
Student Income and Expenditure Survey 2007/08

Welsh-domiciled Students

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Contents

EXECUTIVE SUMMARY	V
1 INTRODUCTION	1
1.1 Policy background and context	1
1.2 The Student Income and Expenditure Survey (SIES) 2007/08	6
1.3 Sample profile	9
1.4 About this report	10
1.5 Glossary	12
2 TOTAL STUDENT INCOME	15
2.1 Summary of key findings	15
2.2 Introduction	15
2.3 Total income	16
2.4 Variations in total income between student groups	18
Additional tables	28
3 SOURCES OF STUDENT INCOME	39
3.1 Summary of key findings	39
3.2 Introduction	40
3.3 Sources of student support	40
3.4 Income from paid work	50
3.5 Income from family, partner and friends	57
3.6 Social security benefits	61
3.7 Miscellaneous income	63
Additional tables	65
4 TOTAL STUDENT EXPENDITURE	87
4.1 Summary of key findings	87
4.2 Introduction	87
4.3 Total expenditure	89
4.4 Variations in total expenditure between student groups	91
Additional tables	98
5 HE PARTICIPATION AND OTHER COSTS	107
5.1 Summary of key findings	107
5.2 Introduction	107
5.3 Total participation costs	108
5.4 Tuition fee costs and support	118
5.5 Direct course costs	119
5.6 Facilitation costs	121
5.7 Living costs	122
5.8 Housing costs	129
5.9 Spending on children	132
Additional tables	133
6 OVERALL FINANCIAL POSITION	148
6.1 Summary of key findings	148
6.2 Introduction	148
6.3 Savings	149
6.4 Borrowings	152

6.5	Estimated student net debt	157
	Additional tables	160
7	FINANCIAL WELL-BEING	176
7.1	Summary of key findings	176
7.2	Introduction	176
7.3	Extent and impact of financial difficulties	177
7.4	Indicators of financial hardship	179
	Additional tables	181
8	STUDENT CHOICES AND ATTITUDES	183
8.1	Summary of key findings	183
8.2	Introduction	183
8.3	Influence of finances pre-entry	184
8.4	Views on the returns of higher education	188
8.5	Impact of finance on future plans	190
9	COMPARISON WITH 2004/05	193
9.1	Summary of key findings	193
9.2	Introduction	195
9.3	Socio-demographic characteristics	195
9.4	Change over time in total student income	197
9.5	Change over time in the main sources of student income	201
9.6	Change over time in student expenditure	210
9.7	Change over time in students' overall financial position	216
9.8	Financial well-being	221
9.9	Has the influence of finance on student choices and attitudes changed over time?	221
10	COMPARISON WITH WELSH-DOMICILED/ENGLISH-DOMICILED STUDENTS	224
10.1	Summary of key findings	224
10.2	Introduction	224
10.3	Total student income	225
10.4	Sources of student income	227
10.5	Total student expenditure	229
10.6	Overall financial position	231
10.7	Financial well-being	232
10.8	Student choices and attitudes to finance	232
11	CONCLUSIONS	234
11.1	Full-time students	235
11.2	Part-time students	236
12	TECHNICAL APPENDIX	238
12.1	Background to the Study	238
12.2	Sampling	240
12.3	Questionnaire and diary of spending development	250
12.4	Fieldwork	252
12.5	Data checking, coding and editing	257
12.6	Data and analysis	259
12.7	Future lessons	275

Executive Summary

The 2007/08 Student Income and Expenditure Survey (SIES) was jointly commissioned by the Welsh Assembly Government (WAG) and the Department for Innovation, Universities and Skills (DIUS) and was conducted in partnership by the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES). This report presents the findings for students from Wales. A separate report covers students from England.

The 2007/08 survey covered both full-time and part-time students at higher education institutions (HEI) and further education colleges (FEC), including the Open University (OU) participating in undergraduate courses during the 2007/08 academic year. Ten HEIs in Wales participated in the study (which did not cover any FECs in Wales), plus the Open University. Data were collected between January and March 2008 via:

- face-to-face interviews with a randomly selected sample of 744 full-time and part-time Welsh-domiciled students
- expenditure diaries detailing the expenses incurred by these students over the course of seven days, completed by 621 Welsh-domiciled students.

The sample size in 2007/08 was designed to be larger than in the 2004/05 study, in order to produce more robust results and allow greater disaggregation by different types of student)

Key findings

- Full-time student income rose by eight per cent in real terms between 2004/05 and 2007/08 to over £10,000 during the academic year. However, the bulk of this increase is accounted for by tuition fee loans which are paid direct to the students' institution.
- Compared with their counterparts in 2004/05, full-time students are less reliant on family and friends for income and more dependent on sources of government financial support, ie loans and, increasingly, grants.
- Full-time students' expenditure on fees has risen, particularly for first years under the new finance arrangements, for whom the direct costs of attending university have risen by 57 per cent in real terms. However, spending in real terms on living and housing costs has not changed in the last three years.
- Estimated debt levels for full-time students graduating in 2008 were around £7,200 although this will rise for those in subsequent years as a result of additional accumulated borrowing in tuition fee loans among students studying under the new system of student finance. Debt is mainly funded by student loans and the amount borrowed from commercial sources has fallen.
- Income among part-time students has remained steady in real terms, at around £11,700, while overall spending increased by nine per cent in real terms, at £12,430.

Student Income

The average total income for full-time students during the 2007/08 academic year was £10,065. Part-time students received around 16 per cent more, on average, at £11,710,

mainly attributable to their higher earnings from paid work during the academic year. Full-time students relied much more heavily on income from the sources of student funding support.

The highest incomes among full-time students were reported by students with dependent children (in particular lone-parents), and the lowest among students living at home, those aged 20 to 24, or studying under the old system of student finance. However, those with higher average incomes may have also had higher average expenditure and vice versa.

Social class differences among part-time students were more pronounced than among full-time ones. Part-time students from managerial/professional backgrounds had a much higher average total income than working class students, largely driven by their higher earnings from paid work.

Among full-time students, those covered by the new support system had a higher average total income than those under the old support system (mainly linked to their higher income from the tuition fee loan and tuition fee grant, which are paid direct to the institution). If income from tuition fee loans and tuition fee support is discounted, the total average income for new system students is around eight per cent higher than that for students studying under the old system.

Differences between the new and old funding systems were also related to differences between students in different years of study. Broadly speaking, students in the first or second year had a higher average total income – and obtained a higher proportion of their income – from sources of student support such as loans.

Income from loans and other forms of student support

Maintenance loans and tuition fee loans were the most important source of income for full-time students, contributing 34 per cent of total average income. Part-time students are ineligible for this type of support.

The average tuition fee loan among all full-time Welsh-domiciled students in 2007/08 was £939 (significantly lower than English-domiciled students). Around two-thirds of new system students took out a tuition fee loan (67 per cent) and among these, the average amount was £1,907 – substantially lower than the average among English-domiciled new system students. This can be attributed to the higher level of tuition fee support for Welsh-domiciled students who study in Wales, through the tuition fee grant. It should be noted that income from tuition fee loans and grants is paid direct to the institution rather than to the individual student.

Three-quarters of full-time students received income from the student maintenance loan (73 per cent) and this did not vary according to whether they studied under the old or new system of student financial support.

The Assembly Learning Grant (ALG) was an important source of student support in Wales, although levels, thresholds and eligibility differ between old and new system students. Over one-third of new system Welsh-domiciled students received the ALG (37 per cent¹), averaging £1,898. A further four per cent of new system students received the Special Support Grant. Sixteen per cent of old system students received the ALG, averaging £1,139.

¹ The proportion of 41 per cent of new system students in receipt of either the ALG or the SSG is not directly comparable to the proportion published by the Student Loans Company, which covers a different eligible population.

One-fifth (20 per cent) of new system students studying in Wales benefited from a bursary there, compared with just five per cent of old system students, receiving £1,107 on average.

Earnings from work

Income from paid work was important for full-time students (averaging £1,904 and representing 19 per cent of their total average income) and critical for part-time students (averaging £8,411 and comprising 72 per cent of theirs).

Just over half of all full-time students did some form of paid work during term-time (52 per cent). Working was most common among students who lived at home with their parents during term-time, and women. There was no significant difference in propensity to work between new and old system students.

The vast majority of part-time students combined studying with work (75 per cent). Half of part-time students and around two-fifths of full-time students who worked during the academic year reported that this had affected their studies, eg by making less time available for study/reading (especially among part-timers).

Income from family and friends

On average, full-time students received £1,679 from their family, partner and friends – this accounted for less than one-fifth (17 per cent) of their average total income, almost equal to income from paid work. Old system students both received more (£2,041 compared with £1,479 among new system students) and relied more heavily on this source (which constituted 24 per cent of their total income compared with 14 per cent among new system students). Across old and new system students alike, those who gained the most from family, partner and friends tended to be from more ‘traditional’ student backgrounds – younger, dependent students living away from home to study, from managerial/professional social class backgrounds.

Although few full-time students received income from social security benefits (13 per cent), for those who did this represented a key part of their total average income, especially lone parents, for whom it contributed £4,895 or more than a quarter of their total average income. Social security benefits were a key source of income among part-timers, with around three in five claiming income from this source (59 per cent).

Student spending

The average (mean) total expenditure of full-time Welsh-domiciled students in 2007/08 was £12,430. The average total expenditure of part-time students was £14,644, 18 per cent higher than their full-time counterparts.

Living costs constituted the largest category of expenditure (55 per cent of expenditure for full-time students and 64 per cent for part-time students). Living costs accounted for £6,879 of full-time students’ and £9,391 of part-time students’ spending and were highest for students with children.

Housing costs accounted for a further one-fifth of expenditure for each group – £2,225 among full-time students and £2,992 among part-time students. Full-time students typically lived in rented (non-university) property with friends or other students, with their parents or relatives or in university provided accommodation: these groups reported particularly low housing costs. Part-time students were more likely to be buying or

privately renting a property (alone or with family) and this is reflected in their higher overall housing costs.

Participation costs (ie those directly incurred through going to university or college, including tuition fees) accounted for a higher proportion of expenditure for full-time students than for part-time students (25 per cent compared with 12 per cent). Full-time Welsh-domiciled students spent an average of £3,132 on participation costs in the academic year 2007/08. Part-time students spent considerably less than their full-time counterparts on these costs, an average of £1,708.

Full-time students spent an average of £384 on direct course costs such as books, computers and equipment and £522 over the academic year on facilitation costs (such as course-related travel and childcare). Part-time student spending on these costs averaged £277 and £520 respectively. Facilitation costs were relatively high for students who lived with their parents and students with dependent children.

Life stage had a strong influence on expenditure for both full- and part-time students, with spending highest amongst students in families with children. Full-time students under the new system of student finance arrangements (including 'top up' fees) had higher participation costs, and higher spending overall, although once other factors such as family type were taken into account, the difference was not significant. Whether they started their course before or after 2006/07 was not associated with differences in expenditure for part-time students.

Eight per cent of full-time students and 33 per cent of part-time students were parents who lived with their children; among these, full-time students spent £2,415 and part-time students spent £1,693 on child-related costs.

Savings, Borrowing and Debt

Part-time students predicted higher levels of savings for the end of the academic year than full-time students, £2,911 compared with £2,075. Among full-time students, savings levels remained relatively steady over time, however, part-time continuing students appeared to dig into their savings over the preceding summer vacation and replenished them again over the course of the academic year.

Levels of borrowing among full-time students were approximately two and a half times higher than among part-time students, averaging £8,222. Full-time students were considerably more likely to borrow money (91 per cent had some form of borrowing compared with 57 per cent of part-time students). Full-time students' borrowing was predominantly made up of student loans (£7,206 out of £8,284). However, some full-time students had borrowed from commercial or 'higher cost' sources such as commercial credit companies (20 per cent) and via bank overdrafts (42 per cent), and where students had made use of these sources, the average amounts involved were substantial (£2,771 and £955 respectively).

Part-time students borrowed less heavily overall (£2,975 on average), but relied more on commercial credit and bank overdrafts (which together, accounted for 85 per cent of part-time students' borrowing).

It is possible to estimate graduate debt by deducting predicted year-end savings from predicted year-end borrowings (for final year students only). This results in average anticipated debt of £7,187 for those graduating from full-time courses and £586 for those graduating from part-time ones. Thus net debt levels of full-time graduates are much higher than part-time graduates.

Estimated graduate net debt varied considerably in a number of ways, reflecting many of the variations noticed for savings and for borrowing patterns.

Overall financial position

Approximately three in ten students had considered dropping out of their university course at some point (29 per cent of full-timers and 33 per cent of part-timers). Among full-time students the most common reason for considering leaving was financial difficulties. However, part-time students were more likely to cite domestic, family or personal reasons.

Almost three in five full-time students (58 per cent) felt their finances had affected their academic performance (eg through worry and stress), although only six per cent felt their financial situation had affected their studies a great deal. Part-time students were less likely to feel their performance had been affected (only 37 per cent).

Despite concerns over finance, the vast majority (92 per cent for both full-time and part-time) of students had not fallen into arrears on any key payments such as credit card bills, utility bills or rent.

Thirty-five per cent of full-time and 28 per cent of part-time students said that the availability of funding and financial support affected their decisions about HE study. A high proportion of these (53 per cent of full-time and 62 per cent of part-time students) said that they would not have studied at all without financial support. Nearly half of all part-time students (49 per cent) said that availability of funding affected their decision to study part-time and nearly half of all full-time students (47 per cent) said it affected their decision whether to study in England or Wales. Over one-quarter (27 per cent) of both full- and part-time students said that concerns over debt nearly stopped them coming to university. New system students were more likely to have had concerns about debt than old system students.

The vast majority of students felt that their HE experience was equipping them for the demands of working life, would lead to higher salaries and was worthwhile despite its high cost. Nevertheless, 58 per cent of full-time students had concerns about increasing competition in the graduate job market.

Trends since 2004/05

Comparisons are made between all students (for both 2004/05 and 2007/08), but also between first year students across each survey. Most first years in 2004/05 studied under the old student finance system, whereas most in 2007/08 studied under the new system. This means that the best way to compare the two funding systems is via comparison of 'like for like' students in the same year of study, across the two surveys.

Since the last survey in 2004/05:

- Average income among all full-time students has risen by eight per cent (taking account of inflation) – with larger than average increases in income from sources of student support and paid work. Part of this increase was driven by income from tuition fee loans and grants which are paid directly to the students' institution.
- Among first year students, average total income increased by 24 per cent in real terms. In particular, average income from sources of student support (which includes the Assembly Learning Grant) and from paid work increased much more for first years than for other students. At the same time, first year students received substantially less income from family and friends.

- Among part-time students, income remained steady in real terms. Their most important source of income remained paid work, although this declined somewhat compared with income from other sources.
- The total average expenditure of full-time students went up by nine per cent in real terms – driven by a 41 per cent increase in participation costs (by 57 per cent for full-time first year students) and in particular spending on course fees, which more than doubled for first years. Living, housing and child-related spending costs remained very similar between the studies.
- Although average borrowing has increased, there have been larger increases in savings, and the overall impact on students' financial position has been to increase the level of predicted student (net) debt, but only by around five per cent among all students. Interestingly graduate net debt among final year students appears to have fallen slightly (as it has for English domiciled final year students). It is too early to capture the impact of the introduction of the new student support system, as final year students were (generally) subject to the old system of financing and fees.
- Across all part-time students, borrowing levels have increased by five per cent. At the same time, however, average savings levels have fallen and so average net debt amongst part-time students has increased since the previous survey, from an estimated 'surplus' to a small debt.
- The proportion of full-time students who have considered dropping out of their course has fallen from 35 per cent to 29 per cent (it has remained static among part-timers). In 2007/08, fewer of these full-time students cited financial reasons as a reason for considering dropping out.
- The proportion of students falling into arrears has declined among full-time students. Reliance on high cost forms of borrowing has fallen amongst full-time students, but the amount owed in commercial credit has increased by one-third among part-time students.
- The proportion of full-time students who reported that the finances and concerns about debt affected their decisions about HE study remained steady between the two studies. However, the proportion who stated that the support affected their decision of whether to live at home declined among full-time students.
- More full-time students agreed that '*the long term benefits of HE are greater than the costs*' in 2007/08 compared with 2004/05 (82 per cent compared with 75 per cent). Among part-time students the proportion agreeing that '*the long term benefits of HE are greater than the costs*' also increased (from 74 to 83 per cent).

Comparing Wales and England

There was no significant difference in the level of full-time student income or spending between Welsh and English-domiciled students. The average income of Welsh domiciled part-time students was lower than that of their English counterparts but their spending was lower too. Estimated graduate debt was lower among Welsh-domiciled full-time students compared with those from England due to higher savings levels among final year Welsh students.

1 Introduction

This report presents the findings of the 2007/08 Student Income and Expenditure Survey (SIES), jointly commissioned by the Department for Innovation, Universities and Skills (DIUS) and the Welsh Assembly Government (WAG). The study was conducted in partnership by the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES).

This report presents the most detailed, comprehensive and authoritative assessment undertaken about the income and expenditure of students in Higher Education (HE) in England and Wales. It builds on a series of earlier surveys which have been undertaken at regular intervals since the mid 1980s, but in particular updates the findings of the most recent SIES undertaken in 2004/05. That survey took account of the various changes in higher education funding and support enacted since 1998 and provided a baseline for this most recent study, in particular for assessing the impact of further changes in the student funding system which have come into force since 2004/05².

The 2007/08 study covered both full-time and part-time English and Welsh-domiciled students at HE institutions (HEIs) and further education colleges (FECs), including the Open University. Students were participating in designated undergraduate courses (including first degree and Higher National Diplomas/Certificates (HNDs/HNCs) or in university-based postgraduate initial teacher training courses (PGCEs) in the 2007/08 academic year. The study covered 69 institutions in England and ten institutions in Wales³, plus the Open University. Data were collected between January and March 2008 via:

- face-to-face interviews with a randomly selected sample of 744 full-time and part-time Welsh-domiciled students
- face-to-face interviews with a randomly selected sample of 2,686 full-time and part-time English-domiciled students
- expenditure diaries detailing the day-to-day expenses incurred by these students over the course of seven days. Diaries were completed by 621 Welsh-domiciled students (84 per cent of those who took part in the survey).

This report covers the findings for Welsh-domiciled students only.

1.1 Policy background and context

1.1.1 Overview of key changes to student finance since SIES 2004/05

The Higher Education Act 2004 incorporated several key changes to the financial arrangements of full-time higher education students from the support system in place at the 2004/05 survey.

² Refer to Section 1.1.1 for a summary of these changes, which were introduced by the Higher Education Act 2004 but not fully implemented until the 2006/07 academic year.

³ All participating institutions in Wales were Higher Education Institutions (HEIs).

First and foremost, the Act devolved to the Welsh Assembly the responsibility of funding students in higher education in Wales. As such, the system of student finance in Wales diverged from that in England from September 2006.

From September 2006 institutions in England were able to charge variable tuition fees of up to £3,000 to new students beginning study. In Wales, variable fees were introduced a year later, in September 2007, but several features of the new support package in England also became available in Wales in 2006 (namely student loans for fees and Special Support Grants).

Although variable fees were not charged until 2007, tuition fees were no longer required to be paid up-front in Wales from 2006 and instead both new and existing students were able to defer payment until after they leave HE. The means for achieving this was a separate non-means tested student loan to cover the full balance of the fees. This is repaid in the same way as the traditional student maintenance loan, once the student has finished studying.

Although variable tuition fees of up to £3,070 were introduced, for Welsh-domiciled students studying in Wales these were countered by additional grants that partially offset the tuition fee cost. From September 2007, students normally resident in Wales *and* studying in Wales were entitled to a non-repayable tuition fee grant of £1,845, irrespective of family income. The tuition fee grant was paid directly to the students' university or college, meaning that home domiciled students studying in Wales were only required to pay c. £1,225 towards their tuition fees; essentially they were exempt from paying the higher fees charged to other UK students. Welsh-domiciled students studying outside of Wales were not entitled to the tuition fee grant.

Additionally, from 2007, institutions in Wales provided extra support for students through the Welsh Bursary Scheme. The Welsh Bursary Scheme was available to all new students, regardless of domicile, but dependent on family income. Individual institutions also provided a range of other bursaries and scholarships which varied from one college to another.

Furthermore, in order to support students from lower-income backgrounds a new non-repayable Special Support Grant of up to £2,700 a year was introduced in 2006 for new full-time students who may be eligible to receive benefits such as Income Support or Housing Benefit while they are studying.

Maintenance loan rates also increased substantially above the rate of inflation from September 2006 to increase the amount of maintenance funding available. Additionally, any amount of a student's loan (for fees or maintenance) still outstanding after 25 years will be written off (rather than being written off at retirement age or in the event of death or permanent incapacity as at 2004/05).

1.1.2 Summary of current student support arrangements in Wales

Full-time students

At the time of SIES 2007/08, two systems of financial support were available to new and existing students depending on when they started their course (ie before or after the 2006 reforms were introduced). Students who started their course before September 2006 are termed 'old system' students. Students who started their course in or after September 2006 are termed 'new system' students and are eligible for the new package of support related to the introduction of variable fees (outlined in the previous section). Old system students are also eligible for some features of the new support system.

The main features of full-time student finance arrangements in place at the time of the 2007/08 SIES are outlined in the box below.

Figure 1.1: Key elements of HE funding and student support for full-time Welsh-domiciled students, 2007/08

Fee contribution:

- *New system students* – a maximum fee contribution of £3,070 to be paid up-front by all full-time students. Fee cost is determined by individual institutions.
- *Old system students* – a fixed maximum fee contribution of £1,225 to be paid up-front by all full-time students.

Tuition fee loan: Students are able to apply for a Student Loan for Fees to cover the costs of their fees. The Student Loans Company (SLC) pays the fees directly to the institution on the students' behalf. Students repay these loans once they have left university and are earning over £15,000.

Student maintenance loan: A maximum of £4,510 can be borrowed if living away from home (£6,315 if away and living in London, £3,495 if living at home) as help towards living costs. Students repay these loans once they have left university and are earning over £15,000.

Tuition fee grant: A non-means tested grant of £1,845 available to home-domiciled students studying in Wales, entering HE from 2006/07. The tuition fee grant is non-repayable and paid directly to the college or university towards the cost of fees.

Fee Remission Grant: A means-tested grant of up to £1,225 available to Welsh-domiciled students who entered HE prior to 2006/07. The fee remission grant is non-repayable.

Additional financial help for new system students:

- Assembly Learning Grant (ALG) (new system): Financial support for general living costs available to students from low-income backgrounds. A maximum grant of up to £2,765 is available to eligible students and is non-repayable. Students who receive the ALG will have the amount they can take out in a maintenance loan capped.
- Special Support Grant: Up to £2,765 is available to students if they are a 'prescribed person' under the Income Support or Housing Benefit regulations to help with extra course related costs (eg books, equipment). Non-repayable. Students eligible to receive the Special Support Grant will not be eligible to receive the ALG.
- Welsh Bursary Scheme: Additional support for students from their college or university. All new system students are considered for a means-tested Welsh Bursary of a minimum of £305 per year, provided they receive the maximum ALG.

Additional financial help for old system students:

- Assembly Learning Grant (old system): Extra financial support available to students from low-income families who might otherwise be in financial difficulty while studying. This is paid on top of the student maintenance loan and is non-repayable. A grant of up to £1,500 is available to eligible students.

- Higher Education Grant: A maximum of £1,000 is available to students with on low income or from families with low incomes to help towards living costs and HE studying. Eligibility and amount received is dependent on income levels. Non-repayable. Students must have started their course on or after September 2004 to be eligible to receive this grant.

Additional financial help for all students: a range of allowances, bursaries and grants are available to students while they are studying; eligibility and the amount received depends on individual circumstances, the individual institutions and household income levels.

- Financial Contingency Funds: Available through institutions to provide help for students in hardship or who require extra financial support to stay in HE.
- Support for students with children: Childcare Grant, Parents' Learning Allowance, Child Tax Credit.
- Support for students with dependent adults: Adult Dependents' Grant
- Support for disabled students: Disabled Students' Allowances (DSAs).

Part-time students

In parallel with the changes to full-time HE student support in 2006/07 a number of changes to part-time funding also came into effect. These changes included:

- An increase to the rates of fee grant available to part-time students.
- The introduction of the Additional Fee Support Scheme (AFSS). From 2006/07, colleges in England could choose to run the AFSS for part-time students, which aims to provide extra help towards fees for new and continuing students on low incomes.

The main features of the part-time student finance arrangements at the time of the current survey are outlined in Figure 1.2.

Figure 1.2: Key elements of HE funding and student support for part-time Welsh-domiciled students, 2007/08

Fee Grant: Part-time HE students studying at least 50 per cent of an equivalent full-time course could receive a grant towards their fees and a grant towards their course costs (see course grant, below). Entitlement to the grant is income-dependent and the grant is non-repayable. Students studying for 50 per cent of a full-time equivalent course could receive up to £765, those studying 60 to 74 per cent of a full-time course, up to £920, and those studying 75 per cent or more of the full-time course, up to £1,150.

Course Grant: In 2007/08 the maximum course grant to pay towards books, travel and other course costs was £250. This did not depend on course intensity.

Other Student Support: A number of other means of support were available to part-time students in the 2007/08 academic year. These included:

- Assembly Learning Grant: Extra support available to students from low-income families. Students may receive up to £750 and this support is non-repayable.

- Additional Fee Support Scheme- Additional support from the students' college or university if a fee grant does not cover the fees charged
- Access to Learning Funds- Available through colleges to provide help for students who need extra financial support
- Disabled Students' Allowances
- Support for students studying with the Open University.

1.1.3 Trends in HE participation and its rate of return

Over the past decade or so, HE student numbers in the UK have increased considerably, from 1.72 million in 1995/96 to 2.3 million in 2007/08⁴. Increasing participation in HE is one of the government's key policy initiatives and forms part of the ambition (noted in the Leitch Review of Skills in England, conducted for DIUS⁵) for the UK to become one of the world's leading countries for high-level education and skills by the year 2020 (defined as being in the top quartile of the OECD rankings).

As articulated in the report, *The Learning Country: Visions into Action*⁶, the WAG has a target to increase the proportion of full-time Welsh-domiciled new HE entrants studying in Wales (rather than elsewhere in the UK) to 70 per cent by 2010, as well as to increase the proportion of new entrants who come from disadvantaged backgrounds.

In addition to the aims of raising participation and employer involvement in HE, widening participation continues to be a key driver of HE policy. This focuses funding and activity on attracting learners from groups who are currently under-represented in HE (or who are from non-traditional student backgrounds), such as those from families with no prior experience of HE, those from lower socio-economic class groups, those in areas of low participation, and older adults. The re-introduction of maintenance grants for students from lower-income families, continued support for the payment of tuition fees, and the increasing emphasis on institutional bursaries targeted at students from non-traditional backgrounds are all evidence of how the widening participation agenda has informed HE student funding policy.

There has also been a steady rise in the proportion of mature students participating in HE over the past two decades, and the substantial rise in the number of students on part-time courses has been a significant contributing factor to this trend. The part-time route to HE is typically followed by adults aged 25 and over, who pay their own fees and who combine studying with remaining in continuous paid work.

As a whole, the trend in student funding policy changes since the early 1990s has been to shift the balance towards individuals making a greater contribution to the costs of their own study, in particular among young, full-time students. With the introduction of upfront – and more recently, variable – tuition fees there has been an increased emphasis on

⁴ Numbers from HESA Students in Higher Education Institutions; reports for 2006/07 and HESA Statistical First Release 130, January 2009.

⁵ Leitch Review of Skills (2006). *Prosperity for All in the Global Economy- World Class Skills*, Final Report, TSO.

⁶ *The Learning Country: Vision into Action*, DCELLS/ WAG.

student loans for fees as well as for maintenance, which have to be re-paid once the student has graduated and is earning over a certain income threshold.

In spite of the growth in participation and debates about a potential over-supply of graduates⁷, there are still economic benefits to having a degree compared with not having one (as well as other, wider benefits). Recent research by Pricewaterhouse Coopers on behalf of Universities UK found that an average graduate earns around 20 to 25 per cent more than someone whose highest qualifications are at Level 3 (eg two A-levels or their equivalent) – this equates to around £160,000 in additional lifetime earnings in today's values.⁸ Generally this 'graduate premium' has held up well over the past few years, despite the expansion in student numbers; however, there is some evidence to suggest that it may be narrowing slightly for the most recent graduates⁹. In addition, once the costs of HE participation are taken into account, the returns to a degree overall are reduced to around 12 per cent, on average¹⁰. There is also a huge variation in this premium according to degree subject, with those who do technical and mathematically-based degrees faring particularly well compared with those doing arts subjects¹¹. In addition, research has shown that, aside from the higher premium for graduates living in London, there is very little variation in the 'real' rates of return to a degree across Wales, Scotland and the English regions (except for those in the South West, where it is lower), allowing for differences in the cost of living¹².

1.2 The Student Income and Expenditure Survey (SIES) 2007/08

1.2.1 About the SIES series

The SIES is a large-scale comprehensive survey of first degree, diploma, and PGCE students which has been undertaken regularly since the mid-1980s. Although other studies are undertaken on aspects of student finance¹³, the SIES is the most detailed and authoritative. The main purpose of the SIES has been to collect detailed information on undergraduate students' income, expenditure and, more recently, debt and student hardship, in order to monitor the impact of various changes in HE and to student funding, and to ensure that student support arrangements are adequate. Recently, this has been seen as being especially important in widening access to HE study to non-traditional students. The SIES has also provided a basis for comparisons over time, in particular on patterns of student income and expenditure for certain groups of students.

⁷ See, for example, Chevalier, A. and J. Lindley (2007), Over-education and the skills of UK graduates, Centre for the Economics of Education Discussion Paper No.79, London.

⁸ PricewaterhouseCoopers LLP (in association with London Economics) (2007) The Economic Benefits of a Degree, Universities UK, London. Note that this PWC figure is gross, ie not net of tax; it is consistent with the general line for the average graduate lifetime premium, net of tax and in today's values, is over £100,000, compared with someone who stops their education at A-levels.

⁹ See, for example, Walker, I. and Y. Zhu (2005) The college wage premium, over-education and the expansion of higher education in the UK, IZA Discussion Paper No.1627, Bonn, Germany.

¹⁰ PricewaterhouseCoopers (2007) projected that the rate of return would increase to around 13 per cent following changes to the student funding package arising from the introduction of variable tuition fees.

¹¹ Sloane PJ and O'Leary NC (2005) The return to a university education in Great Britain, University of Wales, Swansea.

¹² Sloane PJ and O'Leary NC (2008) Rates of Return to Degrees Across British Regions, Regional Studies, Vol 42, No.2, p199-213.

¹³ See, for example, the RBS/ NatWest Student Living Index.

The most recent survey, in 2004/05, was conducted using a new random sample methodology that was devised to overcome increased data protection barriers to conducting surveys with a representative sample of students. Although some comparisons were available with previous studies, the 2004/05 survey accorded stronger emphasis to providing an accurate picture of the current funding arrangements as new, baseline data for future studies. The 2007/08 study continues with the same overall aims as its predecessors, with added emphasis on drawing comparisons with the 2004/05 study. This is particularly important in light of the requirement of the study to input into the 2009 Independent Commission (in England) which will involve reviewing the impact of the reforms to student support introduced in September 2006.

1.2.2 Research objectives

More specifically, the main objectives of the 2007/08 study are:

- To provide an objective and statistically robust picture of students' financial position in the academic year 2007/08, including measurement of income, expenditure, short-term debt, expected debt on graduation and financial hardship. These measures are to be obtained for a representative sample of full-time and part-time HE students in HE institutions in England and Wales and FE colleges in England.
- To monitor changes in student's financial position over time by comparing the financial position of students in 2007/08 with that of comparable students in 2004/05, while providing a baseline by which future changes in student finance can be measured.
- To achieve sample sizes that are sufficient to monitor sub-groups of particular policy interest, including those groups that are defined by students' age, socio-economic group, ethnicity, and location (whether or not studying in London) for full-time students and by age and socio-economic group for part-time students.
- To provide evidence to support policy development needs of DIUS and WAG in the area of HE student finance, and in England, to inform the 2009 Independent Commission.

1.2.3 Research method

The research method for SIES 2007/08 duplicates the approach used in the 2004/05 survey. The methodology is discussed in greater depth in Appendix 1 (and in even more detail in the separate Technical Report). In summary, it comprised the following stages:

- An initial sample of 53 HE and 20 FE colleges in England, and ten HE institutions in Wales, was selected randomly, but with probability roughly proportional to their size, and also stratified by region. Two English HEIs had to be replaced as did nine English FECs (mainly because they did not have sufficient numbers of students studying for HE qualifications to be eligible for the study).
- Of these institutions, 50 HEIs and 19 FECs in England, and ten HEIs in Wales, agreed to take part and were given instructions about how to draw a random sample of part-time and full-time students. This generated a total of 22,465 students for the opt-in process.
- These students were then mailed by their institutions. The mailing pack included an opt-in questionnaire which collected key characteristics and contact details, on which students could indicate consent to be re-contacted for the main survey stage of the research. Incentives were used to encourage response.
- A total of 6,656 returns were received (directly to the researchers) which was 30 per cent of the issued total. This represents a decline from 45 per cent in 2004/05. As in

2004/05, the rate of return varied substantially between institutions partly because a small number of institutions were late in sending out the packs.

- Of those making returns, 5,326 consented to be contacted by the researchers (80 per cent, a similar proportion to 2004/05). Overall this comprised 24 per cent of the original sample contacted by their institution, lower than in 2004/05 (when 35 per cent of despatched forms resulted in a consenting student). Not all of those who consented to be re-contacted were eligible to be interviewed¹⁴, reducing the in-scope sample to 4,773 students.
- Due to the lower than expected response rate, there was no spare capacity in the sample and all consenting and eligible leads were then issued for the main SIES survey. The actual number of leads issued was 4,758 as a few cases had to be excluded at a later stage (mainly because they were duplicate responses to the opt-in stage which had not been identified in earlier checking).
- A separate sample of 149 eligible and consenting part-time students studying at the Open University was obtained using the same approach.

It should be noted that the scope of the OU student sample was purposely chosen to be similar to other part-time students. Therefore, while the OU sample in this study is comparable to other part-time students in HE, it is not representative of OU students as a whole (see Appendix 1 for more information). The OU sample has been analysed as part of the sample of part-time students.

The main interview stage involved interviewing students face-to-face using a Computer Assisted Personal Interview (CAPI). All students were asked to complete a seven-day diary of expenditure after the interview (either on paper or via the Internet). The interview and diary taken together covered aspects of income and expenditure in detail including the main components of income such as student support (loans, grants, etc), parental contribution, paid work, savings, etc. and various areas of expenditure such as accommodation and living costs. Information on personal characteristics, financial well-being, and attitudes to student finance was also collected. All Welsh-domiciled students participating in the study had the option of doing so via the medium of Welsh language questionnaires and interviews: no one took up this option.

The overall response rate for the survey was 72 per cent: this varied from a high of 74 per cent for students in Welsh HEIs to a low of 62 per cent among OU students. Among those students who took part in the survey, 86 per cent in total also returned an expenditure diary – close to the target of 88 per cent. The figure for Welsh-domiciled students was 84 per cent.

1.2.4 Changes to previous surveys

An important feature of the 2007/08 study was to measure change since the last survey in 2004/05. For this reason a deliberate attempt was made to keep the survey and diary instruments as similar as possible to the previous study. However, some revisions were required, the main reasons being:

¹⁴ This could be for a variety of reasons, including part-time students who already had a degree, or students who were studying postgraduate qualifications not included within the scope of the survey. The eligibility rate among those students who opted in to the study (90 per cent) was slightly higher in 2007/08 than in 2004/05.

- To take account of the changes in the student support system outlined in Section 1.1.1, and divergences in the student support systems between English and Welsh-domiciled students. New or amended information had to be collected in relation to tuition fees and fee support in particular, taking account of differences between new system and old system students. A number of other smaller reforms (such as the withdrawal of the Higher Education Grant) required questions to be deleted, added or amended.
- To take account of questionnaire improvements noted after the 2004/05 survey. These mainly related to a question about income from work and the addition of extra diary categories on parking.
- The extent of information financial well-being and attitudes to student finance was reduced compared with the 2004/05 study in order to maintain the target interview length.

1.3 Sample profile

In total, 744 Welsh-domiciled students took part in the study. A summary by mode of study and survey/diary completion is presented in Table 1.1. The number of Welsh-domiciled students surveyed was increased for the 2007/08 survey in order to provide more robust estimates and also to allow greater disaggregation by sub-groups.

Table 1.1: Number of Welsh-domiciled students in SIES 2007/08

	Completed interview	Completed expenditure diary
Full-time	550	453
Part-time (inc. OU)	194	168
All	744	621

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

This section examines the details of the student sample on which the survey findings are based (ie after weighting).

In terms of their key personal characteristics:

- Fifty-nine per cent of Welsh-domiciled full-time students were women and 41 per cent were men. The gender profile of part-time students was similar (42 per cent men and 58 per cent women).
- Eighty-two per cent of full-time students were under 25 years of age and 34 per cent were aged under-20. Part-time students were older – 21 per cent were aged under-25, 42 per cent were aged 25 to 39, and 38 per cent were aged 40 years or older.
- Based on the occupation of a parent (if they were a dependent student) or their own former occupation, the majority of full-time students (53 per cent) and part-time students (52 per cent) were classified as belonging to the managerial or professional

socio-economic group. Smaller proportions of full- and part-time students were classified as belonging to the routine or manual socio-economic group (29 per cent)¹⁵.

- By ethnicity, almost all (97 per cent) of full-time students were white, while three per cent belonged to another ethnic group. One per cent of full-time students classified themselves as Asian or Asian British (ie of Indian, Pakistani or Bangladeshi origin), none as Black or Black British and two per cent as of mixed or other ethnic group. All part-time students were white.
- The majority of full-time students were single (84 per cent). A further eight per cent were married or living as a couple without children, five per cent were in a two-adult family and three per cent were lone parents (ie one-adult family).
- Part-time students had a very different family composition; 38 per cent were single, 29 per cent married or living as a couple without children, 29 per cent lived in a two-adult family and four per cent were lone parents.
- Three-quarters of full-time students were classified as dependent students (75 per cent) and 25 per cent as independent students (see Glossary at end of this chapter for definitions of dependent/independent).

In terms of their HE study and their student living arrangements:

- Full-time students most commonly lived in rented non-university accommodation with friends or other students (37 per cent), with their parents or relatives (24 per cent) or in university accommodation (18 per cent).
- Part-time students were more likely to be owner-occupiers (60 per cent compared with eleven per cent of full-time students) or living in privately rented accommodation (16 per cent). A substantial minority also lived with parents or relatives (12 per cent).
- Two-thirds of Welsh-domiciled full-time students studied at Welsh HEIs (66 per cent), with the rest studying at English HEIs. The vast majority of part-time students also studied at Welsh HEIs (83 per cent), although eight per cent studied with the Open University.
- The full-time sample of students was fairly evenly spread according to year of study. About one-third of full-time students (36 per cent) were studying in the first year of their course; a further third were in an intermediate year (34 per cent of full-time students); and 30 per cent were in their final year or doing a one-year course.
- Part-time students had a similar profile with 32 per cent in their first year of study, 36 per cent were in an intermediate year and 32 per cent were in their final year or doing a one-year course.
- Thirty-six per cent of full-time students were eligible for the old-system package of support and 64 per cent for the new-system package of support (see Glossary at end of this chapter for definitions of old/new system).

¹⁵ Part-time figures exclude Open University students. Full- and part-time figures exclude respondents where the main income earner was not in paid work prior to the course.

1.4 About this report

1.4.1 Report structure

This report is largely confined to the presentation of descriptive analysis of the data, with some multivariate analysis on selected key questions such as the factors influencing overall income and expenditure.

- Chapters 2 and 3 focus on income across the academic year from September 2007 to June 2008. Income from paid work during the summer vacation is also presented (separately) in Chapter 3. These chapters consider both HE-related and other sources of income such as paid work and social security benefits, and explore how the balance between income sources varies for different types of student.
- Chapters 4 and 5 cover expenditure in a similar way and over the same academic year. Chapter 4 focuses on total expenditure while Chapter 5 discusses HE participation, housing and living costs.
- Chapter 6 addresses students' overall financial position, taking into account savings and borrowings (including student loans) to derive an estimate of student debt. Chapter 7 then assesses students' financial well-being and the extent of student hardship.
- Chapter 8 provides greater insight into the impact of finances on students' decisions about starting HE and their perceptions about its economic and social returns.
- Chapter 9 compares findings from the 2007/08 study with those in 2004/05, across all full-time and part-time students, and for Year 1 students only (see Section 1.4.3 for more detail).
- Chapter 10 presents a top-level comparison of Welsh and English-domiciled students (detailed findings for English-domiciled students are presented in a separate report).

Finally, Chapter 11 draws some conclusions from the data and assesses to what extent the HE student funding system in Wales is achieving its aims.

Appendix 1 contains more detail about the survey methodology and sample, including data cleaning and weighting.

1.4.2 Presentation and interpretation of the data

In each chapter, key tables and figures are located as close as possible to the appropriate text. Where relevant, and for ease of reference, additional tables are presented at the end of each chapter. In the tables, data are not reported where the relevant row or column has a base of 30 or fewer cases. Where the base size is between 31 and 50, the data are reported in brackets.

On occasion, there may be a small discrepancy between the mean figure for a main source of income or expenditure (for example, income from social security benefits) and the sum of its component parts (for example, the mean figures for 'Council Tax benefit' and 'other benefits'). Where this occurs it is due to the trimming of extreme values, which was undertaken at the overall level for each main income or expenditure category and not for the more detailed components.

In most of the tables showing monetary amounts, descriptive statistics are presented for the average (mean); median; and standard error (SE). It is important to take note of the standard error because it is a measure of the extent to which we expect the sample mean

to differ (+/-) from the population mean. Plus or minus two standard errors usually provides a 95 per cent confidence limit: that is, we can be 95 per cent confident that the 'true' value (ie if we had interviewed the entire population of students, rather than a sample) lies within that range.

1.4.3 Presentation of comparisons with 2004/05

The presentation of comparisons over time is complicated by changes in the financial landscape for students since the previous survey, which mean that, within the 2007/08 study, students are covered by different arrangements depending on their year of study. In the main, all Year 1 students are on the new system; the majority of Year 2 students are on the 'new system; and most of those in Year 3 or above (ie including final year undergraduate students) are on the old system. This is further complicated by the fact that old system students can access some elements of new system support.

Our approach to presenting comparisons with the 2004/05 study (in Chapter 9) is shown in Figure 1.3.

Figure 1.3: Presentation of comparisons over time

For full-time students: data is presented in four columns showing

- overall figures for all students in 2007/08 compared to 2004/05. This will indicate whether the experiences of students as a whole in 2007/08 differ from that in 2004/05. Due to the introduction of the 'new system' in 2006 we are of course expecting differences. However, we cannot tell from this comparison how much of any trend is due to changes in the support system.
- figures for Year 1 students in 2007/08 compared to Year 1 students in 2004/05. Year 1 students in 2004/05 were all on the 'old system' whereas Year 1 students in 2007/08 are all on the 'new system'. This comparison therefore provides the purest indication of differences arising from the changes in the support system, between the two surveys.

For part-time students (inc. OU students): the data is presented in two columns, at the overall level only. There is no need to make the additional Year 1 distinction among part-time students as they are essentially under the same support system as in 2004/05 (although there have been some changes).

All of the 2004/05 monetary amounts presented in the trend tables in Chapter 9 have been up-rated using 2007/08 Retail Price Index (RPI) data for Quarter 1 (Q1) 2008 (ie the fieldwork period). This approach was also taken in the previous report which compared 2004/05 with results from 1998/99.

According to Office for National Statistics (ONS) figures, the RPI for Q1, 2005 was 189.7 and for Q1, 2008 was 211.1. This means the multiplier used for up-rating 2004/05 figures is 1.113 (calculated by dividing the RPI in Q1 2008 by the RPI in Q1 2005).

1.5 Glossary

Because of the complexity of students' finance and the different definitions involved in categorising students, we have assembled a glossary of terms used in the rest of this report.

Figure 1.4: Glossary of terms used, SIES 2007/08

Eligible student

Students included in the survey:

- must have been attending or registered at an English or Welsh HEI, or English HEI, or English FEC or Open University in academic year 2004/05
- on an undergraduate level course (bachelor degree, foundation degree, HND, HNC, HE diplomas/certificates) or PGCE/initial teacher training
- studying a full-time course or a part-time course that is equivalent to at least 50 per cent of a full-time course (see Part-time student)
- and have been ordinarily resident in UK for three years before starting course (ie UK is their home even if travelling/working abroad)
- not in the placement year of a sandwich course during 2004/05.

Part-time student

Students (excluding OU) on an undergraduate or PGCE course lasting at least one academic year and equivalent to at least 50 per cent of a full-time course. OU students were included if they were studying for an undergraduate degree or PGCE course and eligible for financial support (which involved taking or registering for a course worth more than 60 credit points). NB This profile means that the OU students included in this survey are not typical of all OU students.

Academic year

Approximately nine months duration but term dates vary between institutions; dates were assumed to be 1/10/07 to 20/6/08 for all except the OU, where the dates were 30/07/07 to 31/07/08 (12 months).

Term-time and end of academic year

Refers to periods when they are studying, usually three terms but a few institutions in the sample had two terms (semesters).

End of academic year was around late June/early July for all but the OU, where it was end July 2008.

Married or joint financial responsibility

Defined as either married or regularly sharing the costs of housing or other essential expenditure with a partner or having a joint bank or building society account with a partner. The adjustment procedure was to divide joint expenditure by two. Full details are provided in Appendix 1: Technical Report.

Old system/new system students

Old system students started or applied to their course before September 2006, and are therefore covered by the 'old' system of student financial support, and do not have to pay variable tuition fees. This group will include some students who were accepted by their course earlier, but who deferred starting it until September 2006 or later. New system students are those who commenced their course in or after September 2006 (excluding those on deferred places from previous years) and are covered by the 'new' support system.

Dependent/independent students

Dependent students are full-time students:

- aged under-25, unmarried, not financially independent for three years prior to their course, and do not have children of their own living with them who are aged 16 or under, or in full-time education and aged 17 or 18.

Independent students are:

- all part-time students
- full-time students aged 25+, married, financially independent for three years prior to the start of their course, or with children of their own living with them, aged 16 or under, or in full-time education and aged 17 or 18.

Social class

The social class results shown are based on the National Statistics Socio-Economic Classifications (NS-SEC), which are derived in the following way:

- for full-time independent students: student's last paid occupation before their course was coded
- for full-time dependent students: occupation of main income earner in house where student lived before starting course
- for part-time students: student's current or last paid occupation.

For the purposes of survey analysis we use three categories of socio-economic groups:

- managerial and professional
- intermediate
- routine and manual.

Household/family type

This refers to term-time living arrangements for non-OU students, and depends on the extent to which people were sharing accommodation and financial responsibilities, or had financial responsibilities for others. From several questions, students were recorded into the following:

- two-adult family: means living in household with another adult plus child(ren)
- lone-parent family: means single adult in household plus child(ren)

- couple: means married/living with adult partner, no children
- single: means not sharing accommodation/financial responsibilities, no children.

Domicile

Domicile is taken to mean a student's normal residence prior to commencing their programme of HE study. References to English students or students from England equate to English domicile; and similarly Welsh students or students from Wales equate to Welsh domicile.

2 Total Student Income

2.1 Summary of key findings

- Full-time students' average total income during the 2007/08 academic year was £10,065. Part-time students received around 16 per cent more, on average, at £11,710.
- The higher average total income figure among part-time students was mainly attributable to their higher earnings from paid work during the academic year. Full-time students relied much more heavily on income from the sources of student funding support, including student maintenance loans, various grants, and the tuition fee loan (which is paid direct to the students' institution).
- Average total incomes and their composition varied considerably between different groups of students, but especially by household/family type (linked to age), and living circumstances.
- The highest incomes among full-time students were reported by students with dependent children (in particular lone-parents), and the lowest among students living at home, those aged 20 to 24, or studying under the old system of student finance. However, higher income should not be interpreted as being 'better off' given that those with higher average incomes may have also had higher average expenditure, while those with lower incomes may have lower expenditure (see Chapters 4 and 5).
- Among part-time students, women, those with dependent children, and students from a managerial/professional background had the highest incomes; while men and students from routine/manual backgrounds has the lowest.
- Social class differences among part-time students were more pronounced than among full-time ones. Part-time students from managerial/professional backgrounds had a much higher average total income than working class students, largely driven by their higher earnings from paid work.
- Among full-time students, those covered by the new system of student finance had a higher average total income than those under the old system (mainly linked to their higher income from the sources of student support, in particular student loans for tuition fees, which are paid directly to their institution).
- Differences between the new and old student funding systems were also related to differences between students in different years of study. Broadly speaking, students in the first or second year had a higher average total income – and obtained a higher proportion of their income – from the sources of student support (and the majority of these were covered by the new system).

2.2 Introduction

This chapter presents the main survey findings on total income for Welsh-domiciled students in the academic year 2007/08. This includes both HE-related income (from student loans, grants and other forms of financial support for studying) and income from other sources such as family and friends, paid work and social security benefits. The chapter presents an overview of income including:

- total average income of full-time and part-time students from all courses

- how the composition of students' income varies between full-time and part-time students; and
- how total average income levels vary between students with different characteristics and on different types of course.

The interview sought to identify all the sources of income a student had received during the 2007/08 academic year, and the amounts received from each. An overall total income figure was then derived by summing these amounts. Figure 2.1 summarises the main sources of student income and their constituent parts.

Figure 2.1: Components of student income

Estimated total income is derived from summing income from the following categories:

Sources of student funding support: This comprises the tuition fee loan; the maintenance loan; the Assembly Learning Grant, Special Support Grant and other grants including the tuition fee grant; Financial Contingency Funds; the Course Grant for part-time students; child-related support; teaching and NHS-related support; disabled student allowances; employer support; Career Development Loans; support direct from institutions (such as bursaries including the Welsh Bursary Scheme); support from charities; European Union (EU) grants.

Income from family and friends: This includes financial contributions from parents, other relatives, and non-relatives; gifts in kind; gifts of money from a partner; and students' share of their partner's income (where relevant). The share of partner's income may result in a negative amount, if the student contributes more than they receive. Income from family and friends may also result in a negative amount overall, if the share of partner's income is negative and is not offset by contributions from other sources.

Income from paid work: This comprises earnings from a permanent/continuous job, and other casual jobs during the academic year. Income from jobs done during the summer vacation is not counted as part of total income during the academic year, but is reported separately in Chapter 3.

Social security benefits: Income from Council Tax Benefit and other benefits.

Other income: This category includes other miscellaneous sources of income, such as money made from the sale of books, computers, and other equipment.

Only the main variations between students are discussed in this chapter, and additional tables at the end of the chapter present further results for key groups of students. Changes in income compared with 2004/05 are presented in Chapter 9 and comparisons with English-domiciled students in Chapter 10.

2.3 Total income

2.3.1 Introduction

In this section we examine the overall level of income and its main constituent categories, separately for full-time and part-time students. We also look at the overall composition of income in terms of the proportion of income falling into different categories.

2.3.2 Key findings

The average (mean) total income of Welsh-domiciled full-time students during the 2007/08 academic year was £10,065. The median was slightly lower at £9,470 (which means that 50 per cent of students received at least this amount, and 50 per cent received more). Among part-time students the average (mean) total income was higher, at £11,710, and the median income was £11,133.

Table 2.1: Total student income and main sources of income for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Sources of student support	Mean	5,912	995
	Median	5,845	800
	SE	150	98
Income from paid work	Mean	1,904	8,411
	Median	120	8,100
	SE	162	762
Income from family and friends*	Mean	1,679	-119
	Median	900	0
	SE	143	453
Social security benefits*	Mean	328	1,875
	Median	0	527
	SE	43	497
Other income*	Mean	242	549
	Median	0	0
	SE	47	150
Estimated total income*	Mean	10,065	11,710
	Median	9,470	11,133
	SE	244	537
<i>N = (744) unweighted</i>		550	194

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

2.3.3 Composition of total income

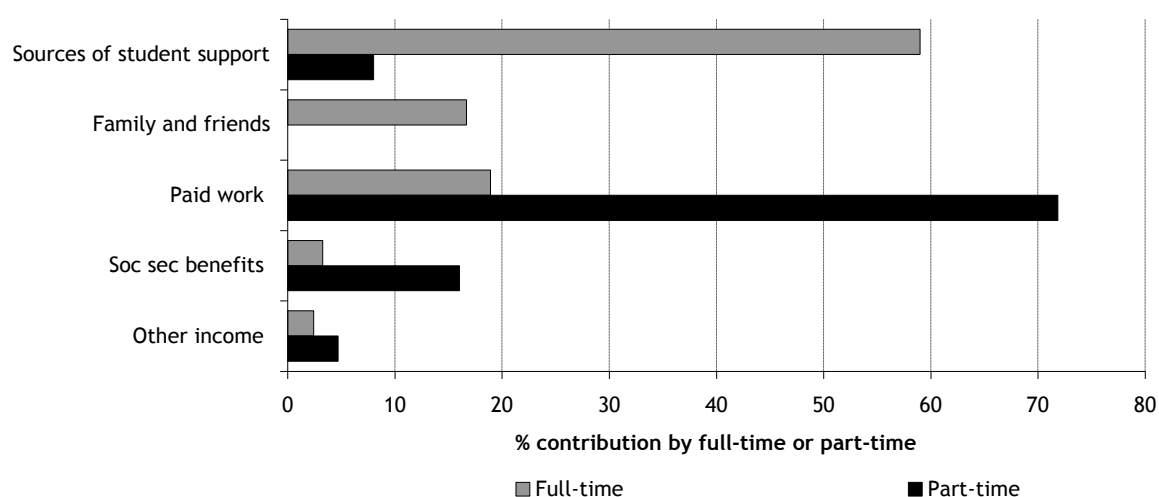
Differences in the total average income level between full-time and part-time students can largely be explained by the much higher incidence of paid work among part-time students, and the relatively greater contribution that such earnings make to their total income (Figure 2.1). The results show that, overall:

- **Income from the sources of student funding support** (such as grants, loans and bursaries) formed a much higher proportion of full-time students' than part-time students' average total income (59 per cent compared with just eight per cent). Much of

this difference is linked to the eligibility criteria for these forms of funding, which are in the main directed at full-time rather than part-time students.

