion with the level of actual graduate unemployment.



FE bursaries

The discretionary system for college bursaries allows for inequalities between students across Scotland and serious uncertainty over funding. The possibility of support being reduced or withdrawn during studies is causing anxiety and stress to students, which is impacting negatively on their studies, and the actual reduction and withdrawal of funding for some students is compounding existing student hardship.



Means testing

The system of means testing used to determine the level of support a student can receive is disadvantaging a number of students. It is clear that many are not receiving the parental contributions assumed by the means test, leaving them to bridge this gap through commercial credit or working, both of which have been cited as factors impacting negatively on studies. Students estranged from their parents are particularly affected by this and feel a defined process for confirming estrangement should be agreed which does not add to their distress or discourage applications for support.



'Hidden' course costs

Students face significant participation costs which cannot be met through the support they receive. As a result, students may be forced to choose between course materials and essential items, and lower income students may be disadvantaged when compared to their higher income peers. These "hidden" course costs affect students in some disciplines, such as medicine and the arts, more than others.



PG students who tutor

From our survey findings it is clear that PG students value the opportunity to develop their skills and supplement their income through teaching. However, many feel that they are not paid for the amount they actually work, or properly trained for the work they are required to do, raising concerns not only of hardship due to insufficient income, but negative impacts on their own studies due to the time taken up by teaching activities, and negative impacts on their students due to lack of training.



Childcare funding

A childcare funding system where the majority of available support is discretionary creates a great deal of uncertainty for student parents. Student parents are unable to budget accurately and many are forced to begin courses they know they may be unable to complete if funding applications are unsuccessful. Parents who are receiving childcare support are clearly heavily reliant on this funding to continue in their studies and retaining a system where this could be reduced or removed at any point risks causing high rates of drop out among student parents.



Part-time students

The student support system continues to be heavily weighted towards supporting full-time students, and part-time students are clearly suffering as a result. The main types of support available to part-time students are to cover tuition and course fees. Little support is available to cover the additional costs of study outwith fees, meaning students are worse off because of their education, which represents a barrier to lifelong learning.

Part-time students

While part-time students have more time to work to support themselves through study, many are still suffering hardship as a number are mature students with higher expenditure or still unable to work sufficient hours to cover their expenses. Many part-time students feel that working is impacting negatively on their studies.

Mature students

Despite improvements in the support available, mature students are suffering greater levels of financial hardship as they receive the same level of student support despite higher expenditure. As a result, mature students appear to be at a greater risk of dropping out due to financial concerns, jeopardising lifelong learning prospects. As more and more people are returning to upskill later in life this is clearly an issue which needs to be addressed.



Overall, the student support system in Scotland is inconsistent and inadequate. Tuition may be free for many, but it is not free for all, and the actual cost of further, higher and postgraduate education, including expensive commercial debt and covering expenses not met by the government support available, is significant for all participants. Students at all levels, and from all backgrounds, particularly the most vulnerable, are struggling financially under the current system, a situation which is set to worsen with recent and forthcoming changes to support, and which risks a return to pre-1999 levels of drop



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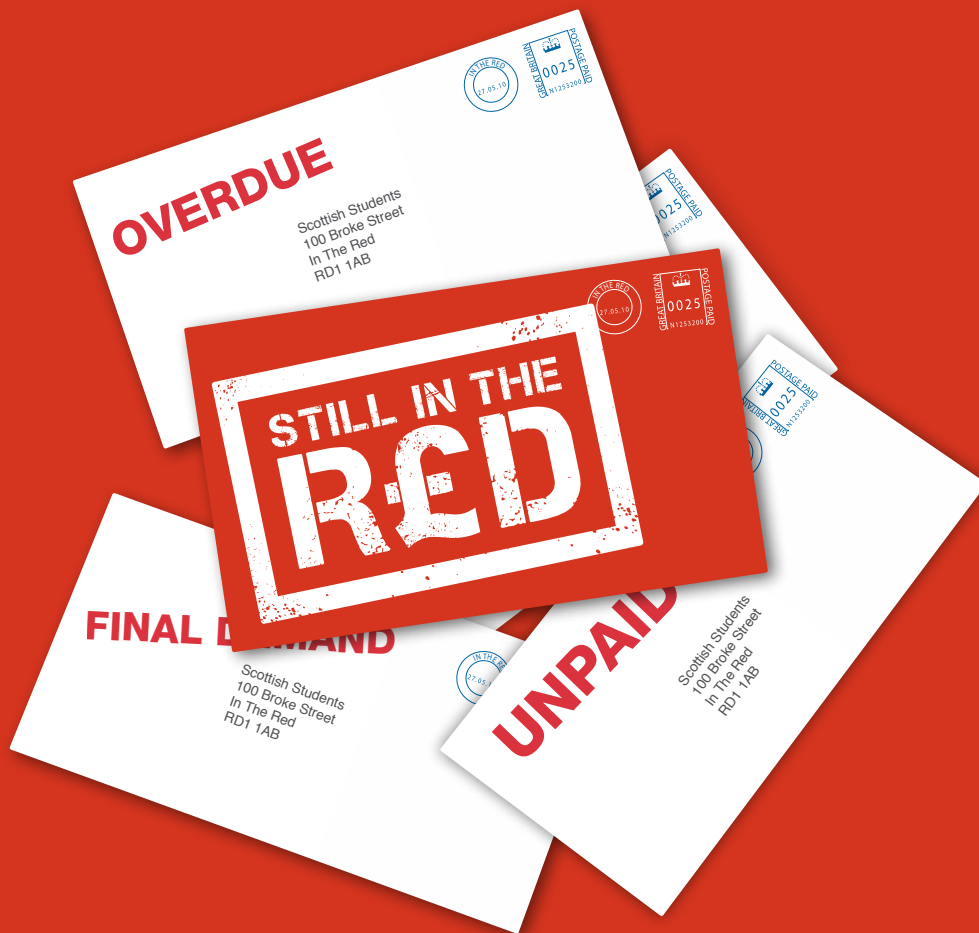
If you were going to go to college or university, how do you think you would pay for it?

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STUDENT FINANCE IN 2010



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