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Student Income and Expenditure Survey 2004/05 - results for Wales

This Bulletin presents summary results for Welsh domiciled students from the 2004/05 Student Income and Expenditure Survey (SIES). The full SIES report for 2004/05 can be found on the [DfES web site](#), within which chapter 9 contains comprehensive results for Welsh students.

The SIES represents the most comprehensive, detailed and authoritative assessment undertaken yet about the income and expenditure of students in higher education (HE) in England and Wales, and on aspects of their financial situation. The 2004/05 survey was commissioned by the Department for Education and Skills (DfES) and the National Assembly of Wales (a separate report covers Northern Ireland, and a separate study has been undertaken in Scotland¹), and conducted jointly by a research team from two organisations, the National Centre for Social Research and the Institute for Employment Studies (NatCen/IES).

The report builds on, but is substantially different in many methodological respects from, earlier surveys, which have been commissioned by the DfES at approximately three-year intervals since the early 1990s. In particular, the most recent SIES in 2002/03 was a more limited, smaller scale update exercise to identify key changes since the last full SIES in 1998/99²; it covered young, single, full-time undergraduate students only.

These previous studies did not provide robust results for Welsh domiciled students. However following the agreement to devolve responsibility for student finance arrangements to Wales from the 2006/07 academic year the importance of obtaining baseline data on student finances - to enable the Welsh Assembly Government to monitor the impact of future policy changes - was recognised. Therefore the sample for Wales was boosted in the 2004/05 survey resulting in a sample of 221 full-time and 100 part-time Welsh domiciled students.

Welsh results - summary

The key results from the sample for Welsh domiciled students (also referred to as 'students from Wales' or 'Welsh students' in this Bulletin and the main report) are detailed below. More detailed analysis and technical information about the survey can be found in chapter 9 of the main SIES report. The main report contains details of the standard errors associated with the figures, which are important to consider given the size of the sample

Welsh student income

- On average, full-time students' income of students from Wales in 2004/05 was £8,403. Part-time students' income was higher at £10,420 and this was mainly attributable to their higher average earnings during the academic year.
- Total incomes and constituent sources varied considerably between different groups of students, particularly by age, family type, student status and living circumstances.
- Students who stay within their own country to study have on average a higher total income due to higher earnings from paid work. Welsh students at Welsh HEIs gained nearly a quarter (22 per cent) of their income from paid work compared to only 10 per cent for Welsh students studying in England (around £1,900 compared to £800).

¹ Callender C, Wilkinson D, MacKinnan K, Vergis S (2005) *Higher and Further Education Students' Income and Expenditure and Debt in Scotland 2004-2005*, Scottish Executive Enterprise and Lifelong Learning Research Programme. <http://www.scotland.gov.uk/Publications/2005/26105054/51055>.

² Callender C, Kemp M (2000) *Changing Student Finances: Income, Expenditure and the Take-up of Student Loans Among Full- and Part-time Higher Education Students in 1998/99*, DfEE Research Report RR213.

- On average the total incomes of students from Wales increased as they progressed through their courses. Students further into their courses tended to rely more heavily on other sources of student support and earnings from paid work.
- Student loans were a key source of income for full-time students, contributing on average £2,606 towards total income (which accounts for 31 per cent). Traditional students were those most likely to take out a loan, ie male, younger, single, dependent.
- Just over half of all full-time students received government support with their tuition fees, receiving on average £1,000, and 39 per cent of all full-time students received full payment of fees (£1,150).
- 13 per cent of full-time students received an Assembly Learning Grant, which on average was around £900.
- Earnings from paid work during the academic year were a key source of income for part-time students, constituting the bulk (81 per cent or £8,480) of their overall net total income. The majority of part-time students engaged in paid work and earned on average just under £11,000 (£10,897).
- Paid work was also an important source of income for full-time students. Among all full-time students, earnings from paid work across the academic year accounted for almost a fifth (17 per cent) of total income, at £1,457. One half (49 per cent) of full-time students engaged in paid work while studying, receiving on average just under £4,000.

Welsh student expenditure

- The average total expenditure of full-time students from Wales in 2004/05 was £10,222. The average total expenditure of part-time students was £14,939.
- Total expenditure was relatively high among full-time students who were aged 25 years or older, those who were not single and those who were classified for funding purposes as independent students.
- Sixty per cent of the costs reported by full-time students and 71 per cent of those reported by part-time students were living costs. Full-time students from Wales spent around £6,200 on items such as food, personal items such as clothes, toiletries and mobile phones, entertainment, household goods and non-course-related travel, while part-time students spent almost £11,000.
- Housing costs constituted a further 22 per cent of the costs for full-time students and 15 per cent of those for part-time students. Housing costs, which included rent, mortgages, retainers, council tax and household bills, averaged £1,900 per annum for full-time students and £2,300 for part-time students.
- Participation costs, that is the costs that they incurred as a direct result of attending university or college, accounted for 20 per cent of expenditure for full-time students and nine per cent for part-time students. Welsh domiciled full-time students spent an average of £2,000 in 2004/05 on participation costs. This total included the full tuition fee contribution of £1,150. Part-time students spent an average of £1,400.

Savings, borrowings and overall financial position

- On average, full-time students from Wales start an academic year with savings of around £1,800, which have diminished to around £1,600 by the end of the year. Part-time students have a higher level of savings (£3,080 at the start of the year, rising to £3,300 at the end).
- Full-time students estimate that their borrowings will just exceed £6,800 at the end of the academic year, almost three times the part-time estimate of £2,500. The borrowing among full-timers mostly takes the form of a student loan.
- Taking savings away from borrowings, the predicted level of debt among final year students is around £7,650. Part-time students in general appear to be better off, with savings exceeding borrowings.

Student attitudes

- A small majority of Welsh-domiciled students felt they had enough or more than enough money than they needed; 47 per cent of full-time and 35 per cent of part-time thought that they did not have enough.
- One in ten full-time and part-time students thought that financial difficulties had affected their studies a great deal, although most part-time students (57 per cent) and 38 per cent of full-time students felt that their financial situation had had no impact on their studies.
- Most students felt that they had had to cut back on certain items of expenditure due to lack of money, although the items gone without tended to be non-essentials. Around 16 per cent of full-time students had gone into arrears on a regular payment and almost a half had found problems with their accommodation.

- Some 28 per cent of full-time and 26 per cent of part-time Welsh domiciled students felt that financial issues had affected their decision to enter higher education. Overall, students are very positive about the financial and social benefits of going to university, although part-timers are slightly less optimistic than full-timers.
- Most full-time students from Wales planned to get a job on finishing their immediate course at an average salary of £18,600, rising to £28,500 after five years. These are slightly lower expectations than those of their English counterparts.

Comparisons with England

Overall students from Wales are in a similar position to those from England:

- Total income of full-time Welsh students at £8,403 was similar to the average for English students (£8,333) although part-time students from Wales had a slightly lower income (£10,420 compared with £11,196).
- For both students from Wales and England, those students that studied in their own country had on average a higher total income due to higher earnings from paid work.
- As students from Wales moved through their courses, they received a higher level of total income. This finding differs from that found for English domiciled students, of whom those in their first year had the highest total incomes.
- Average total expenditure amongst full-time students from Wales at £10,222 was almost the same as the average for England (£10,273). Expenditure amongst part-time students was also similar.
- Students from Wales appear to spend more on living costs, but less on housing costs.
- The predicted level of debt among final year students for students from Wales is around £7,650, similar to the figure for students from England (£7,920) but the high confidence interval associated with the Welsh figure means any comparisons need to be made with care.