- **Income from paid work** was the main source of income among part-time students (comprising 72 per cent of the total). Among full-time students, this comprised a sixth of their total income, on average (19 per cent).
- **Income from family and friends** represented a sixth of full-time students' average total income (17 per cent). On average, part-time students did not gain any income from this source (although this varies significantly according to different student characteristics) – because they contributed more than they received.
- **Income from social security benefits** accounted for a higher proportion of part-time students' income than it did among full-time ones (16 per cent compared with just three per cent). Again, this is linked to variations in eligibility: very few full-time students are eligible to receive state benefits.
- **Income from other sources** was low, on average, and comparable among full-time and part-time students.

Figure 2.2: Composition of total income for Welsh-domiciled full-time and part-time students



Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

2.4 Variations in total income between student groups

2.4.1 Introduction

In this section we look at key differences in average total income between different types of student (in terms of their individual and socio-economic characteristics, HE study-related factors, and location). Variations among full-time and part-time students are explored separately (in Sections 2.4.2 and 2.4.3). Many characteristics interlock (for example, older students are more likely to have children), so differences in income between different groups may simply reflect these overlaps. For this reason, multivariate

regression has been used to explore the differences between students in more detail, controlling for variations in other background factors¹⁶.

2.4.2 Full-time students

The range of average (mean) total incomes in Tables A2.1 and A2.2 show substantial variations linked to student and HE study characteristics. The highest average total incomes were found among students aged 25 or older (£12,780) and among students in households with dependent children (£13,934 among two-parent households and £17,922 in lone-parent households¹⁷). Looking at the bottom of the range, the lowest averages were found among students aged 20 to 24 (£8,694), those living with their parents (£8,675), and among old system students (£8,674). Excluding the latter, these patterns were similar to those found in the 2004/05 survey (see Chapter 9 for more detail on comparisons over time).

Some of these variations are likely to be linked to different personal and study circumstances affecting income profiles in different (and inter-related) ways. It would be wrong to interpret those with a higher income as being 'better off', as – for example with lone-parent families – they may also have much higher expenditure (discussed in Chapters 4 and 5).

In order to unpick which student and study characteristics were most strongly associated with variations in total income, a multiple linear regression model was conducted (Table 2.2). This model found that significant variations in income were determined by a range of factors, discussed in turn below.

¹⁶ Multiple linear regression is an analysis technique whereby the value of one variable (the dependent variable), in this case total income, is estimated in terms of a number of other (independent) variables, in this case student and study characteristics such as age, gender and subject of study. The linear regression model takes account of the interactions between different independent variables. Variables which have a statistically significant effect on the dependent variable, after controlling for other background differences, are indicated by one or more asterisks (*). The number of asterisks indicates the strength of the statistical relationship: one asterisk indicates significance at the 95 per cent confidence level, two asterisks indicate significance at the 99 per cent confidence level, and three asterisks indicate significance at more than 99 per cent.

¹⁷ These figures should be treated with caution due to the small base sizes involved (N=44 students in dual-parent households and 34 in lone-parent households).

Table 2.2: Linear regression model of total average income, full-time Welsh-domiciled students

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
All students	9,587	0.000	7,830	11,343
Gender				
Male (ref. category)	0			
Female	-332	0.518	-1,342	677
Age group				
<20 (ref. category)	0			
20 to 24*	-1,245	0.048	-2,482	-9
25+	-2,653	0.071	-5,532	9226
Socio-economic group				
Managerial/professional (ref. category)				
Intermediate*	1,157	0.031	104	2,210
Routine/manual	423	0.388	-539	1,386
Household/family type				
Single (ref. category)	0			
Lone parent***	8,072	0.000	5,280	10,864
Two-adult family**	3,896	0.001	1,691	6,100
Couple	2,280	0.050	-495	4,561
Status				
Dependent (ref. category)	0			
Independent	1,946	0.089	-299	4,192
Whether lives with parents				
No (ref. category)	0			
Yes*	-1,180	0.021	-2,178	-182
Parents experience of HE				
No HE parents (ref. category)	0			
Parents went to HE	-266	0.560	-632	1,165
Location of institution				
Welsh HEI (ref. category)	0			
English HEI	659	0.165	-273	1,590
Subject				
Social sciences, Business etc/Arts, humanities etc./Combined (ref. category)	0			
Medicine/Dentistry and subjects allied to medicine	219	0.720	-977	1,413
Science/Engineering/Technology/IT	-272	0.545	-1,155	611
Education	852	0.496	-1,604	3,307
Year of study				
First year (ref. category)	0			
Second/intermediate year	-802	0.109	-1,783	179
Final year/one-year course	-468	0.515	-1,881	945

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
Qualification				
Bachelor degree, HND/C/Foundation degree (ref. category)	0			
PGCE/ITT	2,101	0.162	-846	5,049
Old or New system				
Old system (ref. category)	0			
New system	548	0.383	-687	1,784

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Student background

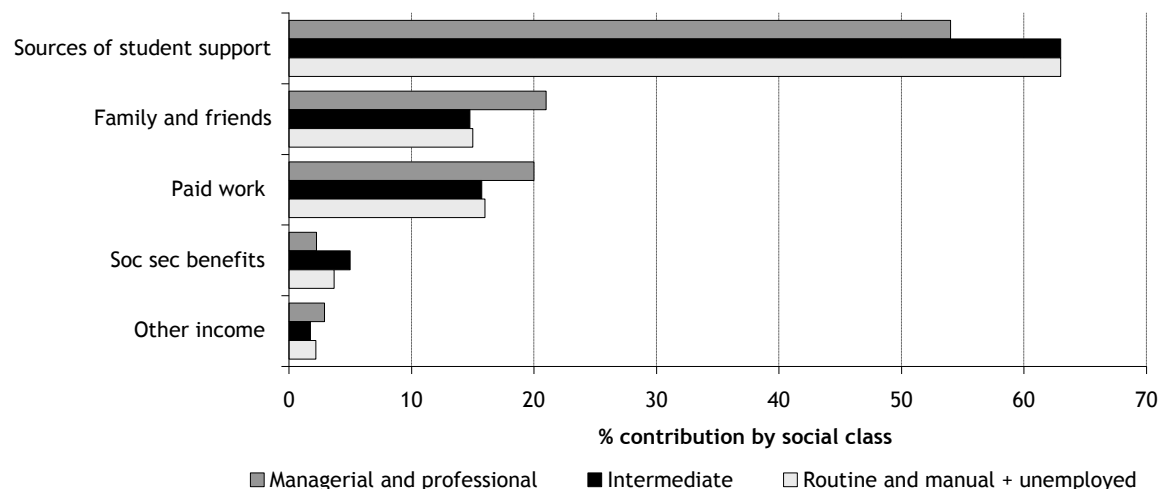
Total average income did not vary significantly by gender (Table A2.3). Students' age is linked to other factors such as family type, and dependent/independent financial status – but age was still significant in the regression, after controlling for these other factors. Older students aged 25 or more had a higher average total income than younger students (£12,780 compared with £10,106 among students aged under-20 and £8,694 among those aged 20 to 24; see Table A2.4).

Notably, the regression model found that, after controlling for other factors, being from an intermediate social class was associated with a higher average total income (see Table A2.5 for a breakdown of total income by social class). Students from intermediate social class backgrounds enjoyed a higher average income (£10,989) than those from managerial/professional social class backgrounds (£9,536) and from routine/manual backgrounds (£10,452).

The main factor behind this was that students from managerial/professional social class backgrounds received less income from the sources of student funding support, which comprised just over half of their income (£5,174 or 54 per cent) compared with around two-thirds of income among students from the intermediate and routine/manual social classes (whose average incomes from this category were £6,946 and £6,548 respectively, Figure 2.3).

For students from managerial/professional social class backgrounds, a higher proportion of their average income came from family and friends (£1,891, representing 20 per cent, compared with £1,582 or 15 per cent for students from routine/manual backgrounds) and from paid work (£1,963 or 21 per cent, compared with £1,671 or 15 per cent among those from intermediate social class backgrounds).

Figure 2.3: Contribution towards total income by socio-economic group, full-time Welsh-domiciled students

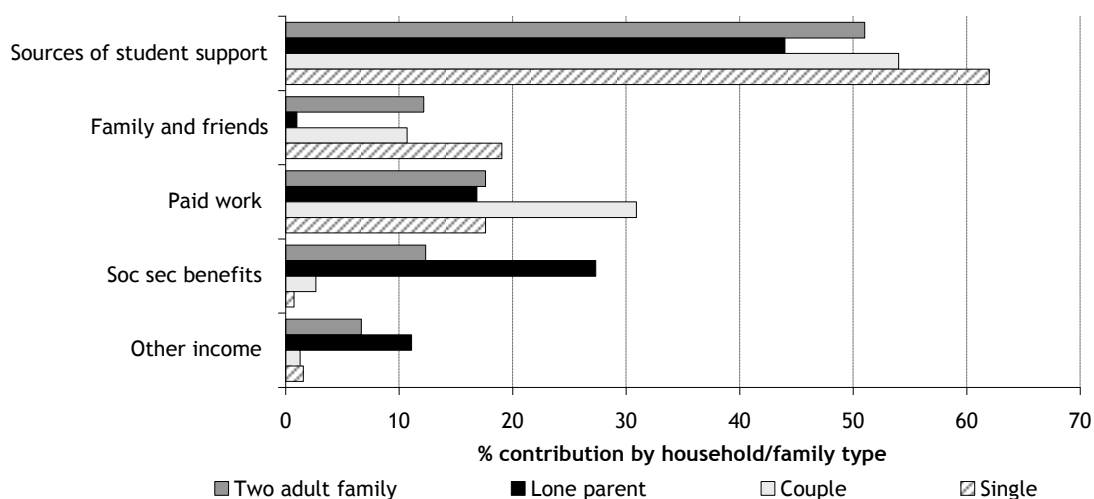


Base: all Welsh-domiciled full-time students for whom social class could be reliably derived

Source: NatCen/IES SIES 2007/08

Average total income was strongly correlated with full-time students' family type, and remained significant once other background factors were accounted for. Those in families with dependent children had the highest levels of income (£17,922 among lone parents and £13,934 among two-parent families), compared to those in a couple without children (£12,352) or single (£9,315). Lone parents received a much higher proportion of their average total income from social security benefits, and a much lower proportion from family and friends, than those in any other group (Figure 2.4; Table A2.6).

Figure 2.4: Contribution towards total income by family type, full-time Welsh-domiciled students



Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Full-time students who continued living with their parents while studying had a lower average total income than those who lived away from home (£8,675 compared with £10,498). This difference remained significant once other factors were taken into account (using the regression model). Students who lived at home during their course received slightly less from the sources of student support, on average, and less financial support from family and friends (Table A2.7). This was only partly offset by the fact that they had a higher average income from paid work (£2,268 compared with £1,791) – reflecting the fact that more of them worked while studying.

HE study-related factors

Some variation in average total income levels is explained by HE-study related factors, although none of these proved to be significant factors in the regression. Among full-time students, new system students had a higher average total income than old system ones (£10,834 compared with £8,674) (although we would expect this to be the case given that new system students are eligible for higher levels of student financial support, as they have higher fees to pay).

Table 2.3 reveals this was largely because of higher income from the sources of student support. The primary differences here were the increased amounts they received from the tuition fee loan (fees are higher under the new system) and from tuition fee support (discussed in more detail in Sections 3.3 and 3.4).

Table 2.3: Student income and its main components among Welsh-domiciled full-time students, by old or new system

		Old system	New system
Sources of student support	Mean	4,489	6,698
	Median	4,425	6,455
	SE	192	178
Income from paid work	Mean	1,602	2,071
	Median	0	308
	SE	217	220
Income from family and friends*	Mean	2,041	1,479
	Median	1,485	600
	SE	220	199
Social security benefits*	Mean	270	360
	Median	0	0
	SE	72	55
Other income*	Mean	273	225
	Median	20	0
	SE	89	53
Estimated total income*	Mean	8,674	10,834
	Median	8,075	10,170
	SE	348	296
<i>N = (550) unweighted</i>		182	368

*Note: figures adjusted for partner contributions where relevant

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatGen/IES SIES 2007/08

Taken together, income from the sources of student support accounted for almost two-thirds of new system students' average total income (62 per cent) – more than for old system students (52 per cent). Old system students got a larger share of their average total income from family and friends (24 per cent compared with 14 per cent), although a similar proportion of their income came from paid work (18 per cent compared with 19 per cent for new system students).

What should be noted here is that the income that new system students get in tuition fee loans is actually paid directly to their institution. Therefore, although they appear to receive higher income from the main sources of student support, this does not necessarily represent more income in the students' own pockets. If income from tuition fee loans and the tuition fee grant is discounted¹⁸ (for both old and new system students), there is a much narrower gap in their total average incomes, at £8,408 for old system and £9,050 for new system students, respectively.

Year of study is interconnected with whether students are covered by the old or the new funding system (as this largely depends on whether they started their course after the 2006 reforms were implemented). Among Welsh-domiciled full-time students, all first years and the majority of second years are new system students. Broadly speaking, first years obtained a higher income – and a greater proportion of their total income – from the main and other sources of student support, than students in final year or one-year courses (Table A2.8), but this was not significant once other variables were controlled for.

Although there was no significant difference between the total average income for medical/dentistry students and those doing other subjects (Table A2.9), the composition of their incomes was very different¹⁹. Medical/dentistry students relied less on the sources of student support than students studying other subjects (just 50 per cent of their average total income came from this source, even accounting for NHS Bursaries). Compared with other students, a higher proportion of their total average income came from friends and family (22 per cent) and paid work (24 per cent).

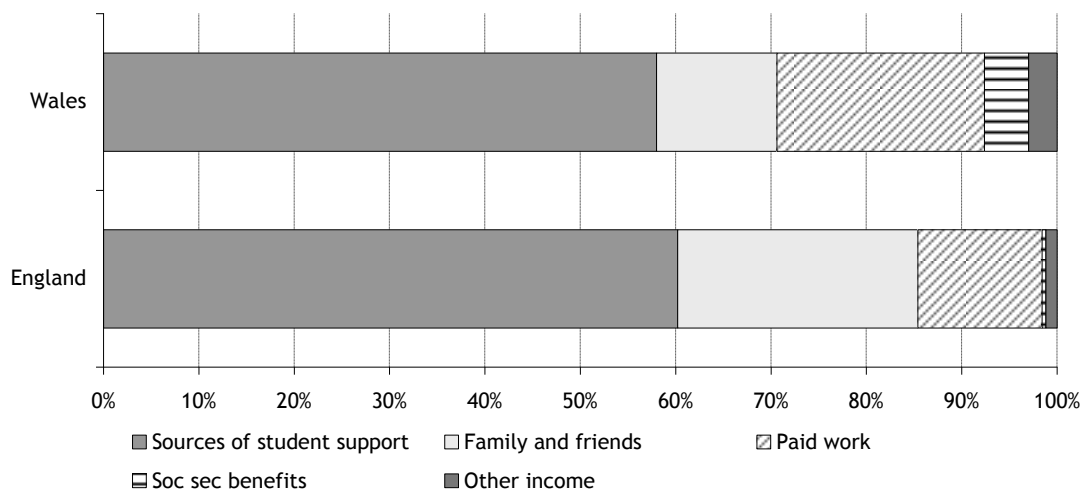
Location factors

By location, there was no significant difference in the average total incomes of full-time Welsh-domiciled students studying in England or Wales (Table A2.10). What was different was the relative composition of their income (Figure 2.5). Students received comparable amounts from the sources of student support regardless of where they studied (averaging £5,943 in Wales and £5,851 in England, and contributing around three-fifths of total average income in either location). However, those studying in England received substantially more of their income in contributions from friends and family (averaging £2,434 and representing a quarter of their total, compared with an average of £1,296 or 13 per cent among those studying in Wales). On the other hand, students who studied in Wales received more income from paid work (£2,231 compared with £1,260 in England) and this represented a much higher proportion of their overall income at 22 per cent compared with 13 per cent.

¹⁸ Students may pay their tuition fees from sources other than the tuition fee loan or tuition fee grant (eg using money from parents) – so some income used to pay towards tuition fees will still be included in these total average income figures, even when we strip out the tuition fee loan and tuition fee grant.

¹⁹ The small base size for medicine/dentistry students (N=38) means these results should be treated with caution.

Figure 2.5: Composition of total average income by location of study, Welsh-domiciled full-time students



Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Students receiving the Assembly Learning Grant/Special Support Grant

Although it was not included in the regression model (as it is a dependent rather than an independent variable related to total average income, and due to concerns about multicollinearity, ie strong associations with other variables included in the model), total income among new system students was explored according to whether students had received the Assembly Learning Grant/Special Support Grant, or not. This found that new system students receiving this grant had a significantly higher average total income than other new system students (£11,527 compared with £10,350). As Table 2.4 indicates, these students received substantially more income from the sources of student funding support, which more than outweighed their substantially lower income from family and friends.

Table 2.4: Student income and its main components among Welsh-domiciled full-time new system students, by whether or not they received the Assembly Learning Grant/Special Support Grant

		Does not receive ALG/SSG	Receives ALG/SSG
Sources of student support	Mean	5,505	8,409
	Median	5,798	8,574
	SE	173	288
Income from paid work	Mean	2,274	1,778
	Median	674	120
	SE	332	213
Income from family and friends*	Mean	2,044	669
	Median	1,000	150
	SE	292	209

		Does not receive ALG/SSG	Receives ALG/SSG
Social security benefits*	Mean	292	459
	Median	0	0
	SE	56	108
Other income*	Mean	235	212
	Median	0	0
	SE	81	57
Estimated total income*	Mean	10,350	11,527
	Median	9,595	10,791
	SE	412	360
<i>N = (368) unweighted</i>		221	147

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled new system full-time students

Source: NatCen/IES SIES 2007/08

2.4.3 Part-time students

Table A2.11 shows key variations in total average (mean) income among part-time students, by student and HE study characteristics. The highest total average incomes were found among those in professional/managerial social classes; and women. Conversely, part-time students with the lowest total average incomes were those from routine/manual social class backgrounds; and men. As with English-domiciled students, much of the variation between part-time students relates to differences in the relative contribution of income from paid work and/or from social security benefits, and to the transfer of income between partners, rather than to differences in student financial support.

The average total income of part-time female students was higher than that of men (Table 2.5). This corresponds with the pattern among full-time students and is related to associations between gender and family type (in particular, female students made up the majority of dual and lone-parent households). Compared with male part-time students, women tended to receive less income from paid work, on average (£7,659 compared with £9,944), and more from social security benefits (£2,354 compared with £1,263). However, the biggest difference by far was for income from family and friends. Once adjusted for joint financial responsibility, women 'gained' £1,251 whereas men 'lost' £2,143²⁰.

Notably, differences in income levels across socio-economic groups were more exaggerated among part-time than among full-time students. Students in the managerial and professional social class had a much higher total average income than those in the routine and manual social class (Table A2.5), and this was largely explained by higher income from paid work while studying (£10,962 compared with £6,148). However, this is to be expected given that the socio-economic classification for part-time students is based on their own current or previous occupation, rather than that of their parents: a student working in a professional or managerial occupation is likely to earn considerably more than one working in a routine or manual job.

²⁰ Broadly speaking, the negative figure for part-time male students means that they contributed more income than they took, once adjusted for partner contributions.

Table 2.5: Total student income and main sources of income by gender, Welsh-domiciled part-time students

		Male	Female
Sources of student support	Mean	880	1,107
	Median	800	802
	SE	119	147
Income from paid work	Mean	9,944	7,659
	Median	9,900	7,920
	SE	1,038	1,035
Income from family and friends*	Mean	-2,143	1,251
	Median	0	50
	SE	690	561
Social security benefits*	Mean	1,263	2,354
	Median	2	585
	SE	250	811
Other income*	Mean	944	299
	Median	0	0
	SE	349	93
Estimated total income*	Mean	10,889	12,670
	Median	9,616	12,830
	SE	825	576
<i>N = (193) unweighted</i>		<i>64</i>	<i>129</i>

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

There were no marked differences in average total income between part-time old system and new system students (averaging £11,530 and £11,619 respectively). Further analysis is not possible due to small base sizes within the part-time student sample.

Additional tables

Table A2.1: Key variations in Welsh-domiciled full-time students' total average income, by student characteristics (£)

	Mean	Median	SE	<i>N, unweighted</i>
Gender				
Male	9,943	9,633	483	134
Female	10,154	9,335	224	415
Age group (current age)				
Under 20	10,106	9,838	318	166
20-24	8,964	8,155	389	220
25 or over	12,780	11,936	529	163
Socio-economic group				
Managerial and professional	9,536	9,051	302	238
Intermediate	10,989	9,737	530	99
Routine/manual and unemployed	10,452	9,735	462	146
Status				
Dependent	9,290	9,035	266	356
Independent	12,461	10,983	515	194
Family type				
Two-adult family	(13,934) ¹	(12,451)	(800)	44
One-adult family	(17,922)	(17,338)	(1,223)	34
Married or living as a couple	12,352	11,547	1,014	63
Single	9,315	9,045	250	409
Lives with parents during term-time				
Yes	8,675	9,051	365	120
No	10,498	9,680	302	430

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students (550)

Source: NatCen/IES SIES 2007/08

Table A2.2: Key variations in Welsh-domiciled full-time students' total average income, by HE study factors (£)

	Mean	Median	SE	N, unweighted
Old/new system				
Old	8,674	8,075	348	182
New	10,834	10,170	296	368
Year of study				
First year	11,147	10,289	350	220
Intermediate years	9,678	9,035	432	162
Final year/one-year course	9,186	8,272	440	168
Subject				
Medicine/Dentistry	(10,850) ²	(8,890)	(1,386)	38
Other subjects, of which:				
Allied to Medicine	(10,222)	(9,469)	(741)	49
Science/Engineering/Technology/IT	9,356	9,225	383	103
Human/Social Sci./Business/Law	10,072	9,838	413	118
Creative Arts/Lang./Humanities	9,379	8,570	330	125
Education	11,957	10,030	956	97
Combined/Other	— ¹	—	—	20
Institution location				
Wales	10,253	9,657	294	403
England	9,696	9,225	430	147

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students (550)

Source: NatGen/IES SIES 2007/08

Table A2.3: Total student income and main sources of student income for Welsh-domiciled students, by gender (£)

		Full-time		Part-time	
		Male	Female	Male	Female
Sources of student support	Mean	5,839	5,963	880	1,107
	Median	5,570	6,018	800	802
	SE	270	165	119	147
Income from paid work	Mean	1,949	1,861	9,944	7,659
	Median	0	630	9,900	7,920
	SE	356	133	1,038	1,035
Income from family and friends*	Mean	1,849	1,575	-2,143	1,251
	Median	1,225	700	0	50
	SE	290	134	690	561
Social security benefits*	Mean	104	484	1,263	2,354
	Median	0	0	2	585
	SE	38	68	250	811
Other income*	Mean	203	271	944	299
	Median	2	0	0	0
	SE	76	59	349	93
Estimated total income*	Mean	9,943	10,154	10,889	12,670
	Median	9,633	9,335	9,616	12,830
	SE	483	224	825	576
<i>N = (742) unweighted</i>		<i>134</i>	<i>415</i>	<i>64</i>	<i>129</i>

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A2.4: Total student income and main sources of student income for Welsh-domiciled students, by age group at start of the academic year (£)

		Full-time			Part-time			
		Under 20	20-24	25+	Under 25	25-29	30-39	40+
Sources of student support	Mean	6,348	5,219	6,863	– ¹	(1,488)	644	979
	Median	6,455	4,975	7,024	–	(1,100)	0	736
	SE	254	185	339	–	(184)	149	128
Income from paid work	Mean	1,492	1,747	3,068	–	(10,871)	10,764	6,620
	Median	0	188	1,260	–	(9,900)	12,600	3,420
	SE	182	277	351	–	(1,244)	1,478	1,244
Income from family and friends*	Mean	2,046	1,838	603	–	(-309)	-1,936	527
	Median	1,350	1,123	75	–	(60)	0	0
	SE	215	228	322	–	(751)	883	646
Social security benefits*	Mean	57	33	1,562	–	(616)	1,398	3,293
	Median	0	0	275	–	(0)	683	1,950
	SE	30	21	203	–	(254)	299	1,132
Other income*	Mean	162	127	684	–	(291)	171	1,154
	Median	2	0	0	–	(2)	0	0
	SE	71	26	199	–	(107)	82	375
Estimated total income*	Mean	10,106	8,964	12,780	–	(12,956)	11,040	12,573
	Median	9,838	8,155	11,936	–	(12,207)	11,889	11,953
	SE	318	389	529	–	(1,049)	1,074	994
<i>N = (743) unweighted</i>		166	220	163	25	32	54	83

*Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A2.5: Total student income and main sources of student income for Welsh-domiciled students, by social class (NS-SEC) (£)

		Full-time			Part-time		
		Managerial/ professional	Intermediate	Routine, manual & unemployed	Managerial/ professional	Intermediate	Routine, manual unemployed
Sources of student support	Mean	5,174	6,946	6,548	873	(1,126) ¹	1,030
	Median				730	(905)	750
	SE				116	(140)	157
Income from paid work	Mean	1,963	1,671	1,644	10,962	(8,413)	6148
	Median	28	270	585	11,250	(9,000)	4950
	SE	216	248	213	888	(863)	1,017
Income from family and friends*	Mean	1,892	1,662	1,582	-833	(539)	1021
	Median	1,580	605	2	0	(60)	90
	SE	170	35	395	709	(524)	878
Social security benefits*	Mean	223	523	457	914	(1,145)	2036
	Median	0	0	0	2	(0)	780
	SE	51	42	103	181	(335)	341
Other income*	Mean	284	186	222	731	(829)	355
	Median	5	0	0	0	(0)	0
	SE	85	72	73	265	(473)	118
Estimated total income*	Mean	9,536	10,987	10,452	12,647	(12,052)	10,589
	Median	9,051	9,737	9,735	11,953	(11,022)	9,501
	SE	302	530	462	851	(765)	617
<i>N = unweighted</i>		238	99	146	85	36	64

*Note: figures adjusted for partner contributions where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students (excludes OU students) for whom social class could be reliably derived

Source: NatCen/IES SIES 2007/08

Table A2.6: Total student income and main sources of student income for Welsh-domiciled students, by family type (£)

		Full-time				Part-time			
		One-adult family	Married/ living as couple	Single	Two-adult family	One-adult family	Married/ living as couple	Single	Two-adult family
Sources of student support	Mean	(7,141) ²	7,843	6,734	(5,687)	– ¹	748	1,324	722
	Median	(6,554)	8,424	6,625	(5,750)	–	560	1,470	525
	SE	(747)	860	436	(161)	–	245	112	116
Income from paid work	Mean	(3,018)	3,815	1,640	(2,452)	–	9,693	7,069	9,628
	Median	(0)	1,860	30	(439)	–	9,900	7,220	9,567
	SE	1,085	672	174	(525)	–	1,711	1,118	1,172
Income from family and friends*	Mean	(179)	1,319	1,775	(1,695)	–	-1,084	549	36
	Median	(0)	189	1,020	(250)	–	-1,944	40	0
	SE	(65)	1,103	117	(1,097)		1,090	276	904
Social security benefits*	Mean	(4,895)	327	69	(1,718)	–	938	2,592	1,191
	Median	(4,563)	0	0	(897)	–	34	0	761
	SE	459	91	26	(281)	–	218	1,305	191
Other income*	Mean	(1,987)	157	144	(928)	–	1,142	405	158
	Median	(120)	0	0	(0)	–	5	0	0
	SE	(831)	61	34	(403)	–	476	142	76
Estimated total income*	Mean	(17,922)	12,352	9,315	(13,934)	–	11,437	11,939	11,735
	Median	(17,338)	11,547	9,045	(12,451)	–	11,850	10,305	12,339
	SE	(1,223)	1,014	250	(800)	–	822	1,000	1,083
<i>N = (734) unweighted</i>		34	63	409	44	18	51	58	67

*Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A2.7: Total student income and main sources of student income for Welsh-domiciled full-time students, by whether lives with parents during term-time or not (£)

		Lives with parents	Does not live with parents
Sources of student support	Mean	4,931	6,218
	Median	5,100	6,175
	SE	285	182
Income from paid work	Mean	2,268	1,791
	Median	2,152	0
	SE	213	200
Income from family and friends*	Mean	1,163	1,840
	Median	570	1,000
	SE	166	180
Social security benefits*	Mean	95	401
	Median	0	0
	SE	46	56
Other income*	Mean	219	250
	Median	5	0
	SE	104	52
Estimated total income*	Mean	8,675	10,498
	Median	9,051	9,680
	SE	365	302
<i>N = (550) unweighted</i>		<i>120</i>	<i>430</i>

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A2.8: Total student income and main sources of student income for Welsh-domiciled students, by year of study (£)

		Full-time			Part-time		
		First year	Other year	Final year/ one year course	First year	Other years	Final year/ one year course
Sources of student support	Mean	6,637	6,001	4,920	1,101	917	980
	Median	6,455	6,090	4,550	855	730	802
	SE	214	249	274	133	168	189
Income from paid work	Mean	1,970	1,878	1,854	9,034	8,313	7,886
	Median	281	90	221	9,000	7,920	7,920
	SE	202	372	263	1,266	1,151	1,632
Income from family and friends*	Mean	1,862	1,529	1,627	5	77	-487
	Median	605	950	1,230	0	0	20
	SE	312	172	241	561	972	631
Social security benefits*	Mean	459	138	387	1,178	1,615	2,911
	Median	0	0	0	2	780	546
	SE	84	41	95	306	279	1,471
Other income*	Mean	220	132	397	445	432	798
	Median	0	8	15	0	0	0
	SE	75	30	123	144	150	431
Estimated total income*	Mean	11,147	9,678	9,186	11,763	11,355	12,087
	Median	10,289	9,035	8,272	11,850	9,612	11,953
	SE	350	432	440	1,171	737	813
<i>N = (744) unweighted</i>		220	162	168	69	61	64

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A2.9: Total student income and main sources of student income for Welsh-domiciled full-time students, by subject type (£)

		Medicine & Dentistry	Subjects allied to medicine	Sciences/ Engineering/ Technology/IT	Human/Social Sciences/ Business/Law	Creative Arts/ Languages/ Humanities	Education	Combined /other
Sources of student support	Mean	(5,453) ²	(5,316)	5,842	5,871	6,012	6,062	— ¹
	Median	(4,700)	(4,806)	5,690	6,335	6,295	5,340	—
	SE	(519)	(417)	263	294	265	497	—
Income from paid work	Mean	(2,558)	(2,196)	1,488	2,054	1,389	3,022	—
	Median	(0)	(28)	0	945	266	1,521	—
	SE	(1,250)	(478)	264	316	184	434	—
Income from family and friends*	Mean	(2,430)	(1,582)	1,700	1,386	1,753	1,787	—
	Median	(2,160)	(1,000)	880	850	1,020	600	—
	SE	(457)	(385)	279	189	250	860	—
Social security benefits*	Mean	(198)	(799)	100	445	146	628	—
	Median	(0)	(0)	0	0	0	0	—
	SE	(101)	(264)	49	115	68	140	—
Other income*	Mean	(210)	(328)	227	315	78	457	—
	Median	(50)	(0)	0	20	0	0	—
	SE	(90)	(199)	122	127	22	124	—
Estimated total income*	Mean	(10,850)	(10,222)	9,356	10,072	9,379	11,957	—
	Median	(8,890)	(9,469)	9,225	9,838	8,570	10,030	—
	SE	(1,386)	(741)	383	413	330	956	—
<i>N = (550) unweighted</i>		38	49	103	118	125	97	20

*Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A2.10: Total student income and main sources of student income for Welsh-domiciled full-time students, by location of institution (£)

		Wales	England
Sources of student support	Mean	5,943	5,851
	Median	5,980	5,750
	SE	170	293
Income from paid work	Mean	2,231	1,260
	Median	900	0
	SE	214	229
Income from family and friends*	Mean	1,296	2,434
	Median	550	1,750
	SE	175	148
Social security benefits*	Mean	475	38
	Median	0	0
	SE	65	219
Other income*	Mean	308	113
	Median	0	15
	SE	69	30
Estimated total income*	Mean	10,253	9,696
	Median	9,657	9,225
	SE	294	23
<i>N = (550) unweighted</i>		<i>403</i>	<i>147</i>

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A2.11: Key variations in Welsh-domiciled part-time students' total income, by student and HE study factors (£)

	Mean	Median	SE	<i>N, unweighted</i>
Gender				
Male	10,889	9,616	825	64
Female	12,670	12,830	576	129
Age group (current age)				
Under 25	– ¹	–	–	25
25-29	(12,956) ²	(12,207)	(1,049)	32
30-39	11,040	11,889	1,074	54
40 or over	12,573	11,953	994	83
Socio-economic group				
Managerial and professional	12,647	11,953	12,647	85
Intermediate	(12,052)	(11,022)	(12,052)	36
Routine/manual and unemployed	10,589	9,501	10,589	64
Family type				
Two-adult family	11,735	12,339	1,083	67
One-adult family	–	–	–	18
Married or living as a couple	11,437	11,850	822	51
Single	11,939	10,305	1,000	58

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled part-time students (194)

Source: NatGen/IES SIES 2007/08

3 Sources of Student Income

3.1 Summary of key findings

- Maintenance and tuition fee loans were the most important source of income for full-time students, contributing 34 per cent of total average income. It should be noted that income from the tuition fee loan is paid direct to the students' institution rather than to the students themselves. Part-time students are ineligible for this type of support.
- The average tuition fee loan among all full-time Welsh-domiciled students in 2007/08 was £939 (significantly lower than English-domiciled students). Around two-thirds of new system students took out a tuition fee loan (67 per cent) and among these, the average amount was £1,907 – substantially lower than the average among English domiciled new system students. In comparison, around one-fifth of Welsh-domiciled old system students took out a tuition fee loan (22 per cent).
- Three-quarters of full-time students received income from the student maintenance loan (73 per cent) and this did not vary according to whether the student was old or new system.
- Levels, thresholds and eligibility for the Assembly Learning Grant (ALG) differ between new and old system students:
 - Thirty-seven per cent of new system students received the ALG, averaging £1,898 among recipients. A further four per cent received the Special Support Grant.
 - Sixteen per cent of old system students received the ALG, averaging £1,139 among recipients.
- Two in five old system students received a tuition fee grant (42 per cent), and among those who did the average amount was £1,232²¹ (with a median at £1,225). A higher proportion of new system students received the tuition fee grant available under the post-2006 regime (closer to three in five, 57 per cent) at an average of £1,755 (median £1,845).
- One-fifth (20 per cent) of new system students studying in Wales benefited from a bursary there, receiving £1,107 on average. This compared with just five per cent of old system students.
- Income from paid work was important for full-time students (representing 19 per cent of their total average income) and critical for part-time students (comprising 72 per cent of theirs).
- Just over half of all full-time students did some form of paid work during term-time (52 per cent). Working was most common among students who lived at home with their parents during term-time, and women. There was no significant difference in propensity to work between new and old system students.
- The vast majority of part-time students combined studying with work (75 per cent). Working was most prevalent among younger part-time students aged under-30, those

²¹ This is, in fact, slightly higher than the full amount of tuition fee grant available for old system students, because a small number of students gave amounts that were higher than the standard fee level of £1,225.

from intermediate and managerial/professional social backgrounds, and those studying vocationally-oriented subjects such as health-related subjects, education, and science/engineering/technology.

- Half of part-time students and around two-fifths of full-time students who worked during the academic year reported that this had affected their studies. The most common impacts among both were less time available for study/reading (especially among part-timers), and reduced quality of work.
- On average, full-time students received £1,679 from their family, partner and friends – this accounted for less than one-fifth (17 per cent) of their average total income, equal with income from paid work. Old system students both received more and relied more on this source, which accounted for 24 per cent of their total income compared with 14 per cent among new system students.
- Across old and new system students alike, those who gained the most from family, partner and friends tended to be from more ‘traditional’ student backgrounds – younger, dependent students living away from home to study, from managerial/professional social class backgrounds.
- Overall, income from family, partner and friends was less central to part-time students. Variation between part-time students was largely driven by gender and family type/life stage.
- Although very few full-time students received income from social security benefits (13 per cent), for those who did this represented a key part of their total average income. This was especially the case for lone parents, among whom it contributed £4,895, comprising more than a quarter of their total average income.
- Social security benefits were a key source of income among part-timers, with around three in five claiming income from this source (59 per cent). Benefits played a particularly key role for older part-time students aged 40 or over, and for those from routine/manual social class backgrounds.

3.2 Introduction

This chapter looks in more detail at the different sources of income available to Welsh-domiciled students during the 2007/08 academic year. As Chapter 2 showed, the average total income levels and the amounts received from various sources differed considerably between full-time and part-time students – and according to a number of student characteristics and HE study circumstances. This chapter explores each category of income in more depth. As previously, we focus on the key variations between students; further breakdowns are presented at the end of the chapter.

3.3 Sources of student support

3.3.1 Introduction

In SIES 2007/08, we have identified the following as ‘sources of student support’. These are discussed in more detail in the rest of this section:

- Student maintenance loan (ie to support their living costs)
- Tuition fee loan

- Tuition fee support or course grants (essentially the part of a student's fee contribution which they are assessed not to have to pay)
- Assembly Learning Grant (available to both full-time and part-time students)
- Special Support Grant (for new system students)
- Higher Education Grant (for old system students)
- Access to Learning Funds/Financial Contingency Funds
- Support from university/college (for example through the Welsh Bursary Scheme)
- Support from the students' employer
- Funds related to the students' subject of study, such as NHS Bursaries, or teaching-related support
- Types of targeted financial help to certain groups, such as child-related support, the Adult Dependents' Grant, and Disabled Students Allowances
- Support from charities, non-institutional scholarships, etc.
- Career Development Loans
- Other financial support including funding from the European Union (EU).

It should be noted that some of these forms of financial support, such as the student maintenance and tuition fee loan, are universally available (for full-time students), whereas others are more targeted, depending on the students' own specific circumstances or level of family income. In the 2004/05 SIES (and in the 2007/08 English SIES), these were grouped into two broad categories of 'main' and 'other' sources of student support, but in the 2007/08 Welsh SIES, they have been collapsed into one overarching category.

3.3.2 Full-time students

Overall, the sources of student support contributed an average of £5,912, or around three-fifths (59 per cent) of total average income among full-time students. This category is a much more critical source of finance for full-time than for part-time students, among whom it contributed just eight per cent of income, on average.

Almost all full-time students received at least some income from the sources of student support (96 per cent). The principal sources of funding in this category were the student maintenance loan, the tuition fee loan, tuition fee support (a key change compared with English-domiciled students, reflecting differences in student funding policy on tuition fees between England and Wales), and the Assembly Learning Grant (among new system students, comparable with the Maintenance Grant for English-domiciled students).

Table 3.1 focused on full-time students and shows the most common sources of support in this category²², including the proportion of students receiving income from each source and the average (mean) and median amounts that recipients got. These, and the less widespread sources of student funding support, are discussed in greater detail in the rest of this section.

²² Only sources received by five per cent of students or more are shown.

Table 3.1: Proportion of students receiving income from the sources of student funding support, and the average amount among recipients (£), full-time Welsh-domiciled students (received by 5 per cent of students or more)

	<i>Base (N) recipients unweighted</i>	Mean	Median	SE	% receiving (all full-time students)
Maintenance loan	374	3,431	3,305	55	73
Tuition fee loan	260	1,837	1,225	61	51
Tuition fee grant	306	1,604	1,845	20	51
Assembly Learning Grant	161	1,750	1,817	70	30
Support from institution (incl. Welsh Bursary Scheme)	132	1,162	650	114	24
NHS-related support	35 ¹	(4,920)	(4,700)	(317)	6
Higher Education Grant	32	(919)	(1,000)	(40)	5

N = (550) unweighted

*Less than half of one per cent

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

The student maintenance loan

The student maintenance loan is a state-funded loan that must be repaid after the student has graduated and is earning over a certain threshold (currently £15,000 per year). For the vast majority of students, repayments are collected through the tax system. Students who apply and are eligible can get 75 per cent of the loan regardless of household income: the remaining 25 per cent is income-assessed. Table 3.2 shows the maximum loan rates available for full-time students in different circumstances, depending on whether they live at home or away from home, and in London or not. In addition, the maximum loan rates are slightly lower for final year students. Full-time students doing courses longer than 30 weeks can also apply for a top-up loan, known as the 'extra weeks allowance'.

Table 3.2: Maximum maintenance loan rates for 2007/08 (£)

	Not in final year	In final year
Living at home	3,495	3,160
Living away from home, outside London	4,510	4,180
Living away from home, in London	6,320	5,755

Source: www.direct.gov.uk

In 2007/08 the average income from the maintenance loan (including extra weeks allowance) among all full-time Welsh-domiciled students was £2,486, accounting for a quarter (24 per cent) of their average total income for the academic year. Old and new system students received similar amounts.

Three-quarters of full-time students received income from the maintenance loan (73 per cent) and this did not vary according to whether the student was old or new system. This proportion is in line with that found among Welsh-domiciled students in the 2004/05 survey (75 per cent) although slightly lower than the figure reported by the Student Loans Company (SLC) which consistently hovers around 80 per cent²³. The difference is due to differences in coverage (in terms of 'eligible' students in the survey), and allowances for survey sampling error.

Tables A3.1 and A3.2 show the proportion of full-time students in receipt of a maintenance loan, and for recipients the average amount taken out, by student and HE study characteristics. A logistic regression²⁴ was conducted to explore which student and HE study-related characteristics influenced the likelihood of taking out a maintenance loan (Table A3.3). The model found that, after controlling for other characteristics, the following two factors significantly affected propensity to take out this type of loan:

- Living circumstances, with those living with their parents significantly less likely to take out a maintenance loan (64 per cent, compared with 75 per cent of those living away).
- Subject studied: medicine/dentistry students and those studying other subjects allied to health were significantly less likely to take out a maintenance loan than other students (as they relied more on support from NHS bursaries and other sources of financial support).

In addition a range of factors showed significant variations but were not found to be significant in the regression model, ie once other characteristics were controlled for. These were:

- Location – with Welsh-domiciled students studying in Wales significantly less likely to have a maintenance loan than those studying in England (68 per cent compared with 81 per cent).
- Gender – with men more likely to have taken out a maintenance loan than women (78 per cent compared with 69 per cent).
- Age – with older students significantly less likely than younger students to take out a maintenance loan. This was also related to age on entry to the course: over three-quarters of young entrants (78 per cent) took out a student maintenance loan compared with just half (47 per cent) of those who started at 25 or older.
- Social class – with those from intermediate social class backgrounds more likely than others to have taken out a student maintenance loan (80 per cent, compared with around 71 per cent of other students).
- Family type – with lone and two-parent families significantly less likely to take out a student maintenance loan than students with no children (just half of them had done so, at 48 and 46 per cent respectively). This was linked to age and also to the student's financial status: independent students being less likely to take out a student maintenance loan than dependent ones (57 per cent compared with 78 per cent).

²³ Figures are available from the SLC website: <http://www.slc.co.uk/pdf/slcsfr062008.pdf>.

²⁴ Logistic regression is an analysis technique whereby the propensity for a particular action or outcome (in this case, propensity to take out a student maintenance loan) is modelled on a number of other independent characteristics. The logistic regression model takes account of the interactions between these different characteristics.

On the whole, these patterns were broadly similar to those found among English-domiciled students.

Around one-quarter of full-time Welsh-domiciled students reported that they did not take out a maintenance loan (27 per cent). Among these, the main reason (mentioned by one-third of students, 35 per cent) was that they did not need the money. This was followed by preferring to get a job rather than take out a loan (19 per cent). Around one in six students respectively mentioned dislike of borrowing/concern about debt, that their parents/partner had not wanted them to take out a maintenance loan, or that they were concerned about the repayments.

The tuition fee loan

All eligible full-time higher education students entering higher education can get a tuition fee loan. This loan covers any amount up to the full amount charged for tuition fees. For new system students, it is worth up to £3,070 for the 2007/08 academic year²⁵. Eligible full-time old system students can also take out a tuition fee loan, for any tuition fees not covered by the tuition fee grant. The tuition fee loan is paid directly to the students' university, therefore it is income which the student does not actually see themselves.

The average income from the tuition fee loan among all full-time Welsh-domiciled students in 2007/08 was £939 (significantly lower than English-domiciled students). As we might expect this varied substantially between old system and new system students:

- Old system students received £328 on average (just three per cent of their average total income), while new system students received £1,276 (a much higher proportion of their average total income, at 11 per cent).
- Around two-thirds of new system students took out a tuition fee loan (67 per cent) and among these, the average amount was £1,907 – substantially lower than the average among English domiciled new system students.
- In comparison, just a quarter of Welsh-domiciled old system students took out a tuition fee loan (22 per cent) – the average amount cannot be reported due to reliability thresholds (N=29).

Notably for new system students (and in a key difference from the findings among English-domiciled students), the median amount of fee loan taken out was £1,225 (substantially lower than the maximum fee ceiling of £3,070). The difference between the two was made up by the tuition fee grant for Welsh-domiciled students, where the median among recipients was £1,845 (discussed in more detail in the next section).

Focusing on new system students only (as this source of funding is so much more important among this group), Table A3.4 shows the proportion of full-time students in receipt of a tuition fee loan, and the average amount taken out among recipients, for a range of student and HE-study related characteristics. A logistic regression was undertaken in order to explore which characteristics influenced the likelihood of taking out a tuition fee loan among new system students (Table A3.5). This found that, after controlling for other characteristics, the only significant factor was subject of study, with students on medicine/dentistry or other courses in subjects allied to medicine being significantly less likely to take out a tuition fee loan than students doing other subjects

²⁵ New system Welsh-domiciled students can also qualify for a grant of £1,845 towards their tuition fees.

(just 20 per cent of them did, while proportions for students on other courses ranged between 49 and 66 per cent).

New system students who had not taken out a tuition fee loan, and whose fees were not covered from other sources, were asked why. Around half (47 per cent) said they did not need the money to pay their fees and a further quarter (26 per cent) said it was because their parents or partner did not want them to take out a loan.

Tuition fee grant

In 2007/08, full-time and PGCE students could receive support towards their tuition fees. This support was means-tested for those studying under the old student finance system (ie targeted at students with a low personal or household income), but not for students studying under the post-2006 funding regime. As discussed in Chapter 1, a tuition fee grant has been retained for Welsh-domiciled new system students, unlike England where only old system students are eligible for one. The tuition fee grant is non-repayable and, like the tuition fee loan, is paid direct to the student's university or college. A maximum of £1,225 is payable to old system students (the same as their fee) while new system students can receive a fixed (non-means-tested) amount of £1,845 (60 per cent of their maximum fee of £3,070). Students can take out a tuition fee loan to pay any difference between the full fee charged and the amount of any grant.

- In 2007/08, the average tuition fee support among all old system students was £513: among new system students this averaged £996.
- Two in five old system students received a tuition fee grant (42 per cent), and among those who did the average amount was £1,232²⁶ (with a median at £1,225).
- A higher proportion of new system students received the tuition fee grant (closer to three in five, 57 per cent) at an average of £1,755 (median £1,845).

Notably, there was no difference in the proportion of old system students receiving tuition fee support according to where they were studying (41 per cent in England and 42 per cent in Wales). However, among students under the new student finance system, over three-quarters (78 per cent) of those studying in Wales received tuition fee support (this was not available to new system students studying in England). For both old and new system students studying in Wales, the median amount matched the maximum grant available (Table 3.3).

²⁶ This is, in fact, slightly higher than the full amount of tuition fee grant available for old system students, because 15 old system students gave an amount higher than £1,225. The median for both old and new system students is the maximum amount available: two-thirds of students who received the grant reported they got the maximum.

Table 3.3: Proportion of Welsh-domiciled students studying in Wales and receiving tuition fee grant, and average income among recipients, by old system/new system status

	Old system	New system
Mean	1,260	1,755
Median	1,225	1,845
SE	66	14
% receiving	42	78
Receiving N (unweighted)	48	223
<i>N = (403) unweighted</i>	112	291

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students studying in Wales

Source: NatCen/IES SIES 2007/08

The following were most likely to have received a tuition fee grant for 2007/08:

- students from a routine/manual or intermediate social class background, compared with those from a managerial/professional background
- students who lived at home with their parents while studying
- students with independent status compared with dependent students
- students studying in Wales, compared with those studying in England. The median for those studying in Wales was £1,845 and for those in England £1,225 – indicating that at least half of those who received tuition fee support received the full amount available.

The Assembly Learning Grant

Thirty per cent of Welsh-domiciled students received income from the Assembly Learning Grant (ALG), averaging £432 overall and £1,750 among recipients. As the levels, thresholds and eligibility for the ALG all differ according to whether the student is covered by the old or the new system of student finance, each is examined separately below.

New system students

The ALG for new system students is available to full-time Welsh-domiciled students from low-income households and is means-tested. A maximum of £2,765 was available in 2007/08. Students in receipt of the ALG have the amount they can take out in a student maintenance loan capped.

Almost two-fifths (37 per cent) of Welsh-domiciled new system full-time students received income from the ALG, and the average among its recipients was substantial at £1,898. Thirty-five per cent of full-time first year students studying under the new system received income from the ALG, averaging £1,939 each (median £1,845). Other new system students more likely to receive the ALG were:

- those from routine/manual social class backgrounds, compared with those from managerial/professional backgrounds (48 per cent compared with 24 per cent)

- students living at home with their parents while studying (40 per cent versus 29 per cent of those who lived away)
- dependent students (39 per cent, compared with 32 per cent of independent students).

Sixteen per cent of new system part-time students received the ALG (the base size is too small to allow further reporting).

Old system students

Sixteen per cent of full-time old system students received the ALG, at an average of £1,139 among recipients.

A similar proportion of part-time students studying under the old system received ALG (13 per cent) – the base size is too small for further reporting.

The Maintenance Grant and Special Support Grant

New system students may be entitled to *either* the Maintenance Grant or Assembly Learning Grant (depending on their country of domicile) or the Special Support Grant (regardless of their country of domicile), also depending on their status and other factors such as personal/household income. Like the Assembly Learning Grant, both the Maintenance and Special Support Grants are aimed to help students pay for accommodation or other living costs, with up to £2,765 available (which is non-repayable).

Maintenance Grant

The Maintenance Grant is only available to English-domiciled full-time students. However, a handful of Welsh-domiciled full-time students reported that they received income from the Maintenance Grant (N= four, or one per cent)²⁷. The very small base size means that the average amount cannot be reported due to reliability thresholds.

Special Support Grant

The maximum Special Support Grant (SSG) available to full-time Welsh-domiciled students during the 2007/08 academic year was also £2,765. Unlike the Maintenance Grant, the SSG does not reduce the amount borrowable under the student maintenance loan. The SSG is discounted when calculating entitlements to benefits and tax credits.

Just four per cent of new system students received the SSG (N=20), therefore it is not possible to provide further details due to the low base.

Higher Education Grant

The Higher Education Grant (HEG) was introduced in 2004 but is only available to old system students, as it was superseded by changes to the student funding system made in

²⁷ Given the similarity of the Maintenance and Assembly Learning Grant, and the fact that students identified student support on the basis of descriptions, there was some confusion between the Maintenance Grant and the Assembly Learning Grant for a small number of Welsh-domiciled students (N=24). Twenty of these only claimed to have gained income from the Maintenance Grant and these were re-coded to Assembly Learning Grant as part of the data cleaning. However, the remaining four claimed to have received some income from both the Maintenance Grant and the Assembly Learning Grant and therefore it was not possible to recode this income without the danger of double-counting under the ALG.

2006. The HEG is non-repayable and is paid direct to the student, contributing towards accommodation or other living costs. It is targeted at students from low-income households: in 2007/08 those with a household income of £16,340 or less qualified for the full HEG of £1,000 per year. HEG is then tapered off according to household income: those with an income of £22,326 or more are not eligible for this type of support.

In 2007/08 the average amount of HEG received across all full-time old system students was £126, accounting for just one per cent of their total average income. Around one in seven full-time old-system students received the HEG (14 per cent), at an average of £915. The small base size for students who received this type of funding means that this figure should be treated with caution and further analysis is not possible due to reliability thresholds (N=31).

Financial Contingency Funds (Access to Learning Funds in England)

Financial Contingency Funds have been given to institutions by government in order that they can provide financial assistance to students on low incomes who need extra financial support or who are in financial difficulty. In English HEIs these are termed Access to Learning Funds. Prior to 2004, they were known as Hardship Funds.

Overall, full-time Welsh-domiciled students received an average of £41 from these funds. However, as just four per cent actually received them (N=22) further analysis is not possible due to reliability thresholds.

Funds related to subject of study

NHS-related support

This includes NHS Bursaries (including payment of tuition fees); extra weeks allowances for long courses; and a reduced rate (at approximately 50 per cent) student maintenance loan which is not based on income. This is a key component of student support for some students.

Across all full-time Welsh-domiciled students the average amount gained from NHS-related support was £300. However, only six per cent of full-time students accessed these funds, receiving an average of £4,920 each. Recipients were confined to the relevant subjects: medicine and dentistry, and subjects allied to health.

Support from the students' institution

Students can access a range of financial support direct from their institution. This includes the following:

- Bursaries, which form a core part of the new student funding package (for new system students who started their course after 2006). Institutions based in England *must* offer a minimum payment to students who get the full Maintenance Grant or Special Support Grant, or who pay the maximum tuition fees of £3,070. The minimum amount payable depends on the amount of tuition fees charged, but in 2007/08 this was £305. Institutions based in Wales offer a means-tested grant of up to £305 to new system students – known as the Welsh Bursary Scheme. This is also available to English-domiciled students studying in Wales. In practice many institutions offer considerably more than this.
- Some institutions also offer scholarships, with availability based on a range of factors including academic performance or subject of study.

- Some institutions in England run the Additional Fee Support Scheme for part-time students. This provides extra financial help to pay for course fees, to part-time students on a low income or those who get a Fee Grant for some of their fees, who cannot apply to or continue with the course without additional support.
- Contribution to tuition fees from university/college.

Full-time Welsh-domiciled students averaged £279 in financial support from their institution, comprising three per cent of total average income. Income from this source was much more prevalent among new system students than among old system ones, as we might expect, with new system students receiving £328 on average compared with £191 among old system students.

A quarter (24 per cent) of full-time Welsh-domiciled students received financial support from their institution, and among those who did, the average was significant, contributing £1,162 to their total 'pot' of income. Around one-third of Welsh-domiciled new system students received financial support from their institution (32 per cent) compared with ten per cent of students studying under the old system. The average amount received among new system students was £1,031 (the base size is too small to report the average for old system students).

A closer focus on bursaries

Which students are benefiting from bursaries and how much do they receive? Among all Welsh-domiciled full-time students, the average amount received in institutional bursaries was £187 (from Welsh institutions) and £50 (from English institutions). Approximately one in five (22 per cent) of full-time students studying in Wales benefited from bursaries, and the average among recipients was substantial at £1,295. Slightly fewer (15 per cent) of those studying in England benefited from bursaries (N=23).

Receipt of monies from Welsh bursary schemes was more common among new system than among old system students, as we might expect given that institutional bursaries form a core element of the new student funding package. One-fifth (20 per cent) of new system students studying in Wales benefited from a bursary there, (compared with just five per cent of old system students), receiving £1,107 on average. Receipt of monies from the Welsh Bursary Scheme was much more common among new system students from routine/manual and intermediate social class backgrounds, than among those from managerial/professional ones (28 per cent compared with nine per cent).

3.3.3 Part-time students

As discussed in Chapter 2, what are termed as the 'sources of student support' in this report were in fact much less central for part-time students, and on the whole contributed very little to their total average income – just eight per cent. This is primarily because the vast majority of part-time students are ineligible for most of the funding sources in this category.

Looking at each of the main elements for which part-time students were eligible:

- Around three in ten (29 per cent) received tuition fee support, averaging £733. The small base (N=60) precludes further breakdowns by subgroup.
- Around one in ten (13 per cent) received a Course Grant. No further analysis is possible due to the low base (N=23).

- Just two per cent received income from Access to Learning Funds. Again no further analysis on this source is possible due to the very small sample size involved (N=4).

Part-time students who did not receive full tuition fee support, or a full Course Grant, were asked how (else) they paid towards their fees. By far the most common responses were that they paid towards the course fees themselves, including by taking out loans if necessary, (mentioned by 43 per cent) and that their employer contributed towards the course fees (mentioned by 41 per cent)²⁸. Both these results are very similar to the findings for English-domiciled part-timers.

Support from the students' employer

Some students, in particular those studying part-time, may receive financial support from their employer while studying. Across all part-time Welsh-domiciled students, the average amount of income from this source was £387.

One-third of Welsh-domiciled part-time students actually received income from their employer, and among those who did this was substantial, averaging £1,176. As in England, the bulk of this (94 per cent) was aimed at paying towards tuition fees rather than to cover general living expenses.

3.4 Income from paid work

3.4.1 Introduction

As well as income from specific HE-related student support, earnings from paid work can help students raise the overall income needed to support their study and living costs. Indeed, for some students income from paid work may make up the bulk of the income needed to fund their studies. In this section we explore students' propensity to undertake paid work, their working patterns and their overall income from paid work.

The SIES asked students about any paid work they had undertaken in the 2007/08 academic year. This could include full and/or part-time jobs. Students were asked about any continuous job that they may have that started before the beginning of the academic year and that was likely to continue until the end of the academic year. They were also asked about any other jobs that they may have had for any length of time during the academic year, including term time and vacations. They were asked how many hours they worked for each job (and if they worked different hours during term time and vacation in their continuous job); how much they earned from each job after deductions such as tax and national insurance; and whether or not they felt work had affected their studies in any way. Students were also asked about any paid work they had undertaken during the 2007 summer holidays. This summer work will be discussed separately later on in the chapter.

3.4.2 Earnings for full-time students

During the 2007/08 academic year, 19 per cent of total average income among full-time students came from paid work, contributing £1,904 on average. Of this income from paid work 83 per cent came from continuous work, averaging £1,581 per student, and 17 per cent came from other jobs (averaging £323 per student, see Table 3.4).

²⁸ Multiple responses were possible at this question.

Table 3.4: Income from paid work for Welsh-domiciled students during the academic year 2007/08 (£)

		Full-time	Part-time
Permanent/continuous job	Mean	1,581	8,097
	Median	0	8,100
	SE	157	729
Other paid work	Mean	323	314
	Median	0	0
	SE	51	139
Income from paid work	Mean	1,904	8,411
	Median	120	8,100
	SE	162	762
<i>N = (744) unweighted</i>		<i>550</i>	<i>194</i>

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Variations in income from paid work for different groups

Across all full-time students, the groups who had the highest average earnings from paid work were:

- PGCE/ITT students (£5,329)
- those who were married or living as a couple (without children, £3,815, and with children, £2,452)
- lone parents (£3,018)
- students aged 25 or older (£3,068)
- independent students (£2,694, closely related to age).
- those studying at Welsh, as opposed to English, institutions (£2,231, compared with £1,264).

Average income from paid work for medical and dental students did not differ significantly to that of students studying other subjects (£2,558 compared with £1,843). The composition of their earnings was different, with medical students on average earning more from a continuous job (£2,824 compared with £1,503 for students studying other subjects) and less from 'other' jobs (£134 compared with £341 for other students). However, these findings should be treated with caution due to the low number of Welsh medical students included in the survey (N=38).

3.4.3 Pattern of working among full-time students

Prevalence of working among full-time students

Over half (52 per cent) of full-time students undertook some form of paid work during the academic year, and for those that did work, average earnings over the academic year were £3,678.

However, some students were significantly more likely to work during the academic year than others, and indeed levels of income for students who did work varied considerably,

as can be seen in Tables A3.8 and A3.9. Logistic regression analyses were used to explore which student and HE study characteristics were related to the likelihood of undertaking paid work. The analysis showed that, after controlling for other factors, gender, family type, living situation, and subject of study were significantly associated with propensity to work (Table A3.10).

When other background factors were taken into account, students who were significantly more likely to work than average were:

- those living at home with their parents (75 per cent) compared with 45 per cent of those living away
- and women (56 per cent, compared with 45 per cent of men).

Lone parents²⁹ and students studying science, technology or engineering were significantly less likely to undertake paid work than on average (37 and 40 per cent respectively). When controlling for other factors there was no significant difference in propensity to work by socio-economic group among Welsh-domiciled full-time students. Whether a student was studying under the old or new student finance system was also not found to be a significant factor in predicting likelihood of working.

For students who did work, earnings were highest for:

- PGCE/ITT students (£8,498)
- married students, or those living with a partner, without children (£5,470)
- students aged 25 or older (£5,608), and closely linked to this, independent students (£4,892)
- students studying education subjects (£4,471)
- men (£4,338)
- students from a managerial/professional background (£3,905).

Continuous and casual work

As mentioned previously, income from paid work was measured in terms of income students receive from any 'permanent/continuous job' they may have, that is one that started before the start of the academic year and is likely to continue until the end of the academic year, and any 'other' jobs they may have or have had that started since the beginning of the academic year and/or are likely to finish before the end of the academic year.

Overall, two-fifths (41 per cent) of full-time students had a continuous/permanent job in the 2007/08 academic year, earning on average £3,874 (Table 3.5). For those who did have a continuous job, income from this type of work was much higher than earnings for the 17 per cent of full-time students who had a non-continuous job (£1,938). However, the two different types of work are not mutually exclusive with some students combining work in a continuous job with work on one or more 'other' casual/non-continuous jobs. In fact, six per cent of full-time students did so, while 35 per cent worked solely in a continuous job and 11 per cent had only casual/non-continuous jobs.

²⁹ This finding should be treated with caution due to the low number of lone parents surveyed.

Full-time students who did have a continuous job worked in this job for 14 hours a week on average over the academic year. Of these students, two-thirds (64 per cent) reported working different hours during term-times and vacations (ie Christmas and Easter). Where this was the case, students tended to work much longer hours on average during vacations (25 hours) than they did during term-time (11 hours). For the 36 per cent of working students with continuous jobs who worked the same hours during term-time and vacations, these worked for a steady 15 hours a week.

Of the 17 per cent of full-time students who had casual/non-continuous jobs over the academic year, the vast majority (81 per cent) had only one such job, though some (15 per cent) had two, and a few (four per cent) had three. Looking just at the first casual/non-continuous job (as small base sizes preclude looking at the others in more detail), students worked on average for nine hours a week for 18 weeks on average.

Table 3.5: Proportion of Welsh-domiciled students working in different types of job and average earnings for those that do work (£)

		Full-time	Part-time
Income from continuous job	Mean	3,874	10,838
	Median	2,960	9,900
	SE	308	636
	<i>N = unweighted</i>	242	149
	% receiving	41	75
Other paid work	Mean	1,938	–
	Median	1,350	–
	SE	228	–
	<i>N = unweighted</i>	92	13
	% receiving	17	6
Total from paid work	Mean	3,678	11,220
	Median	2,660	9,900
	SE	636	682
	<i>N = unweighted</i>	300	150
	% receiving	52	75
<i>N = (744) unweighted</i>		550	194

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Summer vacation work

As well as working during the academic year, for many students the summer vacation period is a time during which they can work and perhaps save some money towards paying off debts or for study and living expenses for the next academic year. For the main part of this report, income data is presented only for the academic year and not for the summer vacation in order to ensure consistent treatment for income and expenditure (the latter is measured during term-time only, as it is likely to be very different during summer vacation). However, in order to show the potential contribution summer vacation work may make towards student income, the effect of summer working is discussed here.

Students who study at college-based institutions (ie studying at an institution other than the OU³⁰) and who were in the second year of their course or above were asked whether or not they had undertaken any paid work during the previous summer vacation (July to September 2007)³¹. Overall net earnings from paid work were calculated for this period. Across all full-time students average income from summer vacation work was £1,511. Taking this figure into account, the total yearly income from paid work for these students rises to an average of £4,462 and their estimated total average income for the year as a whole (not just the academic year) rises to £11,316 (Table 3.6).

Table 3.6: Effect of summer working on Welsh-domiciled students' income from paid work and total income (£)

		Full-time	Part-time
Income from continuous job	Mean	2,413	10,076
	Median	1,568	9,750
	SE	350	643
Summer vacation work	Mean	1,511	2,756
	Median	923	2,908
	SE	188	277
Other paid work	Mean	539	316
	Median	0	0
	SE	102	214
Income from other jobs including summer vacation	Mean	2,050	3,072
	Median	1,416	3,000
	SE	203	382
Income from paid work	Mean	2,951	10,392
	Median	1,963	9,900
	SE	342	694
Total income from paid work including summer vacation	Mean	4,462	13,148
	Median	3,200	12,692
	SE	427	885
Est total income (excl. summer vacation work)	Mean	9,805	12,247
	Median	9,035	11,022
	SE	399	608
Est. total income (inc. summer vacation work)	Mean	11,316	15,003
	Median	10,322	14,271
	SE	465	695
<i>N = (287) unweighted</i>		197	90

Note: Some second and subsequent year institution based students were not asked the question if they had not worked during the academic year

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

³⁰ OU students were not asked about summer vacation work as their academic year spans 12 months and so effectively they do not have a summer vacation.

³¹ Some students who should have been asked about summer vacation work were not asked the appropriate questions about summer working (as respondents who reported carrying out no work during the academic year were routed past this section). Therefore, these cases are treated as missing in Table 3.6 and Table 3.7. As a result figures in this section should be treated with caution.

A significant majority of full-time students worked over the 2007 summer vacation (71 per cent), and among those that did work average earnings were £1,921 (Table 3.7).

Table 3.7: Proportion of Welsh-domiciled students working during the summer vacation and average earnings for those that work (£)

		Full-time	Part-time
Summer vacation work	Mean	1,921	3,555
	Median	1,400	3,692
	SE	220	268
	<i>N = unweighted</i>	154	67
	% working	71	60
<i>N = (287) unweighted</i>		197	90

Base: Welsh-domiciled second and subsequent year, institution based, students

Source: NatCen/IES SIES 2007/08

3.4.4 Earnings for part-time students

Income from paid work was extremely important for part-time students during the 2007/08 academic year. Indeed, 72 per cent of all income amongst part-time students came from this source, amounting to £8,411 on average. Of this income, the vast majority (96 per cent) came from permanent/continuous work, averaging £8,097 per student, and just four per cent came from other jobs (£314 on average, Table 3.4).

Variations in income for different groups

Although there was a certain amount of variation amongst part-time students in terms of income from paid work, due to the relatively small number of students in different sub-groups, seemingly large differences in average earnings were often not statistically significant. However, age was found to be significantly associated with overall average earnings (see Table A3.11). Students aged between 25 and 39 earned more on average than younger or older part-time students (£10,871 for those in their twenties, comprising 84 per cent of total average income, and £10,764 on average for those in their thirties, comprising 97 per cent of total average income). Earnings were also found to vary significantly by socio-economic group, with students from a managerial/professional socio-economic group earning more on average and relying more heavily on income from paid work (£10,962, contributing 87 per cent of total income on average). We would expect this given that socio-economic classification for part-time students is based on their own occupation rather than their parents'.

3.4.5 Pattern of working among part-time students

In terms of propensity to work, three-quarters (75 per cent) of all part-time students had undertaken some form of paid work over the academic year. For those students who did work, average earnings were £11,220 (Table 3.5).

As with full-time students, variations in overall average income from paid work were largely influenced by propensity to engage in paid work (Table A3.12). Part-time students most likely to work were:

- under the age of 30 (92 per cent)

- from intermediate (90 per cent) or managerial/professional socio-economic groups (86 per cent)
- studying medical or allied subjects (93 per cent); science, technology, and engineering subjects (82 per cent); or education (89 per cent).

However, these figures should be treated as indicative only, due to the low numbers of part-time students in these groups.

Continuous and casual work

Part-time students were nearly twice as likely as full-time students to have a permanent/continuous job, with three-quarters (75 per cent) having this type of employment, earning £10,838 on average (Table 3.5). Other, casual/non-continuous jobs were much less common amongst part-time students with only six per cent of students reporting this type of job. However, of the six per cent that did have a casual/non-continuous job nearly all of them also had a permanent/continuous job.

Part-time students who had a permanent/continuous job, worked in this job for an average of 32 hours a week, which is more than twice the average number of hours full-time students worked (14 hours). The majority (78 per cent) of those that worked in a continuous job worked the same hours during term-time and vacations (33 hours per week on average). For the 22 per cent of students who worked different hours, the overall average number of hours worked during term-times and vacations was remarkably similar (28 hours on average during term-time and 27 hours on average during vacations).

Summer vacation work

Income from summer work for part-time students was somewhat higher on average than it was for full-time students, with the earnings across all those questioned³² averaging out at £2,756 (compared to £1,511 for full-time students, see Table 3.7). Taking income from summer vacation work into consideration potentially increases part-time students' average earnings to £13,148, and their total average income to £15,003 (Table 3.6).

Although substantially fewer part-time students undertook paid work during the summer vacation than full-time students (60 per cent, compared to 71 per cent), their average earnings were considerably higher (£3,555, compared to £1,921 for full-time students, see Table 3.7).

3.4.6 Impact of working among full-time and part-time students

Students who had undertaken any paid work during the academic year were asked if they felt it had affected their course/studies in any way. Around two-fifths of full-time students (41 per cent) and just over half of part-time students (53 per cent) felt that working had affected their studies.

For full-time students who said that their studies were affected, the most common impacts were:

- less time available for studying and reading (mentioned by 68 per cent)
- reduced quality of university work due to less time available (mentioned by 65 per cent).

³² Students in the second year of study or above, studying at college based institutions (ie not the Open University).

Increased stress (45 per cent) and having less time to take part in leisure activities and sports (44 per cent), to revise for exams (43 per cent), or to sleep (42 per cent) were also cited by a sizeable proportion of full-time students affected.

A similar pattern of responses was found among part-time students who felt that their work had affected their studies (Table 3.8). However, although a similar proportion of part-time students said that reduced quality of work due to time constraints was an issue (61 per cent), significantly more part-time students said that they had less time for reading and studying (83 per cent). In addition, relatively more part-time students reported having less time to revise (55 per cent), having increased levels of stress (54 per cent), and having difficulty accessing facilities (26 per cent). This would seem to suggest that part-time students in Wales have a harder time balancing work and study commitments than do full-time students.

Table 3.8: Impact of undertaking paid work while studying, Welsh-domiciled students (%)

	Full-time	Part-time
Less time studying and reading	68	83
Increased levels of stress/overload	45	54
Cannot spend enough time on university work therefore reduces quality of work	65	61
Less time sleeping	42	30
Less time for leisure and sports	44	41
Less time to revise for exams	43	55
Missing lectures and classes	25	29
More difficulty accessing university library and computers	14	26
Less worry about finance so more relaxed in study	20	11
Other	9	3
<i>N = (213) unweighted</i>	135	78

Base: Welsh-domiciled students who felt that work had affected studies

Source: NatGen/IES SIES 2007/08

3.5 Income from family, partner and friends

3.5.1 Introduction

The financial support that students receive from their family and friends represents another key category of income, in particular for certain groups. This includes financial contributions from parents, other relatives, and non-relatives towards various costs of studying such as fees, rent and living costs; and also gifts of money or contributions in kind such as food, clothes, or household goods. Similarly, married students or students who share bank accounts or joint financial responsibility with their spouse or partners can receive financial support, and/or a share of their partner's income, including benefits.

In the rest of this section we explore family, partner and friends' contributions in more depth, first for full-time student and then for part-time students.

3.5.2 Full-time students

On average, full-time Welsh-domiciled students received £1,679 from their family, partner and friends – this accounted for just less than one-fifth (17 per cent) of their average total

income, almost equal with paid work (Table 3.9). This was a lower proportion than in 2004/05, when it formed over a quarter of their income (27 per cent), and was a larger proportion than income from paid work. This pattern mirrors that found among English-domiciled students.

- Within this category, the largest contribution came from the students' parents – accounting for three-quarters (73 per cent) and contributing £1,221 to average total income. This was a similar proportion – but a lower amount – than in 2004/05.
- Contributions from other relatives amounted to an average of £135, with a smaller amounts from non-relatives.
- On average, full-time students received £101 as a share of their partner's income, but only 11 per cent of full-time students actually exchanged income with their partner. Among those that did, the average amount is significantly higher (discussed in more detail later in this section).
- Full-time students also received an average of £213 worth of gifts in kind such as books, computer equipment, food and clothes.

Table 3.9: Types of income from family, partner and friends among Welsh-domiciled full-time and part-time students (£)

		Full-time	Part-time
Contributions from parents	Mean	1,221	147
	Median	300	0
	SE	95	57
Contributions from other relatives	Mean	135	95
	Median	0	0
	SE	25	70
Contributions from non-relatives	Mean	9	10
	Median	0	0
	SE	3	7
Gifts in kind	Mean	213	90
	Median	0	0
	SE	28	30
Contributions from partner	Mean	0	3
	Median	0	0
	SE	0	2
Share of partner's income	Mean	101	-464
	Median	0	0
	SE	117	419
Income from family, partner and friends*	Mean	1,679	-119
	Median	900	0
	SE	143	453
<i>N = (744) unweighted</i>		<i>550</i>	<i>194</i>

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

A multiple linear regression model helped to determine which student and HE study characteristics were most strongly associated with variations in overall contributions from family, partner and friends among full-time students (see Table A3.13). Notable differences found to be significant in the regression model (once other background factors were taken into account), were that:

- Students studying in England relied more on income from family and friends than those studying in Wales (£2,434 compared with 1,296) – comprising 25 per cent of their average income compared with 13 per cent for those studying in Wales.
- New system students received less, on average, than old system students (£1,479 compared with £2,041, Table 3.10). As a share of their total average income, old system students relied much more heavily on this source (which accounted for 24 per cent of total income compared with 14 per cent for new system students).

Table 3.10: Types of income from family, partner and friends among Welsh-domiciled full-time old and new system students (£)

		Old system	New system
Contributions from parents	Mean	1,570	1,029
	Median	1045	110
	SE	176	119
Contributions from other relatives	Mean	114	146
	Median	0	0
	SE	22	36
Contributions from non-relatives	Mean	17	5
	Median	0	0
	SE	9	1
Gifts in kind	Mean	252	191
	Median	20	0
	SE	64	25
Contributions from partner	Mean	0	0
	Median	0	0
	SE	0	0
Share of partner's income	Mean	89	108
	Median	0	0
	SE	191	149
Income from family, partner and friends*	Mean	2,041	1,479
	Median	1,485	600
	SE	220	199
<i>N = (550) unweighted</i>		182	368

*Note: figures adjusted for partner contributions where relevant

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Although students aged 25 or older received less from family, partner and friends than younger students – £603 on average (compared with £2,046 and £1,838 among students aged under-20 or between 20 and 24) – this was not significant after taking other variables into account, as were other variations by family type and dependent/independent status.

As in 2004/05, the vast majority of full-time students received income from their family, partner or friends (87 per cent). Financial support from parents formed the bulk of this type of support, received by two-thirds of full-time students (67 per cent) and contributing an average of £1,830 to their total income.

Focus on support from parents

Given how important parental contributions were for full-time students, we looked at which students were more likely to have received income from parents, and how much, again using a multiple linear regression model in order to disentangle the relationships between different student and study-related characteristics (Table A3.14). This found different associations compared to the model for income from family, partner and friends as a whole:

- Receiving less income from parents was associated with age (being 20 to 24, or 25 or older) and status (independent students received less from this source, as we might expect), once other factors were taken into account.
- Receiving more income from parents was associated with studying in England rather than in Wales.

The regression model found that studying under the old/new student finance system did not have a significant impact on income from parents once other factors were taken into account.

3.5.3 Part-time students

Across all part-time Welsh-domiciled students the average contribution from family, partners and friends was a negative amount (-£119), indicating that, overall, Welsh part-time students were net providers of income to their family/partner rather than receivers. Although they received income from parents and other relatives, as well as gifts in kind, they 'lost' almost as much as they received in contributions to partner/family. This was also the case in 2004/05. Over half of part-timers (58 per cent) transferred income with their partner (a higher proportion than in England, where it was 50 per cent). The key differences *between* part-time students were largely driven by gender and family/life stage:

- On average, male part-time students had their income from family and friends reduced by £2,143 while female part-time students gained £1,251. The key factor underlying this was the transfer of income between partners. After taking this into account, on average, part-time male students' income was reduced by £2,503 whereas part-time female students' income increased by £905 (see Table 3.12).
- Single students gained £549 from this source, on average. In contrast, students in couples without children contributed £1,441 to their partner, resulting in a net 'loss' of income in this category overall (-£1,084).
- Students aged 25 to 29 and 30 to 39 also 'lost' income in this category on average, with their income being reduced by £309 and £936 respectively, due to negative figures

for share of partners' income. Students in all the other age groups were net 'receivers' of income from their partner, and from this category as a whole.

- Students from professional/managerial social class 'lost' income in this category overall, mainly because they contributed £1,245 as their share of partner's income. This was in contrast to those from the routine/manual social class, who gained £1,021 from family, partner and friends overall.

Table 3.11: Types of income from family, partner and friends among Welsh-domiciled part-time students (£), by gender

		Male	Female
Contributions from parents	Mean	194	119
	Median	0	0
	SE	126	45
Contributions from other relatives	Mean	53	126
	Median	0	0
	SE	44	117
Contributions from non-relatives	Mean	18	5
	Median	0	0
	SE	18	3
Gifts in kind	Mean	94	91
	Median	0	0
	SE	39	43
Contributions from partner	Mean	0	5
	Median	0	0
	SE	–	4
Share of partner's income	Mean	-2,503	905
	Median	0	0
	SE	591	525
Income from family, partner and friends*	Mean	-2,143	1,251
	Median	0	50
	SE	690	561
<i>N = (193) unweighted</i>		64	129

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

3.6 Social security benefits

3.6.1 Introduction

Students were asked about any benefits they received during the academic year³³. Benefits that students could receive were Child Benefit; Child Tax Credit; Working Tax

³³ For those with joint financial responsibility with a partner respondents were asked to give the total for benefits received by them and their partner. Half of the total is accounted for here and the remaining half is accounted for in 'Share of partner's income'.

Credit; Job Seekers Allowance (JSA); Disability, Invalidity, Incapacity or Sickness Benefit; Income Support; Housing Benefit and Council Tax Benefit.

3.6.2 Full-time students

Across all full-time students average income from social security benefits was around £328 representing just three per cent of income as a whole. However, for some groups of full-time students, income from social security benefits made a more significant contribution to their total income (see Tables A3.15 and A3.16), including:

- students with children, in couples (£1,718 on average contributing eight per cent of total average income), but particularly lone parents (£4,895 on average, contributing 28 per cent of total average income)
- older students (aged 25 and over) contributing £1,562 on average, making up 12 per cent of total average income amongst this group
- independent students (linked with age and family type), who averaged £1,230 from social security benefits
- students on PGCE/ITT courses, with £1,156 on average contributing to eight per cent of total average income for this group.

Overall, the vast majority (87 per cent) of full-time students did not receive any income from social security benefits. However, for the one in eight (13 per cent) of full-time students who did receive benefits, average income from this source was more substantial at £2,560 (Table 3.12).

Social security benefits that were most commonly received by full-time students were: Child Benefit (nine per cent of all full-time students); Child Tax Credit (six per cent of full-time students); Working Tax Credit (three per cent); and Disability, Incapacity, or Sickness benefit (also three per cent of full-time students). Although the majority (87 per cent) of full-time students did not pay Council Tax in the 2007/08 academic year, of those who did, 20 per cent received at least some Council Tax Benefit (representing three per cent of all full-time students).

Table 3.12: Proportion of Welsh-domiciled students claiming benefits and average income for those who receive benefits (£)

	Full-time	Part-time
Mean	2,560	3,172
Median	1,814	1,950
SE	257	780
N (unweighted)	115	122
% receiving	13	59
<i>N = (744) unweighted</i>	<i>550</i>	<i>194</i>

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

3.6.3 Part-time students

Income from social security benefits was much more important for part-time students, with £1,875 coming from benefits, on average, making up 15 per cent of total average income. Indeed, three-fifths (59 per cent) of all part-time students received some form of social

security benefit, and for those that did average income from benefits was £3,172 (Table 3.12).

The most commonly cited benefits received were:

- Child Benefit (mentioned by 33 per cent of part-timers)
- Child Tax Credit (25 per cent)
- Disability, Incapacity or Sickness Benefit (13 per cent)
- Working Tax Credit (12 per cent).

This reflects greater tendency of part-time students to be older and living in a household with dependent children. As such, groups who received more income from social security benefits and for whom benefits made a greater contribution to total income were (see Table A3.17):

- aged over 30 (£1,398 or eleven per cent for those in their thirties, rising to £3,293 or 23 per cent for those aged 40 plus, compared to just £669 or seven per cent for under 25s)
- women (£2,354 or 18 per cent of income, compared to £1,263 or eleven per cent for men)
- single (£2,592 or 21 per cent, compared to less than £1,191 or ten per cent for all other types of family unit except single parents)
- from a routine/manual socio-economic group (£2,036 or 20 per cent of total average income, compared to £1,145 or 13 per cent or less for those in other socio-economic groups)
- final year students or doing a one-year course (£2,911 or 24 per cent of income, compared with £1,615, or 14 per cent of total income, or less for students in any other year).

3.7 Miscellaneous income

3.7.1 Introduction

The final 'miscellaneous' category of income captured by the study includes maintenance payments for students' own or partner's children; money from pensions, trusts, deeds of covenant, shares, tax refunds, and bank or building society interest and windfalls; rent received from lodgers; and contributions towards rent/living costs or gifts of money from organisations (not captured elsewhere). In addition, money generated through the sale of items such as books, computers, course equipment, and any other items, appear under this category.

Income from these sources only contributed a small amount to total income overall, on average only two per cent of income for full-time students and five per cent for part-time students (£242 and £549 respectively).

Although the majority of students did not have any income from these sources, for the 48 per cent of full-time and the 39 per cent of part-time students who did, miscellaneous income made a somewhat larger contribution to their income (£505 for full-time and £1,412 for part-time students, Table 3.13).

The most commonly cited source of income in this category was money from pensions, trusts, shares, tax refunds, and bank and building society interest and windfalls, with around one-third of full- and part-time students receiving this type of income. Sale of books, computers, and other items was the next most common source of income in this category with one in ten full- and part-time students getting money from this source.

Table 3.13: Proportion of Welsh-domiciled students receiving income from ‘other’ sources and average income from those receiving (£)

		Full-time	Part-time
Other miscellaneous income	Mean	505	1,412
	Median	80	265
	SE	96	364
	% receiving income	48	39
	N (unweighted)	245	77
<i>N = (744) unweighted</i>		550	194

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Additional tables

Table A3.1: Proportion of Welsh-domiciled full-time students in receipt of student maintenance loan, and for recipients the average amount taken out (£), by key student characteristics

	N receiving student loan (unweighted)	Mean	Median	SE	% in receipt of student loan	Base, N (unweighted)
All students	374	3,431	3,305	55	73	550
Gender						
Male	103	3,308	3,300	88	78	134
Female	270	3,542	3,380	74	69	415
Age group						
Under 20	131	3,327	3,394	84	79	166
20-24	167	3,264	3,300	75	77	220
25+	75	3,894	3,522	180	50	163
Socio-economic group						
Managerial and professional	158	3,353	3,305	77	71	238
Intermediate	71	3,484	3,300	120	80	99
Routine/manual and unemployed	99	3,464	3,300	124	71	146
Household/family type						
Two-adult family	18	— ¹	—	—	46	44
One-adult family	17	—	—	—	48	34
Married/living as a couple	35	(3,702) ²	(3,385)	(189)	63	63
Single	304	3,377	3,300	58	76	409
Status						
Dependent	276	3,354	3,300	55	78	356
Independent	98	3,754	3,522	152	57	194
Lives with parents						
Yes	76	2,915	3,000	133	64	120
No	298	3,568	3,385	65	75	430

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.2: Proportion of Welsh-domiciled full-time students in receipt of student maintenance loan, and for recipients the average amount taken out (£), by key HE study characteristics

	N receiving student loan (un- weighted)	Mean	Median	SE	% in receipt of student loan	Base, N (un- weighted)
All students	374	3,431	3,305	55	73	550
Institution location						
England	119	3,582	3,364	87	81	147
Wales	255	2,229	3,300	69	68	403
Subject						
Medicine/Dentistry	18	– ¹	–	–	(19)	49
Subjects allied to medicine	9	–	–	–	(59)	38
Sciences/Engineering/ Technology/IT	78	3,426	3,364	132	76	103
Human/Social sciences/ Law/Business	93	2,441	3,364	99	80	118
Arts/Humanities/Languages	106	3,407	3,305	103	84	125
Education	55	3,284	3,385	149	67	97
Combined/other	15	–	–	–	–	20
Year of study						
First year	144	3,306	3,300	96	72	220
Intermediate	120	3,464	3,385	97	76	162
Final year/one-year course	110	3,548	3,300	112	69	168
Old/new system						
Old	123	3,601	3,300	72	72	182
New	251	3,338	3,364	73	73	368

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

¹ No data reported as fewer than 30 cases in this category

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.3: Logistic regression model of propensity to take out a student maintenance loan, Welsh-domiciled full-time students

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	1			
Female	0.708	0.297	0.370	1.356
Age				
<20 (ref. category)	1			
20 to 24	1.005	0.991	0.401	2.524
25+	0.242	0.055	0.057	1.030
Socio-economic group				
Managerial/professional (ref. category)	1			
Intermediate*	2.205	0.027	1.096	4.435
Routine/manual and unemployed	1.313	0.418	0.678	2.540
Household/family type				
Single (ref. category)	1			
Lone parent	0.811	0.708	0.270	2.432
Couple	0.809	0.558	0.398	1.644
Two-adult family	0.789	0.611	0.315	1.974
Status				
Dependent (ref. category)	1			
Independent	1.184	0.771	0.378	3.713
Lives with parents during term-time				
No (ref. category)	1			
Yes**	0.349	0.002	0.182	0.670
Parents' experience of HE				
No HE parents (ref. category)	1			
Parents went to HE	1.096	0.741	0.636	1.889
Location				
Wales (ref. category)	1			
England	1.138	0.773	0.473	2.734
Subject				
Social sciences etc/Arts etc/ Combined (ref. category)	1			
Medicine/Dentistry and Subjects Allied to Medicine***	0.156	0.000	0.079	0.311
Science/Engineering/Technology/IT	0.592	0.226	0.253	1.386
Education	0.879	0.747	0.400	1.931
Year of study				
First year (ref. category)	1			
Second/intermediate year	1.003	0.993	0.472	2.135
Final year/one-year course	0.782	0.558	0.344	1.780

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Qualification				
Bachelor degree, HND/C, Foundation degree (ref. category)	1			
PGCE/ITT	0.651	0.391	0.243	1.741
Old or New system				
Old system (ref. category)	1			
New system	0.620	0.223	0.288	1.338

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatGen/IES SIES 2007/08

Table A3.4: Proportion of Welsh-domiciled full-time new system students in receipt of tuition fee loan, and for recipients the average amount taken out (£), by key student and HE study characteristics

	N receiving student loan (unweighted)	Mean	Median	SE	% in receipt of student loan	Base, N (un-weighted)
All students	231	1,907	1,225	61	67	368
Gender						
Male	69	1,891	1,225	144	75	95
Female	161	1,981	1,225	127	61	272
Age group						
Under 20	117	1,954	1,225	89	72	161
20-24	57	1,928	1,225	149	65	90
25+	57	1,705	1,225	151	55	117
Socio-economic group						
Managerial and professional	89	1,972	1,225	116	69	148
Intermediate	45	(1,696) ²	(1,225)	(96)	68	71
Routine/manual and unemployed	65	1,796	1,225	111	64	103
Status						
Dependent	159	1,963	1,225	68	70	227
Independent	72	1,725	1,225	156	58	141
Lives with parents						
Yes	50	1,670	1,225	165	62	83
No	181	1,981	1,225	68	69	285
Institution location						
England	60	2,934	3,070	44	80	77
Wales	171	1,423	1,225	61	62	291
Year of study						
First year	128	1,937	1,225	82	68	220
Intermediate	84	1,888	1,225	105	66	125
Final year/one-year course	19	— ¹	—	—	—	—

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time new system students

Source: NatCen/IES SIES 2007/08

Table A3.5: Logistic regression model of propensity to take out a tuition fee loan, Welsh-domiciled full-time new system students

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	1			
Female	0.565	0.169	0.250	1.277
Age				
<20 (ref. category)	1			
20 to 24	0.677	0.431	0.265	1.764
25+	0.684	0.596	0.159	2.877
Socio-economic group				
Managerial/professional (ref. category)	1			
Intermediate	0.950	0.892	0.453	1.920
Routine/manual and unemployed	0.810	0.577	0.386	1.701
Household/family type				
Single (ref. category)	1			
Couple	0.332	0.648	0.269	1.562
Lone parent	0.964	0.972	0.274	3.452
Two-adult family	1.039	0.946	0.342	3.157
Status				
Dependent (ref. category)	1			
Independent	1.129	0.848	0.325	3.919
If lives with parents				
No (ref. category)	1			
Yes	0.710	0.413	0.312	1.616
Parents experience of HE				
Parents went to HE	1			
No HE parents (ref. category)	0.860	0.679	0.421	1.759
Location of institution				
Wales (ref. category)	1			
England	1.955	0.150	0.784	4.875
Subject				
Social sciences, Business etc./Arts, Hums Langs./ Combined (reference category)	1			
Medicine/Dentistry and allied to medicine***	0.480	0.000	0.056	0.389
Science/Engineering/Technology/IT	1.223	0.628	0.628	2.775
Education	1.343	0.475	0.475	3.020

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Year of study				
First year (ref. category)	1			
Second/intermediate year	1.056	0.883	0.510	2.186
Final year/one-year course	1.836	0.391	0.456	7.4
Type of study				
Bachelor degree, HND/C, Foundation degree, other (ref. category)	1			
PGCE/ITT	0.396	0.117	0.124	1.264

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time new system students

Source: NatCen/IES SIES 2007/08

Table A3.6: Average income from paid work during the academic year and proportion of total average income, by key student characteristics, Welsh-domiciled full-time students (£)

	Mean	Median	SE	% of total income	Base, N (unweighted)
All full-time students	1,904	120	162	19	550
Gender					
Male	1,949	0	356	20	134
Female	1,861	630	133	18	415
Age group					
Under 20	1,492	0	182	15	166
20-24	1,747	188	277	19	220
25+	3,068	1,260	361	24	163
Socio-economic group					
Managerial and professional	1,963	28	208	20	238
Intermediate	1,671	270	342	16	99
Routine/manual and unemployed	1,644	585	210	16	146
Household/family type					
Two-adult family	(2,452) ¹	(439)	(525)	18	44
One-adult family	(3,018)	(0)	(1,085)	17	34
Married or living as a couple	3,815	1,860	672	31	63
Single	1,640	30	174	18	409
Parents studied at HE					
Yes	1,649	145	187	17	270
No	2,169	30	285	21	277
Lives with parents					
Yes	2,268	2,152	213	26	120
No	1,791	0	200	17	430

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.7: Average income from paid work during the academic year and proportion of total average income, by key HE study characteristics, Welsh-domiciled full-time students (£)

	Mean	Median	SE	% of total income	Base, N (unweighted)
All full-time students	1,904	120	162	19	550
Year of study					
1st year	1,970	281	202	18	220
Intermediate/other	1,878	90	372	19	162
Final year/one-year course	1,854	221	263	20	168
Old or New system					
Student on Old System	1,602	0	217	18	182
Student on New System	2,071	308	220	19	368
Subject					
Medicine/Dentistry	(2,558) ²	(0)	(1,250)	24	38
Subjects allied to medicine	(2,196)	(28)	(478)	21	49
Sciences/Engineering/Technology/IT	1,488	0	264	16	103
Human/Social Sciences/Business/Law	2,054	945	316	20	118
Creative Arts/Languages/Humanities	1,389	266	184	15	125
Education	3,022	1,521	434	25	97
Combined/other	— ¹	—	—	—	20
Qualification aim					
Bachelor degree, HNC/D	1,764	120	167	18	483
Foundation degree, non-degree	—	—	—	—	15
PGCE/ITT	5,329	2,700	989	35	52
Student status					
Dependent	1,648	45	191	18	356
Independent	2,694	1,260	286	22	194
Institution type					
English HEI	1,264	0	220	13	146
Welsh HEI	2,231	900	214	22	403

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.8: Propensity to undertake paid work and average earnings for those that work, among Welsh-domiciled full-time students, by key student characteristics (£)

	N working (unweighted)	Mean	Median	SE	% working
All full-time students	300	3,678	2,660	258	52
Gender					
Male	64	4,338	3,250	655	45
Female	235	3,319	2,596	200	56
Age group					
Under 20	82	3,054	2,650	271	49
20-24	122	3,309	2,535	468	53
25+	96	5,608	4,120	507	55
Socio-economic group					
Managerial and professional	133	3,905	2,730	329	50
Intermediate	55	3,077	2,180	292	54
Routine/manual and unemployed	79	2,978	2,600	286	55
Parental experience of HE					
Yes	150	3,144	2,650	268	52
No	147	4,291	3,002	476	51
Household/family type					
Two-adult family	26	— ¹	—	—	(54)
One-adult family	15	—	—	—	(37)
Married or living as a couple	42	(5,470) ²	(4,140)	(766)	70
Single	217	3,250	2,640	285	51
Lives with parents					
Yes	88	3,023	2,500	238	75
No	212	4,022	2,760	375	45

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatGen/IES SIES 2007/08

Table A3.9: Propensity to undertake paid work and average earnings for those that work among Welsh-domiciled full-time students, by HE study characteristics (£)

	N (unweighted)	Mean	Median	SE	% working
All full-time students	300	3,678	2,660	258	52
Institution type					
English HEI	66	3,193	2,600	355	40
Welsh HEI	233	3,859	2,730	325	58
Subject of study					
Medicine/Dentistry	17	– ¹	–	–	(43)
Subjects allied to medicine	27	–	–	–	(52)
Sciences/Engineering/Technology/IT	43	(3,714) ²	(2,760)	(483)	40
Human/Social Sciences/Business/Law	67	3,749	2,870	438	55
Creative Arts/Languages/Humanities	67	2,502	1,963	240	56
Education	66	4,471	3,055	581	68
Combined/other	–	–	–	–	–
Year of study					
First year	122	3,795	2,760	269	52
Intermediate year	87	3,614	2,655	623	52
Final year/one-year course	91	3,608	2,600	427	51
Student status					
Dependent	187	3,251	2,591	318	51
Independent	113	4,892	3,510	391	55
Old or New system					
Student on Old System	95	3,260	2,600	355	49
Student on New System	205	3,891	2,760	356	53
Qualification aim					
Bachelor degree, HNC/D	258	3,399	2,600	266	52
Foundation degree, non-degree	–	–	–	–	–
PGCE/ITT	35	(8,498)	(6,300)	(1,347)	63

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.10: Logistic regression for propensity to undertake paid work during the academic year, Welsh-domiciled full-time students (£)

			95% Confidence limit	
Parameter	Regression coefficient	Significance	Lower	Upper
Gender				
Male	1			
Female*	1.767	0.019	1.097	2.847
Age group				
Under 20	1			
20-24	1.387	0.288	0.758	2.541
Over 25	1.875	0.312	0.553	6.356
Socio-economic group				
Managerial/professional	1			
Intermediate	1.096	0.783	0.570	2.108
Routine/manual and unemployed	1.210	0.531	0.666	2.196
Qualification aim				
Bachelor/Foundation degree or HND/C	1			
PGCE/ITT	1.398	0.494	0.534	3.661
Household/family type				
Single	1			
Married/living with partner	2.145	0.066	0.951	4.839
Two-adult family	0.761	0.557	0.306	1.895
Lone parent*	0.331	0.036	0.118	0.930
Student status				
Dependent	1			
Independent	1.944	0.912	0.339	2.631
Living with parents				
Living away from home	1			
Lives with parents***	3.873	0.000	2.043	7.206
Parental experience of HE				
No	1			
Yes	1.484	0.109	0.915	2.407
Location of institution				
Wales	1			
England	0.742	0.233	0.454	1.213
Subject				
Soc sciences, business etc/Arts/humanities etc/combined	1			
Medicine/Dentistry/Subjects allied to medicine	0.574	0.099	0.296	1.111
Science/Engineering/Tech/IT*	0.501	0.028	0.270	0.927
Education	0.967	0.934	0.440	2.127

			95% Confidence limit	
Parameter	Regression coefficient	Significance	Lower	Upper
Year of study				
First year	1			
Second/intermediate year	0.894	0.701	0.504	1.587
Final year/one-year course	0.812	0.578	0.388	1.697
Old or New system				
Old system	1			
New system	1.979	0.951	0.494	1.941

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.11: Average income from paid work and proportion of total average income, by key student and HE study characteristics, Welsh-domiciled part-time students (£)

	Mean	Median	SE	% of total income	Base N (unweighted)
All part-time students	8,411	8,100	762	72	194
Gender					
Male	9,944	9,900	1,038	91	64
Female	7,659	7,920	1,035	60	129
Age group					
Under 25	— ¹	—	—	—	25
25-29	(10,871) ²	(9,900)	(1,241)	84	32
30-39	10,764	12,600	1,481	97	54
40 or over	6,620	3,420	1,246	53	83
Socio-economic group					
Managerial and professional	10,962	11,250	888	87	85
Intermediate	(8,413)	(9,000)	(863)	70	36
Routine/manual and unemployed	6,148	4,950	1,017	58	64
Household/family situation					
Two-adult family	9,628	9,567	1,172	82	67
One-adult family	—	—	—	—	18
Married or living as a couple	9,693	9,900	1,711	85	51
Single	7,069	7,220	1,118	59	58
Parental experience of HE					
Yes	10,059	9,720	1,426	84	59
No	7,952	7,920	845	67	132
Year of study					
First year	9,034	9,000	1,266	77	69
Other year	8,313	7,920	1,151	73	61
Final year/one-year course	7,886	7,920	1,632	65	64
When started course					
Pre-2006/07	8,220	7,920	864	71	74
Post-2006/07	8,877	9,000	876	76	117
Qualification aim					
Bachelor degree, HNC/D	8,545	8,550	856	73	156
Foundation degree, non-degree	(7,506)	(6,889)	(1,190)	66	38

1 No data reported as fewer than 30 cases in this category

2 Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: differences by when started course will overlap with differences by year of study

Base: all Welsh-domiciled part-time students

Source: NatGen/IES SIES 2007/08

Table A3.12: Proportion working and average earnings for those working, by key student and HE study characteristics, Welsh-domiciled part-time students (£)

	N working (unweighted)	Mean	Median	SE	% working
All students	150	11,220	9,900	682	75
Gender					
Male	48	(12,199) ²	(10,920)	(1,088)	82
Female	102	10,480	9,400	903	73
Age group					
Under 30	52	9,184	8,325	715	92
30 to 39	42	(13,652)	(14,400)	(984)	79
40 or over	56	11,510	10,800	1,400	58
Socio-economic group					
Managerial and professional	70	12,761	12,861	879	86
Intermediate	(31)	(9,334)	(9,000)	(854)	(90)
Routine/manual and unemployed	48	(8,147)	(7,101)	(1,228)	76
Household/family type					
Two-adult family	58	11,373	9,900	1,055	85
One-adult family	–	–	–	–	–
Married or living as a couple	38	(13,244)	(14,400)	(1,194)	73
Single	44	(9,557)	(8,325)	(1,090)	74
Subject					
Medicine/Dentistry and subjects allied to medicine	27	– ¹	–	–	(93)
Science/Technology/Engineering/IT	43	(11,891)	(10,294)	(1,065)	82
Education	32	(6,878)	(6,889)	(556)	(89)
All other subjects	48	(11,502)	(10,620)	(1,277)	59
Qualification aim					
Bachelor degree, HNC/D	118	11,564	10,620	765	74
Foundation degree, non-degree	32	(9,133)	(8,100)	(1,141)	(82)
Year of study					
First year	56	11,592	9,900	1253	78
Second or intermediate year	44	(11,213)	(10,800)	(991)	74
Final year/one-year course	50	10,817	9,400	1,398	73
When started course					
Pre-2006/07	56	10,033	9,000	866	82
Post 2006/07	93	11,477	9,900	870	77

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: differences by when started course will overlap with differences by year of study

Base: all Welsh-domiciled part-time students (excludes OU students)

Source: NatCen/IES SIES 2007/08

Table A3.13: Linear regression model of income from family and friends, Welsh-domiciled full-time students

			95% confidence limit	
	Regression coefficient	Significance level	Lower	Upper
All students	3,237	0	2,145	4,330
Gender				
Male (ref. category)	0			
Female	-198	0.640	-1,028	633
Age group				
<20 (ref. category)	0			
20 to 24	-544	0.188	-1,357	270
25+	-2,507	0.063	-5,150	-136
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	-22	0.952	-703	748
Routine/manual and unemployed	135	0.744	-676	946
Household/family type				
Single (ref. category)	0			
Lone parent	27	0.962	-1,081	1,135
Two-adult family	1,628	0.197	-852	4,108
Couple	217	0.844	-1,953	2,386
Status				
Dependent (ref. category)	0			
Independent	-315	0.773	-1,825	2,455
Whether lives with parents				
No (ref. category)	0			
Yes	-624	0.072	-1,304	55
Parents experience of HE				
No HE parents (ref. category)	0			
Parents went to HE	347	0.318	-336	1,031
Type of institution				
Welsh HEI (ref. category)	0	–	–	–
English HEI**	768	0.005	235	1,301
Subject				
Social sciences, Business etc/Arts, humanities etc/Combined (ref. category)	0			
Medicine/Dentistry and subjects allied to medicine	728	0.053	-11	1,467
Science/Engineering/Technology/IT	-58	0.856	-690	574
Education	1,066	0.396	-1,403	3,536
Year of study				
First year (ref. category)	0			
Second/intermediate year	-695	0.077	-1,417	27
Final year/one-year course	-1,034	0.059	-2,181	113

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Qualification				
Bachelor degree, HND/C/Foundation degree (ref. category)	0			
PGCE/ITT	15	0.992	-2,723	2,754
Old or New system				
Old system (ref. category)	0			
New system*	-1,252	0.013	-2,237	-267

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.14: Linear regression model of income from parents, Welsh-domiciled full-time students

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
All students	2,009	0.000	1,406	2,612
Gender				
Male (ref. category)	0			
Female	-226	0.269	-628	176
Age group				
<20 (ref. category)	0			
20 to 24*	-572	0.019	-1,052	-93
25+*	-709	0.028	-1,341	-77
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	-313	0.221	-816	189
Routine/manual and unemployed	-420	0.055	-848	-8
Household/family type				
Single (ref. category)	0			
Lone parent	-66	0.781	-530	399
Two-adult family	95	0.658	-330	521
Couple	-54	0.864	-672	565
Status				
Dependent (ref. category)	0			
Independent***	-905	0.000	-1,406	-403
Whether lives with parents				
No (ref. category)	0			
Yes	-278	0.193	-699	142
Parents experience of HE				
No HE parents (ref. category)	0			
Parents went to HE	140	0.359	-160	440
Type of institution				
Welsh HEI (ref. category)	0			
English HEI***	788	0.000	366	1,211
Subject				
Social sciences, Business etc/Arts, humanities etc/Combined (ref. category)	0			
Medicine/Dentistry and subjects allied to medicine	194	0.445	-304	692
Science/Engineering/Technology/IT	-131	0.578	-595	332
Education	-187	0.661	-478	304

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
Year of study				
First year (ref. category)	0			
Second/intermediate year	-49	0.841	-531	433
Final year/one-year course	451	0.057	-14	916
Qualification				
Bachelor degree, HND/C/Foundation degree (ref. category)	0			
PGCE/ITT	36	0.895	-507	580
Old or New system				
Old system (ref. category)	0			
New system	-246	0.270	-683	192

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A3.15: Welsh-domiciled full-time students average income and proportion of total income from social security benefits, by student characteristics (£)

	Mean	Median	SE	% of total income	N (unweighted)
All full-time students	328	0	43	3	550
Gender					
Male	104	0	38	1	134
Female	484	0	68	4	415
Age group					
Under 20	57	0	72	1	166
20-24	33	0	558	0	220
25+	1,562	275	596	12	163
Socio-economic group					
Managerial and professional	223	0	51	2	238
Intermediate	523	0	138	5	99
Routine/manual and unemployed	457	0	102	4	146
Household/family type					
Two-adult family	(1,718) ¹	(897)	(281)	14	44
One-adult family	(4,895)	(4,563)	(459)	28	34
Married or living as a couple	327	0	91	3	63
Single	69	0	26	1	409
Parental experience of HE					
Yes	164	0	37	1	270
No	513	0	83	5	277
Lives with parents					
Yes	95	0	46	1	120
No	401	0	56	3	430

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

NatCen/IES SIES 2007/08

Table A3.16: Welsh-domiciled full-time students average income and proportion of total income from social security benefits, by key HE study characteristics (£)

	Mean	Median	SE	% of total income	N (unweighted)
All full-time students	328	0	43	3	550
Old or New system					
Student on Old System	270	0	72	3	182
Student on New System	360	0	55	3	368
Type of Institution					
English HEI	38	0	30	0	146
Welsh HEI	475	0	64	4	403
Subject					
Medicine & Dentistry	(198) ²	(0)	(101)	2	38
Subjects allied to medicine	(799)	(0)	(264)	8	49
Sciences/Engineering/Technology/IT	100	0	49	1	103
Human/Social Sciences/Business/Law	445	0	115	4	118
Creative Arts/Languages/Humanities	146	0	68	2	125
Education	628	0	140	3	97
Combined/other	— ¹	—	—	—	20
Year of study					
First year	459	0	84	4	220
Other year	138	0	41	1	162
Final year/one-year course	387	0	95	4	168
Qualification aim					
Bachelor degree, HNC/D	272	0	42	3	483
Foundation degree, non-degree	—	—	—	—	15
PGCE/ITT	1,156	234	307	8	52
Student status					
Dependent	36	0	17	0	356
Independent	1,230	0	161	10	194

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

NatCen/IES SIES 2007/08

Table A3.17: Welsh-domiciled part-time students average income and proportion of total income from social security benefits, by key student and HE study characteristics (£)

	Mean	Median	SE	% of total income	N (unweighted)
All part-time students	1,875	527	497	15	194
Gender					
Male	1,263	2	250	11	64
Female	2,354	585	811	18	129
Age Group					
Under 25	— ¹	—	—	—	25
25-29	(616) ²	(0)	(254)	6	32
30-39	1,398	683	314	11	54
40 or over	3,293	1,950	1,133	23	83
Socio-economic group					
Managerial and professional	914	2	182	7	85
Intermediate	(1,145)	(0)	(335)	13	36
Routine/manual and unemployed	2,036	780	341	20	64
Household/family type					
Two-adult family	1,191	761	191	10	67
One-adult family	—	—	—	—	18
Married or living as a couple	938	34	218	8	51
Single	2,592	0	1,305	21	58
Parents studied at HE					
Yes	1,190	34	301	7	59
No	2,199	722	697	16	132
When started course					
Pre-2006/07	1,594	723	267	14	74
Post 2006/07	1,322	160	230	11	117
Year of study					
First year	1,178	2	306	10	69
Intermediate year	1,615	780	279	14	61
Final year/one-year course	2,911	546	1,471	24	64
Qualification aim					
Bachelor degree/HNC/HND	1,956	336	567	17	156
Foundation degree/non degree	(1,325)	(585)	(346)	(12)	38

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: differences by when the student started their course will overlap with differences by year of study

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

4 Total Student Expenditure

4.1 Summary of key findings

- The average (mean) total expenditure of full-time Welsh-domiciled students in 2007/08 was £12,430. This included average tuition fee costs of £2,226.
- The average total expenditure of part-time students was £14,644, 18 per cent higher than their full-time counterparts.
- Living costs constituted the largest category of expenditure (55 per cent of expenditure for full-time students and 64 per cent for part-time students), while housing costs accounted for a further fifth of expenditure for each group.
- Participation costs accounted for a higher proportion of expenditure for full-time students than for part-time students (25 per cent compared with 12 per cent).
- Life stage had a strong influence on expenditure for both full- and part-time students, with spending highest amongst students in families with children.
- Full-time and part-time students who were owner-occupiers tended to have higher expenditure, although for full-time students this tended to reflect differences in life stage.
- Full-time students under the new system of student finance arrangements (including 'top up' fees) had higher participation costs, and higher spending overall, although once other factors were taken into account, the difference was not significant. Whether students started their course pre- or post- 2006/07 was not associated with differences in overall expenditure among part-time students.
- The subject of the course being taken was also associated with different levels of spending for full-time students: students taking courses related to education, medicine or allied to medicine had higher expenditure.

4.2 Introduction

This chapter examines students' total expenditure for the academic year 2007/08, looking separately at full-time and part-time students.

Unlike estimates of student income, those for expenditure have been derived from two sources, using information collected in the interview in combination with a seven-day diary of expenditure.

The interview covered the largest items of expenditure, such as rent, household bills and the purchase of larger items such as computers. Annual estimates were obtained by combining answers about spending since the start of the academic year with estimates of spending for the remainder of the year.

The diary covered smaller items of spending such as food and drink and smaller household goods. Annual estimates were obtained by multiplying weekly totals by the number of weeks in the academic year for each student.

Estimates of expenditure for students who were married or otherwise shared joint financial responsibility for housing costs or other essential expenditure with a partner have been

adjusted where that expenditure was judged to be joint rather than individual, following the procedure used for joint income.³⁴

In this chapter we present an overview of expenditure, showing:

- total average expenditure for full-time and part-time students in Wales and the profile of expenditure under the four main categories of living costs, housing costs, participation costs and spending on children
- variations in total expenditure levels for different types of (full- and part-time) students.

The following chapter looks in more detail at the different sub-categories of expenditure, which are detailed in Figure 4.1.

Figure 4.1: Components of expenditure

Living costs: this is by far the largest category and includes expenditure on food and drink; personal items such as clothes, toiletries, mobile phones, CDs, magazines and cigarettes; entertainment, including nightclubs, concerts, sports and gambling; household goods including cleaning and servicing costs; and non-course travel such as holidays and visits to family and friends. This sub-category is examined in more detail in section 5.7.

Housing costs: this is the second-largest category of expenditure for most students and includes rent, mortgage costs, retainers, council tax and household bills. This sub-category is examined in more detail in section 5.8.

Participation costs: these are the costs that students incur as a direct result of attending university or college and are the third-largest category of expenditure for most students. They include the costs of course-related books, equipment and stationery; the costs of travelling to and from their university or college; the costs of any childcare that parents obtain in order to allow them to study; and all course fees paid by the students or paid by their families on their behalf.³⁵ This sub-category is examined in more detail in sections 5.3-5.6.

Spending on children: this is the smallest category and covers all spending by parents on their children including the costs of any childcare that is not related to their study. This sub-category is examined in more detail in section 5.9.

As in the previous chapters, due to the diversity of the student population and the range of costs different students incur on their courses in higher education, the chapters covering expenditure can only discuss the main variations between students. Additional tables at the end of the chapter present further results for key groups of students. Comparisons with 2004/05 are discussed in Chapter 9.

³⁴ Joint financial responsibility was defined as either regularly sharing the costs of housing or other essential expenditure with a partner or having a joint bank or building society account with a partner. The adjustment procedure was to divide joint expenditure by two. Full details are provided in the technical appendix.

³⁵ Full-time and PGCE students who were subject to 'top-up' fees (up to a maximum of £3,070 per academic year) and all part-time students were asked in the interview how much their course fees were. For all other full-time and PGCE students, their course fees were set as £1,225, the maximum amount a student might be expected to contribute towards their fees. In all cases, the fee costs were the total charged before any student support (including grants, bursaries or loans) was received. See Chapter 3 for full details.

4.3 Total expenditure

4.3.1 Introduction

In this section, we look at overall levels of expenditure and its main constituent categories for full-time and part-time students. We also look at the overall profiles of expenditure, in terms of the proportion of expenditure falling into different categories.

4.3.2 Key findings

The average (mean) total expenditure of full-time Welsh-domiciled students in 2007/08 was £12,430. The average total expenditure of part-time students was £14,644, 18 per cent higher than their full-time counterparts (Table 4.1). The difference in expenditure between full-time and part-time students is in line with that found for income (16 per cent).

The median levels of total expenditure were £11,185 for full-time students, which means that 50 per cent of the full-time student group had expenditure above this figure (and 50 per cent below). The median for part-time students was £13,188. For both groups, the mean value was somewhat higher than the median, which indicates that the distribution was positively skewed, that is the highest expenditure values for each group were further from the median than were the lowest values. This pattern is consistent with previous SIES.³⁶

The overall mean for spending on children was low at £195 for full-time students and £552 for part-time students. However, as most students did not have any spending in this category (as they do not have children), this does not give a good indicator of the level of expenditure when students do have child-related expenses. As Table 4.2 shows, only eight per cent of full-time students and 30 per cent of part-time students had spending in this category. Their average level of spending was £2,415 for full-time students and £1,824 for part-time students, considerably higher than the mean based on all students.

Similarly, when looking at students' housing costs, 16 per cent of full-time students and five per cent of part-time students reported having no housing costs (typically because they lived with a parent or other relatives). Thus, the housing costs of those who incurred such expenditure (in Table 4.2) were higher than the overall average (in Table 4.1). (For all other categories of expenditure and total expenditure, all students incurred costs so there is no difference in the means based on the whole sample versus those incurring costs.)

³⁶ A number of the highest values for sub-categories of expenditure were judged to be outliers and were trimmed to the level of the next highest value that was consistent with the shape of the distribution. Further details are provided in the technical appendix.

Table 4.1: Total student expenditure and main sources of student expenditure, for Welsh-domiciled students by full-time and part-time status (£)

		Full-time	Part-time
Living costs*	Mean	6,879	9,391
	Median	5,928	8,327
	SE	228	787
Housing costs*	Mean	2,225	2,992
	Median	1,962	2,772
	SE	135	185
Participation costs	Mean	3,132	1,708
	Median	3,220	1,385
	SE	60	90
Spending on children*	Mean	195	552
	Median	0	0
	SE	35	77
Estimated total expenditure*	Mean	12,430	14,644
	Median	11,185	13,188
	SE	266	838
<i>N = (621) unweighted</i>		<i>453</i>	<i>168</i>

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table 4.2: Expenditure on children and housing for students who incurred costs in expenditure categories, for Welsh-domiciled students by full-time and part-time status (£)

		Full-time	Part-time
Housing costs*	Mean	2,661	3,167
	Median	2,340	2,894
	SE	147	192
	N	384	162
	% incurring cost	84	95
Spending on children*	Mean	2,415	1,824
	Median	1,654	1,572
	SE	308	158
	N	63	71
	% incurring cost	8	30

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students completing diary

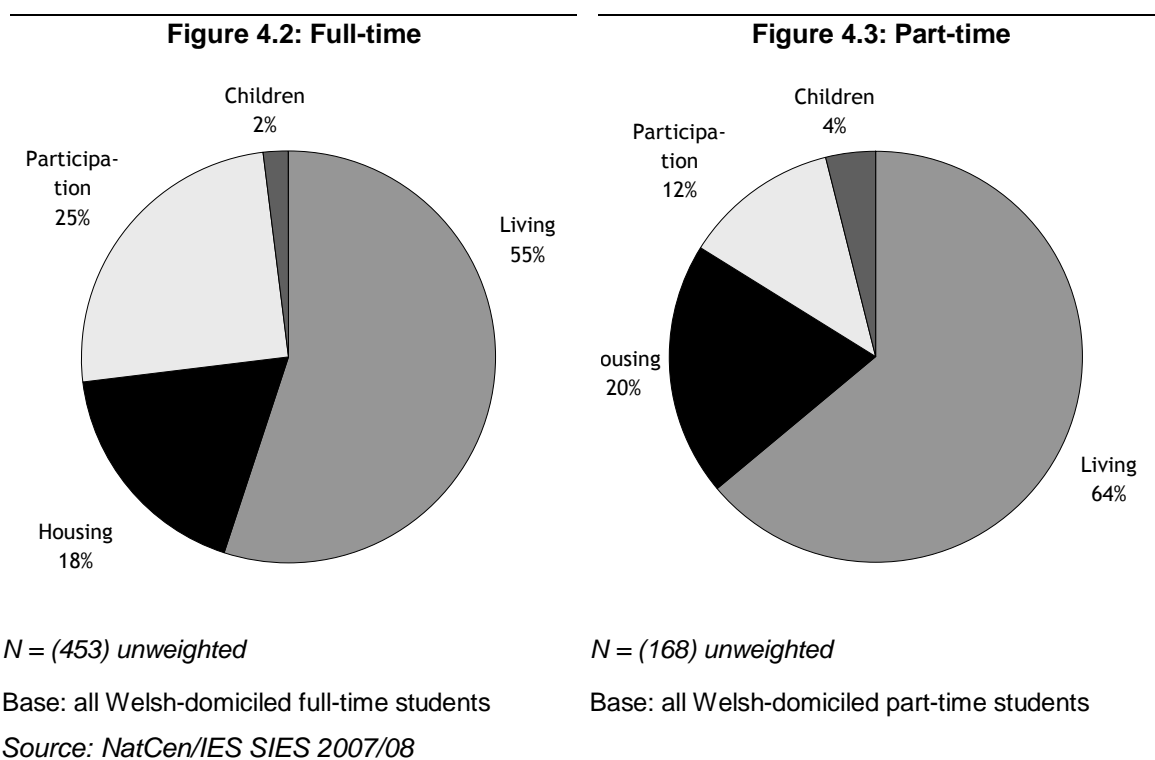
Source: NatCen/IES SIES 2007/08

4.3.3 Composition of total income

Figures 4.2 and 4.3 show how the expenditure of full-time and part-time students respectively was distributed between the four sub-categories (described above). As well as differences in total expenditure levels, the profiles of expenditure differed in some ways for the two groups.

- **Living costs** represented the majority of expenditure for each group (55 per cent for full-time students and 64 per cent for part-time students).
- **Housing costs** accounted for around one-fifth of total expenditure for each group (18 per cent for full-time students and 20 per cent for part-time students).
- **Participation costs** accounted for a higher proportion of annual expenditure for full-time students than for part-time students (25 per cent compared with 12 per cent).
- **Spending on children** was the smallest category of expenditure (two per cent for full-time students and four per cent for part-time students), largely reflecting the low proportion of students with child-related spending.

Figures 4.2 and 4.3: Profile of expenditure for full- and part-time Welsh-domiciled students



4.4 Variations in total expenditure between student groups

4.4.1 Introduction

In this section we look at key differences in total expenditure between different types of student (in terms of their socio-economic background, study-related factors and location). We first examine variations between different groups for full-time students (Section 4.4.2), before turning to part-time students (Section 4.4.3). Many of the groups overlap (eg older students are less likely to live with their parents), so differences in expenditure between

groups may reflect variations in other socio-economic or institutional background. Multivariate regression was therefore used to look at differences in expenditure between groups; this controls for variations in other background factors (see Tables 4.3 and 4.4).

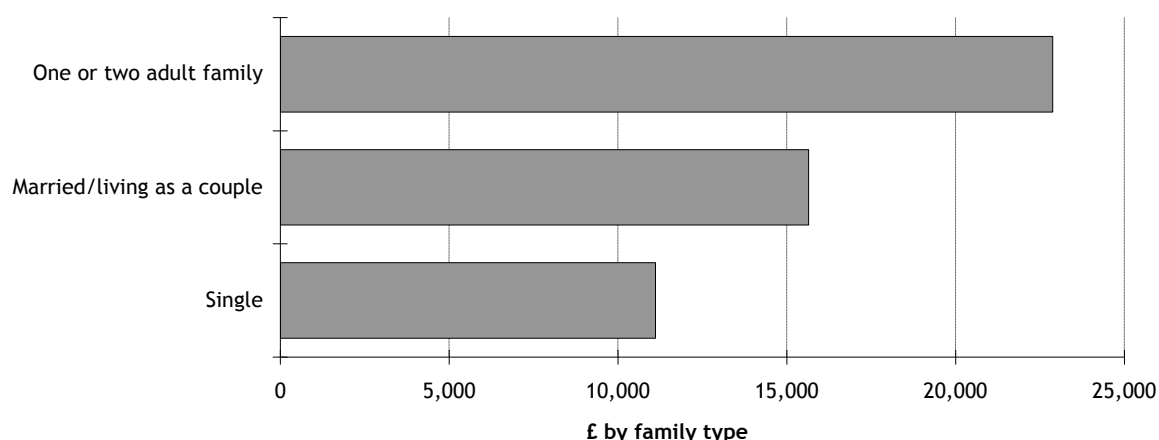
4.4.2 Full-time students

Student background

Total expenditure was related to students' age and gender, although this generally reflected associations between age/gender and family type. Female Welsh-domiciled full-time students reported a slightly higher level of total expenditure than men, a level of £13,020 compared with £11,588 (Table A4.1 at the end of the chapter), driven by higher average living costs and spending on children. Full-time students aged 25 or older tended to have higher expenditure (£17,073) than younger students (£11,343 for students aged under 20 and £11,330 for students aged 20-24, Table A4.2). However, age and gender differences were not found to be significant in the multiple regression model (Table 4.3), which confirms that they reflected other factors.

Total expenditure was strongly related to full-time students' life stage —those who had families with children had the highest levels of expenditure (Table A4.3, Figure 4.4). Families with children had much higher average levels of expenditure (£22,874) than those who were in a couple without children (£15,645) or single (£11,106). Family type was found to have a strong relationship with total expenditure in the multiple regression model (Table 4.3).

Figure 4.4: Total expenditure by family type for Welsh-domiciled full-time students



Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

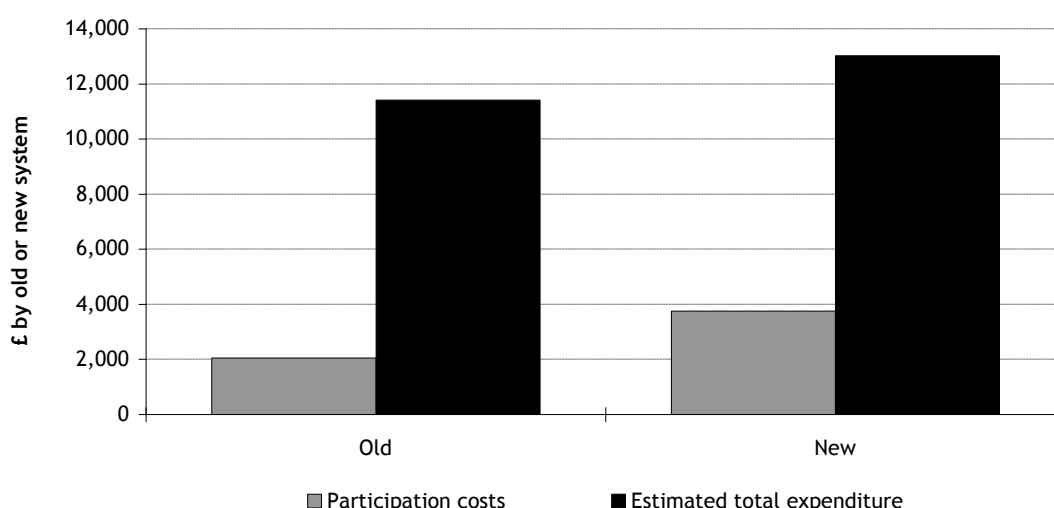
Full-time students who owned or were buying their homes or who were renting privately (either by themselves or with their family) had higher average expenditure (£19,667 and £14,850 respectively). This compared to £10,463 for those living in university accommodation and £11,013 for those living with their parents (Table A4.4). These differences partly reflected variations in housing costs (which were much lower for those in university accommodation or living with their parents), but were also linked to variations in living costs (associated with differing life stages). Once family type had been taken into account in the multivariate analysis, the effect of tenure was only just significant in the multiple regression model, the main feature being that expenditure was significantly lower for students living with their parents.

Social class was not found to have a strong influence on full-time student's expenditure (after controlling for other factors). The same was also true for parental income (for dependent students). Students whose parents had also attended higher education tended to have slightly higher average expenditure than those whose parents had not (£12,490 compared to £11,476) but this effect was not significant once other factors were taken into account.

HE study-related and location factors

Study-related factors were also linked to higher levels of expenditure. As to be expected, new system students did have higher average expenditure than old system students (£13,025 compared to £11,412, Table A4.5, Figure 4.5). This was driven by higher participation costs, reflecting the higher fees charged to new system students.³⁷ However, it should be noted that the difference fell short of statistical significance in the multivariate modelling. Year of study was also associated with different overall expenditure (Table A4.6), but was not significant once the overlap with old/new system students was taken into account.

Figure 4.5: Total expenditure and participation costs by old or new system for Welsh-domiciled full-time students



Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Overall expenditure also varied (significantly) with the subject of the course being taken. Students studying education, medicine and subjects allied to medicine (such as nursing) all tended to have higher expenditure (Table A4.7). This variation seemed to reflect factors such as living and housing costs, as well as differences in participation costs.

Full-time students at Welsh HEIs had higher expenditure levels (£13,074) than those at English HEIs (£11,269, Table A4.8). Spending in all categories was higher, with the exception of housing costs which were greater for those studying in England. However,

³⁷ Students in their third year or above were generally under the old system.

this difference was not significant in the multivariate analysis, once other factors had been taken into account.

Table 4.3: Linear regression model estimates: total expenditure for Welsh-domiciled full-time students

Variables	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	0			
Female	-347	0.503	-1,364	670
Age group				
Under 25 (ref. category)	0			
25+	-207	0.775	-1,638	1,223
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	335	0.613	-967	1,637
Routine/manual and unemployed	889	0.108	-196	1,975
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple***	-5,661	0.000	-8,303	-3,020
Single***	-8,789	0.000	-11,690	-5,888
Tenure				
Owning/buying (ref. category)	0			
Renting privately (with family/alone)	-2,054	0.083	-4,380	272
University accommodation	-2,902	0.075	-6,103	300
Renting privately (with friends)	-1,368	0.367	-4,348	1,611
Living with parents/relatives or in property owned by them*	-2,966	0.045	-5,862	-70
System				
Old (ref. category)	0			
New	1,842	0.075	-187	3,871
Inst type				
English HE (ref. category)	0			
Welsh HE	-277	0.579	-1,259	705
Subject				
Medicine (ref. category)	0			
Allied to medicine*	-3,041	0.005	-5,134	-949
Science/Engine/Tech**	-3,032	0.001	-4,824	-1,240
Human/Social sci	-1,557	0.197	-3,926	813
Creative arts**	-2,671	0.002	-4,361	-980
Education	-1,367	0.214	-3,527	793

Variables	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Year of study				
First year (ref. category)	0			
Second/other year	94	0.893	-1,274	1,462
Final year/one-year course	415	0.716	-1,831	2,661
Qualification				
Bachelors or Foundation (ref. category)	0			
PGCE/ITT	803	0.621	-2,389	3,929
Parental experience of HE				
Yes (ref. category)	0			
No	470	0.994	-922	929

N = (407) unweighted

Notes: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

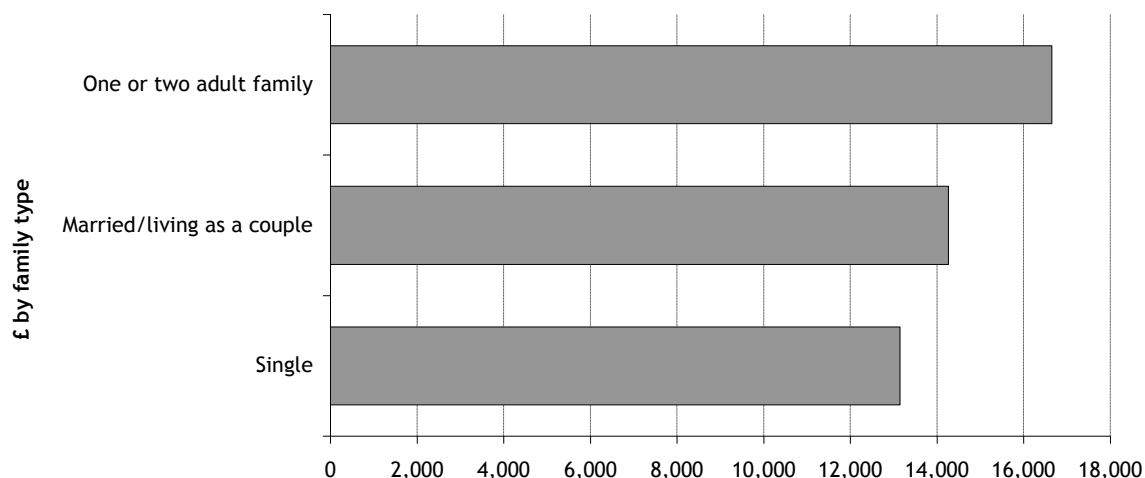
4.4.3 Part-time students

Student background

As for full-time students, expenditure for part-time students was mainly linked to family type (Table A4.3, Table 4.4, Figure 4.6). Students with children had the highest average levels of expenditure (£16,649), compared to those who were in a couple without children (£14,261) or single (£13,141). Spending by families with children was consistently high in every category (although patterns varied with each category of cost); child-related costs were a particular driver for the overall pattern.

The sex and age of part-time students was not strongly linked to their expenditure (Tables A4.1, A4.2). There was no difference in overall spending between male and female students even before other factors were controlled (although women did spend more on child-related expenses). Age patterns in expenditure (with higher spending by part-time students aged 30-39) were not significant once life stage had been taken into account.

Figure 4.6: Total expenditure by family type for Welsh-domiciled part-time students



Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

Due to small numbers amongst the part-time group, it was only possible to compare owner-occupiers with all other types of tenure (Table A4.4). Part-time students who owned or were buying their homes did have higher average expenditure than other students (£15,921 and £13,229 respectively), with slightly higher living and housing costs. Although the effect fell just short of statistical significance before other factors were accounted for, it was significant in the multivariate modelling.

Social class and parental experience of higher education were not related to part-time students' overall expenditure.

HE study-related factors

Before other factors were controlled for, overall expenditure varied somewhat with the subject of the part-time course being taken. However, this was not significant once other factors had been controlled for (and base sizes for individual subject types very small).

Factors such as which year the student was in, or when they started their course, were not associated with different levels of expenditure, nor was the type of qualification being studied. It was not possible to examine the effect of the type or location of institution attended, as all but eight students attended a Welsh HEI.

Table 4.4: Linear regression model estimates: total expenditure, Welsh-domiciled part-time students

Variables	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	0			
Female	765	0.477	-1,354	2,884
Age group				
Under 30 (ref. category)	0			
30-39	-530	0.778	-4,238	3,179
40+	-2,337	0.167	-5,662	987
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	-1,127	0.361	-3,555	1,301
Routine/manual and unemployed	-2,242	0.085	-4,800	316
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple***	-5,192	0.000	-7,983	-2,400
Single	-3,142	0.065	-6,483	200
Tenure				
Owning/buying (ref. category)	0			
Others*	-2,478	0.042	-4,867	-89
When started course				
Pre-2006/07	0			
Post 2006/07	1,437	0.299	-1,288	4,163
Inst type				
English HEI (ref. category)	0			
Welsh HEI	-2,090	0.066	-4,320	140
Subject				
All except science (ref category)	0			
Science/Engineering/Technology	-2,354	0.055	-4,763	56
Year of study				
First year (ref. category)	0			
Second/other year	887	0.541	-1,974	3,749
Final year/one-year course	1,135	0.289	-971	3,241

N = (159) unweighted

Notes: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

Additional tables

Table A4.1: Total student expenditure and main sources of student expenditure for Welsh-domiciled students, by gender (£)

		Full-time		Part-time	
		Male	Female	Male	Female
Living costs*	Mean	6,203	7,349	8,768	10,073
	Median	5,680	6,084	7,021	8,485
	SE	385	257	825	1,203
Housing costs*	Mean	2,241	2,227	2,460	3,476
	Median	2,003	1,819	1,773	3,353
	SE	257	141	297	239
Participation costs	Mean	3,121	3,135	1,544	1,849
	Median	3,211	3,220	1,370	1,660
	SE	127	70	128	120
Spending on children*	Mean	23	310	342	717
	Median	0	0	0	0
	SE	9	55	124	95
Estimated total expenditure*	Mean	11,588	13,020	13,115	16,115
	Median	10,904	11,428	11,046	14,679
	SE	413	349	976	1,237
<i>N = (619) unweighted</i>		<i>106</i>	<i>346</i>	<i>57</i>	<i>110</i>

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students

Source: NatGen/IES SIES 2007/08

Table A4.2: Total student expenditure and main sources of student expenditure for Welsh-domiciled students, by age group at start of the academic year (£)

		Full-time			Part-time		
		Under 20	20-24	25+	Under 30	30-39	40+
Living costs*	Mean	5,934	6,485	9,537	(8,898) ¹	(11,122)	8,438
	Median	5,204	5,498	8,092	(6,508)	(9,323)	8,371
	SE	331	358	524	(996)	(1,703)	567
Housing costs*	Mean	1,879	2,181	2,951	(2,908)	(3,039)	3,019
	Median	1,724	1,845	2,810	(2,040)	(3,279)	2,772
	SE	153	225	200	(409)	(292)	308
Participation costs	Mean	3,530	2,661	3,570	(1,995)	(1,485)	1,667
	Median	3,429	2,358	3,468	(1,750)	(1,315)	1,429
	SE	86	94	157	(167)	(159)	131
Spending on children*	Mean	0	4	1,015	(236)	(952)	480
	Median	0	0	0	(0)	(0)	0
	SE	0	4	165	(90)	(204)	121
Estimated total expenditure*	Mean	11,343	11,330	17,073	(14,037)	(16,597)	13,604
	Median	10,891	10,259	15,495	(12,750)	(15,997)	13,188
	SE	350	371	795	(1,072)	(1,690)	830
<i>N = (621) unweighted</i>		136	183	134	49	47	72

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A4.3: Total student expenditure and main sources of student expenditure for Welsh-domiciled students, by family type (£)

		Full-time			Part-time		
		One or two-adult family	Married/ living as couple	Single	One or two-adult family	Married/ living as couple	Single
Living costs*	Mean	12,716	9,592	6,049	9,932	(10,432) ¹	7,950
	Median	10,922	9,840	5,233	9,524	(7,737)	6,486
	SE	868	588	223	510	(2,144)	561
Housing costs*	Mean	3,760	2,421	2,057	3,175	(2,536)	3,237
	Median	3,401	2,557	1,695	3,288	(2,069)	2,613
	SE	270	188	157	251	(291)	431
Participation costs	Mean	3,984	3,633	3,000	1,850	(1,292)	1,955
	Median	3,918	3,655	3,185	1,547	(1,315)	1,950
	SE	253	151	68	128	(157)	168
Spending on children*	Mean	2,415	0	0	1,693	(0)	0
	Median	1,654	0	0	1,416	(0)	0
	SE	314	0	0	150	(0)	0
Estimated total expenditure*	Mean	22,874	15,645	11,106	16,649	(14,261)	13,141
	Median	21,174	15,209	10,375	16,673	(11,422)	12,428
	SE	1,227	635	237	772	(2,249)	792
<i>N = (621) unweighted</i>		63	51	339	72	45	51

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A4.4: Total student expenditure and main sources of student expenditure for Welsh-domiciled full-time students, by tenure (£)

		Owning	Private renter (alone/with family)	Univ. accom	Private renter (with friend)	Living with parents	Parent- owned accom
Living costs*	Mean	11,229	(7,851)	(5,239)	5,930	7,025	— ¹
	Median	10,275	(7,399)	(4,691)	5,121	6,537	—
	SE	681	(645)	(447)	476	439	—
Housing costs*	Mean	3,333	(2,886)	(1,990)	3,009	501	—
	Median	2,944	(2,845)	(1,980)	2,552	0	—
	SE	249	(163)	(168)	255	106	—
Participation costs	Mean	3,614	(3,780)	(3,234)	2,549	3,476	—
	Median	3,424	(3,735)	(3,340)	2,737	3,590	—
	SE	183	(217)	(130)	84	124	—
Spending on children*	Mean	1,491	(333)	(0)	0	10	—
	Median	543	(0)	(0)	0	0	—
	SE	261	(97)	(0)	0	7	—
Estimated total expenditure*	Mean	19,667	(14,850)	(10,463)	11,488	11,013	—
	Median	18,425	(14,177)	(10,293)	10,214	10,641	—
	SE	1,029	(864)	(460)	518	489	—
<i>N = (617) unweighted</i>		86	48	74	137	93	13

*Note: figures adjusted for joint financial responsibility where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A4.4 (continued): Total student expenditure and main sources of student expenditure for Welsh-domiciled part-time students, by tenure (collapsed) (£)

		Owning/buying	All others
Living costs*	Mean	10,449	8,059
	Median	9,086	6,508
	SE	1,159	453
Housing costs*	Mean	3,346	2,587
	Median	3,146	2,040
	SE	227	385
Participation costs	Mean	1,582	1,968
	Median	1,360	1,750
	SE	117	165
Spending on children*	Mean	544	615
	Median	0	0
	SE	87	178
Estimated total expenditure*	Mean	15,921	13,229
	Median	14,679	12,750
	SE	1,224	645
<i>N = (166) unweighted</i>		<i>107</i>	<i>59</i>

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled part-time students

Source: NatGen/IES SIES 2007/08

Table A4.5: Total student expenditure and main sources of student expenditure for Welsh-domiciled students, by old or new system (full-time) and when started course (part-time) (£)

		Full-time		Part-time	
		Old	New	Pre-2006/07	Post-2006/07
Living costs*	Mean	6,773	6,941	9,079	8,834
	Median	5,444	6,060	7,021	8,005
	SE	429	275	770	427
Housing costs*	Mean	2,433	2,103	2,798	2,862
	Median	2,086	1,800	2,472	2,186
	SE	267	132	295	237
Participation costs	Mean	2,057	3,759	1,941	1,674
	Median	1,795	3,603	1,665	1,290
	SE	66	60	124	116
Spending on children*	Mean	149	223	603	644
	Median	0	0	0	0
	SE	43	49	130	115
Estimated total expenditure*	Mean	11,412	13,025	14,421	14,014
	Median	10,100	11,612	12,750	13,061
	SE	508	337	914	609
<i>N = (618) unweighted</i>		157	296	67	98

*Note: figures adjusted for joint financial responsibility where relevant

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A4.6: Total student expenditure and main sources of student expenditure for Welsh domiciled students, by year of study (£)

		Full-time			Part-time		
		First year	Other years	Final year/ one year course	First year	Other years	Final year/ one year course
Living costs*	Mean	7,060	6,592	6,979	8,096	8,963	11,122
	Median	6,014	6,222	5,444	6,813	7,021	9,244
	SE	368	367	470	454	877	1,834
Housing costs*	Mean	1,960	2,274	2,475	2,670	2,855	3,460
	Median	1,800	1,935	2,076	2,167	2,613	3,728
	SE	130	241	302	247	331	309
Participation costs	Mean	3,797	3,208	2,286	1,826	1,786	1,505
	Median	3,700	3,231	1,893	1,290	1,589	1,184
	SE	87	98	94	166	127	144
Spending on children*	Mean	279	70	234	603	509	555
	Median	0	0	0	0	0	0
	SE	72	31	70	144	118	160
Estimated total expenditure*	Mean	13,096	12,143	11,974	13,195	14,113	16,642
	Median	11,634	11,148	10,302	12,428	12,120	14,745
	SE	458	466	589	674	1,034	1,781
<i>N = (621) unweighted</i>		<i>177</i>	<i>131</i>	<i>145</i>	<i>58</i>	<i>53</i>	<i>57</i>

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A4.7: Total student expenditure and main sources of student expenditure for Welsh-domiciled full-time students, by subject (£)

		Full-time						
		Medicine/ Dentistry	Allied to medicine	Science/Eng/ Tech/IT	Human/Social Sci/Bus/Law	Creat Arts/ Lang/Hum	Education	Combined/ other
Living costs*	Mean	(7,097) ²	(7,504)	5,707	7,354	6,048	9,087	— ¹
	Median	(6,145)	(6,533)	4,908	6,574	6,014	7,606	—
	SE	(753)	(615)	409	560	364	569	—
Housing costs*	Mean	(3,535)	(2,161)	1,983	2,325	2,108	1,771	—
	Median	(2,766)	(2,010)	1,702	1,989	2,160	1,426	—
	SE	(860)	(293)	208	292	181	204	—
Participation costs	Mean	(3,186)	(3,114)	2,930	3,039	3,035	3,672	—
	Median	(3,125)	(3,175)	3,152	3,150	3,330	3,790	—
	SE	(320)	(253)	157	104	102	158	—
Spending on children*	Mean	(237)	(331)	49	113	46	725	—
	Median	(0)	(0)	0	0	0	0	—
	SE	(122)	(141)	32	42	29	218	—
Estimated total expenditure*	Mean	(14,056)	(13,110)	10,669	12,830	11,236	15,255	—
	Median	(12,771)	(11,705)	9,525	12,321	10,302	13,392	—
	SE	(923)	(925)	465	659	398	793	—
<i>N = (453) unweighted</i>		30	41	82	98	100	86	16

*Note: figures adjusted for joint financial responsibility where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A4.8: Total student expenditure and main sources of student expenditure, by type of institution for Welsh-domiciled full-time students (£)

		England HEI	Wales HEI
Living costs*	Mean	5,591	7,595
	Median	4,237	6,643
	SE	462	239
Housing costs*	Mean	2,987	1,798
	Median	2,552	1,561
	SE	315	91
Participation costs*	Mean	2,685	3,380
	Median	2,740	3,280
	SE	88	75
Spending on children	Mean	6	301
	Median	0	0
	SE	5	53
Estimated total expenditure*	Mean	11,269	13,074
	Median	9,790	11,612
	SE	452	333
<i>N = (452) unweighted</i>		124	328

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled full-time students

Source: NatGen/IES SIES 2007/08

5 HE Participation and Other Costs

5.1 Summary of key findings

- Full-time Welsh-domiciled students spent an average of £3,132 on participation costs in the academic year 2007/08, that is, the costs they incurred as a direct result of attending university or college.
- Part-time students spent considerably less than their full-time counterparts on these costs, an average of £1,708.
- Among full-time students, participation costs were highest for those whose parental or own occupations were classified as routine/manual/unemployed, those with children, those classified as new system students and those studying an education-related course.
- Among part-time students, the groups with the highest participation costs were notably different to those among full-time students. Part-time students who were single, those studying non-science related courses and those who started their course prior to 2006/07 reported the highest participation costs.
- Full-time students spent an average of £384 on direct course costs such as books, computers and equipment and part-time students £277. Among full-timers, first year students and those studying creative arts/languages/humanities reported the highest expenditure on these items. For part-timers, the highest costs were reported by final year students and those studying non-science related subjects.
- Full-time students spent an average of £522 over the academic year on facilitation costs (such as course-related travel and childcare); part-time students spent a similar amount, averaging £520. Facilitation costs were relatively high for students who lived with their parents and students with dependent children.
- Living costs accounted for £6,879 of full-time students' and £9,391 of part-time students' spending (the highest share of spending among both groups). Among both full- and part-time students, living costs were highest for students with children.
- Housing costs accounted for £2,225 of spending among full-time students and £2,992 among part-time students. Full-time students typically lived in rented (non-university) property with friends or other students, with their parents or relatives or in university provided accommodation: these groups reported particularly low housing costs. Part-time students were more likely to be buying or privately renting a property (alone or with family) and this is reflected in their higher overall housing costs.
- Eight per cent of full-time students and 33 per cent of part-time students were parents who lived with their children; among these, full-time students spent £2,415 and part-time students spent £1,693 on child-related costs.

5.2 Introduction

In this chapter we explore in more detail the main areas of student expenditure, that is the different sub-categories of student spending outlined at the beginning of Chapter 4. We begin by looking at total participation costs (in Section 5.3), that is the total costs that students incur directly because of their higher education course. Participation costs

comprise: tuition fees (Section 5.4); direct course costs (Section 5.5); and facilitation costs (Section 5.6).

The three other sub-categories of spending are then discussed in more detail. They are:

- Living costs (Section 5.7), which as has been shown already (Figures 4.1 and 4.2) is by far the largest category for both full-time and part-time students. This category includes expenditure on food and drink, personal entertainment, household goods and non-course travel.
- Housing costs (Section 5.8), which account for around one-fifth of spending for both full- and part-time students.
- Spending on children (Section 5.9), which composes a very small share of total spending on average, but is much higher for certain groups, ie students with children.

Throughout this chapter, findings for full-time and part-time students are presented separately.

5.3 Total participation costs

5.3.1 Introduction

In this section, we look at the overall level of spending on participation and its main constituents. As Chapter 4 showed, participation costs accounted for one-quarter of total expenditure in the 2007/08 academic year for full-time students, but less (just over one-tenth) for part-time students'. We also look at the overall profile of expenditure on participation.

5.3.2 Full-time students

Welsh-domiciled full-time students reported spending an average (mean) of £3,132 on participation costs in the 2007/08 academic year. This is substantially higher (by 83 per cent) than the amount spent by part-time students (£1,708). Table 5.1 shows the total participation costs for full- and part-time students. Total participation costs for full-time students consisted of:

- an average of £2,226 on tuition fees (71 per cent of the total participation costs)³⁸
- an average of £384 on direct course costs (12 per cent of the total)
- an average of £522 on facilitation costs (17 per cent of the total).

³⁸ Students' full tuition fee cost is counted as expenditure for analysis purposes. Where students paid less than this because they had help with their fees, the difference from the total has been treated as income (under main student support), and included in calculations in Chapters 2 and 3 on income.

Table 5.1: Total student participation costs and main sources of student participation costs for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Tuition fee cost	Mean	2,226	911
	Median	3,000	700
	SE	46	63
Direct course costs (eg books and equipment)	Mean	384	277
	Median	225	173
	SE	24	35
Costs of facilitating participation (eg travel and study-related childcare)	Mean	522	520
	Median	300	390
	SE	32	44
Total participation costs	Mean	3,132	1,708
	Median	3,220	1,385
	SE	60	90
<i>N = (621) unweighted</i>		453	168

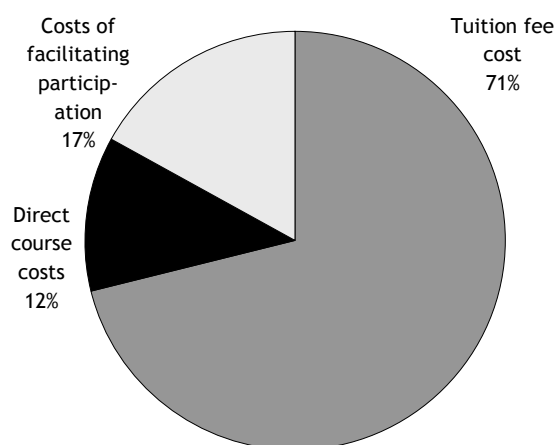
Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Full-time students spent comparatively more on tuition fees (almost three-quarters of their spending) and less on facilitation costs (17 per cent) than their part-time counterparts (Figures 5.1 and 5.2).

Figures 5.1 and 5.2: Profile of participation costs for full- and part-time Welsh-domiciled students

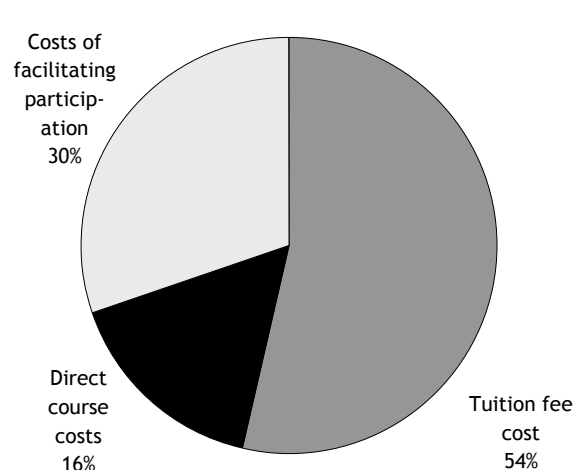
Figure 5.1: Full-time



N = (453) unweighted

Base: all Welsh-domiciled full-time students

Figure 5.2: Part-time



N = (168) unweighted

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

Not all students incurred costs under some of the sub-categories of participation. For example, 68 per cent of full-time students incurred some facilitation costs, whereas almost all (99 per cent), reported direct course costs (Table 5.2). The average figures for those who had incurred such costs were £388 for direct course costs (similar to the average for all full-time students, £384) and £830 for facilitation costs (considerably higher than the average for all students, £522).

Table 5.2: Total student participation costs and main sources of student participation costs for Welsh-domiciled students who incurred costs in participation categories, by full-time and part-time status (£)

		Full-time	Part-time
Tuition fee cost	Mean	2,253	969
	Median	3,000	735
	SE	44	64
	N	447	156
	% incurring cost	99	93
Direct course costs (eg books and equipment)	Mean	388	302
	Median	230	175
	SE	24	37
	N	447	156
	% incurring cost	99%	93
Costs of facilitating participation (eg travel and study-related childcare)	Mean	830	645
	Median	663	468
	SE	46	48
	N	309	150
	% incurring cost	68	89
Total participation costs	Mean	3,132	1,721
	Median	3,220	1,385
	SE	60	90
	N	453	167
	% incurring cost	100	99
<i>N = (621) unweighted</i>		453	168

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Full-time students' participation costs varied substantially according to their individual and course characteristics. Multiple linear regression analysis was used to identify which of these were most strongly associated with high or low average participation costs (Table 5.3). The model found that significant variations in income were determined by a range of factors, discussed in turn below.

Student factors

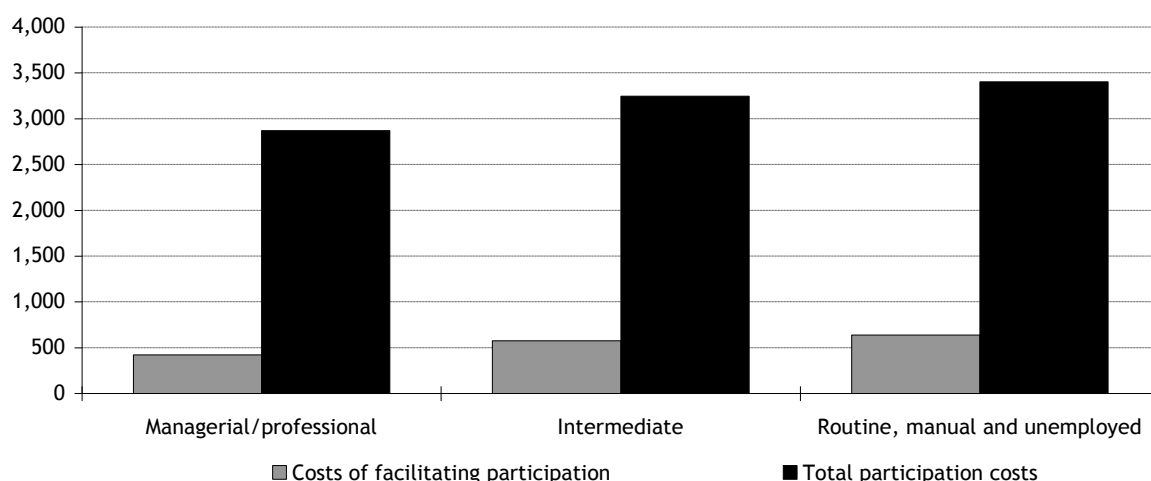
Male and female students reported very similar levels of participation costs, £3,121 for men and £3,135 for women (Table A5.1). Although women reported higher spending on facilitation (which included course-related childcare), gender was not found to be

significant in predicting level of expenditure on participation costs in the linear regression model.

Students in the 20-24 age group reported the lowest levels of expenditure on participation costs (£2,661) compared with younger and older students (£3,530 and £3,570 respectively; Table A5.2). This difference was largely due to substantially lower tuition fee costs for students aged 20-24, who, by age default, were the most likely to be old system students and charged the lower rate of fees (£1,225 compared with up to £3,070 for new system students). However, students' age was not found to be significant in the multiple regression model.

Full-time students from managerial/professional social class backgrounds had lower overall participation costs than those from a routine/manual or intermediate background (£2,870 compared with £3,403 and £3,248 respectively; Table A5.3, Figure 5.3). This was attributed mainly to lower expenditure on facilitation costs. However, socio-economic group was not found to be a significant predictor of expenditure on participation once other factors had been controlled for.

Figure 5.3: Total participation costs by socio-economic group, for Welsh-domiciled full-time students (£)

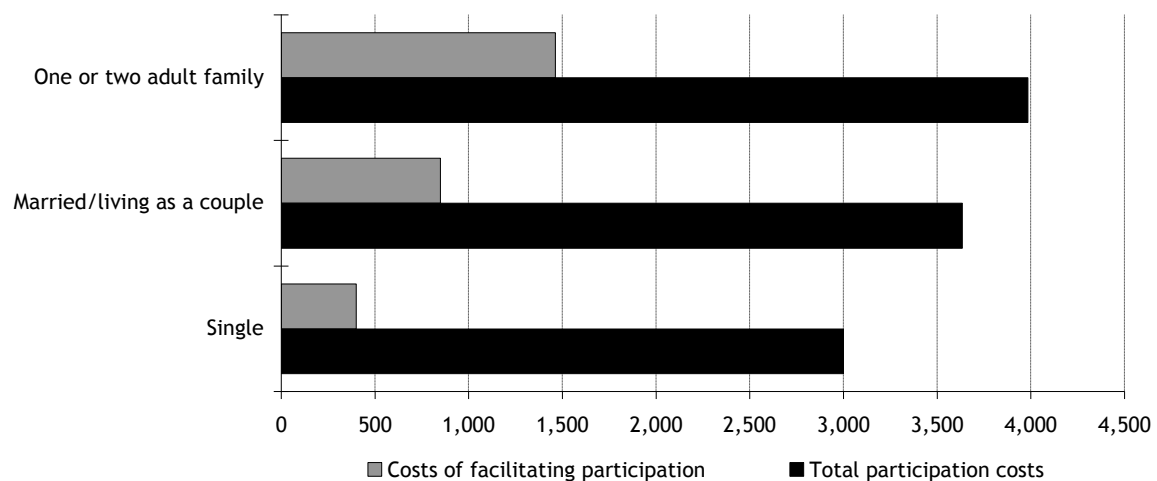


Base: all Welsh-domiciled full-time students for whom social class could be reliably derived

Source: NatCen/IES SIES 2007/08

Family type also showed a significant relationship with participation costs. Full-time students who were parents reported the highest levels of participation costs (£3,984; Table A5.4; Figure 5.4). This was much higher than the costs of those without children (£3,000 for those who were single and £3,633 for those who were married or living as a couple). These overall differences reflected patterns in facilitation costs across different family types.

Figure 5.4: Total participation costs by family type, for Welsh-domiciled full-time students (£)



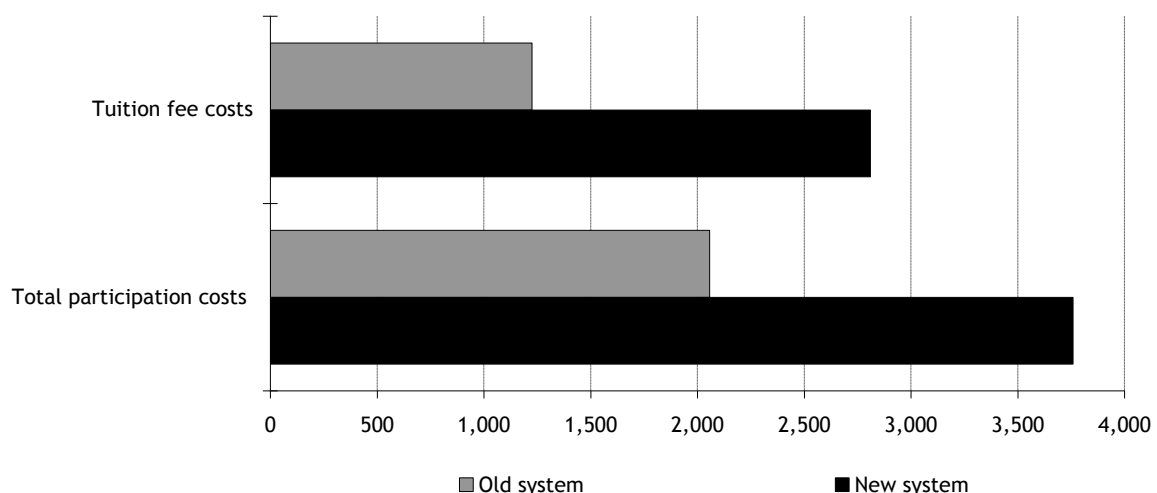
Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

HE study factors

As expected, whether full-time students were eligible for the old or new system packages of support was found to be highly significant in predicting level of expenditure on participation costs. This mainly reflected the higher tuition fee costs for new system students (a mean of £2,810) compared with old system students (set at £1,225; Table A5.5; Figure 5.5). New system students also reported higher spending on direct course costs than old system students.

Figure 5.5: Total participation costs by old or new system, for Welsh-domiciled full-time students (£)



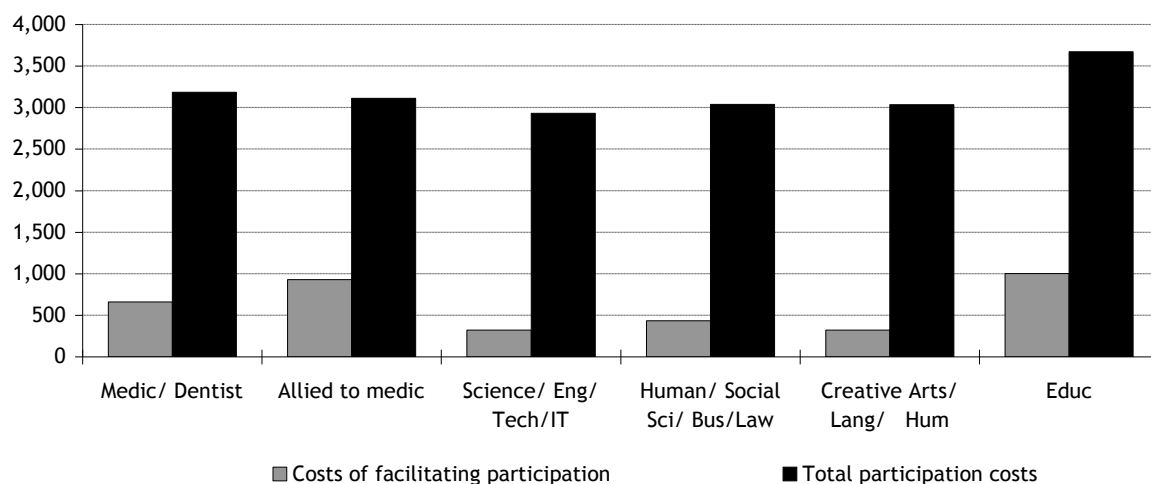
Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Expenditure on participation also varied significantly with the subject of the course being taken. Students studying education tended to have higher participation costs, particularly facilitation costs; these students had particularly high study-related travel costs (Table A5.6; Figure 5.6). Controlling for other factors, the regression model found that students doing human/social sciences including business and law, and those doing creative arts, languages, and humanities, had significantly lower participation costs than other students (Table 5.3).

Figure 5.6: Total participation costs by subject of study, for Welsh-domiciled full-time students (£)



Base: all Welsh-domiciled full-time students

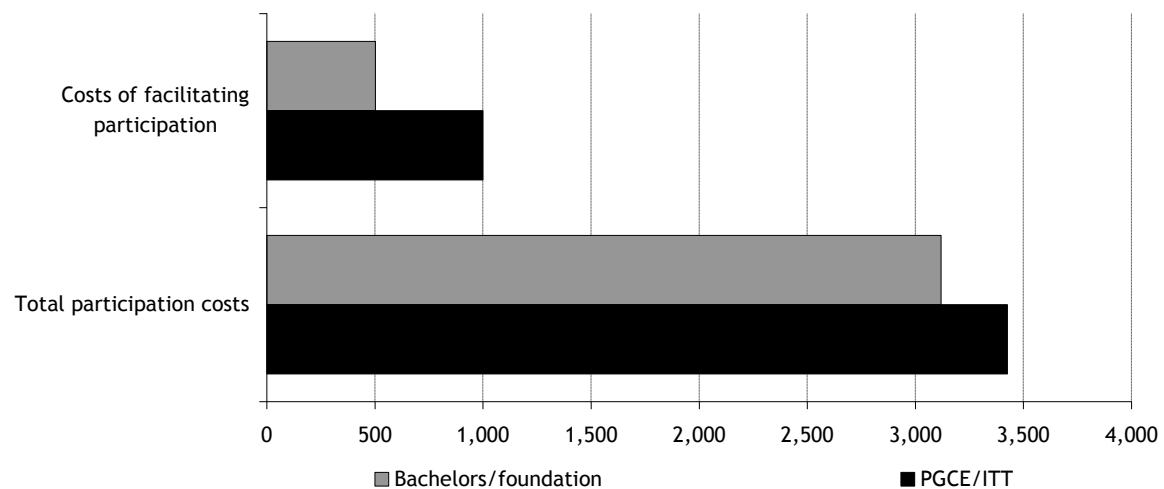
Source: NatGen/IES SIES 2007/08

The type of qualification being studied was also important- those studying for a teacher training qualification (such as a PGCE) reported higher participation costs than those studying for a bachelors or foundation degree (Table A5.8; Figure 5.7). This difference was driven by higher facilitation costs amongst those studying on teacher training; as previously noted, such students spent more on travel related to their course (which could be related to teaching placements).

Location factors

Full-time Welsh students studying at a Welsh HEI had higher participation costs than those attending an English HEI. This group reported higher tuition fee costs and facilitation costs (Table A5.8; Figure 5.7). However, institution type was not found to be significantly associated with participation in the multivariate analysis.

Figure 5.7: Total participation costs by qualification type, for Welsh-domiciled full-time students (£)



Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table 5.3: Linear regression model estimates: total participation costs for Welsh-domiciled full-time students

			95% confidence limit	
Variables	Regression coefficient	Significance level	Lower	Upper
Gender				
Male (ref. category)	0			
Female	-80	0.391	-264	104
Age group				
Under 25 (ref. category)	0			
25+	77	0.679	-290	445
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	243	0.057	-7	494
Routine/manual and unemployed	93	0.421	-134	320
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple	-188	0.503	-740	364
Single*	-864	0.020	-1,434	-137
Tenure				
Owning/buying (ref. category)	0			
Renting privately (with family/alone)	356	0.279	-290	1,002
University accommodation	214	0.563	-514	943
Renting privately (with friends)	-55	0.867	-704	593
Living with parents/relatives or in property owned by them	526	0.115	-129	1,182

			95% confidence limit	
Variables	Regression coefficient	Significance level	Lower	Upper
System				
Old	0			
New***	1,833	0.000	1,505	2,163
Institution type				
English HE	0			
Welsh HE	-38	0.616	-188	112
Subject				
Medicine	0			
Allied to medicine	-539	0.090	-1,163	85
Science/Engine/Tech	-426	0.065	-880	-27
Human/social sci*	-506	0.026	-951	-60
Creative arts*	-504	0.027	-948	-59
Education	-114	0.636	-586	359
Year of study				
First year (ref. category)	0			
Second/other year	150	0.279	-122	423
Final year/one-year course	361	0.105	-75	798
Qualification				
Bachelors/foundation	0			
PGCE**	-1,005	0.001	-1,612	-398
Parental experience of HE				
Yes (ref. category)	0			
No	46	0.639	-146	238
N = (407) unweighted				

N = (407) unweighted

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

5.3.3 Part-time students

Welsh-domiciled part-time students reported spending an average of £1,708 on participation costs in the 2007/08 academic year (Table 5.1), a lower average than for full-time students. This difference was due to significantly lower tuition fee costs (an average of £911 compared with £2,226 for full-time students) and lower direct course costs (an average of £277 compared with £384). Part-time students' spending on facilitation costs (£520) was very similar to that incurred by their full-time counterparts (£522).

As with full-time students, tuition fees were proportionally the largest item of expenditure among part-timers, accounting for about half (53 per cent) of their participation costs. However, facilitation costs accounted for a far greater proportion of part-time students' expenditure on participation than for full-time students (30 per cent compared with 17 per cent). The proportion spent on direct course costs was similar between the two groups (Figure 5.1).

Most part-time students incurred costs under each of the sub-categories of participation (Table 5.2). The average figures amongst those who incurred such costs were only marginally higher than the averages shown for all part-time students, at £969 for tuition fees, £302 for direct course costs and £645 for facilitation costs. As with full-time students, a multiple linear regression analysis was carried out to identify which characteristics were most strongly associated with high or low participation costs (Table 5.4). The findings of this analysis are discussed next.

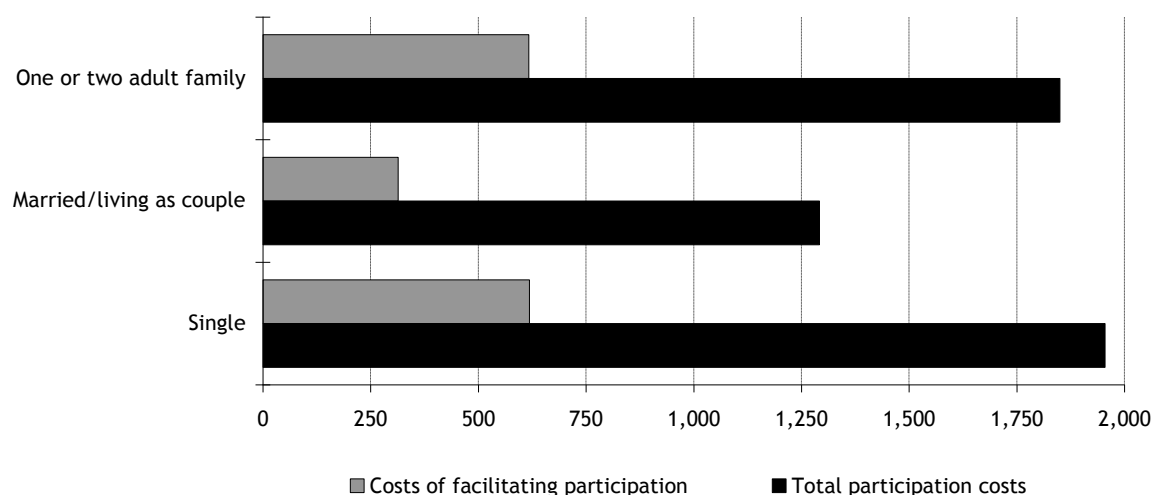
Student factors

On average, part-time female students spent more on participation than part-time male students (£1,849 compared with £1,544; Table A5.1). Women spent more on tuition fees and facilitation costs (including course-related childcare). As with full-time students, gender was not found to be a significant predictor of part-timers' expenditure on participation costs in the multiple regression model.

Part-time students' age had little effect on their overall expenditure on participation. Younger students (aged under 30) reported the highest average spending on participation (£1,995), characterised by higher facilitation costs and tuition fees. Students aged 30 to 39 had the lowest average spending on participation (£1,485) and the oldest students (aged 40 or over) spent £1,667 (Table A5.2). These differences were not found to be significant in the multiple regression model.

As for full-time students, family type showed a significant relationship with participation costs, although the patterns of spending were quite different. Part-time students who were single had the highest levels of participation costs (averaging £1,955; Table A5.4; Figure 5.8) and reported higher levels of spending on all of the components of participation. Students who were married or living as a couple without children had the lowest average expenditure on participation (£1,292) while students who were parents averaged £1,850.

Figure 5.8: Total participation costs by family type, for Welsh-domiciled part-time students (£)



Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

As with full-time students, social class was not found to be a significant predictor of participation costs in the linear regression model.

HE study and location factors

As with full-time students, expenditure on participation also varied with the subject of the course being taken. Part-time students studying a non-science related subject tended to have higher average participation costs (£1,838) compared with those studying science/engineering/technology subjects (£1,462; Table A5.7).

Part-time students' participation costs were also related to when they started their course, although again in the opposite direction to that of full-time students; part-timers who started before 2006/07 reported higher average participation costs (at £1,941), including tuition fees, than those who started in 2006/07 or later (£1,674).

As almost all of the Welsh part-time sample studied at a Welsh institution it was not possible to examine the effect of the type or location of institution attended.

Table 5.4: Linear regression model estimates: total participation costs for Welsh-domiciled part-time students

			95% confidence limit	
Variables	Regression coefficient	Significance level	Lower	Upper
Gender				
Male (ref. category)	0			
Female	207	0.268	-161	576
Age group				
Under 30 (ref. category)	0			
30-39	-374	0.114	-840	91
40+	-403	0.110	-898	93
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	-329	0.149	-777	119
Routine/manual	-246	0.271	-686	194
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple*	-463	0.032	-886	-39
Single	-63	0.822	-615	489
Tenure				
Owning/buying (ref. category)	0			
Others	327	0.129	-96	751
When started course				
Pre-2006/07	0			
Post 2006/07**	-512	0.002	-830	-195
Subject				
Non-science	0			
Science/Engineering/Tech**	-637	0.002	-1,035	-240

			95% confidence limit	
Variables	Regression coefficient	Significance level	Lower	Upper
Year of study				
First year (ref. category)	0			
Second/other year	-409	0.541	-858	39
Final year/one-year course	-588	0.289	-1,043	-133
<i>N (159) unweighted</i>				

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

5.4 Tuition fee costs and support

5.4.1 Full-time students

As noted in Chapter 1, from September 2007 institutions in Wales were able to charge variable tuition fees of up to £3,070 to new students beginning a course of study. Therefore, at the time of the 2007/08 survey, two systems of financial support were available to new and existing students depending on when they started their course and two maximum fee charges applied to old and new system students.

Old system students (who tended to be in their second or later year of study) were charged a set fee cost of £1,225 and could be eligible for a means-tested grant to cover the full or partial fee cost. New system students were charged tuition fees of up to £3,070 (dependent on institution attended), although Welsh-domiciled students studying in Wales received a non-means tested grant of £1,845 to help cover this higher fee cost.

Neither old nor new system students were required to pay their fees 'up-front' and students under both systems could apply for a tuition fee loan to cover the cost of their fees while studying.

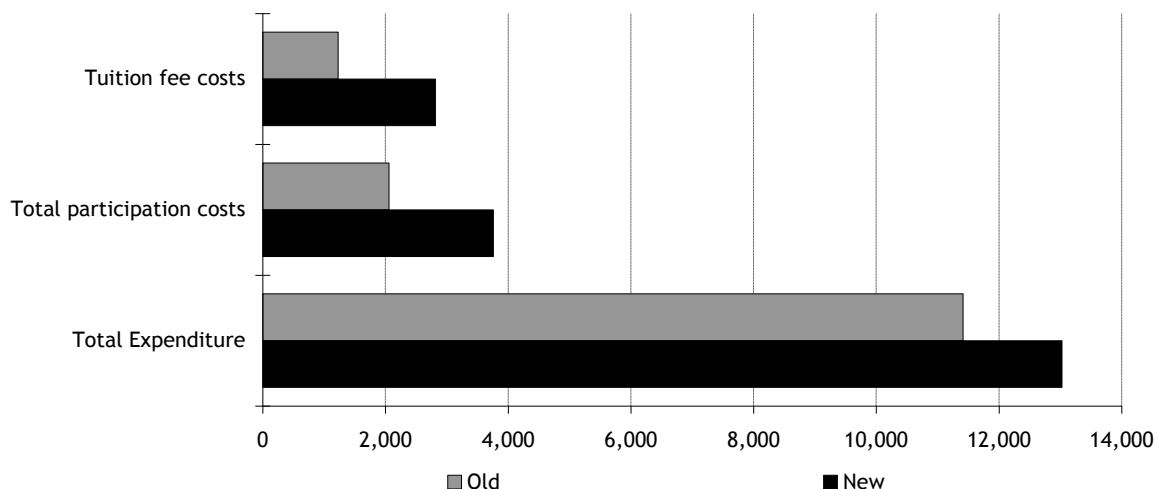
This section therefore focuses on the overall differences in tuition fees charged to old and new system students and the associated impact on total participation costs and overall expenditure (trends since 2004/05 are described in Chapter 9).

Differences between old and new system students

The average fee cost for old system students was £1,225³⁹ compared with £2,810 for new system students (reflecting the higher overall fee charge of up to £3,070 for this group; Table A5.5; Figure 5.9). New system students' fees were therefore more than twice as much as those of old system students (a difference of £1,585). As previously noted, whether full-time students were eligible for the old system or new system package of support (and thus the related fee charge) was found to be significant in predicting both average expenditure on participation costs and average expenditure overall.

³⁹ Fee costs for old system students were set at £1,225 in the CATI programme.

Figure 5.9: Total fee costs, total participation costs and total expenditure by old or new system, for Welsh-domiciled full-time students (£)



Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

5.4.2 Part-time students

The average tuition fee charge for part-time students was almost half the amount charged to full-time students (£911 compared with £2,226; Table 5.1). Many part-time students were not expected to meet the full cost of their fees personally and just under one-third (30 per cent) either received or expected to receive a grant for fees from their LA (or the Student Loan Company). Among those students who received a grant for fees, the average received was £725 and the average amount not covered by grants (that is tuition fee cost minus the grant for fees) was £153. Taking the fee grant into account, this meant that part-time students had to find an average of £727 towards their fees compared with an average fee cost of £911.

Where the grant for fees was less than the tuition fee cost, part-time students were asked about who/what body paid the remaining fees. Almost half of part-time students said that they paid some of the difference themselves (44 per cent), while a similar proportion received help from an employer (39 per cent; note that more than one source could be named).

5.5 Direct course costs

5.5.1 Introduction

Direct course costs include spending on books, computers, special equipment for the student's course and other course-related expenditure, such as amenity fees, photocopying, printing and stationery.

5.5.2 Full-time students

Expenditure on direct course costs made up the smallest proportion of full-time students' participation costs (12 per cent); they spent an average of £384 on these items in the 2007/08 academic year. Full-time students spent most on books (£144), followed by computers (£115) and photocopying, printing and stationery (£67), as shown in Table 5.5.

As we might expect, some of the differences in expenditure on direct course costs were related to HE study factors:

- Full-time students in their first year of study had the highest expenditure on direct course costs (particularly books and computers) at £528 over the academic year compared with those in their final year of study/doing a one-year course (£317) and those in intermediate years (£292; Table A5.9).
- Expenditure on direct course costs varied by subject type, from £350 (among those doing Creative Arts/Languages/Humanities courses) to £481 (among those doing medicine/dentistry courses) (Table A5.10).
- Direct costs were broadly similar by institute location; those studying at Welsh HEIs spent an average of £397 on direct course costs and those studying at English HEIs £360.

5.5.3 Part-time students

Part-time students spent less on direct course costs than full-time students (£277 compared with £384) although this represented a similar proportion of their total expenditure on participation (16 per cent). Part-timers' largest items of expenditure were computers (£124), followed by books (£93) and photocopying, printing and stationery (£37; Table 5.5).

Unlike full-time students, part-time students in their final year of study reported the highest expenditure on direct course costs (Table A5.9). Those studying non-science related subjects also had higher direct course costs than those studying Science/Engineering/Technology; non-science students had particularly high spending on computers (Table A5.11).

Table 5.5: Total student direct course costs and main components for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Books	Mean	144	93
	Median	100	60
	SE	8	11
Computers	Mean	115	124
	Median	0	0
	SE	13	32
Equipment	Mean	33	17
	Median	0	0
	SE	6	9
Other course expenditure	Mean	25	6
	Median	0	0
	SE	15	4

Printing, photocopying and stationery	Mean	67	37
	Median	30	20
	SE	6	5
Total direct course costs	Mean	384	277
	Median	225	173
	SE	24	35
<i>N = (621) unweighted</i>		453	168

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

5.6 Facilitation costs

5.6.1 Introduction

The final element of participation (ie course) costs is that associated with facilitating study – such as travel to and from the university or college, and any trips or childcare related to the course.

5.6.2 Full-time students

Full-time students spent an average of £522 over the academic year on facilitation costs (Table 5.6). Travel costs (including petrol) accounted for most of this at an average of £426. A further £46 was spent on course-related trips and £51 on course-related childcare.

However, it is important to view these average figures in context. Firstly, half of students (50 per cent) reported that they usually travelled to their place of study on foot and therefore incurred no travel costs at all (this explains why the median figures for travel in Table 5.6 are zero). Just over one-quarter of full-time students (27 per cent) used some form of public transport while two-fifths (38 per cent) travelled using their own car or motorbike⁴⁰.

Full-time students who lived with their parents reported higher expenditure on travel costs (£799), especially compared with those who lived in university accommodation (£70) or who were renting with friends or other students (£180; these students were most likely to travel to their university or college on foot; Table A5.13). Students who owned or were buying their home reported the highest spending on travel (£837) and were most likely to travel by car.

Secondly, just eight per cent of full-time students reported living with dependent children – so most full-time students did not incur any expenditure on childcare costs. Among student parents, the average expenditure on childcare costs was £628, a cost reflected in their higher overall spending on facilitation costs.

⁴⁰ These percentages add up to more than 100 per cent because some students reported using more than one mode of transport.

Table 5.6: Total student facilitation costs and main sources for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Travel	Mean	82	72
	Median	0	0
	SE	11	26
Petrol	Mean	344	409
	Median	0	195
	SE	25	42
Course-related trips	Mean	46	18
	Median	0	0
	SE	10	9
Childcare costs	Mean	51	21
	Median	0	0
	SE	18	9
Total facilitation costs	Mean	522	520
	Median	300	390
	SE	32	44
<i>N = (621) unweighted</i>		453	168

Base: all Welsh-domiciled students completing diary

Source: NatGen/IES SIES 2007/08

5.6.3 Part-time students

Part-time students reported very similar facilitation costs to full-time students (£520 compared with £522; Table 5.6). As with full-time students, part-time students' largest item of expenditure was travel (including petrol), which at £481 accounted for 93 per cent of their expenditure on facilitation. Much less was spent by part-time students on trips associated with their course (£18) and on childcare to facilitate study (£21).

Part-time students were far more likely than full-time students to travel to their university or college by car (70 per cent). One-fifth reported travelling by public transport (18 per cent) and only a small proportion (seven per cent) walked to their place of study and did not incur any travel costs. This explains the higher expenditure on petrol by part-time students, which formed the majority of their reported travel costs.

As with full-time students, expenditure on childcare costs varied by the student's family composition (although the total cost of childcare was significantly lower for part-time students); part-time students who were parents reported spending an average of £66 on childcare over the academic year (just less than one-tenth of the amount spent by full-timers).

5.7 Living costs

5.7.1 Introduction

This next section examines the living costs of students in greater detail, showing the relative importance of the different types of costs that fall within this category. As highlighted above, and discussed in Chapter 4, more than half of the costs reported by

full- and part-time students alike were general living costs, including food, entertainment, personal items, and other spending not directly related to their course.

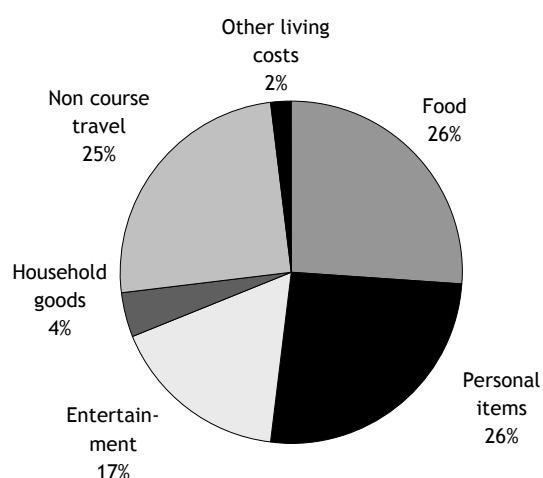
5.7.2 Full-time students

Full-time students reported spending an average of £6,879 on living costs over the academic year 2007/08. Of these costs:

- food accounted for just over one-quarter of this expenditure (£1,801, 26 per cent; Figure 5.10 and Table 5.7)
- personal items such as clothes, toiletries, mobile phones, CDs, magazines and cigarettes accounted for around another quarter (£1,774, 26 per cent)
- another quarter was spent on travel not associated with their course (£1,718, 25 per cent)
- spending on entertainment contributed a further 17 per cent (£1,193)
- a smaller amount was spent on household goods (£261, two per cent).

Figures 5.10 & 5.11: Profiles of living costs for full-time and part-time Welsh-domiciled students

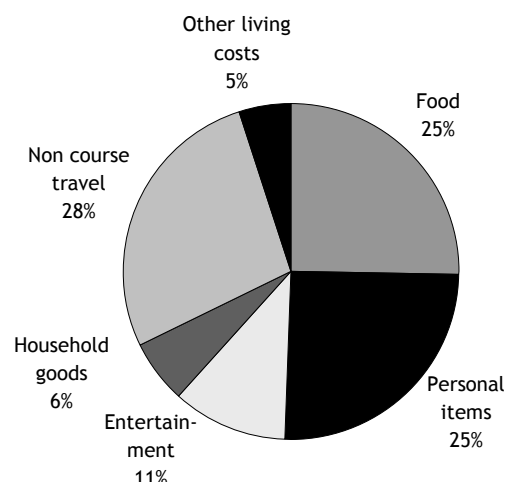
Figure 5.10: Full-time



N = (453) unweighted

Base: all Welsh-domiciled full-time students

Figure 5.11: Part-time



N = (168) unweighted

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

Within the personal items category, the largest items of expenditure were clothes, shoes and accessories (full-time students spent an average of £529 on such items) followed by gifts and cards (an average of £350; Table A5.15).

Within the entertainment category the largest items of expenditure were alcohol consumed outside the home (an average of £551 for the year; Table A5.16), electrical entertainment equipment (such as TVs, DVDs, music equipment etc; £160) and sports, hobbies, clubs and societies (£159 for the year). Students spent a further £101 on entrance to nightclubs and £107 on alcohol to consume at home.

Table 5.7: Total student living costs and main components for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Food*	Mean	1,801	2,392
	Median	1,484	2,312
	SE	71	125
Personal items*	Mean	1,774	2,355
	Median	1,241	1,621
	SE	79	295
Entertainment*	Mean	1,193	1,080
	Median	896	502
	SE	72	149
Household goods*	Mean	261	522
	Median	51	229
	SE	30	62
Non-course travel*	Mean	1,718	2,550
	Median	1,295	2,135
	SE	87	345
Other living costs*	Mean	132	492
	Median	0	55
	SE	20	114
Total living costs*	Mean	6,879	9,391
	Median	5,928	8,327
	SE	228	787
<i>N = (621) unweighted</i>		<i>453</i>	<i>168</i>

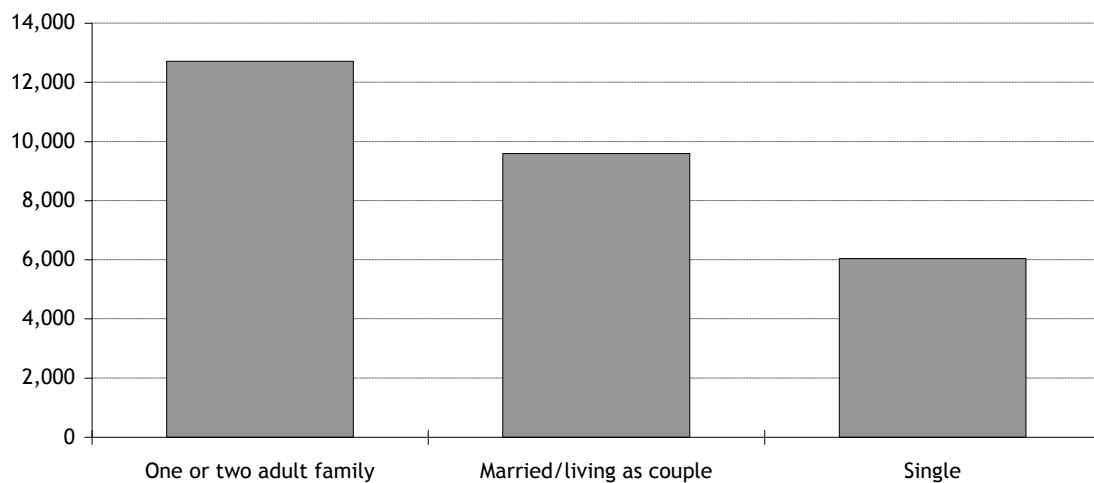
*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Multiple linear regression analysis was used to identify which characteristics were most strongly associated with high or low average living costs amongst full-time students (Table 5.8). Family type was found to be the only factor significantly associated with spending on living costs. Full-time students with children reported the highest living costs (£12,716) whilst students who were married or living as a couple spent £9,592 and those who were single spent substantially less (£6,049; Table A5.17; Figure 5.12). Students with children had higher expenditure on all items other than entertainment.

Figure 5.12: Total living costs by family type, for Welsh-domiciled full-time students (£)

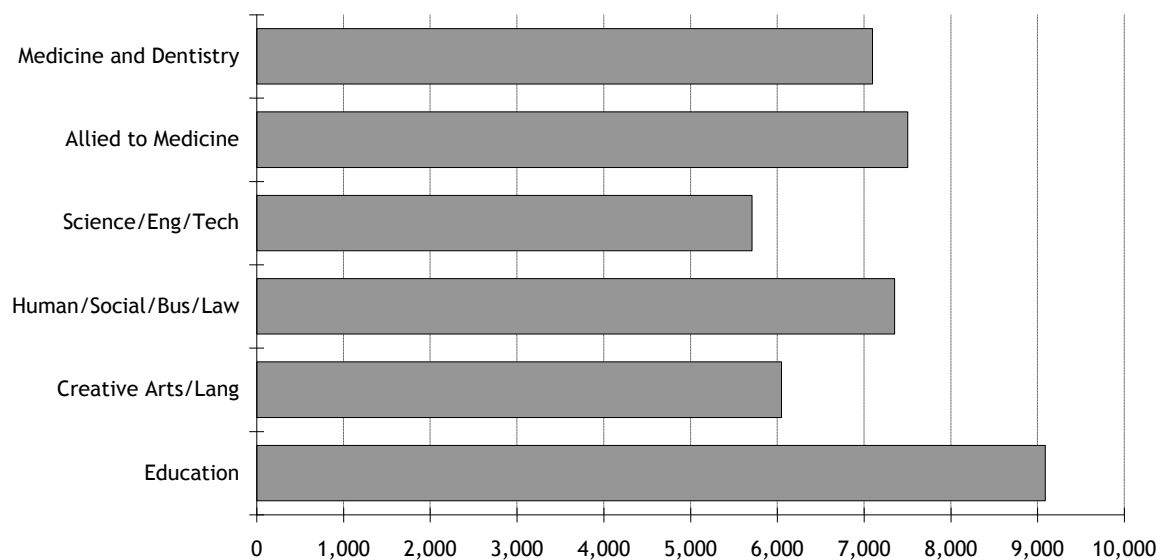


Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Before other factors were controlled for, significant differences were observed by age, sex, tenure, and subject of study (Figure 5.13); however, these differences were not significant in the multiple regression model and were likely to reflect differences in student's family situation. Differences were also noted by students' socio-economic background and institute location, although again, neither were found to be significantly associated with overall living costs in the regression model.

Figure 5.13: Living costs by subject, for Welsh-domiciled full-time students (£)



Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table 5.8: Linear regression model estimates: total living costs for Welsh-domiciled full-time students

Variables	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	0			
Female	-46	0.920	-944	853
Age group				
Under 25 (ref. category)	0			
25+	-231	0.711	-1,460	998
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	337	0.534	-728	1,402
Routine/manual	969	0.057	-30	1,967
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple*	-2,222	0.043	-4,376	-67
Single***	-5,161	0.000	-7,612	-2,711
Tenure				
Owning/buying (ref. category)	0			
Renting privately (with family/alone)	-1,567	0.111	-3,450	365
University accommodation	-1,105	0.414	-3,762	1,553
Renting privately (with friends)	-429	0.732	-2,888	2,032
Living with parents/relatives or in property owned by them	-508	0.668	-2,839	1,824
System				
Old	0			
New	-329	0.725	-2,166	1,509
Institution type				
English HEI	0			
Welsh HEI	660	0.167	-279	1,598
Subject				
Medicine	0			
Allied to medicine	-1,035	0.153	-2,456	386
Science/Engine/Tech	-1,074	0.102	-2,364	216
Human/Social sci	-149	0.835	-1,259	1,557
Creative arts	-692	0.237	-1,843	458
Education	-292	0.712	-1,847	1,264
Year of study				
First year (ref. category)	0			
Second/other year	-71	0.900	-1,176	1,035
Final year/one-year course	-58	0.953	-1,991	1,874

			95% confidence limit	
Variables	Regression coefficient	Significance level	Lower	Upper
Qualification				
Bachelors/foundation	0			
PGCE	1,331	0.315	-1,269	3,931
Parental experience of HE				
Yes (ref. category)	0			
No	423	0.312	-399	1,245
N = (407) unweighted				

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

5.7.3 Part-time students

Part-time Welsh-domiciled students reported spending a total of £9,391 on living costs over the 2007/08 academic year (Table 5.7). This was considerably higher (by 37 per cent) than the amount spent by full-time students (£6,879).

As with full-time students, the largest items of expenditure for part-time students were non-course travel (£2,550, 27 per cent), food (£2,392, 25 per cent) and personal items (£2,355, 25 per cent; Figure 5.11). However, part-time students spent relatively less on entertainment (£1,080, 11 per cent) than full-time students.

Even before other factors were controlled for, very few significant differences were observed for different part-time groups' spending on living costs. In the multivariate analysis (Table 5.9) none of the characteristics entered into the model were found to have a significant association with expenditure on living costs⁴¹. As with full-time students, some differences were observed according to family type; students with children and those who were married or living as a couple had higher living costs than those who were single (Table A5.17). However, this difference was not found to be significant in the regression model.

⁴¹ A limited number of characteristics were entered into the linear regression model because of small base sizes amongst certain groups of part-time students.

Table 5.9: Linear regression model estimates: total living costs for Welsh-domiciled part-time students

Variables	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Gender				
Male (ref. category)	0			
Female	328	0.702	-1,361	2,016
Age group				
Under 30 (ref. category)	0			
30-39	-573	0.734	-3,896	2,749
40+	-1,286	0.375	-4,143	1,572
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	-322	0.760	-2,402	1,758
Routine/manual	-1,656	0.107	-3,675	363
Family/household type				
One or two-adult family (ref. category)	0			
Married/couple	-1,892	0.081	-4,023	239
Single	-1,953	0.116	-4,396	490
Tenure				
Owning/buying (ref. category)	0			
Others	-1,422	0.111	-3,175	332
When started course				
Pre-2006/07	0			
Post 2006/07	1,395	0.208	-784	3,574
Subject				
Non-science	0			
Science/Engine/Tech	25	0.980	-1,958	2,009
Year of study				
First year (ref. category)	0			
Second/other year	1,291	0.266	-995	3,577
Final year/one-year course	1,493	0.098	-279	3,264
<i>N =(159) unweighted</i>				

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled part-time students

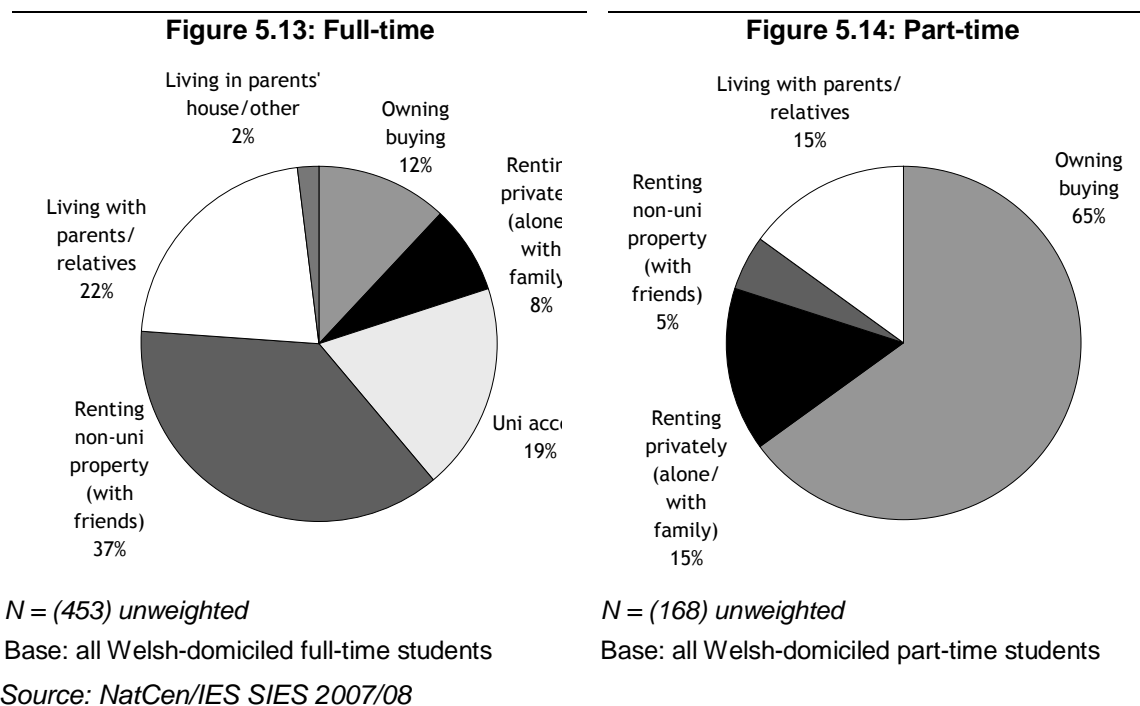
Source: NatGen/IES SIES 2007/08

5.8 Housing costs

5.8.1 Introduction

This section examines students' housing costs, showing how these varied according to their housing tenure, and the relative importance of the different types of costs in this category.

Figures 5.14 & 5.15: Profiles of housing tenure for full-time and part-time Welsh-domiciled students



5.8.2 Full-time students

Full-time students most commonly lived in rented (non-university) property with friends or other students (37 per cent), with their parents or relatives (22 per cent) or in university accommodation (19 per cent; Figure 5.13). Smaller proportions rented privately (eight per cent) or owned or were buying a property with a mortgage (12 per cent). A minority of students lived in a property owned by their parents (but not with them; just two per cent).

Full-time students spent on average £2,225 on housing costs over the 2007/08 academic year (Table 5.10). This varied according to their housing tenure:

- Full-time students who owned or were buying their home reported the highest average housing costs, at £3,333. These students reported the highest expenditure on mortgage and other housing costs, such as household bills and council tax payments.
- Full-time students who rented privately with friends or other students reported an average expenditure of £3,009 on housing. This group reported the highest average expenditure on retainer costs, which, at £662, represented over one-fifth of their housing costs (22 per cent).
- Those who rented privately, either alone or with a partner or relatives, spent an average of £2,886 on housing costs. Rental costs were high for this group (£2,017); these represented over two-thirds (70 per cent) of their total average housing costs.

- Full-time students who lived in university accommodation reported average housing costs of £1,990. This group made considerable savings on other general housing costs, such as household bills and council tax payments.
- Students who lived with their parents while studying reported by far the lowest average expenditure on housing, at just £501 over the academic year. The average rent was just £372, but only one-third (29 per cent) of those living with their parents actually paid any rent. Among those who did, the average was higher at £1,252.

Table 5.10: Total student housing costs and main sources for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Mortgage and rent costs*	Mean	1,593	1,896
	Median	1,125	1,800
	SE	105	150
Retainer costs*	Mean	328	39
	Median	0	0
	SE	38	16
Other housing costs*	Mean	304	1,057
	Median	125	997
	SE	21	66
Total Housing costs	Mean	2,225	2,992
	Median	1,962	2,772
	SE	135	185
<i>N = (621) unweighted</i>		453	168

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

5.8.3 Part-time students

Considerably more part-time students than full-time students owned or were buying their homes (65 per cent compared with 12 per cent) or were renting privately (alone or with relatives; 15 per cent compared with eight per cent). A sizeable minority of part-time students lived with parents or relatives while studying (15 per cent).

The overall housing costs of part-time students reflected the greater likelihood of part-time students than full-time students to be buying or renting their home. Total average housing costs for part-time students were £2,992, one-third higher than for full-time students (Table 5.10).

Due to small numbers amongst part-time students, it was only possible to compare owner-occupiers with all other types of tenure (Table 5.11). Students who owned or were buying their homes spent considerably more on housing costs than those living in other types of accommodation (£3,346 compared with £2,587). This reflected much higher mortgage and other housing costs, such as household bills and council tax payments amongst this group.

Table 5.11: Total student housing costs and main sources for Welsh-domiciled students, by tenure (£)

		Full-time						Part-time	
		Owning	Private renter (alone/family)	Univ. accom	Private renter (friend)	Lives with parents	Parent- owned accom	Owning	Other
Mortgage and rent costs*	Mean	2,206	(2,017) ²	1,733	2,056	372	— ¹	2,017	1,853
	Median	2,142	(2,160)	1,558	1,800	0	—	1,800	1,440
	SE	214	(122)	158	189	82	—	198	308
Retainer costs*	Mean	48	(163)	247	662	76	—	50	22
	Median	0	(0)	0	520	0	—	0	0
	SE	29	(55)	60	90	26	—	24	16
Other housing costs*	Mean	1,079	(706)	10	290	53	—	1,279	712
	Median	982	(680)	0	238	0	—	1,103	615
	SE	59	(66)	2	26	18	—	83	106
Total Housing costs	Mean	3,333	(2,886)	1,990	3,009	501	—	3,346	2,587
	Median	2,944	(2,845)	1,980	2,552	0	—	3,146	2,040
	SE	249	(163)	168	255	106	—	227	385
<i>N = (617) unweighted</i>		86	48	74	137	93	13	107	59

*Note: figures adjusted for joint financial responsibility where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

5.9 Spending on children

This section reports on the amounts that students spent on children, excluding course-related childcare (which was included in facilitation costs above, Section 5.6) and general food and drink (which was included in living costs, Section 5.7).

As spending on children was treated as joint expenditure, students in two-adult families had their spending divided by two. Consequently, lone parents were typically recorded as having higher spending on their children than those in two-adult families.

5.9.1 Full-time students

As we saw earlier, the average spending on children among all full-time students was relatively low, but just eight per cent of full-time students were parents living with dependent children. Among these, average spending on children was £2,415 during the academic year (11 per cent of their total expenditure).

5.9.2 Part-time students

A much higher proportion of part-time students than full-time students were parents living with dependent children (33 per cent). These parents spent an average of £1,693 on their children over the academic year, accounting for ten per cent of their total expenditure (a similar proportion to that reported by full-time students).

Additional tables

Table A5.1: Total student participation costs and main sources of student participation for Welsh-domiciled students, by gender (£)

		Full-time		Part-time	
		Male	Female	Male	Female
Tuition fee cost	Mean	2,339	2,144	808	978
	Median	3,070	3,000	700	650
	SE	95	52	84	92
Direct course costs (eg books & equipment)	Mean	397	377	265	296
	Median	215	230	139	200
	SE	54	21	44	51
Costs of facilitating participation (eg travel and study-related childcare)	Mean	385	613	471	574
	Median	195	328	390	390
	SE	48	45	58	51
Total participation costs	Mean	3,121	3,135	1,544	1,849
	Median	3,211	3,220	1,370	1,660
	SE	127	70	128	120
<i>N = (619) unweighted</i>		<i>106</i>	<i>346</i>	<i>57</i>	<i>110</i>

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.2: Total student participation costs and main sources of student participation for Welsh-domiciled students, by age group at start of the academic year (£)

		Full-time			Part-time		
		Under 20	20-24	25+	Under 30	30-39	40+
Tuition fee cost	Mean	2,825	1,855	2,061	(1,116) ¹	(824)	825
	Median	3,070	1,225	1,535	(800)	(675)	650
	SE	58	66	102	(117)	(78)	114
Direct course costs (eg books and equipment)	Mean	420	324	466	(214)	(242)	351
	Median	225	185	268	(98)	(155)	268
	SE	45	28	47	(43)	(57)	55
Costs of facilitating participation (eg travel and study-related childcare)	Mean	286	482	1,044	(665)	(418)	491
	Median	0	234	780	(585)	(273)	317
	SE	40	45	102	(85)	(78)	63
Total participation costs	Mean	3,530	2,661	3,570	(1,995)	(1,485)	1,667
	Median	3,429	2,358	3,468	(1,750)	(1,315)	1,429
	SE	86	94	157	(167)	(159)	131
<i>N = (621) unweighted</i>		<i>136</i>	<i>183</i>	<i>134</i>	<i>49</i>	<i>47</i>	<i>72</i>

Base: all Welsh-domiciled students completing diary

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Source: NatCen/IES SIES 2007/08

Table A5.3: Total student participation costs and main sources of student participation for Welsh-domiciled students, by socio-economic group (£)

		Full-time			Part-time		
		Managerial/ professional	Intermediate	Routine, manual & unemployed	Managerial/ professional	Intermediate	Routine, manual & unemployed
Tuition fee cost	Mean	2,093	2,239	2,367	930	(1,022) ¹	870
	Median	1,500	3,070	3,070	700	(735)	620
	SE	75	107	87	99	(100)	117
Direct course costs (eg books & equipment)	Mean	362	435	396	258	(285)	312
	Median	210	300	225	105	(125)	268
	SE	42	51	40	43	(59)	37
Costs of facilitating participation (eg travel and study-related childcare)	Mean	421	574	639	573	(578)	657
	Median	195	351	390	410	(351)	585
	SE	47	76	74	58	(127)	60
Total participation costs	Mean	2,876	3,248	3,403	1,761	(1,886)	1,838
	Median	3,130	3,290	3,390	1,385	(1,785)	1,550
	SE	97	158	102	130	(199)	142
<i>N = (588) unweighted</i>		197	80	122	67	34	59

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students completing diary for whom social class could be reliably derived

Source: NatCen/IES SIES 2007/08

Table A5.4: Total student participation costs and main sources of student participation for Welsh-domiciled students, by family type (£)

		Full-time			Part-time		
		One or two adult family	Married/ living as couple	Single	One or two adult family	Married/ living as couple	Single
Tuition fee cost	Mean	1,980	2,222	2,250	934	(786) ¹	1,003
	Median	1,535	3,070	3,000	735	(700)	670
	SE	138	163	51	88	(111)	124
Direct course costs (eg books & equipment)	Mean	543	562	351	299	(192)	334
	Median	400	537	200	190	(139)	125
	SE	85	65	25	41	(40)	62
Costs of facilitating participation (eg travel and study-related childcare)	Mean	1,462	849	400	617	(314)	618
	Median	975	780	156	390	(195)	585
	SE	201	96	28	63	(52)	99
Total participation costs	Mean	3,984	3,633	3,000	1,850	(1,292)	1,955
	Median	3,918	3,655	3,185	1,547	(1,315)	1,950
	SE	253	151	68	128	(157)	168
<i>N = (621) unweighted</i>		63	51	339	72	45	51

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A5.5: Total student participation costs and main sources of student participation for Welsh-domiciled students, by old or new system (full-time students) or when started course (part-time students) (£)

		Full-time		Part-time	
		Old	New	Pre-2006/07	Post 2006/07
Tuition fee cost	Mean	1,225	2,810	996	888
	Median	1,225	3,070	750	652
	SE	0	39	84	87
Direct course costs (eg books & equipment)	Mean	317	423	273	275
	Median	180	252	155	139
	SE	33	34	44	30
Costs of facilitating participation (eg travel and study-related childcare)	Mean	515	526	671	511
	Median	300	300	546	390
	SE	50	44	66	49
Total participation costs	Mean	2,057	3,759	1,941	1,674
	Median	1,795	3,603	1,665	1,290
	SE	66	60	124	116
<i>N = (618) unweighted</i>		157	296	67	98

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.6 Total student participation costs and main components of student participation costs for Welsh-domiciled full-time students, by subject of study (£)

		Medic/ Dentist	Allied to medic	Science/ Eng/ Tech/IT	Human/ Social Sci/ Bus/Law	Creative Arts/ Lang/ Hum	Educ	Comb / other
Tuition fee cost	Mean	(2,045) ¹	(1,830)	2,243	2,256	2,326	2,307	–
	Median	(1,225)	(1,225)	3,070	3,000	3,070	3,070	–
	SE	(203)	(199)	123	101	93	97	–
Direct course costs (eg books & equipment)	Mean	(481)	(355)	366	350	386	362	–
	Median	(240)	(210)	195	250	238	190	–
	SE	(163)	(51)	54	33	39	42	–
Costs of facilitating participation (eg travel and study– related childcare)	Mean	(660)	(929)	321	433	324	1,002	–
	Median	(624)	(780)	0	234	156	780	–
	SE	(127)	(144)	49	55	42	118	–
Total participation costs	Mean	(3,186)	(3,114)	2,930	3,039	3,035	3,672	–
	Median	(3,125)	(3,175)	3,152	3,150	3,330	3,790	–
	SE	(320)	(253)	157	104	102	158	–
<i>N = (437) unweighted</i>		30	41	82	98	100	86	

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.7: Total student participation costs and main components of student participation costs for Welsh-domiciled part-time students, by subject of study (£)

		Non-science	Science/engineering/tech
Tuition fee cost	Mean	975	(789) ¹
	Median	650	(750)
	SE	82	(78)
Direct course costs (eg books & equipment)	Mean	332	(174)
	Median	205	(98)
	SE	49	(30)
Costs of facilitating participation (eg travel and study-related childcare)	Mean	531	(500)
	Median	390	(390)
	SE	55	(77)
Total participation costs	Mean	1,838	(1,462)
	Median	1,589	(1,383)
	SE	121	(116)
<i>N = (621) unweighted</i>		122	46

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled part-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.8: Total student participation costs and main components of student participation costs for Welsh-domiciled full-time students, by qualification type (£)

		Bachelors/foundation	PGCE/ITT
Tuition fee cost	Mean	2,233	(2,053) ¹
	Median	3,000	(1,535)
	SE	47	(138)
Direct course costs (eg books & equipment)	Mean	384	(372)
	Median	230	(190)
	SE	24	(59)
Costs of facilitating participation (eg travel and study-related childcare)	Mean	502	(999)
	Median	273	(585)
	SE	31	(225)
Total participation costs	Mean	3,119	(3,425)
	Median	3,220	(3,222)
	SE	61	(288)
<i>N = (453) unweighted</i>		409	44

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.9: Total student direct course costs and main components for Welsh-domiciled students, by year of study (£)

		Full-time			Part-time		
		First year	Other years	Final year or one year course	First year	Other years	Final year or one year course
Books	Mean	184	125	119	81	(107) ¹	95
	Median	140	90	80	50	(100)	60
	SE	14	12	11	17	(14)	21
Computers	Mean	178	82	80	96	(117)	157
	Median	0	0	0	0	(0)	0
	SE	25	17	23	25	(34)	66
Equipment	Mean	24	40	37	5	(2)	40
	Median	0	0	0	0	(0)	0
	SE	5	13	13	4	(2)	22
Other course expenditure	Mean	61	5	4	6	(1)	11
	Median	0	0	0	0	(0)	0
	SE	41	3	2	4	(1)	10
Printing, photocopying and stationery	Mean	82	40	78	41	(36)	35
	Median	40	25	30	13	(25)	10
	SE	11	4	15	11	(5)	7
Total direct course costs	Mean	528	292	317	228	(263)	338
	Median	370	165	185	100	(175)	178
	SE	56	28	36	41	(40)	64
<i>N = (621) unweighted</i>		<i>177</i>	<i>131</i>	<i>145</i>	<i>65</i>	<i>45</i>	<i>58</i>

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students completing diary

Source: NatGen/IES SIES 2007/08

Table A5.10: Total student direct course costs and main components for Welsh-domiciled full-time students, by subject of study (£)

		Medic/ Dentist	Allied to medic	Science/ Eng/ Tech/IT	Human/ Social Sci/ Bus/Law	Creative Arts/ Lang/ Hum	Educ	Comb/ other ¹
Books	Mean	(145) ²	(133)	105	182	153	112	–
	Median	(100)	(100)	60	150	100	80	–
	SE	(37)	(24)	12	14	18	13	–
Computers	Mean	(74)	(133)	146	84	113	123	–
	Median	(0)	(0)	0	0	0	0	–
	SE	(33)	(33)	38	20	26	27	–
Equipment	Mean	(50)	(31)	33	4	48	46	–
	Median	(0)	(0)	0	0	0	0	–
	SE	(18)	(17)	15	1	16	17	–
Other course expenditure	Mean	(168)	(0)	35	3	8	1	–
	Median	(0)	(0)	0	0	0	0	–
	SE	(155)	(0)	23	2	4	0	–
Printing, photocopying and stationery	Mean	(45)	(59)	47	77	62	82	–
	Median	(18)	(33)	20	35	38	38	–
	SE	(12)	(10)	11	16	8	15	–
Total direct course costs	Mean	(481)	(355)	366	350	386	362	–
	Median	(240)	(210)	195	250	238	190	–
	SE	(163)	(51)	54	33	39	42	–
<i>N = (453) unweighted</i>		30	41	82	98	100	86	16

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.11: Total student direct course costs and main components for Welsh-domiciled part-time students, by subject of study (£)

		Non- science	Science/ Engineering/ Tech
Books	Mean	100	(80) ¹
	Median	60	(57)
	SE	13	(15)
Computers	Mean	159	(57)
	Median	0	(0)
	SE	44	(22)
Equipment	Mean	21	(8)
	Median	0	(0)
	SE	12	(5)
Other course expenditure	Mean	10	(0)
	Median	0	(0)
	SE	6	(0)
Printing, photocopying and stationery	Mean	42	(28)
	Median	20	(19)
	SE	6	(7)
Total direct course costs	Mean	332	(174)
	Median	205	(98)
	SE	49	(30)
<i>N = (168) unweighted</i>		122	46

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled part-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.12: Total student direct course costs and main components for Welsh-domiciled full-time students, by institution type (£)

		England HEI	Wales HEI
Books	Mean	134	150
	Median	100	100
	SE	13	9
Computers	Mean	89	130
	Median	0	0
	SE	20	17
Equipment	Mean	30	34
	Median	0	0
	SE	8	8
Other course expenditure	Mean	44	14
	Median	0	0
	SE	39	8
Printing, photocopying and stationery	Mean	63	69
	Median	27	35
	SE	12	7
Total direct course costs	Mean	360	397
	Median	233	218
	SE	43	27
<i>N = (452) unweighted</i>		124	328

Base: all Welsh-domiciled full-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.13: Total student facilitation costs and main components for Welsh-domiciled full-time students, by tenure (£)

		Owning	Private renter (alone/ with family)	Univ. accom	Private renter (with friends)	Living with parents	Parent- owned accom
Travel	Mean	45	(158) ¹	63	62	121	— ¹
	Median	0	(0)	0	0	0	—
	SE	18	(50)	23	16	36	—
Petrol	Mean	792	(501)	7	118	678	—
	Median	702	(312)	0	0	780	—
	SE	81	(92)	4	29	68	—
Course-related trips	Mean	26	(68)	33	47	58	—
	Median	0	(0)	0	0	0	—
	SE	11	(33)	14	18	24	—
Childcare costs	Mean	277	(250)	0	0	0	—
	Median	0	(0)	0	0	0	—
	SE	122	(130)	0	0	0	—
Total facilitation costs	Mean	1,139	(977)	104	226	857	—
	Median	780	(780)	0	0	780	—
	SE	133	(160)	21	34	71	—
<i>N = (451) unweighted</i>		86	48	74	137	93	13

¹ No data reported as fewer than 30 cases in this category

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.14: Total student facilitation costs and main components for Welsh-domiciled students, by family type (£)

		Full-time			Part-time		
		One or two-adult family	Married/ living as couple	Single	One or two-adult family	Married/ living as couple	Single
Travel	Mean	44	165	77	29	(52) ¹	129
	Median	0	0	0	0	(0)	0
	SE	26	60	12	12	(9)	70
Petrol	Mean	772	640	274	492	(244)	483
	Median	702	390	0	390	(117)	390
	SE	81	121	26	58	(50)	93
Course-related trips	Mean	17	45	49	30	(18)	6
	Median	0	0	0	0	(0)	0
	SE	10	31	11	20	(17)	5
Childcare costs	Mean	628	0	0	66	(0)	0
	Median	0	0	0	0	(0)	0
	SE	197	0	0	24	(0)	0
Total facilitation costs	Mean	1,462	849	400	617	(314)	618
	Median	975	780	156	390	(195)	585
	SE	201	96	28	63	(52)	99
<i>N = (621) unweighted</i>		63	51	339	72	45	51

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.15: Total student personal costs and main components for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Clothes, shoes, accessories	Mean	529	789
	Median	0	0
	SE	47	317
Gifts and cards (eg for birthdays)	Mean	350	415
	Median	70	99
	SE	36	81
Phone bills	Mean	287	358
	Median	255	340
	SE	10	19
Newspapers, magazines, non-course books and stationery	Mean	138	142
	Median	10	38
	SE	15	25
Music and DVDs/videos	Mean	114	85
	Median	0	0
	SE	18	21
Toiletries	Mean	113	122
	Median	0	0
	SE	10	21
Eye products, medical treatment, other large items (over £50)*	Mean	106	174
	Median	0	0
	SE	9	31
Miscellaneous small personal items	Mean	75	178
	Median	0	0
	SE	15	83
Cigarettes and tobacco	Mean	59	195
	Median	0	0
	SE	11	77
Prescriptions and other medicines	Mean	24	30
	Median	0	0
	SE	7	12
Personal items*	Mean	1,774	2,355
	Median	1,241	1,621
	SE	79	295
<i>N = (621) unweighted</i>		<i>453</i>	<i>168</i>

*Note: figures adjusted for joint financial responsibility where relevant. Adjustments for joint financial responsibility are made at the overall (total) level. Therefore, the sum of contributing items may not be equal to the total.

*Note: Items are ranked in descending order of value for full-time students

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.16: Total student entertainment costs and main components for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Alcohol consumed outside home	Mean	551	433
	Median	312	0
	SE	43	98
TV, video/DVD, radio, music equipment over £50*	Mean	160	243
	Median	60	120
	SE	22	30
Sports, hobbies, clubs, societies	Mean	159	110
	Median	0	0
	SE	26	24
Alcohol bought for home	Mean	107	130
	Median	0	0
	SE	14	20
Nightclubs, discos	Mean	101	33
	Median	0	0
	SE	11	12
Cinema, theatre, concerts	Mean	93	85
	Median	0	0
	SE	19	23
National Lottery or betting	Mean	42	104
	Median	0	0
	SE	7	36
Religious activities	Mean	6	21
	Median	0	0
	SE	2	10
Entertainment*	Mean	1,193	1,080
	Median	896	502
	SE	72	149
<i>N = (2,336) unweighted</i>		<i>453</i>	<i>168</i>

*Note: figures adjusted for joint financial responsibility where relevant. Adjustments for joint financial responsibility are made at the overall (total) level. Therefore, the sum of contributing items may not be equal to the total.

*Note: Items are ranked in descending order of value for full-time students

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

Table A5.17: Total student living costs and main components for Welsh-domiciled students, by family type (£)

		Full-time			Part-time		
		One or two-adult family	Married/ living as couple	Single	One or two-adult family	Married/ living as couple	Single
Food*	Mean	3,520	2,370	1,579	2,757	(2,649) ¹	1,823
	Median	2,885	2,419	1,404	2,547	(2,820)	1,726
	SE	303	196	72	158	(266)	154
Personal items*	Mean	3,002	2,629	1,572	2,603	(2,883)	1,648
	Median	2,286	2,620	1,138	1,797	(2,664)	1,321
	SE	329	261	79	205	(817)	193
Entertainment*	Mean	1,399	1,223	1,170	1,094	(1,126)	1,026
	Median	824	864	897	780	(276)	556
	SE	191	260	80	142	(424)	146
Household goods*	Mean	939	507	171	598	(367)	593
	Median	402	200	0	331	(195)	361
	SE	204	122	25	97	(83)	108
Non-course travel*	Mean	3,435	2,623	1,463	2,657	(2,838)	2,189
	Median	2,645	2,014	922	2,402	(2,135)	1,700
	SE	292	289	88	258	(931)	288
Other living costs*	Mean	421	241	93	222	(569)	671
	Median	26	0	0	35	(96)	0
	SE	126	91	18	48	(293)	189
Total living costs*	Mean	12,716	9,592	6,049	9,932	(10,432)	7,950
	Median	10,922	9,840	5,233	9,524	(7,737)	6,486
	SE	868	588	223	510	(2,144)	561
<i>N = (621) unweighted</i>		63	51	339	72	45	51

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students completing diary

Source: NatCen/IES SIES 2007/08

6 Overall Financial Position

6.1 Summary of key findings

- Part-time students predicted higher levels of savings for the end of the academic year than full-time students, £2,911 compared with £2,075. Among full-time students, savings levels remained relatively steady over time. However, part-time continuing students appeared to dig into their savings over the preceding summer vacation and replenished them again over the course of the academic year.
- Levels of borrowing among full-time students were approximately two and a half times higher than among part-time students, averaging £8,222. Full-time students were considerably more likely to borrow money (91 per cent had some form of borrowing compared with 57 per cent of part-time students).
- Full-time students' borrowing was predominantly made up of student loans (£7,206 out of £8,284). However, some full-time students had borrowed from commercial or 'higher cost' sources such as commercial credit companies (20 per cent) and via bank overdrafts (42 per cent), and where students had made use of these sources, the average amounts involved were substantial (£2,771 and £955 respectively).
- Part-time students not only borrowed less heavily than full-time students (owing £2,975 on average), but also tended to use other sources such as commercial credit and bank overdrafts. Together these higher cost sources, at £2,534, accounted for 85 per cent of part-time students' borrowing. Average borrowings in the form of student loans were small.
- It is possible to estimate graduate debt by deducting predicted year-end savings from predicted year-end borrowings (for final year students only). This results in average anticipated debt of £7,187 for those graduating from full-time courses and £586 for those graduating from part-time ones. Thus net debt levels of full-time graduates are much higher than part-time graduates.
- Estimated graduate net debt varied considerably in a number of ways, reflecting many of the variations noted for savings and borrowing patterns. In particular, among full-time final year students higher than average net debt was predicted among students from intermediate socio-economic backgrounds, those aged 20 to 24, and those doing science/engineering/technology degrees.

6.2 Introduction

Having considered the income levels of students and how much they spent in the academic year 2007/08, it is important to focus on the gap between the two, if any, and how students meet it from savings or borrowings. In this chapter we concentrate on where the survey can shed light on students' overall financial position. In particular, we discuss how students use, build up and deplete savings while studying in HE; how much students are borrowing and from which sources; and the extent of the debt they expect to have by the end of their course. The impact of this financial position, from the student perspective, is covered in the next chapter.

It is important to note that no analysis has been undertaken of the net difference between students' reported total income and expenditure. This is in keeping with the established methodology set out in the Family Expenditure Survey and the previous waves of SIES

(1998/99 and 2004/05) where savings and borrowing are examined separately from income and expenditure. This also reflects the aggregate nature of the data – looking at total income and expenditure across all students (or groups of students) rather than incomings and outgoings of an average student – and attempts to reduce measurement errors. Students bridge the gap between income and expenditure in a number of ways: using savings, borrowing from families or banks, or credit cards. In some cases the gap may be temporary and can be dealt with by simply ‘doing without’, delaying payments or economising on certain items. The survey attempts to isolate all the components of income and expenditure, however, there will always be some measurement errors due to the process itself (relying on memory/accuracy of recall of facts during interviews and diary keeping), and also because some spending within couples and families will have been met by the income of the student’s partner. To attempt to deal with this aspect a 50/50 split between partners has been assumed, but this will inevitably vary. Any detailed comparisons between income and expenditure of students are likely to exacerbate any measurement inaccuracies, and could lead to spurious results.

This chapter includes:

- an examination of savings or money ‘set aside’ at the beginning of the academic year, and estimates of levels of savings by the end of the academic year
- analysis of borrowing levels and patterns
- an assessment of the overall financial position of the student body – taking into account savings and borrowing to identify net debt.

6.3 Savings

6.3.1 Introduction

There are several ways of offsetting the financial demands of being a student, including taking on paid work to increase income as highlighted earlier in this report. However, one way is to rely on savings. This section examines how students use and build up or deplete savings while studying in HE.

Savings are defined in this section as money that students have ‘set aside’ and this could be money kept in banks, building society accounts or ISAs. It may also be money that students have set aside in their current accounts that they do not intend to spend. Some individuals are defined as having shared financial responsibility with a partner (see Glossary in Chapter 1). In these circumstances joint savings are taken into account, but the overall amount has been divided in two to provide individual estimates of savings.

6.3.2 Savings over time

Overall, more than half of students had savings at the beginning of the academic year: 61 per cent of full-time students and 57 per cent of part-time students. Predictions for the end of the year suggest that only a few full-time students and part-time students will have exhausted their savings by then, with 57 per cent of full-time students and 53 per cent of part-time students expected to still have savings at this point. As the proportions of students reporting savings at different times varied only very slightly, this suggests that there are not huge swings between being a saver and a non-saver over time.

Estimates of the levels of total savings by the end of the current academic year ranged widely, however, the average (mean) was £2,075 for full-time students and was somewhat higher for part-time students at £2,911 (Table 6.1). The median figures indicate that while

half of full-time students had less than £400 set aside, half of part-time students had less than £150. Relatively few students had very high levels of savings – ten per cent of full-time students had £5,000 or more while ten per cent of part-time students had £9,867 or more.

Table 6.1: Levels of savings (£): all Welsh-domiciled students

		All full-time	Continuing full-time	All part-time	Continuing part-time
Savings at end of last academic year*	Mean	na	2,609	na	4,245
	Median	na	500	na	500
	SE	na	448	na	994
	N = (415) unweighted ¹	na	310	na	115
Savings at start of academic year*	Mean	2,128	2,628	2,778	3,705
	Median	500	500	150	250
	SE	291	442	581	887
	N = (728) unweighted ²	543	310	185	115
Predicted savings by end of academic year*	Mean	2,075	2,609	2,911	4,045
	Median	400	500	150	150
	SE	289	445	604	962
	N = (744) unweighted ²	550	310	194	115

* Note: figures adjusted for partner contributions where relevant

1 Base: all Welsh-domiciled students in their second year or above (answering the question)

2 Base: all Welsh-domiciled students (answering the question)

Source: NatGen/IES SIES 2007/08

Full-time students

Savings remained steady over time. In general, full-time continuing students (ie those who had already started HE, not first year or one year only students) had savings at the end of the previous academic year amounting to an average across the whole group of £2,609 (Table 6.1). They then started the current academic year with an average of £2,628 and predicted that they would end the year with £2,609.

The average figures for all full-time students (whether continuing or not) find that they started this current academic year with an average of £2,128 in savings and predicted that by the end of the year they would have £2,075.

If we consider just those students with savings (61 per cent at the start of the year and 57 per cent at the end of the year), the average levels are much higher (Table 6.2). Half of full-time 'savers' started the year with more than £1,600 in savings, and the average amount put aside at the start was £3,513; half still predicted they would have at least £1,500 by the end of the year, with an average predicted year end amount of £3,657.

Table 6.2: Levels of savings (£): Welsh-domiciled students with savings

		Full-time	Part-time
Savings at end of last academic year*	Mean	4,471	7,381
	Median	2,000	2,500
	SE	708	1,726
	Percentage	58	58
	No. in receipt (unweighted)	170	57
<i>N = (415) unweighted¹</i>			
Savings at start of academic year*	Mean	3,513	4,869
	Median	1,600	1,500
	SE	441	1,001
	Percentage	61	57
	No. in receipt (unweighted)	314	101
<i>N = (728) unweighted²</i>			
Predicted savings by end of academic year*	Mean	3,657	5,537
	Median	1,500	2,000
	SE	460	1,137
	Percentage	57	53
	No. in receipt (unweighted)	294	96
<i>N = (744) unweighted²</i>		550	194

* Note: figures adjusted for partner contributions where relevant

1 Base: all Welsh-domiciled students in their second year or above (answering the question)

2 Base: all Welsh-domiciled students (answering the question)

Source: NatCen/IES SIES 2007/08

Part-time students

Across part-time continuing students, the average savings at the end of the previous year were £4,245. This level fell over the summer vacation period to £3,705 by the start of the academic year but then was predicted to rise again over the current academic year with an average of £4,045 by the end of it (Table 6.1).

Looking at all part-time students (whether continuing or not) levels of savings were also predicted to rise over the coming year – with average savings at the start of the academic year at £2,775, predicted to rise to £2,911 on average (Table 6.1).

Looking just at students who had any savings shows how these changed over the preceding summer vacation and subsequent academic year (Table 6.2). On average, continuing students with savings finished the previous year with £7,381 set aside (note that the median was much lower at £2,500); this fell to an average per saver of £4,869 at the start of this academic year and then increased to £5,537 predicted by the end.

6.3.3 Predicted savings by end of the academic year

The amount of savings that students estimated they would have accrued by the end of the current academic year varied according to a number of individual and study-related characteristics. Those where the differences appear greatest are discussed below, separately for full-time students and for part-time students.

Full-time students

The main difference in savings levels for full-time students was by socio-economic background (see Table A6.1). Those from managerial and professional backgrounds had average predicted savings levels of £2,855, which were almost twice as high as those found across students from routine and manual work backgrounds (only £1,534). This higher socio-economic group were more likely to predict they would have savings than those from routine/manual work backgrounds (59 per cent compared with 55 per cent), and among those who had savings, their deposits were considerably higher at £4,856 compared with £2,815 among those savers from routine/manual work backgrounds.

Other groups with relatively lower levels of predicted savings were:

- disabled students (£1,488 compared with £2,220 among those who were not disabled)
- those in their first year of their course (£1,105, compared with 2,073 for those mid-course and 3,267 for those in their final year of study).⁴²

Part-time students

Among part-time students, saving patterns varied considerably by gender (Table A6.1). Men had by far the most savings, with around £3,733 predicted savings compared with an average of £2,452 among women.

Other differences noted were that younger part-time students (in their 20s or 30s at the start of the academic year) had lower levels of savings (£407⁴³ and £1,548 respectively) compared with those in their 40s and over (£5,645).

6.4 Borrowings

6.4.1 Introduction

Students have access to a wide range of borrowing options and, as has been widely discussed in the media, can accrue substantial debt. The main categories of borrowing discussed in this section are:

- commercial sources of credit, such as bank loans, credit cards and any hire purchase agreements
- bank overdrafts

⁴² Strongly linked to year of study, students under the new student funding arrangements had lower levels of savings than old system students (averaging £1,560 compared with £3,008). It is difficult to compare students under the different funding systems at the same point in their HE career (2nd year) in order to take account of time on the course, due to the small number of students in their 2nd year under the old system (the unweighted base is less than 30 (N=23)).

⁴³ This should be treated with caution as the unweighted base is less than 50 (N=32)

- arrears, including any outstanding unpaid bills
- informal loans, such as borrowing from family and friends
- career development loans
- student loans including maintenance and tuition fee loans (for the current academic year) and amounts owing from previous years. Although part-time students are not eligible for student loans, they were asked about any outstanding student loan debt which they may have accrued from previous, full-time study.
- any outstanding (and repayable) Financial Contingency Funds (FCF) for those studying in an HEI in Wales or Access to Learning Funds (ALF) for those studying in an HEI in England.

6.4.2 Full-time students

Overall levels of borrowing among full-time students were over two and a half times higher than found among part-time students. Nine in ten (91 per cent) of full-time students had some form of borrowing: predicted levels by the end of the academic year averaged £8,222, and over half would owe over £7,000 (Table 6.3). For full-time students the key component of borrowing is student loan debt – including maintenance and tuition fee loans for the current academic year, and any unpaid student loans from previous years – accounting for 88 per cent (Figure 6.1). The average amount of student loan debt was £7,206.

Table 6.3: Total student borrowing and main sources of student borrowing for Welsh-domiciled students, by full-time and part-time status (£)

		Full-time	Part-time
Commercial credit*	Mean	565	2,427
	Median	0	0
	SE	105	636
Overdraft*	Mean	398	107
	Median	0	0
	SE	31	23
Arrears*	Mean	40	100
	Median	0	0
	SE	9	47
Informal loans	Mean	7	2
	Median	0	0
	SE	4	2
Career Development Loans	Mean	3	0
	Median	0	0
	SE	3	0
Outstanding student loan debt	Mean	7,206	332
	Median	6,270	0
	SE	280	140

Outstanding Financial Contingency Funds (if to be repaid)	Mean	5	7
	Median	0	0
	SE	3	8
Estimated total borrowing at end of year*	Mean	8,222	2,975
	Median	7,047	200
	SE	315	643
<i>N = (744) unweighted</i>		550	194

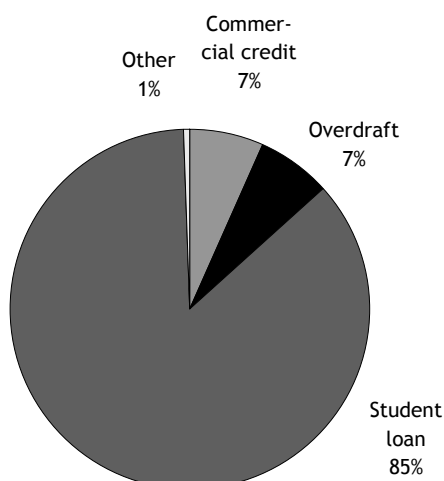
* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Figures 6.1 and 6.2: Proportion of overall borrowing attributed to main sources for Welsh-domiciled students

Figure 6.1: Full-time

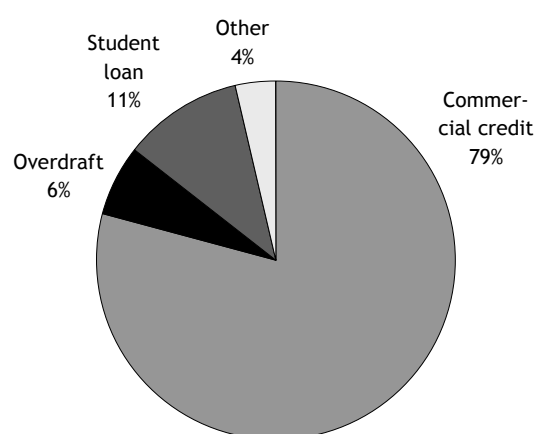


N = (550) unweighted

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Figure 6.2: Part-time



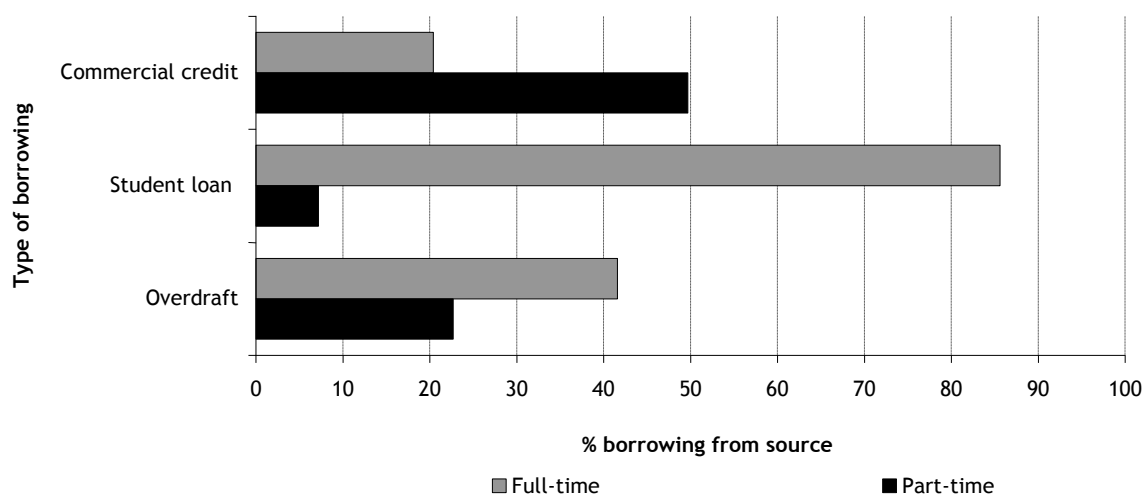
N = (194) unweighted

Base: all Welsh-domiciled part-time students

Other forms of credit contributed little to the overall level of borrowing for full-time students. On average, levels of commercial credit were £526 and overdrafts were £398 (together these are referred to as borrowing from commercial sources) with 20 per cent and 42 per cent of students respectively utilising these forms of finance. However, where students had used this commercial form of funding, they tended to borrow relatively heavily, with an average amount of £2,771 owed in commercial credit and £955 in overdrafts, among students who had them.

Amounts owed in arrears or taken out as informal loans were smaller still, and, across the full-time student body as a whole, Career Development Loans and outstanding Financial Contingency Funds or Access to Learning Funds had virtually no impact on borrowing levels.

Figure 6.3: Proportion of Welsh-domiciled full-time and part-time students using main forms of credit



Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Differences by student and study characteristics

The borrowing patterns of full-time students varied according to a range of characteristics, and the greatest differences were according to: gender, living arrangements and location of institution.

Although borrowing between old and new system students is compared in Table A6.2, it is not a particularly valid comparison given that old system students are more likely to be in later years of study and therefore to have accumulated higher debts. A more robust way of comparing differences in borrowing is to look at the difference between first years in 2004/05 and 2007/08 (presented in Chapter 9). This is because any comparison of borrowing levels between old and new system students is confounded by differences according to year of study. Another approach is to compare old and new system students at the same point in their HE careers (ie the 2nd year of their course), but, as noted earlier, it is not possible to do this for Welsh-domiciled students due to the small number of old system students involved.

There also appeared to be considerably lower levels of borrowing among students from routine and manual work backgrounds (Table A6.6). The difference was largely due to lower levels of student loan debt among those from routine and manual work backgrounds – £5,980 compared with £7,826 among those from intermediate occupational backgrounds and £7,686 among those from managerial and professional backgrounds. Average levels of borrowing from commercial credit sources and bank overdrafts were very similar among students from lower and higher socio-economic backgrounds.

Other differences were as follows:

- Borrowing from commercial sources significantly increased with age. The average commercial borrowing for those aged over 25 was £2,220 compared with £1,016 among 20 to 24 year olds and only £211 among those aged below 20 (Table A6.4). For full-time older students, commercial sources were an important way of supporting their studies. However, this may reflect the fact that they were more likely to have accrued debt before starting their course. Overall, younger students (those under 20) had the lowest level of borrowing at £5,661, with lower borrowing from commercial sources and from student loans, although the latter is explained by their having spent less time in HE.

- Full-time Welsh-domiciled students staying in Wales had considerably lower levels of debt than those who studied in England, borrowing on average £7,187 compared with £10,260 (Table A.7). This was due to lower amounts of student loan debt. Students staying in Wales to study were also much more likely to be living at home with their parents, among whom levels of borrowing averaged £6,187 compared with £8,856 for those living away from home (Table A6.8). This is explained by differences in student loan debt (those living away from home are eligible for a higher loan amount).
- Borrowing increases with time on the course, almost exclusively due to the amount of borrowing in the form of student loans. The average projected borrowing rose from £5,288 at the end of the first year to £10,454 by the final year of study; and student loan debt rose from £4,294 to £9,356 (Table A6.9).

6.4.3 Part-time students

All part-time students

There is a considerable difference in both the level and the make-up of borrowing among part-time students compared with full-time students. Across part-time students, predicted levels of borrowing by the end of the academic year averaged £2,975 but only half would owe around £200 or more. Indeed, only 57 per cent of part-time students had some form of borrowing (borrowing on average £5,192) compared with 91 per cent of full-time students.

For part-time students, the key component of borrowing was commercial credit, at £2,427 on average, and accounting for 82 per cent of their borrowing (Figure 6.2). In contrast to full-time students, average borrowings in the form of student loans were small (presumably accrued during earlier periods of study as part-time students are not eligible for student loan support), at around £332. Only a small proportion, seven per cent, had these outstanding student loans, but for this group they represented a significant debt, on average £4,614 (Figure 6.3).

Differences by student and study characteristics

The main variations in borrowing among part-time students are related to their gender, age and time on course. Specifically:

- Women had considerably higher levels of borrowing than men (£3,745 compared with £1,993) (Table A6.3), due to higher levels of commercial credit.
- Among part-time students, students in their 40s or older had the lowest levels of borrowing at £1,943 compared with those in their 20s and 30s (£4,950⁴⁴ and £4,394 respectively, see Table A6.5). This is due to lower levels of commercial credit and of student loan debt.
- Levels of borrowing among part-time students increased over time in HE, particularly in the final year (Table A6.9). Those in their first year had lower levels of predicted borrowing than those in their final year (£1,939 compared with £4,843) and this is due to increases in levels of commercial credit. Indeed among those in their final year of study, the average level of borrowing from commercial credit was £4,438.

⁴⁴ This figure should be treated with caution due to the unweighted base size falling below 50 (N=32).

6.5 Estimated student net debt

6.5.1 Introduction

By comparing student savings and borrowings, it is possible to consider a student's overall financial position. Student net debt has been calculated by subtracting the amount of savings individuals predict they will have accrued by the end of the academic year from the amount of debt or borrowing they predict they will owe by this point.

The length of time that a student has been studying is such a major factor in the levels of debt among full-time students that this overshadows all other student characteristics. Additionally, the estimates of final year students are potentially the most interesting as they provide a reasonably accurate estimate of a student's average (net) debts on graduation, regardless of the length of their course. In this section, therefore, the situation for all students is examined in brief but the main focus is placed on the overall financial situation of final year students. It should be noted that students in their final year are likely to be operating under the old system of finance (which among other aspects means lower tuition fees).

6.5.2 All students

Across all full-time students the estimated level of debt averaged £6,147 by the end of the academic year (Table 6.4). However, levels of debt for full-time students increased dramatically from the first to the final year (Table A6.10).

Part-time students had much smaller debts, an average of £65, and at least half would have no debt by end of the year. Average debt levels for part-time students fluctuated across the time on course, with first year students reporting an average saving (not debt) of £53 and those mid course reporting average savings of £263, whereas those in their final year had the highest levels of net debt with £586 on average (see Table A6.10).

Table 6.4: Student net debt (£): all Welsh-domiciled students

		Full-time	Part-time
Savings*	Mean	2,075	2,911
	Median	400	150
	SE	289	604
Estimated total borrowing at end of year*	Mean	8,222	2,975
	Median	7,047	200
	SE	315	643
Estimated net debt at end of year*	Mean	6,147	65
	Median	5,670	0
	SE	451	966
<i>N = (744) unweighted</i>		550	194

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

6.5.3 Final year students

As we have seen, net debt levels of full-time students are much higher than those of part-time students. This is particularly marked when considering final year students (Table 6.5). As already noted, the debts of full-time students in their final year are estimated at £7,187 (due to £3,267 in savings, and £10,454 in borrowing). Final year part-time students have higher levels of savings and considerably lower levels of borrowing, consequently being expected to leave with an average debt of £586.

The final year figures include results for 20 full-time and seven part-time students who are taking one-year courses which follows the methodology established in the 2004/05 SIES analysis. This ensures that the estimates for savings, borrowings and net debt will be reflective of the students' final position on leaving HE (regardless of length of course). Focusing on students in the final year of a longer course (so excluding those on one year only courses who will be operating under the new system of student funding) reduces the size of estimated net debt from £7,187 to £7,041 for full-time students – but the difference is negligible. However, removing those on one year only courses from the analysis of part-time students has a considerable effect. Part-time students coming to the end of longer courses have greater savings and considerably lower average borrowing, leading to an estimated saving at the end of the academic year of £2,302, rather than a debt. This indicates that the results for part-timers were skewed by a handful of cases.

Table 6.5: Student net debt (£): final year Welsh-domiciled students

		Full-time	Part-time
Savings*	Mean	3,267	4,256
	Median	600	100
	SE	804	1,784
Estimated total borrowing at end of year*	Mean	10,454	4,843
	Median	11,500	2,800
	SE	509	1,620
Estimated net debt at end of year*	Mean	7,187	586
	Median	9,195	1,235
	SE	955	2,740
<i>N = (232) unweighted</i>		168	64

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled final year students

Source: NatCen/IES SIES 2007/08

Full-time students

Estimated net debt levels of final year full-time students varied significantly according to a range of characteristics. These reflect some of the differences already outlined in levels of savings and borrowing for different groups. A multiple linear regression model was developed to determine which student and study characteristics were most strongly associated with variations in overall net graduate debt (see Table A6.16).

The regression model found the following factors to be significant, taking other background characteristics into account:

- Socio-economic background: those from intermediate backgrounds had higher levels of net debt than students from either managerial/professional backgrounds or manual/routine work backgrounds.
- Living arrangements: full-time students living at home with parents during term-time had significantly lower levels of net debt than those living away (Table A6.14), due to much lower levels of borrowing (it should be noted that students living away from home can borrow a larger amount of student maintenance loan).

Further patterns indicated by the data were that:

- Those studying out of the country, in an English institution, had much higher net debt levels, at £9,993 compared with £5,158, due to much higher average borrowing (Table A6.15). This may be partly due to the availability of the tuition fee grant for Welsh-domiciled students studying in Wales, which meant that Welsh-domiciled students took out less in tuition fee loans. However, English-domiciled students studying out of the country in Wales also had higher average borrowing than those studying in England. This suggests that the difference will also be influenced by the fact that all students who live at home with their parents will be studying in their home country, and these tend to have lower average debt.

Part-time students

As noted above, part-time students had higher levels of savings than full-time students, and borrowed considerably less. This resulted in predicted levels of net debt which are much lower for part-time compared with full-time students, indeed at least half of part-time students estimated they would complete their course with no debt at all. Unfortunately due to the small base sizes involved (unweighted numbers of 30 or below) it is not possible to explore variations in levels of net debt within final year part-time students.

Additional tables

Table A6.1: Predicted savings (£): Key differences, all Welsh-domiciled students

	Full-time				Part-time			
	Mean	Median	Base**	SE	Mean	Median	Base**	SE
All students	2,075	400	550	289	2,911	150	194	604
Gender								
Male	1,952	500	134	420	3,733	500	64	1,029
Female	2,168	200	415	370	2,452	0	129	751
Age (at the start of the academic year)								
Under 20	1,799	600	166	280	–	–	–	–
20-24	2,098	500	220	409	–	–	–	–
25 +	2,535	0	163	951	–	–	–	–
Under 25	–	–	–	–	1,320	200	25 ¹	498
25-29	–	–	–	–	(407)	(100)	(32) ²	162
30-39	–	–	–	–	1,548	150	54	504
40+	–	–	–	–	5,645	200	83	1,530
Socio-economic background								
Managerial/professional	2,855	500	238	532	3,084	200	85	757
Intermediate	1,558	400	99	346	(4,194)	(300)	(36)	(1,679)
Routine/manual and unemployed	1,534	300	146	364	3,487	0	64	1,553
Funding system								
Student on Old System	3,008	500	182	695	4,523	500	74	1,317
Student on New System	1,560	300	368	192	2,332	100	117	616
Year of course								
First year	1,105	200	220	173	1,992	200	69	659
Other year	2,073	300	162	371	2,585	100	61	592
Final year/one-year course	3,267	600	168	801	4,256	100	64	1,742
Disability								
Disabled	1,488	0	112	417	(5,100)	(0)	(46)	2,184
Non-disabled	2,220	500	437	333	2,336	150	147	478

* Note: figures adjusted for partner contributions where relevant

** Base = N (unweighted)

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A6.2: Total student borrowing and main sources of student borrowing, by old system/new system status, Welsh-domiciled full-time students (£)

		Old system	New system
Commercial credit*	Mean	376	669
	Median	0	0
	SE	130	147
Overdraft*	Mean	594	289
	Median	200	0
	SE	56	32
Arrears*	Mean	53	32
	Median	0	0
	SE	23	7
Informal loans	Mean	16	2
	Median	0	0
	SE	10	1
Career Development Loans	Mean	8	0
	Median	0	0
	SE	8	0
Outstanding student loan debt	Mean	9,552	5,910
	Median	10,630	5,200
	SE	483	265
Outstanding Financial Contingency Funds (if to be repaid)	Mean	10	2
	Median	0	0
	SE	9	2
Estimated total borrowing at end of year*	Mean	10,609	6,904
	Median	11,500	5,860
	SE	536	318
<i>N = (550) unweighted</i>		182	368

* Note: figures adjusted for partner contributions where relevant

Note: old and new system differences will overlap with differences by year of study, as most first year students are new system and most Year 3s+ are old system. This is particularly important to note when looking at borrowing/debt, because borrowings accrue over time on the course.

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A6.3: Total student borrowing and main sources of student borrowing for Welsh-domiciled students, by gender (£)

		Full-time		Part-time	
		Male	Female	Male	Female
Commercial credit*	Mean	581	558	1,238	3,317
	Median	0	0	0	200
	SE	209	105	344	1,007
Overdraft*	Mean	355	430	126	98
	Median	0	0	0	0
	SE	54	36	47	23
Arrears*	Mean	39	41	142	75
	Median	0	0	0	0
	SE	12	14	106	39
Informal loans	Mean	12	3	0	3
	Median	0	0	0	0
	SE	9	2	0	3
Career Development Loans	Mean	0	5	0	0
	Median	0	0	0	0
	SE	0	5	0	0
Outstanding student loan debt	Mean	7,861	6,783	467	251
	Median	6,370	6,000	0	0
	SE	529	298	316	99
Outstanding Financial Contingency Funds (if to be repaid)	Mean	3	6	19	0
	Median	0	0	0	0
	SE	3	5	19	0
Estimated total borrowing at end of year*	Mean	8,851	7,825	1,993	3,745
	Median	7,395	6,735	125	400
	SE	592	336	516	998
<i>N = (742) unweighted</i>		<i>134</i>	<i>415</i>	<i>64</i>	<i>129</i>

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A6.4: Total student borrowing and main sources of student borrowing, by age group at start of the academic year, Welsh-domiciled full-time students (£)

		Under 20	20-24	25+
Commercial credit*	Mean	36	461	1,807
	Median	0	0	0
	SE	18	157	371
Overdraft*	Mean	175	555	413
	Median	0	150	0
	SE	28	48	65
Arrears*	Mean	12	33	107
	Median	0	0	0
	SE	6	6	42
Informal loans	Mean	2	8	12
	Median	0	0	0
	SE	2	10	12
Career Development Loans	Mean	0	0	16
	Median	0	0	0
	SE	0	0	16
Outstanding student loan debt	Mean	5,436	9,171	5,505
	Median	5,200	9,905	3,895
	SE	328	390	632
Outstanding Financial Contingency Funds (if to be repaid)	Mean	0	3	16
	Median	0	0	0
	SE	0	3	16
Estimated total borrowing at end of year*	Mean	5,661	10,231	7,876
	Median	5,525	10,800	6,000
	SE	335	441	761
<i>N = (549) unweighted</i>		<i>166</i>	<i>220</i>	<i>163</i>

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A6.5: Total student borrowing and main sources of student borrowing, by age group at start of the academic year, Welsh-domiciled part-time students (£)

		Under 25	25-29	30-39	40 or over
Commercial credit*	Mean	— ¹	(3,118)	4,122	1,504
	Median	—	(780)	0	0
	SE	—	(895)	1,907	404
Overdraft*	Mean	—	(247)	69	89
	Median	—	(0)	0	0
	SE	—	(115)	27	27
Arrears*	Mean	—	(1)	69	206
	Median	—	(0)	0	0
	SE	—	(1)	37	122
Informal loans	Mean	—	(0)	6	0
	Median	—	(0)	0	0
	SE	—	(0)	6	0
Career Development Loans	Mean	—	(0)	0	0
	Median	—	(0)	0	0
	SE	—	(0)	0	0
Outstanding student loan debt	Mean	—	(1,583)	103	144
	Median	—	(0)	0	0
	SE	—	(758)	71	119
Outstanding Financial Contingency Funds (if to be repaid)	Mean	—	(0)	26	0
	Median	—	(0)	0	0
	SE	—	(0)	26	0
Estimated total borrowing at end of year*	Mean	—	(4,950)	4,394	1,943
	Median	—	(5,000)	150	150
	SE	—	(840)	1,888	494
<i>N = (194) unweighted</i>		25	32	54	83

* Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2007/08

Table A6.6: Total student borrowing and main sources of student borrowing for Welsh-domiciled students, by social class (NS-SEC)(£)

		Full-time			Part-time		
		Managerial/ professional	Intermediate	Routine, manual & unemployed	Managerial/ professional	Intermediate	Routine, manual & unemployed
Commercial credit*	Mean	457	966	618	1,951	(2,753) ¹	1,360
	Median	0	0	0	0	(150)	0
	SE	166	394	133	448	(797)	623
Overdraft*	Mean	432	390	351	138	(160)	73
	Median	0	0	0	0	(0)	0
	SE	47	77	55	33	(93)	24
Arrears*	Mean	11	37	90	166	(25)	96
	Median	0	0	0	0	(0)	0
	SE	4	17	34	105	(20)	37
Informal loans	Mean	9	0	2	4	(0)	0
	Median	0	0	0	0	(0)	0
	SE	7	0	2	4	(0)	0
Career Development Loans	Mean	0	18	0	0	(0)	0
	Median	0	0	0	0	(0)	0
	SE	0	18	0	0	(0)	0
Outstanding student loan debt	Mean	7,686	7,826	5,980	602	(0)	201
	Median	7,200	6,355	4,825	0	(0)	0
	SE	422	743	406	297	(0)	127
Outstanding Financial Contingency Funds (if to be repaid)	Mean	9	3	0	0	(0)	32
	Median	0	0	0	0	(0)	0
	SE	7	3	0	0	(0)	32
Estimated total borrowing at end of year*	Mean	8,604	9,241	7,041	2,861	(2,938)	1,762
	Median	8,165	6,620	5,943	250	(200)	0
	SE	503	868	449	561	(837)	679
<i>N = (706) unweighted</i>		238	99	146	85	36	64

* Note: figures adjusted for partner contributions where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution.

Base: all Welsh-domiciled students (where socio-economic background could be reliably derived)

Source: NatCen/IES SIES 2007/08

Table A6.7: Total student borrowing and main sources of student borrowing, by location of institution, Welsh-domiciled full-time students (£)

		Wales	England
Commercial credit*	Mean	744	211
	Median	0	0
	SE	146	117
Overdraft*	Mean	369	455
	Median	0	0
	SE	35	60
Arrears*	Mean	51	17
	Median	0	0
	SE	14	4
Informal loans	Mean	2	17
	Median	0	0
	SE	1	12
Career Development Loans	Mean	4	0
	Median	0	0
	SE	4	0
Outstanding student loan debt	Mean	6,011	9,559
	Median	4,659	9,076
	SE	278	495
Outstanding Financial Contingency Funds (if to be repaid)	Mean	6	1
	Median	0	0
	SE	5	1
Estimated total borrowing at end of year*	Mean	7,187	10,260
	Median	5,550	9,995
	SE	344	549
<i>N = (550) unweighted</i>		403	147

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A6.8: Total student borrowing and main sources of student borrowing, by whether living with parents during term-time or not, Welsh-domiciled full-time students and by whether independent or dependent status (£)

		Lives with parents		Student status	
		Lives with parents	Does not	Dependent	Independent
Commercial credit*	Mean	702	522	172	1,779
	Median	0	0	0	0
	SE	317	97	59	364
Overdraft*	Mean	223	452	394	410
	Median	0	0	0	0
	SE	45	36	36	54
Arrears*	Mean	20	46	20	100
	Median	0	0	0	0
	SE	8	12	6	34
Informal loans	Mean	3	8	6	9
	Median	0	0	0	0
	SE	3	36	5	9
Career Development Loans	Mean	0	4	0	12
	Median	0	0	0	0
	SE	0	12	0	12
Outstanding student loan debt	Mean	5,234	7,820	7,602	5,981
	Median	4,225	6,770	6,651	4,500
	SE	455	5	303	593
Outstanding Financial Contingency Funds (if to be repaid)	Mean	5	5	0	19
	Median	0	0	0	0
	SE	5	4	0	13
Estimated total borrowing at end of year*	Mean	6,187	8,856	8,193	8,311
	Median	4,659	7,970	7,225	6,040
	SE	637	328	338	726
<i>N = (550) unweighted</i>		<i>120</i>	<i>430</i>	<i>356</i>	<i>194</i>

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

Table A6.9: Total student borrowing and main sources of student borrowing for Welsh-domiciled students, by year of study (£)

		Full-time			Part-time		
		First year	Other years	Final year/one year course	1st year	Other years	Final year/one year course
Commercial credit*	Mean	717	508	444	1,537	1,529	4,438
	Median	0	0	0	0	100	2,000
	SE	204	204	102	527	466	1,650
Overdraft*	Mean	214	443	570	142	102	77
	Median	0	0	0	0	0	0
	SE	35	56	59	54	33	26
Arrears*	Mean	51	14	55	118	149	24
	Median	0	0	0	0	0	0
	SE	12	5	27	70	112	13
Informal loans	Mean	2	3	17	0	0	6
	Median	0	0	0	0	0	0
	SE	2	2	12	0	0	6
Career Development Loans	Mean	8	0	0	0	0	0
	Median	0	0	0	0	0	0
	SE	8	0	0	0	0	0
Outstanding student loan debt	Mean	4,294	8,436	9,356	142	541	274
	Median	4,100	8,350	10,630	0	0	0
	SE	246	460	485	103	328	178
Outstanding Financial Contingency Funds (if to be repaid)	Mean	3	0	12	0	0	24
	Median	0	0	0	0	0	0
	SE	3	0	10	0	0	25
Estimated total borrowing at end of year*	Mean	5,288	9,405	10,454	1,939	2,322	4,843
	Median	4,710	8,976	11,500	0	150	2,800
	SE	365	559	527	576	596	1,630
<i>N = (744) unweighted</i>		220	162	168	69	61	64

*Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A6.10: Student net debt (£): by year, Welsh-domiciled students

		Full-time			Part-time		
		First year	Other years	Final year/one year course	First year	Other years	Final year/one year course
Savings*	Mean	1,105	2,073	3,267	1,992	2,585	4,256
	Median	200	300	600	200	100	100
	SE	173	371	801	659	592	1,742
Estimated total borrowing at end of year*	Mean	5,288	9,405	10,454	1,939	2,322	4,843
	Median	4,710	8,976	11,500	0	150	2,800
	SE	365	559	527	576	596	1,630
Estimated net debt at end of year*	Mean	4,183	7,332	7,187	-53	-263	586
	Median	3,948	6,800	9,195	0	0	1,235
	SE	438	660	977	930	873	2,756
<i>N = (744) unweighted</i>		220	162	168	69	61	64

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table A6.11: Student net debt, by gender, Welsh-domiciled full-time final year students only (£)

		Male	Female
Savings*	Mean	(2,723) ¹	3,576
	Median	(700)	500
	SE	(1,195)	1,023
Estimated total borrowing at end of year*	Mean	(10,774)	10,272
	Median	(11,900)	11,500
	SE	(1,027)	603
Estimated net debt at end of year*	Mean	(8,051)	6,696
	Median	(9,195)	8,917
	SE	(1,615)	1,308
<i>N = (168) unweighted</i>		35	133
Estimated net debt at end of year*, excluding those on 1 year only courses	Mean	(8,046)	6,439
	Median	(9,195)	8,905
	SE	(1,705)	1,431
<i>N = (148) unweighted</i>		31	117

* Note: figures adjusted for partner contributions where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2007/08

Table A6.12: Student net debt, by age group at start of the academic year, Welsh-domiciled full-time final year students only (£)

		Under 20	20-24	25+
Savings*	Mean	— ¹	2,740	5,194
	Median	—	800	0
	SE	—	726	2,501
Estimated total borrowing at end of year*	Mean	—	11,016	9,052
	Median	—	12,000	7,675
	SE	—	587	1,210
Estimated net debt at end of year*	Mean	—	8,276	3,858
	Median	—	9,500	7,000
	SE	—	871	3,146
<i>N = (167) unweighted</i>		2	109	56
Estimated net debt at end of year*, excluding those on 1 year only courses	Mean	—	8,047	(3,163) ²
	Median	—	9,195	(7,675)
	SE	—	950	(4,075)
<i>N = (147) unweighted</i>		2	102	43

* Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2007/08

Table A6.13: Student net debt, by social class (NS-SEC), Welsh-domiciled full-time final year students only (£)

		Managerial & professional	Intermediate	Routine, manual & unemployed
Savings*	Mean	4,669	— ¹	(2,258) ²
	Median	1,000	—	(200)
	SE	1,372	—	(1,071)
Estimated total borrowing at end of year*	Mean	10,750	—	(9,865)
	Median	11,900	—	(10,300)
	SE	761	—	(1,146)
Estimated net debt at end of year*	Mean	6,123	—	(7,606)
	Median	9,140	—	(9,808)
	SE	1,675	—	(1,814)
<i>N = (162) unweighted</i>		81	29	39
Estimated net debt at end of year*, excluding those on 1 year only courses	Mean	6,419	— ¹	(7,617)
	Median	9,195	—	(10,288)
	SE	1,791	—	(1,969)
<i>N = (147) unweighted</i>		72	22	35

* Note: figures adjusted for partner contributions where relevant

¹ No data reported as fewer than 30 cases in this category

² Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time final year students (where socio-economic background could be reliably derived)

Source: NatCen/IES SIES 2007/08

Table A6.14: Student net debt, by whether living with parents during term-time or not and by whether independent or dependent status, Welsh-domiciled full-time final year students only (£)

		Lives with parents		Student status	
		Yes	No	Dependent	Independent
Savings*	Mean	(2,058) ¹	3,595	2,799	4,598
	Median	(400)	700	800	0
	SE	(476)	1,019	742	2,208
Estimated total borrowing at end of year*	Mean	(6,373)	11,563	10,790	9,496
	Median	(6,200)	12,315	11,900	10,080
	SE	(1,064)	581	611	1,079
Estimated net debt at end of year*	Mean	(4,314)	7,967	7,991	4,898
	Median	(3,802)	10,900	9,195	7,675
	SE	(1,005)	1,195	899	2,780
<i>N = (168) unweighted</i>		33	135	105	63
Estimated net debt at end of year*, excluding those on 1 year only courses	Mean	(4,142)	7,887	7,810	4,306
	Median	(3,000)	10,900	9,195	8,917
	SE	(1,031)	1,343	977	3,540
<i>N = (148) unweighted</i>		31	117	99	47

* Note: figures adjusted for partner contributions where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2007/08

Table A6.15: Student net debt, by institution location, Welsh-domiciled full-time final year students only (£)

		Wales	England
Savings*	Mean	3,698	2,670
	Median	400	800
	SE	1,148	1,049
Estimated total borrowing at end of year*	Mean	8,856	12,664
	Median	8,917	13,033
	SE	716	681
Estimated net debt at end of year*	Mean	5,158	9,993
	Median	6,000	10,900
	SE	1,460	922
<i>N = (168) unweighted</i>		112	56
Estimated net debt at end of year*, excluding those on 1 year only courses	Mean	4,818	9,799
	Median	6,000	10,900
	SE	1,649	1,052
<i>N = (148) unweighted</i>		94	54

* Note: figures adjusted for partner contributions where relevant

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2007/08

Table A6.16: Multiple linear regression, net debt among Welsh-domiciled full-time final year students only

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
All students	724	0.881	-8,831	10,280
Gender				
Male (ref. category)	0			
Female	-2,117	0.417	-7,275	3,041
Age				
Under 20 (ref. category)	0			
20-24	3,721	0.157	-1,454	8,896
25+	-631	0.858	-7,627	6,365
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate*	4,542	0.042	173	8,910
Routine/manual and unemployed	3,890	0.184	-1,888	9669
Household/family type				
Single (ref. category)	0			
Married or living as a couple	-2,892	0.448	-10,434	4,651
One-adult family	-9,045	0.521	-36,914	18,824
Two-adult family	3,144	0.289	-2,711	8,998
Status				
Dependent (ref. category)	0			
Independent	1,015	0.698	-4,148	6,189
Lives with parents				
No (ref. category)	0			
Yes*	-4,304	0.025	-8,068	-541
Parents experience of HE				
No (ref. category)	0			
Yes*	1,560	0.459	-2,605	5,725
Location of institution				
Wales (ref. category)	0			
England	3,525	0.087	-521	7,571
Subject				
Social sciences, business etc. /Arts, humanities etc/Combined (ref. category)	0			
Medicine/Dentistry and Subjects allied to medicine	2,109	0.618	-6,271	10,488
Science/Engineering/Technology/IT	3,394	0.117	-865	7,654
Education*	5,700	0.038	337	11,064

	Regression coefficient	Significance level	95% confidence limit	
			Lower	Upper
Qualification				
Bachelor degree, HNC/D/Foundation (ref. category)	0			
PGCE/ITT	6,039	0.116	1,527	13,606
New or old system				
Old system student (ref. category)	0			
New system student	-1,145	0.714	-7,329	5,039

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2007/08

7 Financial Well-Being

7.1 Summary of key findings

- Approximately three in ten students had considered dropping out of their university course at some point (29 per cent of full-timers and 33 per cent of part-timers).
- Among full-time students the most common reason for considering leaving was financial difficulties, however, part-time students were more likely to cite domestic, family or personal reasons.
- Almost three in five full-time students (58 per cent) felt their finances had affected their academic performance, although only six per cent felt their financial situation had affected their studies a great deal. Part-time students were less likely to feel their performance had been affected (only 37 per cent). Across both full- and part-time students, the most common effect was worry and stress, followed by difficulties buying books and materials and then having to take on paid work.
- Despite concerns over finance, the vast majority (92 per cent for both full-time and of part-time) of students had not fallen into arrears on any key payments such as credit card bills, utility bills or rent.
- Higher levels of borrowing from 'high-cost' commercial sources such as bank overdrafts and credit cards were significantly higher among older students aged 20 to 24 or 25 or more, and having independent student status.

7.2 Introduction

The previous chapter presented results outlining students' financial situation now that they are studying in HE, including the extent to which they have both savings and borrowing. In this chapter we examine the students' views on their own financial situation, the impact of their financial situation on their HE experience, and which students are more likely to be experiencing financial difficulties or hardship.

The level of student debt and its impact on current and potential students is an area of debate. For both groups, financial issues have been shown to affect the decision to participate in HE and also choices about where and what to study in HE. The changes to the student funding system, specifically the introduction of variable student fee contributions (see Chapter 1), may affect the way that students view the financial aspects of HE. In this new study we can explore assessments of financial well-being for those operating under the new funding system and compare these with the experiences of students before the introduction of increased fees (see Chapter 9).

This chapter includes:

- an analysis of the extent and impact of financial difficulties, including whether students had ever considered dropping out due to concerns over finance (or other reasons) and the effect of their financial situation on their studies
- an examination of items students go without, of the extent to which they fall behind on payments, and their reliance upon high cost forms of borrowing to supplement their income.

7.3 Extent and impact of financial difficulties

7.3.1 Introduction

The study has provided a huge amount of detailed information on student finances to allow an objective picture to be built up of students' financial situation. In addition, students were asked questions designed to reveal how they felt about their finances and the impact, if any, that their financial situation had had on their studies.

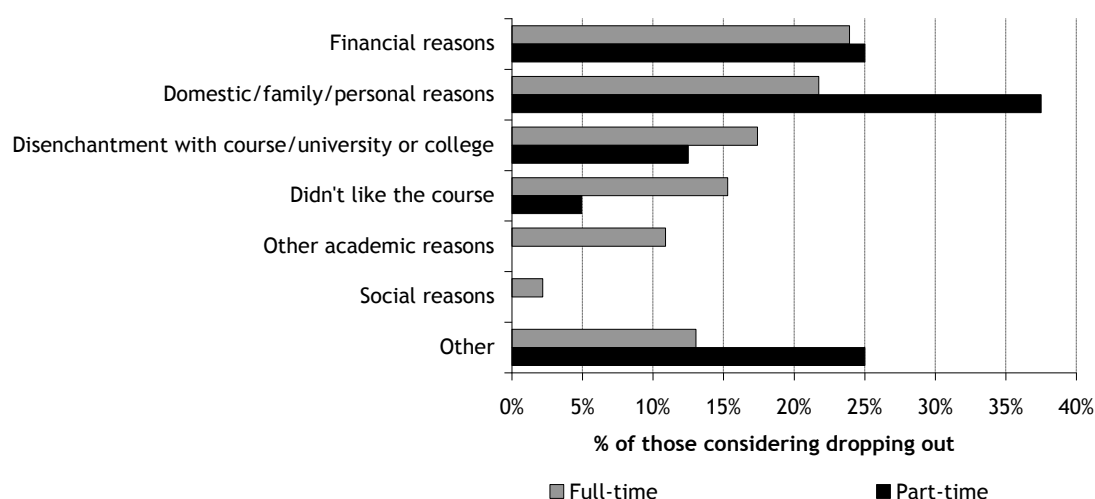
7.3.2 Considering drop-out

Students were asked whether they had ever thought of dropping out of their university, and about three in ten said that they had done so (29 per cent of full-timers and 33 per cent of part-timers).

Those who had considered dropping out were then asked to select the main reason for this from a range of potential reasons. For full-time students, by far the most commonly cited reason was financial, mentioned by 24 per cent of those who had considered leaving early. Financial reasons were closely followed by domestic, family or personal reasons (22 per cent),⁴⁵ and disenchantment with the course or institution (cited by 17 per cent). Social reasons hardly featured at all, and none had considered leaving because they had been offered a job. New system students were not significantly more likely to cite financial reasons than students covered by the old system.

Among part-time students the most commonly cited reasons for considering leaving early were domestic, family or personal reasons, mentioned by 38 per cent, and financial reasons (25 per cent).

Figure 7.1: Reasons for thinking about dropping out, Welsh-domiciled full-time and part-time students



Base: all Welsh domiciled students who considered dropping out (N= unweighted, 177 full-time and 73 part-time)

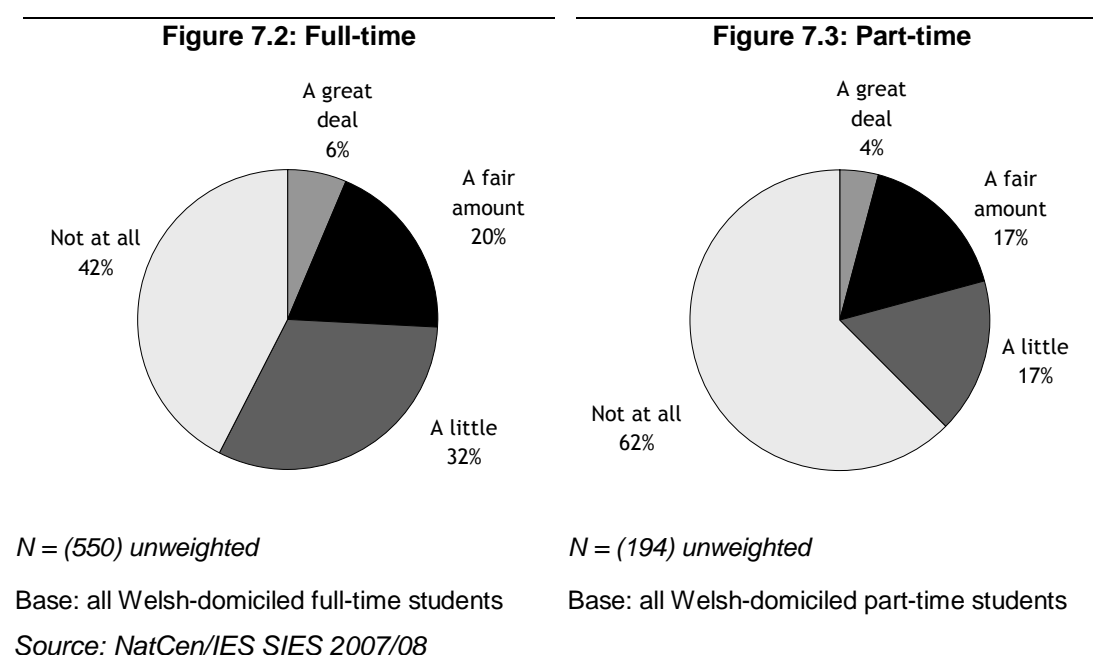
Source: NatCen/IES SIES 2007/08

⁴⁵ It is interesting to note that domestic reasons for considering dropping out were much more common among Welsh full-time domiciled students than English domiciled ones.

7.3.3 Effect of financial situation on studies

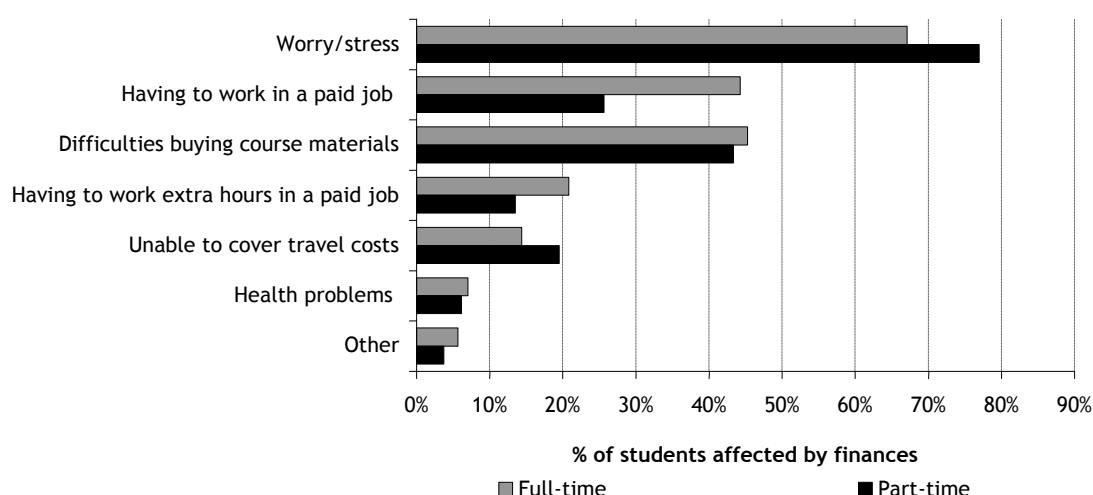
Students were also asked whether financial difficulties (if at all) had affected how well they were doing at university or college. Full-time students were more likely to feel that their financial situation had had some effect on their academic performance, even if the impact was only small (Figures 7.2 and 7.3). Indeed, 58 per cent of full-time students felt their finances had affected them compared with 38 per cent of part-time students. However, only six per cent of full-time and four per cent of part-time students, felt their financial situation had affected their studies 'a great deal'.

Figures 7.2 and 7.3: Extent to which financial difficulties have affected attainment, Welsh-domiciled full-time and part-time students



When students were asked further about how their financial situation had affected their studies, there was a varied pattern of responses, but it was similar for both full- and part-time students (Figure 7.4). For both groups, the most common effect was worry and stress, cited by 67 per cent of full-time and 77 per cent of part-time students who said their financial situation had affected their studies. This was followed by difficulties buying books and materials (45 and 43 per cent respectively), and having to take on paid work (44 and 26 per cent respectively). For just a small proportion of these students (seven per cent of full-time and six per cent of part-time students) concerns over finances had affected their health.

Figure 7.4: Effects of finances on academic performance for Welsh-domiciled students



Base: all Welsh-domiciled full-time and part-time students who felt finances had impacted on their academic performance

Source: NatCen/IES SIES 2007/08

7.4 Indicators of financial hardship

7.4.1 Arrears and debt

In order to get an idea of levels of hardship among students, respondents were asked whether at some point during the academic year they had fallen, or felt they would fall, behind on regular payments for key living expenses/household bills – essentially to get into arrears. They were given a list of various payments and asked to indicate which, if any, they were (or would be) behind by at least two payments. The vast majority of both full-time and part-time students (92 per cent each) reported that they had not fallen behind on any of the payments listed. No more than four per cent each had fallen behind by more than two months, on any one payment. The areas where students were most likely to get into difficulties were: credit card payments, telephone utilities (particularly water and electricity bills), and rent (among full-time students).

The amount of arrears students predicted for the end of the academic year were taken into account when exploring the extent of borrowing in Chapter 6. The average level of arrears across all full-time students was £40 and for part-time students was higher at £100. Approximately eight per cent of both full- and part-time students predicted they would have arrears by the end of the year. Full-time students estimated they would owe £483 (it is not possible to report the corresponding figure for part-time students due to the very small number of students involved).

7.4.2 Extent of 'high cost' borrowing

Another potential indicator of student hardship is the extent to which students are reliant upon the generally higher cost repayment borrowing, such as commercial credit, rather than the potentially lower cost of borrowing from student loans or family/friends which may be paid back over a longer period. As noted in the previous chapter full-time students had much lower levels of borrowing from these sources, making up only 11 per cent of their borrowing across the cohort; whereas part-time students relied heavily on these high cost sources, accounting for more than 78 per

cent of their average borrowing. In order to determine which full-time students are most reliant on commercial credit and/or bank overdrafts, a multiple regression model was constructed looking at levels of borrowing from these sources (Table A7.1). The model showed that the characteristic most associated with high-cost debts (once other factors were taken into account) was age. Those aged 20 to 24 had significantly higher commercial borrowing than younger students.

Additional tables

Table A7.1: Multiple linear regression, amount of commercial debt among Welsh-domiciled full-time students

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
All students	-41	0.911	-755	674
Gender				
Male (ref. category)	0			
Female	-35	0.881	-487	418
Age				
Under 20 (ref. category)	0			
20-24**	810	0.004	262	1,359
25+	749	0.444	-1,174	2,673
Socio-economic group				
Managerial/professional (ref. category)	0			
Intermediate	229	0.577	-577	1,034
Routine/manual and unemployed	-219	0.477	-825	387
Household/family type				
Single (ref. category)	0			
Married or living as a couple	-160	0.786	-1,317	997
One-adult family	-26	0.978	-1,897	1,845
Two-adult family	263	0.748	-1,343	1,869
Status				
Dependent (ref. category)	0			
Independent	1,425	0.107	-310	3,160
Lives with parents				
No (ref. category)	0			
Yes	322	0.495	-607	1,252
Parents experience of HE				
No (ref. category)	0			
Yes	-6	0.981	-529	517
Location of institution				
Wales (ref. category)	0			
England	-22	0.940	-586	543
Subject				
Social sciences, business/Arts, humanities/Combined etc. (ref. category)	0			
Medicine/Dentistry and subjects allied to medicine	184	0.615	-534	0.903
Science/Engineering/Technology/IT	394	0.145	-137	0.926
Education	32	0.919	-587	651

	Regression coefficient	Significance level	95% Confidence limit	
			Lower	Upper
Year of study				
First year (ref. category)	0			
Intermediate year	142	0.680	-534	817
Final year/one-year course	-257	0.606	-1,235	722
Qualification				
Bachelor degree, HNC/D or Foundation degree (ref. category)	0			
PGCE/ITT	803	0.292	-694	2,299
New or old system				
Old system student (ref. category)	0			
New system student	-23	0.955	-827	781

Note: *p<0.05, **p<0.01, ***p<0.001

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

8 Student Choices and Attitudes

8.1 Summary of key findings

- Thirty-five per cent of full-time and 28 per cent of part-time students said that the availability of funding and financial support affected their decision to study in some way (either positively or negatively). A high proportion of these (53 per cent of full-time and 62 per cent of part-time students) said that they would not have studied at all without financial support. Nearly half of all part-time students (49 per cent) said that availability of funding affected their decision to study part-time and nearly half of all full-time students (47 per cent) said it affected their decision whether to study in England or Wales. The cost of tuition fees was less influential, affecting 23 per cent of full-time and 20 per cent of part-time students.
- The vast majority of students felt that their HE experience was equipping them for the demands of working life, would lead to higher salaries and was worthwhile despite its high cost. Nevertheless, 58 per cent of full-time students had concerns about increasing competition in the graduate job market. Furthermore 27 per cent of both full- and part-time students said that concerns over debt nearly stopped them coming to university. New system students were more likely to have had concerns about debt than old system students.
- The most common plan for full-time students was to get a job in their chosen career upon graduation (73 per cent), whereas for part-time students it was to get a better job than the one they had currently or get a promotion (41 per cent). A sizeable proportion intended to continue studying after completing their current course (33 per cent of full-timers and 37 per cent of part-timers).
- Full-time students expected to earn an average (mean) of £19,028 on graduation, rising to £30,685 after five years (a rise of 61 per cent). Part-time students had higher initial expectations, but were more modest in their long term ambitions. They expected an average (mean) initial salary of £20,874, rising to £26,556 after five years (a rise of only 27 per cent).

8.2 Introduction

Results have already been presented outlining how students view their financial situation now they are studying within HE, and the extent to which individuals have both savings and borrowing. The current chapter goes on to examine overall student attitudes towards their finances. This includes the extent to which perceptions of potential financial hardship affected their decision towards HE study and its perceived value in their broader lives, and the impact of finance on their plans.

The remainder of the chapter is therefore structured as follows:

- the extent to which students' perceptions of the likely financial demands of HE affected their pre-entry decision making
- students' attitudes towards HE including their likely labour market outcomes
- whether students' current financial situation is likely to affect their future plans
- students' short term and long term salary expectations.

8.3 Influence of finances pre-entry

8.3.1 Influence of financial issues on HE decisions

Students were asked whether the student funding and financial support available to them affected their decisions about HE study in some way, either positively or negatively⁴⁶. Thirty-five per cent of full-time and 28 per cent of part-time students responded that it did. Among full-time students, those studying under the new finance system were more likely to report being affected than those under the old system (39 per cent compared with 27 per cent). Among full-time students, the following groups of students were more likely to say their decisions about HE had been affected (either positively or negatively) by student funding and the financial support available, reflecting the targeted forms of student support available:

- those from a routine/manual socio-economic background, compared with those from intermediate or professional/managerial backgrounds (45 per cent compared with 24 per cent and 30 per cent respectively).
- students aged 25 or older (56 per cent, compared with around one-third of younger students).
- students with children (75 per cent of lone parents and 80 per cent of those in a couple with children, compared with 30 per cent of single students).
- students studying in Wales compared with those studying in England (42 per cent compared with 23 per cent).

There was much less differentiation in the views of part-time students by social class, age and family type, than among full-time students.

Table 8.1: Did the student funding and support available to you affect your decisions about study in any way? (full-time students only, by old/new system)

	Full-time	
	Old system	New system
Yes	27	39
No	73	61
<i>N = (550) unweighted</i>	182	368

Base: all full-time Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Those who said that the funding and support available to them affected their decisions were asked about the specific ways in which they were affected (Figure 8.1). Fifty-three per cent of full-time and 62 per cent of part-time students said that they would not have studied at all without funding. Forty-nine per cent of part-time students said that availability of funding affected their decision whether to study full or part-time and 47 per cent of full-time students said it affected their decision whether to study in England or Wales.

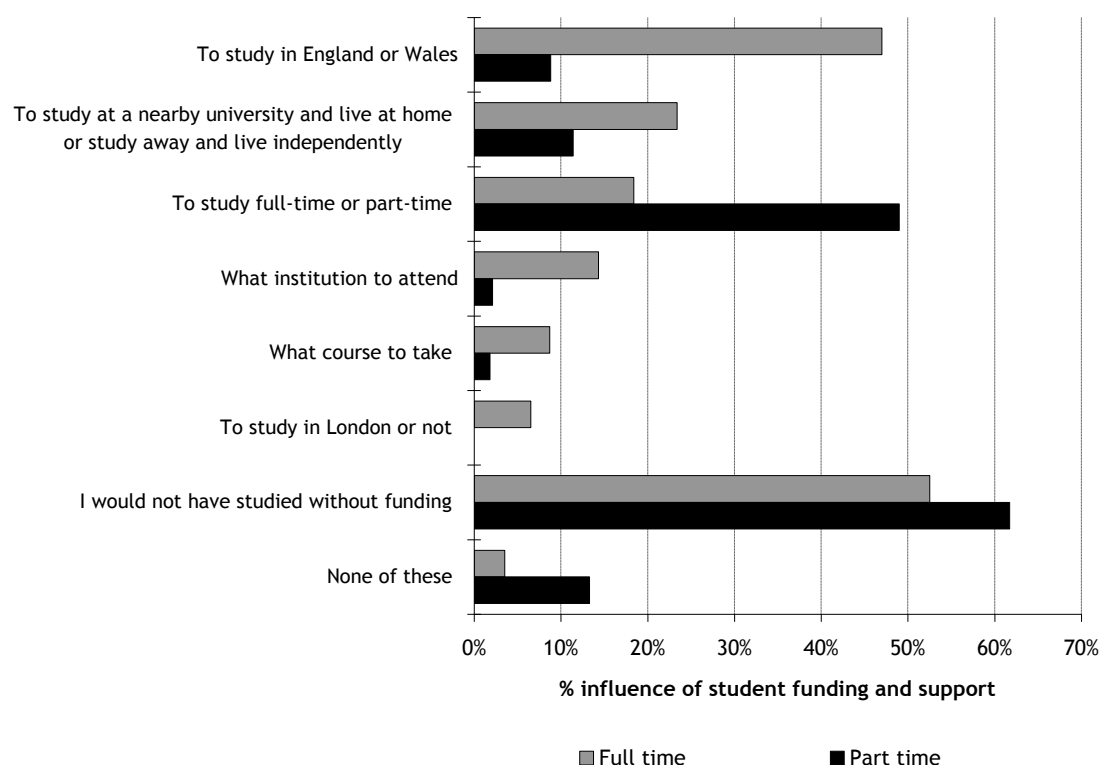
There was only one key distinction between the responses of old and new system full-time students, and that was in the proportion who said that the funding available

⁴⁶ Due to the question wording it is only possible to determine there was an impact: students were not asked whether this was a positive or negative one.

had affected their decision about whether to study in England or Wales. Among those who said funding had influenced their decisions in one way or another, around one-third of old system students said it had affected their decision to study in England or Wales (30 per cent) compared with just over half of new system students (55 per cent).

Among those who said funding had affected them, full-time students from intermediate social backgrounds were most likely to report that they would not have studied without the funding (64 per cent, compared with 48 per cent of those from professional/managerial ones). They were also more likely to say their decision to study at a nearby university so they could live at home with their family, rather than one further away, was affected (36 per cent mentioned this, compared with 18 per cent of students from a routine/manual background and 18 per cent of those from a professional/managerial background).

Figure 8.1: Influence of student funding and support on HE decision making for Welsh-domiciled full-time and part-time students



Base: all Welsh-domiciled full- and part-time students who said that finance had influenced their decisions about HE

Source: NatCen/IES SIES 2007/08

Around one-fifth of students (23 per cent of full-timers and 20 per cent of part-timers) reported that the cost of the tuition fees at their university affected their decisions about study. New system full-time students were more likely to report being affected by tuition fee costs than old system full-time students (28 per cent compared with 14 per cent, Table 8.2).

Among full-time students, those from routine/manual backgrounds were twice as likely to report that the cost of tuition fees had affected their decisions than students from more 'traditional' student backgrounds (34 per cent cited this, compared with 19 per cent of students from intermediate and 15 per cent from professional/managerial backgrounds). Notably, students studying in Wales were more likely to report this than those studying in England (27 per cent compared with 15 per cent) – which may be related to the additional fee support on offer for Welsh-domiciled students studying in Wales. The cost of tuition fees appeared to have had a more widespread impact among full-time students with children. Half of those in couples with children and a substantial minority of lone parents (50 per cent and 40 per cent, respectively) said that the cost of tuition fees had influenced their decisions compared with 17 per cent of students in a couple without children and 21 per cent of single students.

There was little significant variation among part-time students.

Table 8.2: Did the tuition fee support available to you affect your decisions about study in any way? (full-time students only, by old/new system)

	Full-time	
	Old system	New system
Yes	14	28
No	86	72
<i>N = (550) unweighted</i>	<i>182</i>	<i>368</i>

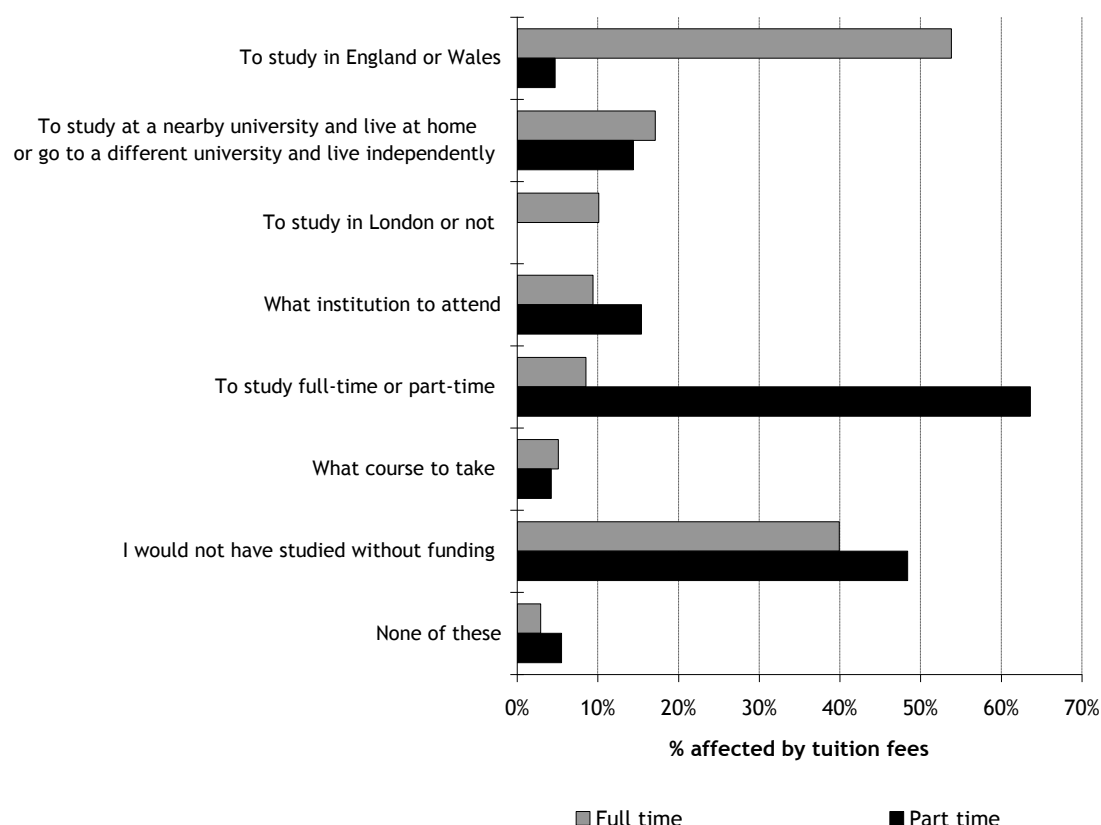
Base: all full-time Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Those who said that they were affected by the cost of tuition fees were then asked how (Figure 8.2). Among full-time students, the most common impact was that it influenced their decision whether to study in England or Wales (mentioned by 54 per cent) while fewer (40 per cent), said it influenced their decision whether to study at all. Students studying in Wales were more likely to say they had been influenced by tuition fee costs than those studying in England (58 per cent compared with 46 per cent), which may be related to the additional fee support available for Welsh-domiciled students who study in Wales. Among those reporting to be affected by the cost of tuition fees, students covered by the new system of student finance were substantially more likely to say these had influenced their decision about whether to study in England or Wales (63 per cent) compared with old system students (29 per cent).

Findings for part-time students are reported with caution as their unweighted base size was only 41, however, the biggest impact on the decision to study full or part-time, followed by whether to study at all. No further breakdowns are possible.

Figure 8.2: Influence of tuition fees on HE decision making for Welsh-domiciled full-time and part-time students



Base: all Welsh-domiciled full-time and part-time students who said the cost of tuition fees had influenced their decisions about HE

Source: NatCen/IES SIES 2007/08

8.3.2 Most important sources of financial support

Students who said that the funding and financial support available to them affected their decisions about HE study in some way were also asked whether any particular type of funding affected them. Of those asked, half of full-time students (53 per cent) and one-third of part-time students (33 per cent) said they had been affected by the availability of a specific fund.

Among full-time students, those on the new system were more likely to answer yes to this question than those on the old system (55 per cent compared to 47 per cent). However, the unweighted base sizes for part-time students were too small to enable any meaningful analysis.

The students were then asked which specific fund affected them (Table 8.3). The most common answers given by full-time students were the Assembly Learning Grant (22 per cent overall, rising to 28 per cent among new system students) and the tuition fee grant (17 per cent)⁴⁷. It is not possible to disaggregate the results for part-time students due to low base sizes.

⁴⁷ A handful of students mentioned funding for which they were not eligible, for example the Maintenance Grant which is only available to English-domiciled students. This may have occurred if the students were unclear about the name of the specific grant or loan that affected them.

Table 8.3: Sources of funding which affected student decisions, Welsh-domiciled full-time students only (%): TOP FIVE MENTIONS

	Full-time (%)
Assembly Learning Grant	22
Tuition Fee Grant	17
Higher Education Grant	13
Maintenance Grant	11
NHS Bursary	9
<i>N (unweighted)</i>	<i>101</i>

Base: all Welsh-domiciled full-time students who said that a specific funding source had affected them

Source: NatCen/IES SIES 2007/08

8.4 Views on the returns of higher education

8.4.1 Introduction

In any rational decision-making process, individuals will take account of what they believe are the outcomes of their decisions, considering both the positive and negative elements of any course of action. There are a range of factors that affect the decision to enter HE, including the influence of families and peer groups, alongside prior academic performance etc., and it can be difficult to disentangle what plays the greatest role in decision making for any given student. However, the way in which a student perceives the potential returns of HE is likely to work alongside other factors in affecting decisions.

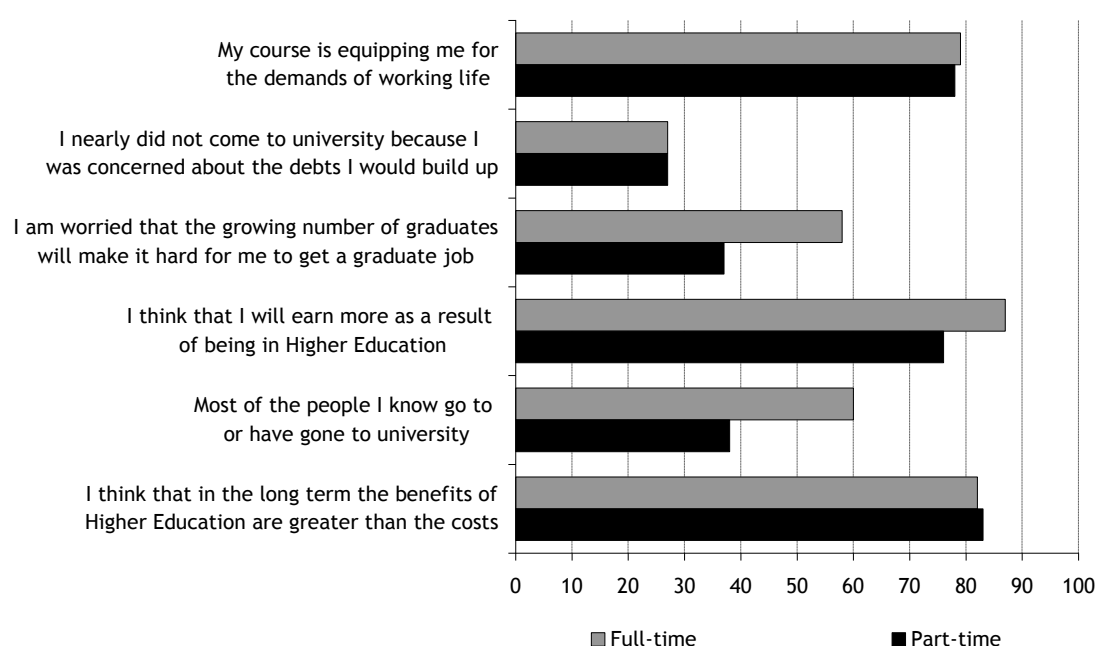
8.4.2 Perceived returns to HE

Students were asked whether they agreed or not with a series of statements about their views of HE and the perceived returns of participation. The results are summarised in Figure 8.3 for full-time and part-time students.

- *'I nearly did not come to university because I was concerned about the debts I would build up'* – 27 per cent of both full- and part-time students agreed or strongly agreed with this statement. A higher proportion of students on the new finance system than the old felt this way (Table 8.4). Among full-timers, students from 'non-traditional' backgrounds were the most likely to have been worried about coming to university because of debt:
 - one-third of those from routine/manual social class backgrounds agreed they nearly did not come to university because of concern about the debt they would build up (32 per cent) compared with 21 per cent, compared with 21 per cent of students from both intermediate or professional/managerial backgrounds.
 - almost half of those aged 25 or older on entry to their course had been deterred by concerns about debt (45 per cent) compared with just 20 per cent of those aged under-20.
 - half of students with children agreed that concerns about debt almost prevented them coming to university (50 per cent) compared with 31 per cent of those in couples with children and 24 per cent of single students.

- *'I am worried that the growing number of graduates will make it hard for me to get a graduate job'* – 58 per cent of full-time students agreed or strongly agreed with this statement, whereas only 37 per cent of part-time students did. Notably, this was bigger worry for students further into their courses. Less than half of first year full-time students agreed they were worried about finding a graduate job compared with two-thirds of those in intermediate or final years (45 per cent compared with 65 per cent and 64 per cent respectively).
- *'I think that I will earn more as a result of being in Higher Education'* – more full-time than part-time students agreed or strongly agreed with this (87 per cent compared with 76 per cent). Those studying medicine, dentistry or subjects allied to medicine were the most likely to agree. There was no significant difference between students studying in England (90 per cent) or Wales (85 per cent).

Figure 8.3: Views on the returns of higher education for Welsh-domiciled students, by full-time and part-time status (%)



Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

Table 8.4: I nearly did not come to university because I was concerned about the debts I would build up, by old system/new system, Welsh-domiciled full-time students (%)

	Old system	New system
Strongly agree	9	9
Agree	13	21
Neither agree or disagree	11	10
Disagree	36	33
Strongly disagree	31	26
<i>N = (503) unweighted</i>	174	329

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

- *'Most of the people I know go to or have gone to university'* – 60 per cent of full-time students agreed or strongly agreed with this, whereas only 38 per cent of part-time students did. Those from the higher social classes were most likely to agree.
- *'I think that in the long term the benefits of Higher Education are greater than the costs'* – 82 per cent of full-time and 83 per cent of part-time students agreed or strongly agreed with this. Despite the earlier finding that new system students were more likely to be concerned by debt, they were equally as likely as old system students to believe in the long term benefits of HE (Table 8.5).

Table 8.5: I think that in the long term the benefits of Higher Education are greater than the costs', by old system/new system, Welsh-domiciled full-time students (%)

	Old system	New system
Strongly agree	27	35
Agree	55	47
Neither agree or disagree	14	15
Disagree	4	3
Strongly disagree	0	0
<i>N = (512) unweighted</i>	178	334

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

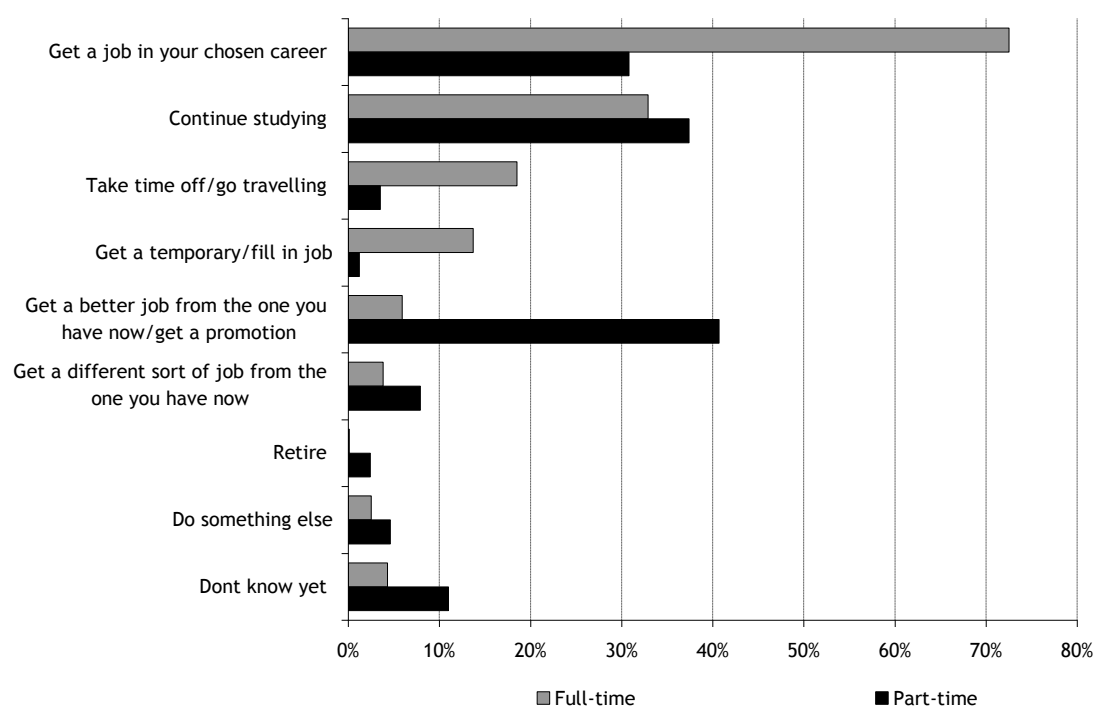
Overall, therefore, students appear to be positive about the benefits of attending HE in relation to future jobs and earnings. While they were concerned about competition in the graduate job market, this did not make them doubt that HE participation was worthwhile, despite its costs.

8.5 Impact of finance on future plans

8.5.1 Plans on graduation

When asked what they planned to do once they had finished their course, only four per cent of full-time students and 11 per cent of part-time students said that they did not yet know (Figure 8.4). By far the most common plan for full-time students was to get a job in their chosen career (73 per cent), whereas for part-time students it was to get a better job than the one they had currently or get a promotion (41 per cent). A sizeable portion of both full- and part-timers (33 and 37 per cent respectively) intended to continue studying once they completed their current course. Full-timers were much more likely than part-timers to plan to take time off/go travelling or get a temporary/fill-in job.

Figure 8.4: Plans after completion of course for Welsh-domiciled students, by full-time and part-time status



Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2007/08

8.5.2 Salary expectations

The short-term salary expectations of part-time students were slightly higher than those of full-time students (Table 8.6). The former (who are more likely to be working already) expected to be earning an average of £20,900 in their first job after graduation whereas the latter expected to be earning an average of only £19,000 (figures have been rounded to the nearest £100). In contrast however, the longer-term expectations of full-time students outstripped those of part-timers, at an average of £30,700 (a rise of around 60 per cent) compared with £26,600 (a rise of around 25 per cent).

Table 8.6: Expected future earnings (£), Welsh-domiciled full-time and part-time students

		Full-time	Part-time
Expected salary on graduation	Mean	19,000	20,900
	Median	19,000	21,000
Expected salary after five years	Mean	30,685	26,600
	Median	30,000	30,000
<i>N = (744) unweighted</i>		550	194

Base: all Welsh-domiciled students

Note: Figures rounded to nearest £ hundred

Source: NatCen/IES SIES 2007/08

Full-time students

There was some variation in the amounts that full-time students expected to be earning in the future (Table 8.7). The main differences were as follows:

- Men expected to earn more than women, both in their first job and in five years' time. Consistent with the 2004/05 survey, the differential in expectations widens to around £7,000 by the end of five years.
- Under 20s expected to earn less than their older counterparts on graduation yet slightly more in five years' time.
- Students from managerial and professional backgrounds had the highest expected earnings both on graduation and over the longer-term.
- Those studying medicine and dentistry had the highest salary expectations in both the short and long-term. Those studying creative arts, languages and humanities had the lowest salary expectations in the short-term whereas those studying education had the lowest salary expectations in the long-term.

Table 8.7: Average salary expectations of different student groups, Welsh-domiciled full-time students (£)

Characteristic	Expected salary on graduation	Expected salary after five years
Gender		
Male	20,800	34,800
Female	18,000	27,900
Age group		
Under 20	18,700	31,100
20 to 24	19,100	31,000
25 and over	19,400	29,300
Socio-economic group		
Managerial/professional	20,100	32,100
Intermediate	18,300	28,900
Routine/manual and unemployed	17,900	29,700
Subject		
Medicine/dentistry	(24,300) ¹	(42,500)
Allied to medicine	(18,700)	(25,200)
Science/Engineering/Tech/IT	19,700	30,900
Social science/Business/Law	19,800	33,100
Creative Arts, Humanities, Languages	16,100	27,300
Education	18,200	26,000
Combined	–	–
Location of study		
Wales	18,700	29,100
England	19,600	33,800

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Note: Figures rounded to nearest £ hundred; Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2007/08

It is not possible to comment on subgroup differences among part-time students due to the small base sizes involved.

9 Comparison with 2004/05

9.1 Summary of key findings

9.1.1 Income

- Average income among all full-time students rose from £9,353 to £10,045 between 2004/05 and 2007/08: an increase of eight per cent (taking account of inflation⁴⁸). The largest increases were in income from the sources of student support and paid work. This does not mean that the average student saw an eight per cent increase in the money they had available to spend, however, as the bulk of this increase came in income from the tuition fee loan and tuition fee support, which is paid directly to the students' institution. If the tuition fee loan and the tuition fee grant are discounted, average student income among all full-time students has declined slightly, by around five per cent in real terms, between the two studies. Average income from family and friends fell in real terms, over the same period.
- Among first year students, there was a very different pattern. Their average total income increased by 24 per cent taking account of inflation. In particular, average income from the sources of student support (which includes the tuition fee loan and Assembly Learning Grant) and from paid work increased much more for first years than for other students. If the tuition fee loan and the tuition fee grant are discounted again, average student income among all first years still increased in real terms between the two studies, but by a lesser amount (eight per cent). At the same time as their income from student funding sources increased, first year students received substantially less income from family and friends.
- Among part-time students, income remained steady in real terms. Their most important source of income remained paid work, although this declined somewhat compared with 2004/05 while income from other sources increased.

9.1.2 Expenditure

- The total average expenditure of full-time students went up by nine per cent between 2004/05 and 2007/08, from £11,377 to £12,430. This increase in total spending was driven by a 41 per cent real terms increase in participation costs (to be expected given the introduction of variable course fees). Living, housing and child-related spending costs were steady between the studies.
- Expenditure among part-time students fell by 12 per cent in real terms, to £14,644.
- Participation costs increased by 57 per cent for full-time first year students, and by 46 per cent for full-time students not in their first or final year. This largely explained the rises in total spending for these groups.
- Among full-time students, tuition fees rose from an average of £1,280 in 2004/05 to £2,226 in 2007/08, up by 74 per cent in real terms. However, the full extent of

⁴⁸ All 2004/05 monetary figures have been uprated by 1.113 to reflect changes in the Retail Price Index since the previous study.

the impact is shown most clearly when looking solely at first year full-time students. Among this group, expenditure on fees more than doubled in the same period, from £1,280 to £2,758. The cost of tuition fees rose by 22 per cent for part-time students, a smaller increase than that observed for full-time students.

9.1.3 Savings, borrowings and debt

- Across all full-time students, average borrowing increased in real terms since the 2004/05 survey due to substantial increases in student loans. As there have been larger increases in savings, the overall impact on students' financial position has been to increase the level of predicted student (net) debt, but only by around five per cent among all students. Interestingly graduate net debt appears to have fallen slightly since the 2004/05 survey (as for English domiciled final year students) but it is too early to capture the impact of the introduction of the new student support system, as final year students in both studies were (generally) subject to the old system of financing and fees.
- Across all part-time students, borrowing levels have increased slightly since 2004/05, up by just five per cent in real terms. At the same time, however, average savings levels have fallen and so average net debt amongst part-time students has increased since the previous survey, from an estimated 'surplus' to a small debt. Due to the low base size in 2004/05, it is not possible to look at graduate net debt for part-time students.

9.1.4 Overall financial position

- Among full-time students the proportion who have considered dropping out of their course has fallen from 35 per cent to 29 per cent (it has remained static among part-timers). In 2007/08, fewer of these full-time students cited financial reasons as a reason for considering dropping out.
- Arrears are measured by the proportion of students falling behind by at least two payments on key bills such as credit cards, utility bills, and rent. The proportion of students falling into arrears has declined among full-time students.
- Reliance on high cost forms of borrowing has fallen among full-time students, but the amount owed in commercial credit has increased by one-third among part-time students.

9.1.5 Choices and attitudes

- The proportion of full-time students who reported that the student funding and financial support available to them affected their decisions about HE study remained steady between the two studies. However, the proportion who stated that the support affected their decision of whether to live at home declined among full-time students.
- The proportion of full-time students who reported that concern over debts almost stopped them coming to university remained the same among both full-time and part-time students, across the two studies.
- More full-time students agreed that '*the long term benefits of HE are greater than the costs*' in 2007/08 compared with 2004/05 (82 per cent compared with 75 per cent). Among part-time students the proportion agreeing that '*the long term benefits of HE are greater than the costs*' also increased (from 74 to 83 per cent).

9.2 Introduction

The funding of higher education has undergone marked changes in recent years, as has the way that students fund their studies. Changes in the higher education funding package made since the most recent SIES survey, in 2004/05, were outlined in Chapter 1. In particular, a raft of changes was introduced from September 2006, covering both tuition fees and maintenance costs, which in effect introduced two different systems of student finance.

All of these changes will impact on comparisons with the results of the SIES 2004/05. In this chapter, therefore, while we do compare patterns observed among all students (for both 2004/05 and 2007/08), we also explore comparisons between first year students across each survey, where data is available. Because of the inter-linkage of the student funding systems with year of study, the best way to examine the impact of the new funding regime is to compare 'like for like', ie to focus on the experiences of first year students in 2004/05 compared with 2007/08. It is particularly important to note that the measure of net debt on graduation, reported in SIES 2007/08, does not pick up the impact of the new student support system.

In this chapter we focus mainly on statistics that refer to all full-time or part-time students, rather than those receiving income or incurring expenditure in a given category.

All monetary values relating to the SIES 2004/05 have been up-rated by 1.113, reflecting changes in the Retail Price Index between Quarter 1 of 2004/05 and Quarter 1 of 2007/08.

This chapter is divided into six main parts, as follows:

- a brief comparison of the sample profiles across the two surveys
- comparisons over time in income, expenditure, savings, borrowings and debt, and overall financial position
- a comparison of the impact of finances on students' HE choices and attitudes.

9.3 Socio-demographic characteristics

The sample profiles for the SIES 2007/08 and SIES 2004/05 are presented in Table 9.1(a) for full-time and part-time students and 9.1 (b) for full-time first years.

There were few differences in terms of student and HE study characteristics, across full-time students between the two studies. Among part-timers, the main distinction was that students in 2007/08 had an older age profile, with fewer aged under-25, and more aged 40 or older.

When comparing first year full-time students the small base size (N=65) in 2004/05 should be noted, as this means comparisons should be treated with a degree of caution. Broadly speaking, the sample profile of first years in 2007/08 reveals more women, more students aged 25 or older, and – probably linked to these changes – fewer single students and more living in couples (with or without children). The most notable change is in the proportion of Welsh-domiciled first year students choosing to study in Wales (74 per cent) – compared with 55 per cent in 2004/05.

Table 9.1(a): Comparison of sample profiles, SIES 2004/05 and 2007/08 for Welsh-domiciled students, by key student and HE study characteristics

	Full-time		Part-time	
	SIES 2007/08	SIES 2004/05	SIES 2007/08	SIES 2004/05
Gender				
Male	41	44	42	46
Female	59	56	58	54
Age group (at start of academic year)				
Under-25	82	85	–	–
25 and older	18	15	–	–
Age group, part-time (at start of academic year)				
Under-25	–	–	21	29
25-39	–	–	42	45
40+	–	–	38	26
Socio-economic group				
Managerial/professional	53	55	52	48
Intermediate	18	24	19	13
Routine/manual and unemployed	29	21	29	39
Ethnicity				
White	97	96	100	100
BME	3	4	0	0
Family type				
Single	84	84	38	37
Couple without children	8	10	29	26
Lone-parent family	5	4	29	31
Two-adult family	3	2	4	6
Status				
Dependent	75	78	–	–
Independent	25	22	100	100
Location of study				
England	34	39	9	6
Wales	66	61	83	86
Open University	na	na	8	9
Year of study				
First year	36	35	32	34
Intermediate years	34	34	36	26
Final year/one-year course	30	32	32	40
Whether lives with parents				
Lives at home/with parents	24	28	13	17
Lives away from home	76	72	88	83
<i>N = unweighted</i>	<i>550</i>	<i>221</i>	<i>194</i>	<i>100</i>

Base: all Welsh-domiciled students (excluding those for whom social class could not be derived)

Source: NatCen/IES SIES 2004/05 and 2007/08

Table 9.1(b): Comparison of sample profiles, SIES 2004/05 and 2007/08 for Welsh-domiciled full-time first year students, by key student and HE study characteristics

	SIES 2007/08	SIES 2004/05
Gender		
Male	44	55
Female	56	45
Age group (at start of academic year)		
Under 25	77	87
25 and older	23	13
Ethnicity		
White	96	97
BME	4	3
Family type		
Single	81	90
Couple without children	9	5
Lone-parent family	5	2
Two-adult family	5	3
Location of study		
England	26	45
Wales	74	55
Open University	n/a	n/a
Whether lives with parents		
Lives at home/with parents	26	28
Lives away from home	74	72
<i>N = unweighted</i>	220	65

Base: All Welsh-domiciled full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.4 Change over time in total student income

9.4.1 Full-time students

Average income among all full-time students rose from £9,353 to £10,065 between 2004/05 and 2007/08: an overall increase of eight per cent (taking account of inflation). The most important increase was in sources of student support, up by 30 per cent (Table 9.2). Average income from family and friends fell by 32 per cent in real terms, over the same period.

This does not mean that the average student saw an eight per cent increase in the money they had available to spend, however, as the bulk of this increase came in income from the tuition fee loan and tuition fee support, which is paid directly to the students' institution. If the tuition fee loan and the tuition fee grant are discounted, average student income among all full-time students has declined by around five per cent in real terms, between the two studies (see bracketed figures in Table 9.2 for the relevant amounts, minus income from tuition fee loans and tuition fee grants).

What about first year students? There was a much greater increase in average total income for them, between the two surveys – up by 24 per cent taking account of inflation. Average income from sources of student support went up by 31 per cent in real terms. One of the key drivers for this increase was income from the tuition fee

loan, which, as discussed previously, is payable direct to the students' institution rather than to individual students. If such income is discounted, along with income from tuition fee support for first year students in 2004/05 (which was also payable directly to the institution), income among all first years still increased in real terms between the two studies, but by a lesser amount (eight per cent).

First years also received more income from paid work (up by 67 per cent) and, although they received less from family and friends (down 23 per cent), this was not as big a reduction as for students in other years of study.

Table 9.2: Comparison of average total income figures (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled full-time students and all Year 1 full-time students[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full- time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Sources of student support	5,912 (4,149) ¹	4,538 (4,281)	1.30 (0.97)	6,637 (4,414)	5,062 (4,308)	1.31 (1.02)
Income from paid work	1,904	1,622	1.17	1,970	1,181	1.67
Income from family and friends*	1,679	2,484	0.68	1,862	2,420	0.77
Social security benefits*	328	237	1.38	459	207	2.22
Other income*	242	156	1.55	220	121	1.82
Estimated total income*	10,045 (8,282)	9,353 (8,781)	1.07 (0.94)	11,147 (8,924)	8,992 (8,238)	1.24 (1.08)
<i>N = unweighted</i>	550	221		220	65	

Note: figures adjusted for partner contributions where relevant

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

¹ Figures in brackets indicate the amount minus tuition fee loan/tuition fee support which is paid direct to the students' institution

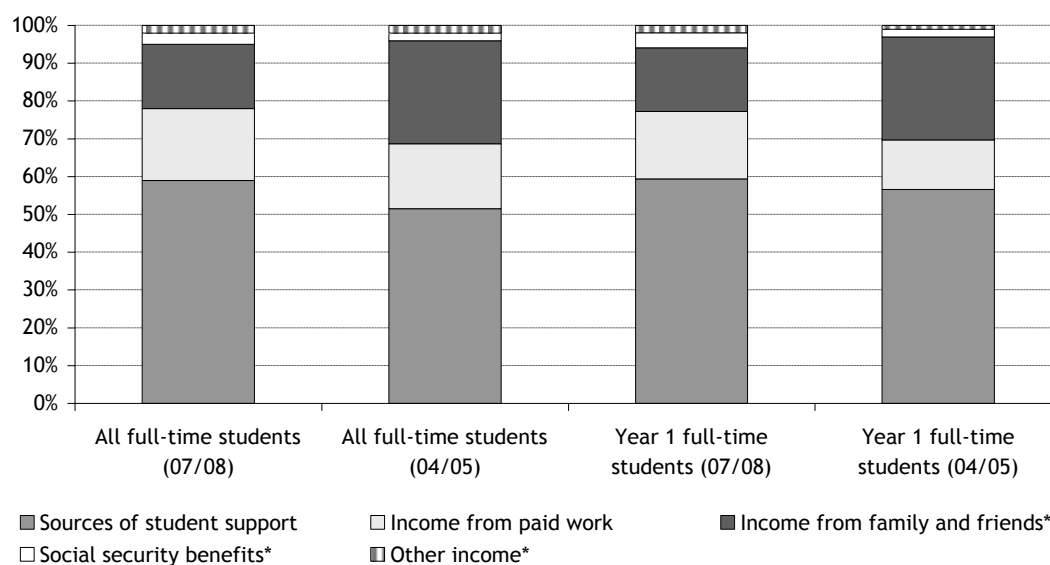
Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Figure 9.1 illustrates the changes to the relative composition of total average income over time, for all full-time students and first year full-time students. Looking at full-time students, the major shifts have been in the proportion of income coming from the sources of student support (from 51 per cent in 2004/05 to 59 per cent in 2007/08); and the declining contribution of income from family and friends (from 27 per cent in 2004/05 to 17 per cent now).

Among first years, there have been even more changes. The proportion of income gained from the sources of student support has gone up slightly from 56 per cent to 60 per cent in 2007/08. On the other hand, first years have witnessed the same decline in the proportion of their income coming from family and friends. First years in 2007/08 gained relatively more of their income from paid work (up from 13 per cent to 18 per cent). However, as discussed previously, it should be remembered that students do not actually get to spend the income they receive in the shape of the tuition fee loan or tuition fee grant, which is paid directly to their institution.

Figure 9.1: Components of full-time students' total average income, all Welsh-domiciled full-time students and first years, 2007/08 and 2004/05



Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.4.2 Part-time students

Shifting the focus to part-time students, we find that income between 2004/05 and 2007/08 remained stable in real terms (Table 9.3). Notably, income from paid work fell by 11 per cent, but this was more or less outweighed by increases elsewhere, in particular income from social security benefits, sources of student support, and other miscellaneous income.

Table 9.3: Comparison of average total income figures (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled part-time students[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Sources of student support	995	718	1.39
Income from paid work	8,411	9,440	0.89
Income from family and friends*	-119	-252	—
Social security benefits*	1,875	1,467	1.29
Other income*	549	223	2.46
Estimated total income*	11,710	11,597	1.01
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

Note: figures adjusted for partner contributions where relevant

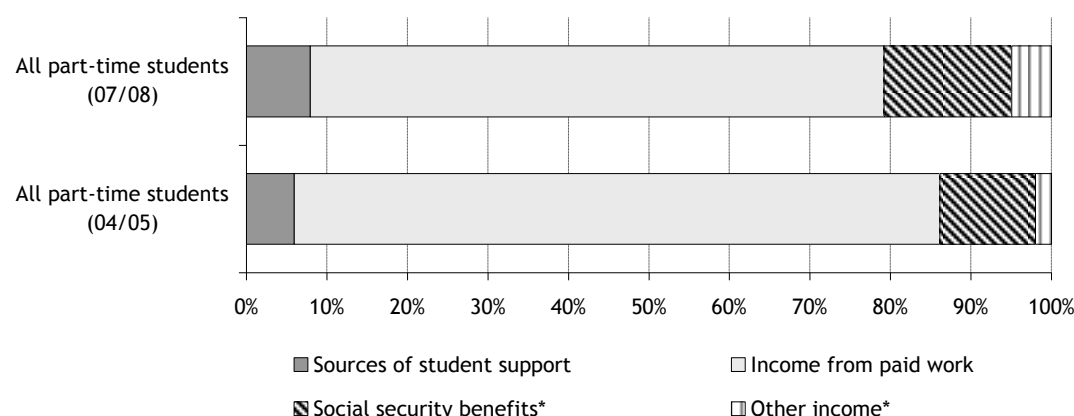
[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

Figure 9.2 highlights the continuing importance of income from paid work among part-time students, which continues to contribute the vast majority of their total average income (although its share has fallen from 81 per cent in 2004/05 to 72 per cent in 2007/08). The relative contributions of social security benefits have increased over the same period.

Figure 9.2: Components of students' total average income, all Welsh-domiciled part-time students, 2007/08 and 2004/05



Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.4.3 Changes in total average income for different groups

Full-time students

Table 9.4 summarises income trends across key groups of full-time students. It shows that income increased for most groups between 2004/05 and 2007/08 (accounting for inflation), and most saw an increase that was broadly in line with the average of eight per cent. The main exceptions to this were first years (whose income rose by 24 per cent) and final years/those doing one-year courses (whose income fell by eight per cent in real terms).

Table 9.4: Comparison of total SIES total income figures (£): 2007/08 data for full-time Welsh-domiciled students compared with adjusted 2004/05 data for key subgroups (mean)[#]

	SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)
Gender			
Male	9,943	9,052	1.10
Female	10,154	9,593	1.06
Whether parents went to HE			
Yes	9,705	9,128	1.06
No	10,464	9,650	1.08
Whether lives with parents			
Lives with parents	8,675	8,523	1.02
Lives away	10,498	9,568	1.10

	SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)
Student status			
Dependent	9,290	8,921	1.04
Independent	12,461	10,905	1.12
Year of study			
First year	11,147	8,992	1.24
Intermediate years	9,678	9,098	1.06
Final year/one-year course	9,186	10,009	0.92
Location of study			
Studying in England	9,696	9,215	1.05
Studying in Wales	10,253	9,442	1.09

2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

It is not possible to provide similar breakdown for part-time students due to the small base sizes for some of the subgroups.

9.5 Change over time in the main sources of student income

In this section we provide a breakdown of each of the main components of total student income, and explore how they have changed since 2004/05. Comparisons focus on full-time and part-time students and, within full-timers, students in their first year of study.

9.5.1 Sources of student support

Full-time students

Table 9.5 compares income from the most common sources of student support among full-time students, across the two surveys, for all students (ie not just recipients). It should be noted that, due to changes in the student finance systems between the two surveys, it is not possible to make comparisons for some income sources which were only available under either the old or new student finance packages. In addition, the small number of first years in the 2004/05 survey means that comparisons cannot be reported for some types of income, by year of study (as the base size for recipients is less than 30).

Notable differences between 2004/05 and 2007/08 are:

- Clearly, income from **tuition fee loans** has made a large difference to students' total average income compared with 2004/05 – but as discussed earlier in this chapter, this income is paid directly to the students' institution and is therefore not money that they get access to themselves. Average income from the sources of student support – discounting the tuition fee loan and tuition fee grant (which is also paid direct to the institution) – and the relevant index figures compared with 2004/05, are shown in brackets in Table 9.5). Income from **institutional bursaries** (not available in 2004/05) also drove some of the increase in income from sources of student support.

- Average income from the **student maintenance loan** has fallen to 86 per cent of its 2004/05 level (this is a similar finding to that among English-domiciled students). The decline has been sharper among first years who get 30 per cent less income from this source than in 2004/05. Although the proportion of students receiving income from maintenance loans has remained steady overall (75 per cent in 2004/05 and 73 per cent in 2007/08), it has declined from 82 per cent to 72 per cent among first years, which helps to account for this greater difference⁴⁹. Another contributory factor is that those new system students (ie. all first years) who received the Assembly Learning Grant would have had the amount they could take out in the student maintenance loan capped, thereby reducing average income from this source overall compared with 2004/05.
- Average income from the **tuition fee grant** has increased by 44 per cent since 2004/05, which is also to be expected given the higher grant amounts now available and the removal of eligibility based on income.
- Average income from **Financial Contingency Funds** (Access to Learning Funds in England) has fallen by 13 per cent since 2004/05.
- Average income from the **Higher Education Grant** has also decreased markedly, however, we would expect this as it is no longer available, except to certain old system students.
- Although it is included in Table 9.5 to provide a full picture of the most common sources of student support, it is not strictly valid to compare income from the **Assembly Learning Grant** over time, as the grant level, thresholds and eligibility criteria have all changed since 2004/05.

Table 9.5: Comparison of average income from most common sources of student support (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled full-time and first year students[#] (SELECTED SOURCES ONLY)

	SIES 2007/08 All full-time students	SIES 2004/05 All full-time students	Index (07/04)	SIES 2007/08 Year 1 full-time students	SIES 2004/05 Year 1 full-time students	Index (07/04)
Sources of student support	5,912	4,538	1.30	6,637	5,062	1.31
<i>OF WHICH:</i>						
Tuition fee loan	939	na	–	1,274	na	–
Maintenance loan	2,486	2,900	0.86	2,375	3,410	0.70
Tuition fee grant	824	572	1.44	949	–	–
Assembly Learning Grant	520	(129)	4.03	687	–	–
Institutional bursaries	237	na	–	299	na	–
Financial Contingency Funds/ALFs	41	47	0.87	47	–	–
Higher Education Grant	48	76	0.63	–	–	–
<i>N = unweighted</i>	<i>550</i>	<i>221</i>		<i>220</i>	<i>65</i>	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases
Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

⁴⁹ These findings should be treated with caution due to the small base size for first years in 2004/05 (N=65).

Part-time students

Table 9.6 provides a breakdown of the sources of student support for part-time students, across the two surveys. Only the key sources of student support among part-timers are displayed.

Between 2004/05 and 2007/08, average income from sources of student support increased by 28 per cent in real terms, driven mainly by an increase in **employer support** (this was mainly towards payment of tuition fees, as discussed in Chapter 3) and the escalation of **tuition fee support**. However, both this and the increase overall were from a relatively low base, in monetary terms.

The proportion accessing tuition fee support in 2007/08 was 29 per cent, much higher than in 2004/05 when around one in six (17 per cent) received it.

Table 9.6: Comparison of average income from the sources of student support (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled part-time students[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Sources of student support	995	718	1.28
<i>OF WHICH:</i>			
Financial Contingency Funds/ALFs	15	0	–
Course Grant	27	32	0.84
Tuition fee support	211	80	2.64
Employer support	387	78	4.96
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.5.2 Income from paid work

Full-time students

There has been a small increase, in real terms, in average earnings for Welsh-domiciled full-time students (Table 9.1). Similar proportions of full-time students worked across the two studies (52 per cent in 2007/08, and 49 per cent in 2004/05) but their average earnings increased by around 11 per cent (£3,678 in 2007/08, £3,300 in 2004/05, uprated – see Table 9.7)

There was also a change in the types of work students undertook and the number of hours worked, with students in 2007/08 more likely to work in a continuous job and less likely to work in a non-continuous job than found in 2004/05 (Table 9.7).

In 2007/08 two fifths (41 per cent) of all students reported working in a continuous job, slightly higher than in 2004/05 (36 per cent), and only 17 per cent reported working in a non-continuous job. For those students that did report working in continuous job, the average number of hours worked across the academic year remained relatively unchanged with students averaging 14 hours a week in 2007/08 and 15 hours a week in 2004/05. However, students working in a continuous job in

2007/08 earned slightly more (£7.10 per hour compared to an equivalent of £6.28 in 2004/05).

On the other hand, those working in a non-continuous job in 2007/08 worked fewer hours on average than students in 2004/05 (nine hours per week compare to 14)⁵⁰. They also worked in this kind of job for a shorter period of time (18 weeks compared to 23 weeks on average in 2004/05)⁵¹. Similar patterns were observed among English-domiciled students.

Table 9.7: Proportion of students holding different types of job during the academic year, hours worked and hourly rate for those working[#]

	All students 07/08	All students 04/05	1st years 07/08	1st years 04/05
% with continuous job	41	36	44	26
Mean hours per week	14	15	16	–
Hourly rate, £	7.10	6.28	6.01	–
<i>N with continuous job (unweighted)</i>	242	93	107	23
% with non-continuous jobs	17	21	12	28
Mean hours per week in job 1	9	(14)	–	–
Number of weeks work in job 1	18	(23)	–	–
<i>N with continuous job (unweighted)</i>	92	44	26	17
<i>Unweighted base, N</i>	550	221	220	65

Base: All Welsh domiciled full-time students

Source: NatC/IES SIES 2004/05 and 2007/08

For first year full-time students there was a more substantial increase in income from paid work (although this should be treated with caution due to the small base size for those who worked in 2004/05). This was largely due to the pronounced rise in average earnings for those who worked, up by 53 per cent (Table 9.8).

This increase in earnings amongst first years working in 2007/08 is likely to be related to the type of job worked in, with first years in 2007/08 much more likely to have a continuous job than first years in 2004/05 (44 per cent compared to 26 per cent in 2004/05) and much less likely to have a more temporary non-continuous job (only 12 per cent compared to 28 per cent in 2004/05). Similar proportions of students in both surveys held both kinds of jobs during the academic year (five per cent in 2007/08 and seven per in 2004/05).

It is not possible to draw comparisons about the number of hours worked between the two surveys due to the low number of first year students surveyed in 2004/05.

⁵⁰ As mentioned previously in chapter three, students in the 2007/08 academic year had up to three non-continuous jobs. However, 80 per cent of those with non-continuous jobs had only one such job. The figures quoted in this section are for the first of these non-continuous jobs only.

⁵¹ These figures should be treated with caution due to the low number of first year students that had a non-continuous job.

Table 9.8: Proportion of Welsh-domiciled full-time students working, and average income for those that do work (£), 2004/05 and 2007/08[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
% working	52	49		52	48	
<i>N working (unweighted)</i>	286	108		114	31	
Mean earnings	3,678	3,300	1.11	3,795	(2,486)	(1.53)
<i>N = unweighted</i>	550	221		220	65	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

In the 2007/08 academic year, more full-time students who worked said that this had impacted on their studies, than did in 2004/05 (41 per cent, compared with 29 per cent). For those reporting impacts:

- Having less time to study or read was still the most common, mentioned by 68 per cent in 2007/08 and 72 per cent in 2004/05 (Table 9.9).
- More students who worked said that the quality of their academic work suffered as result of their job (65 per cent in 2007/08, compared with 52 per cent in 2004/05).
- On the other hand, fewer said that they were more stressed (45 per cent, compared to 69 per cent), or had less time for sleep (42 per cent, compared to 52 per cent) and more claimed that working reduced their financial worries (20 per cent compared to 12 per cent).

The low base sizes for this section of the survey means that comparisons should be treated with caution, and are not possible among first years.

Table 9.9: Whether work has impacted on studies, and how, Welsh-domiciled full-time and part-time students, 2007/08 and 2004/05 (%)

	SIES 2007/08 All full-time students	SIES 2004/05 All full-time students	SIES 2007/08 All part-time students	SIES 2004/05 All part-time students
Work has affected studies, %	41	29	53	56
Base, N (unweighted)	300	119	150	75
Less time studying and reading	68	(72) ¹	83	(87)
Increased levels of stress/overload	45	(69)	54	(50)
Cannot spend enough time on university work therefore reduces quality of work	65	(52)	61	(47)
Less time sleeping	42	(52)	30	(53)
Less time for leisure and sports	44	(40)	41	(53)
Less time to revise for exams	43	(48)	55	(71)
Missing lectures and classes	25	(24)	29	(36)
More difficulty accessing university library and computers	14	(8)	26	(36)
less worry about finance so more relaxed in study	20	(12)	11	(7)
Other	9	(0)	3	(0)
<i>N = unweighted</i>	135	45	78	36

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students; all Welsh-domiciled students who felt work had affected their studies

Source: NatCen/IES SIES 2004/05 and 2007/08

Part-time students

For Welsh-domiciled part-time students, overall average income from paid work declined in real terms between the two studies (Table 9.2). Similar proportions of part-time students worked (75 per cent in 2007/08, compared to 78 per cent in 2004/05), but their earnings were seven per cent lower in real terms, on average (£11,220 in 2007/08, compared with £12,128 in 2004/05, Table 9.10).

This decrease in overall average earnings for part-timers is the same among first years. Fewer first year part-timers worked in 2007/08 (78 per cent, compared to 85 per cent in 2004/05), and those who did work earned less (£11,592 in 2007/08, compared to £12,325 in 2004/05, Table 9.9).

Table 9.10: Proportion of Welsh-domiciled part-time students working, and average income for those that do work (£), 2007/08 and 2004/05[#]

	SIES 2007/08 All part- time students	SIES 2004/05 All part- time students	Index (07/04)	SIES 2007/08 Year 1 part-time students	SIES 2004/05 Year 1 part-time students	Index (07/04)
% working	75	78		78	(83) ¹	
<i>N</i> working (unweighted)	150	75		56	32	
Mean earnings	11,220	12,128	0.93	11,592	(12,325)	0.94
<i>N</i> = unweighted	194	100		69	38	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled part-time students and part-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Similar reliability considerations should be taken into account when focusing on the comparison of part-time students surveyed in 2004/05 and in 2007/08. The proportion of working part-timers reporting that work has affected their studies has remained relatively constant, with a little over half reporting impacts in both studies (Table 9.8). For these, less time for studying and reading is still the most commonly cited by far. However, considerably fewer students felt that they had less time for revision, less time for sports and leisure, or less time for sleep, than in 2004/05. On the other hand, part-time students in 2007/08 were more likely to feel that the quality of their academic work suffered as a result of their job.

As with full-time students, due to the low number of first year students surveyed in 2004/05 it is not possible to draw comparisons for this group.

9.5.3 Income from family and friends

Full-time students

Among all full-time students, income from family, partner and friends declined by 32 per cent between 2007/08 and 2004/05 (Table 9.11). The main driver of this was the fall in contributions from parents, down 34 per cent in real terms. As discussed earlier in this chapter, students' share of their partners' income increased between the two studies, from a negative value in 2004/05 (indicating they contributed more than they received) to an average of £101 in 2007/08 (this same pattern was found among English-domiciled students).

The proportion of students who received income from family, partner or friends fell slightly from 95 per cent to 87 per cent across the two studies. The proportion receiving income from parents also fell, from 78 per cent in 2004/05 to 67 per cent in 2007/08 (the average amount among recipients also declined from £2,449 to £1,830).

First year students experienced a 23 per cent drop overall and a much steeper drop in income from parents than among students in other years (45 per cent). However, these figures should be treated with caution due to the small base size for first year students in the 2004/05 study.

Table 9.11: Comparison of average income from family and friends (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled full-time and first year students[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Income from family, partner and friends*	1,679	2,484	0.68	1,862	2,420	0.77
Contributions from parents	1,221	1,859	0.66	1,036	1,885	0.55
Contributions from other relatives	135	137	0.99	179	195	0.92
Contributions from non-relatives	9	8	1.13	6	10	0.6
Gifts in kind	213	493	0.43	236	513	0.46
Contributions from partner	0	0	–	0	0	–
Share of partner's income	101	-12		405	-183	
<i>N = unweighted</i>	<i>550</i>	<i>221</i>		<i>220</i>	<i>65</i>	

Note: figures adjusted for partner contributions where relevant

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Part-time students

Among part-time students there was a different pattern (Table 9.12). Income from family, partner and friends remained a negative value across both studies, although part-time students were 'losing' slightly less of their income than in 2004/05.

Table 9.12: Comparison of average income from family and friends (£): 2007/08 and 2004/05 (adjusted), all Welsh-domiciled part-time students[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Income from family, partner and friends*	-119	-252	
Contributions from parents	147	197	0.75
Contributions from other relatives	95	86	1.10
Contributions from non-relatives	10	27	0.37
Gifts in kind	90	100	0.90
Contributions from partner	3	0	–
Share of partner's income	-464	-663	
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.5.4 Social security benefits

Full-time students

Comparing income from social security benefits finds that the overall level of income received across all full-time students has increased by around 40 per cent accounting for inflation, although the amounts involved remain low in absolute terms (£234 in 2004/05 and £328 in 2007/08). Similar proportions of full-time students received benefits (13 per cent in 2007/08, and 11 per cent in 2004/05), although there was a small increase in the average amount of benefits they received (£2,560 in 2007/08, compared with £2,256 in 2004/05, Table 9.13).

For first year full-time students, average income from benefits more than doubled between the two studies (although from a low base). This is due to a large increase in the proportion claiming benefits (20 per cent, compared to just five per cent in 2004/05). These results should be treated as indicative only due to the small number of first years in the 2004/05 study.

Table 9.13: Proportion receiving social security benefits, and average amount among recipients (£), Welsh-domiciled full-time and first year students, 2007/08 and 2004/05[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Average income from benefits, across all (£)	328	237	1.38	459	207	2.22
% receiving benefits	13	11		20	5	
Mean income for those in receipt (£)	2,560	(2,256)	1.13	2,324	–	–
N, receiving (unweighted)	115	45		64	13	
<i>N = unweighted</i>	550	221		220	65	

[#] 2004/05 figures were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

In real terms, part-time students in 2007/08 received £408 more on average from benefits than those in 2004/05. This was not due to an increase in the number of students receiving benefits (steady at 59 per cent in 2007/08 and 62 per cent in 2004/05), but to an increase in the average amount that recipients got (£3,172 in 2007/08, compared with £2,383 in real terms in 2004/05, Table 9.14).

For first year part-time students the level of overall average income received from benefits has remained relatively constant, with first years in 2007/08 getting £1,178 from benefits on average and those in 2004/05 averaging £1,123 in real terms.

Table 9.14: Proportion receiving social security benefits, and average amount among recipients (£), Welsh-domiciled part-time students, 2007/08 and 2004/05[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Average income from benefits, across all (£)	1,875	1,467	1.28
% of students in receipt	59	62	
Average income, those receiving (£)	3,172	2,383	1.33
N, receiving (unweighted)	122	67	
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.5.5 Other miscellaneous income

Across all full-time students there was an increase of £86 in income from miscellaneous sources, up from £156 in 2004/05 to £242 in 2007/08 (Table 9.2). Average income from miscellaneous sources has also increased for first year full-time students, although absolute amounts remained relatively low. Average income from miscellaneous sources also increased for part-time students, averaging £549 in 2007/08 compared with £226 in real terms in 2004/05 (Table 9.3).

Despite these increases, this type of income remained around two per cent of total average income among both full-time and part-time students.

9.6 Change over time in student expenditure

9.6.1 Changes in total student expenditure and the main categories of spending

Full-time students

Among full-time students, total average expenditure increased by nine per cent between 2004/05 and 2007/08, from £11,377 (up-rated) to £12,430 (Table 9.15). This increase was driven by a 41 per cent rise in participation costs (to be expected given the introduction of variable course fees). Living and housing costs were steady between the studies, as was child-related spending (£169 in 2004/05 and £195 in 2007/08). Looking just at students who incurred child-related costs, average spending in this category also remained steady at £2,376 in 2004/05 compared with £2,415 in 2007/08.

Table 9.15: Comparison of SIES expenditure figures (£): 2007/08 data for Welsh-domiciled students compared with adjusted 2004/05 data for all students[#] (mean)

	Full-time			Part-time		
	SIES 2007/08	SIES 2004/05	Index (07/04)	SIES 2007/08	SIES 2004/05	Index (07/04)
Living costs*	6,879	6,877	1.00	9,391	11,691	0.80
Housing costs*	2,225	2,108	1.06	2,992	2,553	1.17
Participation costs	3,132	2,223	1.41	1,708	1,580	1.08
Spending on children*	195	169	1.16	552	802	0.69
Estimated total expenditure*	12,430	11,377	1.09	14,644	16,627	0.88
<i>N = unweighted</i>	453	197		168	88	

*Note: figures adjusted for joint financial responsibility where relevant

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2004/05 and 2007/08

As mentioned earlier, increased participation costs are to be expected given the introduction of 'top up' fees (which largely affected current first and second year students). However, students in their third (or later) year were generally unaffected by this, as were many second year students who could either defer their place or who were Welsh-domiciled students attending a Welsh HEI and still subject to 'old system' fees. Thus, looking at trends for all students does not show the full impact of the new fees regime on spending – this is only seen fully by comparing first year students in each of the studies (as the 2004/05 cohort were not affected by the reforms whereas (virtually) all the 2007/08 students are). Table 9.16 therefore looks at trends between 2004/05 and 2007/08 broken down by year of study.

Table 9.16: Comparison of SIES expenditure figures (£): 2007/08 data for Welsh-domiciled full-time students compared with adjusted 2004/05 data by year of study[#] (mean)

	Full-time			Part-time		
	SIES 2007/08	SIES 2004/05	Index (07/04)	SIES 2007/08	SIES 2004/05	Index (07/04)
First-year students						
Living costs*	7,060	7,219	0.98	8,096	(13,435) ¹	0.60
Housing costs*	1,960	1,401	1.40	2,670	(2,815)	0.95
Participation costs	3,797	2,419	1.57	1,826	(1,786)	1.02
Spending on children*	279	95	2.95	603	(943)	0.64
Estimated total expenditure*	13,096	11,134	1.18	13,195	(18,980)	0.70
<i>N = unweighted</i>	177	55		58	40	

Not first or final year students			
Living costs*	6,592	6,133	1.07
Housing costs*	2,274	2,068	1.10
Participation costs	3,208	2,199	1.46
Spending on children*	70	79	0.88
Estimated total expenditure*	12,143	10,479	1.16
<i>N = unweighted</i>	131	66	
Final year students and one-year courses			
Living costs*	6,979	7,253	0.96
Housing costs*	2,475	2,816	0.88
Participation costs	2,286	2,058	1.11
Spending on children*	234	324	0.72
Estimated total expenditure*	11,974	12,450	0.96
<i>N = unweighted</i>	145	76	

#2004/05 data were multiplied by 1.113 to reflect RPI increases.

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2004/05 and 2007/08

Between 2004/05 and 2007/08, participation costs increased by 57 per cent in real terms for full-time first year students, and by 46 per cent in real terms for students not in their first or final year. This largely explained the rises in total spending for these groups (along with a rise in housing costs for first year students. By contrast, for final year students and those on one-year courses, participation costs only went up by 11 per cent in real terms, while overall levels of spending were relatively steady between the two studies. Housing and living costs remained steady or declined for final year full-time students in all years, while child-related spending declined.

Part-time students

Between 2004/05 and 2007/08, total average expenditure for part-time students declined slightly, being £16,627⁵² in 2004/05 and £14,644 in 2007/08 (Table 9.15). Participation costs increased slightly (by eight per cent), while child-related spending fell from an average of £802 in 2004/05 to £552 in 2007/08. Average spending on children (for those who incurred such expenses) also decreased between the studies (£2,503 in 2004/05 and £1,824 in 2007/08).

There was no substantial difference between trends for part-time students as a whole, and first year students. Overall expenditure by first year students actually declined by 30 per cent in real terms from £18,980, in 2004/05 to £13,195.

⁵² Adjusted for inflation.

Participation costs were similar between the two studies. (Due to small base sizes these figures should be treated with caution, and it was not possible to look separately at trends for part-time students in other years.)

9.6.2 Changes in spending profile

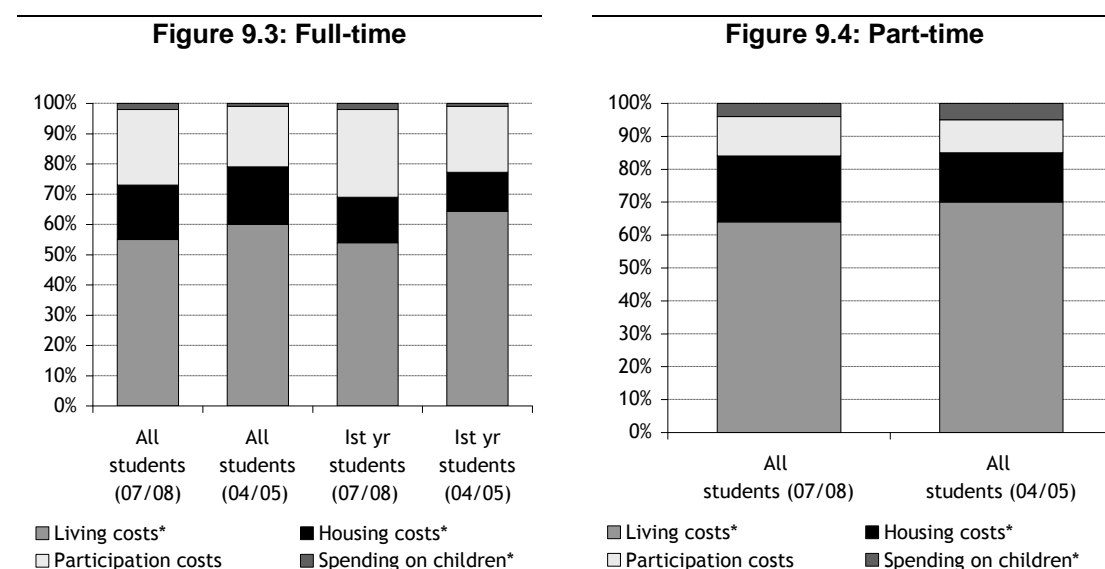
Full-time students

Reflecting the trends in expenditure for full-time students, spending profiles also changed (Figures 9.3 and 9.4). In 2004/05, participation costs accounted for 20 per cent of students' spending; in 2007/08 this rose to 25 per cent. Focussing on trends amongst first-year students – which provides a better indicator of the impact of the introduction of 'top up' fees – the share of total expenditure taken up by participation costs rose from 22 per cent in 2004/05 to 29 per cent in 2007/08.

Part-time students

The spending profile for part-time students also changed a little between 2004/05 and 2007/08, but this was not related to participation costs. These stayed relatively steady (at ten per cent in 2004/05 and 12 per cent in 2007/08). Housing costs rose from 15 per cent of expenditure to 20 per cent, while living costs declined as a proportion of spending over the same period from 70 per cent to 64 per cent. It is not possible to look separately at changes in spending profiles by year of study, due to the small number of part-time Welsh-domiciled students interviewed in 2004/05.

Figures 9.3 and 9.4: Changes in profile of expenditure (%): 2007/08 and 2004/05 data for Welsh-domiciled students, for all students and first year students only[#]



[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.6.3 Changes in total expenditure for different groups

Did trends in expenditure vary for different types of student? Table 9.17 looks at trends across key groups of full-time students⁵³.

Full-time students

Among full-time students, there was little difference in trends in expenditure according to age or gender. Students studying at English and Welsh institutions also experienced similar rises in overall expenditure.

Students who were classed as living as a couple (either living in a family with children, or married/living as a couple) did seem experience a slightly larger rise in expenditure than students who were single.

Table 9.17: Comparison of total SIES expenditure figures (£): 2007/08 data for Welsh-domiciled full-time students compared with adjusted 2004/05 data for key subgroups[#] (mean)

	SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)
Gender			
Men	11,588	10,955	1.06
Women	13,020	11,704	1.11
Age			
Under 25	11,343	10,536	1.08
25+	17,073	15,767	1.08
Socio-economic group			
Managerial/professional	11,801	11,269	1.05
Intermediate	12,569	(10,978) ¹	1.14
Routine/manual and unemployed	13,366	(12,405)	1.08
Family type			
Couples	19,238	15,740	1.22
Single	11,106	10,519	1.06
Institution type			
Eng HEI	11,269	10,256	1.10
Welsh HEI	13,074	12,128	1.08

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled full-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

⁵³ More detailed breakdowns for part-time students are not possible, due to base sizes in 2004/05.

9.6.4 Changes in participation costs

Full-time students

Table 9.18 documents the increased costs to full-time students of 'top up' fees: these rose from an average of £1,280 in 2004/05 to £2,226 in 2007/08, a rise of 74 per cent. However, the full extent of the impact is shown most clearly when looking solely at first year full-time students. Amongst this group, expenditure on fees more than doubled in the same period, from £1,280 to £2,758.

Other participation costs were very similar between the two studies.

Part-time students

The cost of tuition fees rose by 22 per cent for part-time students, a smaller increase than that observed for full-time students. The full impact of variable tuition fees on part-time students also seems to be of this order: among first-year students, fee costs increased by around one-fifth.

Table 9.18: Comparison of SIES expenditure figures (£): 2007/08 data for Welsh-domiciled students compared with adjusted 2004/05 data by year of study[#] (mean)

	Full-time			Part-time		
	SIES 2007/08	SIES 2004/05	Index (07/04)	SIES 2007/08	SIES 2004/05	Index (07/04)
All students						
Tuition fee cost	2,226	1,280	1.74	911	748	1.22
Direct course costs	384	414	0.93	277	346	0.80
Costs of facilitating participation	522	529	0.99	520	486	1.07
Total participation costs	3,132	2,223	1.41	1,708	1,580	1.08
<i>N = unweighted</i>	453	197		168	88	
First year students						
Tuition fee cost	2758	(1,280) ¹	2.15	1024	(856)	1.20
Direct course costs	528	(511)	1.03	257	(338)	0.76
Costs of facilitating participation	511	(616)	0.83	544	(591)	0.92
Total participation costs	3797	(2,407)	1.58	1826	(1,786)	1.02
<i>N = unweighted</i>	177	48		58	40	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

*Note: figures adjusted for joint financial responsibility where relevant

¹ Reported data in brackets as the total number of cases in this category is between 30 to 50 and so should be treated with particular caution

Base: all Welsh-domiciled students

Source: NatCen/IES SIES 2004/05 and 2007/08

9.7 Change over time in students' overall financial position

Full-time students

Savings

Across full-time students, the average expected amount of savings at the end of the 2007/08 academic year was £2,075 (17 per cent higher than found in the 2004/05 study, see Table 9.19). The source of this difference is not in how much was saved at start of the academic year (when 2007/08 students averaged just six per cent more in savings), but in how much these savings were depleted during it.

A similar pattern exists for first years (although these figure should be treated with caution due to the relatively small base size in 2004/05).

Table 9.19: Net saving comparison among Welsh-domiciled full-time students (£)[#]

		SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
		All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Savings at the beginning of this year	Mean	2,128	2,006	1.06	1,186	1,094	1.08
	<i>N = unweighted</i>	543	221		220	65	
Savings at the end of this year	Mean	2,075	1,771	1.17	1,105	853	1.30
	<i>N = unweighted</i>	550	221		220	65	
Savings at the end of the previous year	Mean	2,609	2,540	1.03	na	na	
	<i>N = unweighted</i>	306	146		na	na	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Borrowing

Average borrowing was predicted to be £8,222 by the end of the 2007/08 academic year: the up-rated equivalent in 2004/05 was lower, at £7,630. This increase is due to increases in levels of student loan debt which was, on average, £6,311 in 2004/05 and has increased to £7,206 in 2007/08, an increase of 14 per cent (Table 9.20).⁵⁴

While student loan debt has increased, borrowing from other sources has fallen. This leads to a slight increase in the relative importance of student loan debt in students' total borrowing. For students in 2007/08, the student loan accounted for 88 per cent of total borrowing, whereas in 2004/05 it accounted for 83 per cent.

Borrowing levels appear to have changed only slightly among first years, with a seven per cent increase (Table 9.19). This is mainly due to an increase in student

⁵⁴ It is interesting to note that this increase is not as great as found among English-domiciled students but could be explained by the later introduction of tuition fee loans.

loan debt from £3,745 to £4,294 in 2007/08 (up by 15 per cent) – reflecting the introduction of tuition fee loans. Welsh-domiciled first year students experienced a much lower increase in student loan debt than English-domiciled ones, however.

Other differences in terms of borrowing levels among Welsh-domiciled students over time are that borrowing levels for those studying out of country (in England), have diverged from those studying in county (in Wales). In 2004/05 those studying in country borrowed £300 more than those moving to England to study, whereas in 2007/08, those staying in Wales borrowed £3,000 less.

Similarly the gap in borrowing levels between those living away from the family home during term time and those living at home has increased over time. In 2004/05 those living at home borrowed approximately £1,000 on average less than those living away, but in 2007/08 the difference was greater at approximately £2,700.

Table 9.20: Net borrowing comparison among Welsh-domiciled full-time students (£)[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Commercial credit	565	601	0.94	717	514	1.39
Overdraft	398	677	0.59	214	588	0.36
Arrears	40	28	1.43	51	67	0.76
Informal loans	7	7	1	2	13	0.15
Career Development Loans	3	0	–	8	0	–
Outstanding Student Loan debt	7,206	6,311	1.14	4,294	3,745	1.15
Outstanding Access to Learning Funds	5	6	0.83	3	0	–
Estimated borrowing	8,222	7,630	1.08	5,288	4,927	1.07
<i>N = unweighted</i>	550	221		220	65	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Net debt

Deducting savings from borrowing gives predicted net debt for the academic year. Net debt in 2007/08 was predicted to average £6,147 across all students, an increase of just five per cent in real terms (Table 9.21). It remained relatively stable among first years, up by just three per cent.

Table 9.21: Net debt comparison among Welsh-domiciled full-time students (£)[#]

	SIES 2007/08	SIES 2004/05		SIES 2007/08	SIES 2004/05	
	All full-time students	All full-time students	Index (07/04)	Year 1 full-time students	Year 1 full-time students	Index (07/04)
Savings	2,075	1,771	1.17	1,105	853	1.30
Borrowings	8,222	7,630	1.08	5,288	4,928	1.07
Net debt	6,147	5,859	1.05	4,183	4,075	1.03
<i>N = unweighted</i>	550	221		220	65	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled full-time students and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Focusing on final year students (including those on one year only courses) gives a good estimate of graduate debt (ie debt accrued by the end of the course). Graduate net debt appears to have fallen since 2004/05 (by 16 per cent in real terms) – driven by lower borrowings (Table 9.22). As the changes to the funding system were introduced in 2006/07 the vast majority of these final year students will be operating under the old financial system, and so the findings indicate that prior to the introduction of the new funding system, graduate debt had fallen slightly. It will be important to explore changes in graduate debt under the new system in the next SIES. However, indications from an assessment of first year students' financial situation are that, as savings levels have increased, and increases in overall borrowing levels are relatively low – the impact of the new student finance system will mean slightly higher net debt on graduation. Welsh-domiciled full-time students also appear to face lower net debt on graduation than their English-domiciled counterparts.

Table 9.22: Net debt comparison for final year Welsh-domiciled full-time students (£)[#]

	SIES 2007/08	SIES 2004/05	
	Final year full-time students	Final year full-time students	Index (07/04)
Savings	3,267	3,284	0.99
Borrowings	10,454	11,797	0.89
Net debt	7,187	8,512	0.84
<i>N = unweighted</i>	168	80	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled full-time final year students

Source: NatCen/IES SIES 2004/05 and 2007/08

Part-time students

Savings

The average expected amount of savings across part-time students at the end of the academic year 2007/08 was £2,911 which is 21 per cent lower than the equivalent (up-rated) figure for 2004/05 of £3,685 (Table 9.23). The small base size for 2004/05 means that figures should be treated with caution, however, part-time students appear to be saving less in 2007/08. This pattern follows that found amongst English-domiciled students and so there does appear to be a trend of falling savings among part-time students generally.

Table 9.23: Net saving comparison for Welsh-domiciled part-time students (£)[#]

		SIES 2007/08	SIES 2004/05	Index
		All part-time students	All part-time students	(07/04)
Savings at the beginning of this year	Mean	2,778	3,428	0.81
	<i>N = unweighted</i>	185	100	
Savings at the end of this year	Mean	2,911	3,685	0.79
	<i>N = unweighted</i>	194	100	
Savings at the end of the previous year	Mean	4,245	3,494	1.21
	<i>N = unweighted</i>	109	50	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

Borrowing

Across the part-time student cohort, the average level of borrowing was predicted to be £2,975 by the end of the 2007/08 academic year, a small increase of just five per cent in real terms (Table 9.24). This is due to much higher levels of commercial credit (up by 33 per cent). In contrast borrowing across other sources has fallen. This could be partly explained by changes in the profile of part-time students as older students, on average, tend to borrow more from commercial sources. Overall, this pattern differs from that found among English-domiciled part-time students, among whom average borrowing levels have fallen.

Table 9.24: Net borrowing comparison for Welsh-domiciled part-time students (£)[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Commercial credit	2,427	1,818	1.33
Overdraft	107	139	0.77
Arrears	100	97	1.03
Informal loans	2	0	–
Career Development Loans	0	0	–
Outstanding Student Loan debt ⁵⁵	332	780	0.42
Outstanding Access to Learning Funds	7	0	–
Estimated borrowing	2,975	2,834	1.05
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

Taking savings and borrowing into account, predicted net debt among part-time students in 2007/08 was £65, compared with a saving (not a debt) of £851 predicted for the end of 2004/05 (Table 9.25). The small debt predicted for 2007/08 is driven mainly by lower savings rather than higher borrowing. Due to the low base size (N=28) it is not possible to compare graduate net debt levels among final year part-time students.

Table 9.25: Net debt comparison for Welsh-domiciled part-time students (£)[#]

	SIES 2007/08	SIES 2004/05	
	All part-time students	All part-time students	Index (07/04)
Savings	2,911	3,685	0.79
Borrowings	2,975	2,834	1.05
Net debt	65	-851	
<i>N = unweighted</i>	<i>194</i>	<i>100</i>	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases.

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

⁵⁵ Part-time students may have accumulated outstanding student loan debt from previous full-time HE courses (whether they completed them or not).

9.8 Financial well-being

The proportion of full-time students who had considered dropping out has fallen (from 35 per cent in 2004/05 to 29 per cent in 2007/08), although the proportion of part-time students has remained constant (at 33 per cent, compared to 34 per cent in 2004/05).

Financial reasons were the most frequently cited motivator for considering dropping out among full-time students in both the 2004/05 and the 2007/08 studies. Notably, however, the proportion of full-time students citing financial reasons has fallen from 33 per cent in 2004/05 to 24 per cent in 2007/08.

Broadly similar proportions of full-time students felt affected by their financial situation (58 per cent in 2007/08 and 62 per cent in 2004/05) with six per cent who felt affected a great deal (compared with ten per cent in 2004/05). This was also true of part-time students (37 per cent in 2007/08 and 43 per cent in 2004/05). The pattern of impacts was the same – the main ones being worry and stress and inability to afford course materials.

The proportion of students falling into arrears also appears to have reduced from the 2004/05 survey, among full-time students. In the 2004/05 study, 84 per cent of full-time students had not fallen behind on any key payments (from a given list), and in 2007/08 this had increased to 92 per cent. Among part-time students the proportions were broadly similar.

Finally, reliance upon high cost forms of borrowing (commercial credit and/or bank overdrafts) appears to have fallen among full-time students but has increased among part-time students. In 2007/08 12 per cent of full-time students' borrowing came from high cost sources (an average of £963) but in 2004/05, 17 per cent of it did (at an average of £1,278). The level of commercial credit used by part-time students has increased by 33 per cent between the two studies, in real terms.

9.9 Has the influence of finance on student choices and attitudes changed over time?

9.9.1 Influence of funding

Full-time students

There was no significant difference in the proportion of full-time students who reported that the student financial support available to them affected their decisions about HE study. However, the proportion who stated that the support affected their decision of whether to live at home fell from 36 per cent in 2004/05 to 23 per cent in 2007/08. The proportion who said that they had been affected by the availability of a specific fund was similar, 59 per cent in 2004/05 and 53 per cent in 2007/08.

Part-time students

The proportion of part-time students who reported that the student funding and financial support available to them affected their decisions about HE study in some way remained constant at just over a quarter between the two studies (26 per cent and 28 per cent respectively). The unweighted base counts were too small to enable any further analysis.

9.9.2 Returns to HE

Full-time students

In both 2007/08 and 2004/05, students were similarly positive about the benefits of HE in relation to future jobs and earnings. Nine in ten students in both studies believed that they would earn more as a result of being in HE. This was despite some concern about competition in the graduate job market, expressed by almost 60 per cent in each year. The proportion of students who reported that concern over debts almost stopped them coming to university was around three in ten, in both studies (32 per cent in 2004/05 and 27 per cent in 2007/08). Furthermore, the proportion agreeing that '*the long term benefits of HE are greater than the costs*' rose from 75 per cent in 2004/05 to 82 per cent in 2007/08.

Part-time students

As with full-time students, part-time students were similarly positive about the benefits of HE in relation to future jobs and earnings, across both studies. Around three-quarters believed that they would earn more as a result of being in HE, in both 2004/05 and 2007/08. Concern about competition in the graduate job market remained stable, as did the proportion of students who reported that concern over debts almost stopped them coming to university. The proportion agreeing that '*the long term benefits of HE are greater than the costs*' rose from 74 to 83 per cent.

9.9.3 Future salary expectations

Full-time students

Across all full-time students, salary expectations remained fairly stable in real terms⁵⁶. First years' expectations appear to have decreased relative to 2004/05, especially in terms of their expected starting salaries (Table 9.26).

Table 9.26: Expected future earnings (£), all Welsh-domiciled full-time and first year students, 2007/08 and 2004/05[#]

	All full-time students (07/08)	All full-time students (04/05)	Index (07/04)	Yr 1 full-time students (07/08)	Yr 1 full-time students (04/05)	Index (07/04)
Expected salary on graduation (mean)	19,000	20,700	0.92	18,900	21,400	0.88
Expected salary after five years (mean)	30,700	31,800	0.97	30,000	32,000	0.94
<i>N = unweighted</i>	550	221		220	65	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled full-time and full-time first year students

Source: NatCen/IES SIES 2004/05 and 2007/08

⁵⁶ Expected salary levels have been rounded up or down to the nearest £100. Expectations from 2004/05 have been up-rated in line with the RPI increase.

Part-time students

Salary expectations on graduation were stable for part-time students, but declined slightly over the longer-term (Table 9.27).

Table 9.27: Expected future earnings (£), all Welsh-domiciled part-time students, 2007/08 and 2004/05[#]

	All part-time students (07/08)	All part-time students (04/05)	Index (07/04)
Expected salary on graduation (mean)	20,900	21,800	0.96
Expected salary after five years (mean)	26,600	28,200	0.92
<i>N = unweighted</i>	194	100	

[#]2004/05 data were multiplied by 1.113 to reflect RPI increases

Base: all Welsh-domiciled part-time students

Source: NatCen/IES SIES 2004/05 and 2007/08

10 Comparison with Welsh-domiciled/English-domiciled students

10.1 Summary of key findings

- As in 2004/05, there was no significant difference in the level of full-time student income between Welsh and English-domiciled students and there was little difference in the main sources of incomes between the two.
- The average income of Welsh-domiciled part-time students at £11,710 was lower than that of their English counter-parts (£13,511) – as the latter earned more from paid work and had greater contributions from their partner.
- Spending levels for full-time students were similar regardless of whether they lived in Wales or England, but were lower for Welsh-domiciled part-time students, compared with English-domiciled ones.
- Estimated graduate debt was higher (£7,798) among English-domiciled students compared with those from Wales (£7,187), due to higher savings levels among final year Welsh students.
- Attitudes to student finance and the costs and benefits of higher education were similar between the two sets of students.

10.2 Introduction

In this chapter we provide a summary overview of student income and expenditure among English-domiciled and Welsh-domiciled students. As discussed in Chapter 1, the Higher Education Act 2004 incorporated several key changes to the financial arrangements of full-time higher education students from the support system in place at the 2004/05 survey. In addition, the Act devolved to the Welsh Assembly the responsibility of funding students in higher education in Wales. This meant that the systems of student finance in England and Wales diverged from September 2006. The key differences are:

- In Wales, variable fees were introduced in September 2007, a year later than in England, although the main features of the new support package in England also became available in Wales in 2006 (namely tuition fee loans and Special Support Grants).
- Additional support for tuition fee costs was available for Welsh-domiciled students studying in Wales. From September 2007, students normally resident in Wales *and* studying in Wales were entitled to a non-repayable tuition fee grant of £1,845, irrespective of family income. The tuition fee grant was paid directly to the students' university or college, meaning that home domiciled students studying in Wales were only required to pay up to £1,225 towards their tuition fees; essentially they were exempt from paying the higher fees charged to non-Welsh students. Welsh-domiciled students studying outside Wales were not entitled to the tuition fee grant.
- In both England and Wales, some grants towards maintenance were available for lower-income students. In England, this came in the form of the Maintenance Grant (which replaced the Higher Education Grant), while in Wales, the Assembly

Learning Grant was available. The maximum amount of grant available and the income eligibility for both types of support were very similar.

In the rest of this chapter we provide an overview of comparisons between English and Welsh-domiciled students, focusing on income, expenditure, overall financial position, financial well-being, and student choice and attitudes.

10.3 Total student income

10.3.1 Full-time students

English and Welsh-domiciled full-time students had comparable income during the 2007/08 academic year (Table 10.1): although there was a small difference between the two it was not statistically significant. The composition of average income was also broadly similar. In both cases, the sources of student support provided the largest share of total average income.

Table 10.1: Total student income and main sources of student income, by domicile and by full-time and part-time status (£)

		Full-time		Part-time	
		Welsh-dom	English-dom	Welsh-dom	English-dom
Sources of student support	Mean	5,912	5,796	995	862
	Median	5,845	5,990	800	780
	SE	150	141	98	47
Income from paid work	Mean	1,904	2,108	8,411	9,580
	Median	120	380	8,100	9,000
	SE	162	109	762	341
Income from family and friends*	Mean	1,679	2,045	-119	641
	Median	900	1,100	0	80
	SE	143	119	453	199
Income from social security benefits*	Mean	328	258	1,875	1,416
	Median	0	0	527	1
	SE	43	34	497	104
Other income*	Mean	242	219	549	618
	Median	0	10	0	0
	SE	47	25	150	108
Estimated total income*	Mean	10,065	10,425	11,710	13,511
	Median	9,470	9,600	11,133	12,760
	SE	244	119	537	365
<i>N = unweighted</i>		550	2,045	194	641

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

An examination of average total income (Table 10.2) showed some differences between old system and new system students in each domicile, but these were not statistically significant. In addition, the composition of average total income was also similar across each domicile, for old and new system students.

Table 10.2: Total student income and main sources of student income, by domicile and old or new system (£)

		Old system		New system	
		Welsh-dom	English-dom	Welsh-dom	English-dom
Sources of student support	Mean	4,489	4,159	6,698	6,859
	Median	4,425	4,315	6,455	6,550
	SE	195	119	179	176
Income from paid work	Mean	1,602	2,277	1,479	1,893
	Median	0	630	600	882
	SE	217	135	220	127
Income from family and friends*	Mean	2,041	2,279	2,071	1,998
	Median	1,485	1,400	308	195
	SE	220	136	199	149
Income from social security benefits*	Mean	270	164	360	319
	Median	0	0	0	0
	SE	72	31	55	49
Other income*	Mean	273	218	225	220
	Median	20	20	0	7
	SE	89	41	53	27
Estimated total income*	Mean	8,674	9,097	10,834	11,287
	Median	8,075	8,185	10,170	10,371
	SE	348	156	296	170
<i>N = unweighted</i>		182	798	368	1,247

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh and English-domiciled full-time students

Source: NatCen/IES SIES 2007/08

10.3.2 Part-time students

Table 10.1 also reveals that Welsh-domiciled part-time students had lower income than English-domiciled students, on average (£11,710 compared with £13,511). The differences were mainly driven by English-domiciled students earning more from paid work and more from family, partner and friends (Welsh-domiciled part-time students had a small negative figure in this category). Although Welsh-domiciled part-time students received more from the other sources of student support, this was not enough to offset these differences.

10.4 Sources of student income

10.4.1 Main sources of student support

Comparisons between English and Welsh-domiciled full-time students in terms of income from the main sources of student support showed that:

- Take-up of the **student maintenance loan** was similar between the two domiciles (71 per cent among English-domiciled and 73 per cent among Welsh-domiciled students). The average amounts of maintenance loan among recipients were also broadly level.
- Targeted grants for maintenance for lower-income students took different forms in either country from 2006. In order to compare take-up rates for these new system targeted grants for lower-income students, we need to combine information about the **Maintenance Grant** (for English-domiciled students) and the **Assembly Learning Grant** (for Welsh-domiciled students).⁵⁷ On this basis, similar proportions of new system students received these types of support: 41 per cent of English-domiciled new system students and 37 per cent of Welsh-domiciled new system students.
- Arrangements for tuition fee support are complicated by the existence of the old and new finance systems but also by the divergent policy in the two countries. Student loans for fees were available to all students, but old system students in both countries still had access to (means-tested) grants, while a fixed grant for fees was available to Welsh-domiciled HE students staying in Wales to study.
- Overall, the **tuition fee loan** was taken out by around half of the students in each domicile (54 per cent English-domiciled and 51 per cent Welsh-domiciled). If we look just at new system students, more English-domiciled took out a tuition fee loan than Welsh-domiciled (76 per cent compared with 67 per cent), and average amounts were much higher for English-domiciled students (£2,934 compared with £1,907). Median levels were equivalent to the full fee amount for English-domiciled students (£3,070) and the subsidised fee amount available to new system Welsh-domiciled students who studied in Wales (£1,225). Indeed this latter group were much less likely than others to have taken out a fee loan (at 62 per cent) at a much lower average than among other Welsh or English-domiciled students (£1,423).
- **Grants for tuition fees** were received by around four in ten old system students from each country (37 per cent English-domiciled and 42 per cent Welsh-domiciled). However, the divergence in the two student finance regimes between England and Wales can be seen when comparing new system students: almost eight in ten (78 per cent) of new system Welsh-domiciled students studying in Wales received a tuition fee grant, averaging £1,755 and with a median of £1,845 (the fixed amount available). Generally speaking, new system English-domiciled students do not receive this type of support.

⁵⁷ This is also necessary as some students claimed to receive grants for which they were not eligible, based on other information given. However, given the similarity of the Maintenance and Assembly Learning Grant, and the fact that students identified student support on the basis of descriptions as well as names, it is plausible that these may have been confused. As discussed earlier in this report, 20 Welsh-domiciled students who claimed to have received income from the Maintenance Grant were recoded as the Assembly Learning Grant and a further four Welsh-domiciled students claimed to have received income from both sources.

The proportions of English and Welsh-domiciled part-time students receiving income from the main sources of student support were very similar (32 per cent and 29 per cent respectively). The key source of this type of support among part-timers in both countries was tuition fee support (which around three in ten part-timer students got in both countries – averaging similar amounts at £711 and £733 respectively).

For the other income streams in this category, there were no significant differences according to domicile.

10.4.2 Income from paid work

English and Welsh-domiciled full-time students earned similar amounts on average (£2,108, compared to £1,904). Around half of full-time students worked in each country, but, among those working, English-domiciled students earned slightly more on average (£4,005, compared with £3,678 for Welsh-domiciled): a reverse of the findings in 2004/05.

English-domiciled part-time students earned more on average than Welsh-domiciled students (£9,580, compared with £8,411). The difference was mainly due to a higher proportion of English-domiciled part-time students being in employment (81 per cent, compared with 75 per cent).

Table 10.3: Average income from paid work, for English and Welsh students (£), and proportion working (%)

	Full-time		Part-time	
	Welsh-dom	English-dom	Welsh-dom	English-dom
Average earnings (£)	1,904	2,108	8,411	9,580
% working	52	53	75	81
Average income, those working (£)	3,678	4,005	11,220	11,875
<i>N = unweighted</i>	550	2,045	194	641

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

10.4.3 Income from family and friends

Overall, Welsh-domiciled full-time students averaged lower income from family and friends than English-domiciled (£1,679 compared with £2,045), although there was no strong pattern underlying this.

The same was true among part-time students. The key difference here was in the share of partner's income, with Welsh-domiciled students contributing an average of £464 whereas English-domiciled students received an average of £566. This resulted in a negative net average among Welsh-domiciled students (-£119, compared with £1,035 for English domiciled) – a difference to 2004/05, when the average figure was a negative in both England and Wales. In addition, more Welsh-domiciled than English-domiciled part-time students actually exchanged income with a partner (58 per cent, compared with 50 per cent).

10.4.4 Social security benefits and miscellaneous income

Similar proportions of English and Welsh-domiciled full-time students received income from benefits (13 per cent compared to 11 per cent of English full-time students) and the average income from benefits was also similar.

For part-time students, Welsh-domiciled students receiving more from benefits on average than their English-domiciled counterparts (£1,875, compared to £1,416). This time the difference between Welsh and English-domiciled students is mainly due to a larger proportion of Welsh-domiciled students receiving benefits when compared to English students (59 per cent, compared to 47 per cent).

10.5 Total student expenditure

In this section we compare total expenditure and spending within the main categories of living, housing, personal and child-related costs for English-domiciled and Welsh-domiciled students.

10.5.1 Full-time students

Full-time students' levels of overall expenditure were very similar regardless of where they were domiciled prior to their course (Table 10.4). Overall expenditure for English-domiciled students was £12,254, very close to the average of £12,430 recorded for Welsh-domiciled students. As in 2004/05, spending levels within each of the main categories of living costs, housing costs, participation costs and child-related costs were also very similar between the two groups. Although differences were not significant, it is interesting to note that the pattern of higher housing costs and lower living costs among English-domiciled students compared to Welsh-domiciled students was replicated in 2004/05 and 2007/08.

Table 10.4: Total student expenditure and main sources of student expenditure, by domicile and by full-time and part-time status (£)

		Full-time		Part-time	
		Welsh-dom	English-dom	Welsh-dom	English-dom
Living costs*	Mean	6,879	6,496	9,391	10,522
	Median	5,928	5,289	8,327	8,769
	SE	229	218	736	360
Housing costs*	Mean	2,225	2,455	2,992	3,257
	Median	1,962	2,162	2,772	3,130
	SE	135	123	219	149
Participation costs	Mean	3,132	3,151	1,708	1,890
	Median	3,220	3,240	1,385	1,575
	SE	62	50	102	67
Spending on children*	Mean	195	152	552	766
	Median	0	0	0	0
	SE	34	20	89	77
Estimated total expenditure*	Mean	12,430	12,254	14,644	16,435
	Median	11,185	10,817	13,188	14,907
	SE	270	260	827	507
<i>N = unweighted</i>		453	1,793	168	543

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

The student support systems in England and Wales have diverged since 2006, but generally this has not been in ways that would impact on students' overall expenditure. Variable tuition fees were introduced in both countries, but the resultant increase in fees (and therefore participation costs) is of a similar order. This is confirmed by the figures in Table 10.4, as well as by more detailed inspection of full-time students under the old and new systems of student support in Table 10.5.

For both English and Welsh-domiciled students, those under the new student support and fee arrangements spent more than those under the old system (reflecting the rise in tuition fees and higher participation costs). However, the expenditure of old system students was very similar between the two countries, and the same was also true for new system students.

Table 10.5: Total student expenditure and main sources of student expenditure, by old or new system for full-time students (£)

		Old system		New system	
		Welsh-dom	English-dom	Welsh-dom	English-dom
Living costs*	Mean	6,773	6,387	6,941	6,565
	Median	5,444	5,253	6,060	5,301
	SE	430	252	273	277
Housing costs*	Mean	2,433	2,728	2,103	2,283
	Median	2,086	2,473	1,800	1,895
	SE	266	159	130	128
Participation costs	Mean	2,057	2,077	3,759	3,829
	Median	1,795	1,757	3,603	3,635
	SE	66	51	59	51
Spending on children*	Mean	149	111	223	178
	Median	0	0	0	0
	SE	40	25	49	26
Estimated total expenditure*	Mean	11,412	11,302	13,025	12,855
	Median	10,100	9,802	11,612	11,394
	SE	510	319	336	325
<i>N = unweighted</i>		157	693	296	1,100

*Note: figures adjusted for joint financial responsibility where relevant

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

10.5.2 Part-time students

Among English-domiciled part-time students, average spending was £16,435, greater than the average of £14,644 for Welsh-domiciled students (Table 10.4). Although this difference was larger than for full-time students, it fell just short of statistical significance. There was a similar pattern for each of the main categories of spending. For each, Welsh-domiciled part-time students reported lower levels of spending than their English-domiciled counterparts, but the differences were not statistically significant.

10.6 Overall financial position

10.6.1 Savings

English-domiciled full-time students predicted average savings of approximately £500 more by the end of the year than Welsh-domiciled full-time students (£2,553 compared with £2,075). The reverse is true when focusing on part-time students. Here the average savings levels for part-time Welsh-domiciled students were higher than found for equivalent English-domiciled part-time students (at £2,911 compared with £2,513). Indeed, while levels of savings among English full-time students were very similar to those of part-time students, part-time Welsh-domiciled students had relatively higher savings than their full-time counterparts. These patterns were also true of the 2004/05 cohorts, although the difference in part-time savings appears to have narrowed since the previous survey.

English full-time students who were funded under the new financial system had lower levels of savings than those operating under the old system. The same pattern was noted for Welsh students but the difference was much greater, with students under the new system having considerably lower levels of savings (£1,560 compared to £2,442).

10.6.2 Borrowing

On average, borrowing levels were higher amongst English-domiciled full-time students than equivalent Welsh students (£8,889 and £8,222); as was student loan debt (at £7,961 compared to £7,206). This was not the case in the 2004/05 survey where borrowing levels and student loan debt levels were very similar for English-domiciled and Welsh-domiciled students. This pattern for 2007/08 can be explained to some extent by the later introduction of variable fees in Wales (introduced in 2006/07 in England and 2007/08 in Wales, see Chapter 1) and the new system tuition fee grant available for Welsh-domiciled students studying in Wales, leading to less time (and need) to access higher levels of loans for the Welsh-domiciled cohort.

Differences in borrowing levels between the old and new funding systems were found for both English and Welsh-domiciled full-time students. Across both cohorts, those operating under the old system had higher borrowing (due to higher levels of student loan debt). It is interesting to note that whereas in England, old system students had twice the level of commercial borrowing of new system students, average levels of commercial borrowing were similar for old and new system students of Welsh domicile. Students studying out-country not only had higher savings on average, but also higher borrowing due to higher student loan debt. This was particularly the case for Welsh-domiciled students studying in England where the difference in borrowing levels was substantial (£3,000 more borrowing for Welsh students studying out-country, compared to £1,000 more borrowing for English students studying out-country). Among Welsh-domiciled students, those from routine and manual work backgrounds had lower average borrowing levels than those from managerial and professional backgrounds due to lower levels of student debt. The reverse, however, was found for English-domiciled students, where average borrowing levels were highest for those from routine and manual work backgrounds.

In contrast to full-time students, Welsh and English-domiciled part-time students had comparable levels of average borrowing (£2,975 compared to £2,783). This is due to a higher average level of commercial debt amongst Welsh-domiciled part-time students (£2,427 compared with £2,081), despite the fact that fewer Welsh part-time students borrowed at all. This indicates that those part-time students who do borrow, access larger amounts in Wales than in England (£5,192 compared to £4,475). This contrasts to the pattern found for the 2004/05 cohort where average borrowing of

English-domiciled part-time students was higher than that found for Welsh-domiciled part-time students (£2,971 and £2,546 respectively).

10.6.3 Estimated student net debt

Subtracting predicted year-end savings from borrowing gives an estimation for student net debt. Across both Welsh and English-domiciled students, there were higher levels of net debt among full-time than part-time students.

Across all full-time students net debt levels were somewhat similar for English and Welsh-domiciled students (at £6,337 and £6,147 respectively). Yet when focusing on final year full-time students, to get an estimate of graduate debt amongst those who had studied full-time, English-domiciled students had higher net debt (£7,798 compared to £7,187 among Welsh-domiciled ones), which follows the pattern found in the previous study (although the difference between English and Welsh-domiciled students has increased). This pattern is due to higher savings levels among final year Welsh-domiciled students, as borrowing levels were very similar for the two cohorts. For both English and Welsh-domiciled final year students, estimated graduate debt was lower among those studying in their own country of domicile. Notably, final year Welsh-domiciled students studying in Wales had lower net debt on graduation (£5,158) than final year English students studying in England (£7,727).

Different levels of net debt were found for part-time English and Welsh-domiciled students. Welsh-domiciled part-time students had much lower net debt (£65) than English-domiciled part-time students (£269). Yet when focusing on final year students, lower average levels of net graduate debt were estimated for English part-time students (£441) compared to Welsh part-time students (£586).

10.7 Financial well-being

Proportionally fewer Welsh-domiciled students had considered dropping out or leaving their courses early, than found for English-domiciled students: 33 per cent and 38 per cent of part-time students respectively; and 29 per cent and 33 per cent of full-time students respectively.

The proportions reporting that their financial situation had affected their studies were very similar amongst the English and Welsh cohorts. Welsh-domiciled part-time students were also considerably less likely to report having to take on paid work (as a result of their financial situation) than English-domiciled part-time students (26 per cent compared with 44 per cent).

Although the proportion of students affected by arrears was similar across English and Welsh-domiciled students, Welsh-domiciled full-time students owed less in arrears than their English equivalents, whereas Welsh-domiciled part-time students owed more. Welsh students (both full and part-time) relied more on commercial credit than English students.

10.8 Student choices and attitudes to finance

There were no major differences between the English and Welsh-domiciled part-time students in the influence of finance on decisions about HE (Table 10.6). However, Welsh-domiciled full-time students were more likely to be affected by the availability of a specific fund as well as by the cost of tuition fees. It is difficult to unpick which specific funds make the most difference, but one of them is likely to be the tuition fee grant, mentioned by 17 per cent of Welsh-domiciled students who said they had

been affected by the availability of a specific fund, compared with three per cent of English-domiciled students.

Table 10.6: Influence of funding on decisions about HE, all students by mode of study and domicile (%)

	Full-time		Part-time	
	Welsh-dom	English-dom	Welsh-dom	English-dom
% affected by available funding and support	35	32	28	31
Base (N) all students	550	2,045	19	641
% affected by availability of a specific fund	53	40	33	35
Base (N) all those who said they were affected by availability of funding/support	212	690	51	217
% affected by the cost of tuition fees	23	16	20	23
<i>N = unweighted</i>	550	2,045	194	641

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

Students did not differ notably by domicile in their views on the economic and social returns of higher education. All were generally positive about the benefits of attending HE and believed it to be worthwhile despite concerns about competition in the graduate job market. Furthermore, within-domicile differences between full-time and part-time students and also old and new system students were similar across the two countries.

Plans on graduation were similar for both English and Welsh-domiciled students, with by far the most common plan for full-time students in each country being to find a job in one's chosen career (72 per cent in England and 73 per cent in Wales). Sizeable proportions (between 33 and 42 per cent) of full-timers and part-timers intended to continue studying once they had completed their current course. Average (mean) salary expectations (rounded to the nearest hundred pounds) were consistently higher in England than in Wales, both on graduation and after five years. In both countries, part-time students had the highest salary expectations for the short-term and full-time students had the highest salary expectations for the long-term (Table 10.7).

Table 10.7: Salary expectations by mode of study and domicile, all students (£)

	Welsh-dom full-time students	English-dom full-time students	Welsh-dom part-time students	English-dom part-time students
Mean expected salary in first job after graduation	19,000	19,800	20,900	22,700
Mean expected salary in five years time	30,700	32,300	26,600	30,800
<i>N = unweighted</i>	550	2,045	194	641

Base: all Welsh and English-domiciled students

Source: NatCen/IES SIES 2007/08

11 Conclusions

The Student Income and Expenditure Survey (SIES) is the most authoritative and comprehensive source of information on student finance in England and Wales. The objectives for SIES 2007/08 were:

- to produce a representative sample of English and Welsh domiciled full-time and part-time students, with sample and sub-group sizes that were robust enough to present a comprehensive picture of the income, expenditure, borrowing, net debt on graduation, and financial hardship, for a range of key student and HE study characteristics.
- to monitor changes in student's financial position over time by comparing the financial position of students in 2007/08 with that of comparable students in 2004/05, while providing a baseline by which future changes in student finance can be measured.
- to provide evidence to support policy development needs of DIUS and the Welsh Assembly Government in the area of HE student finance, in particular regarding the impact of the new policy on tuition fees, and to inform DIUS' 2009 Independent Commission.

As we have discussed in Chapter 1 of this report (and in the accompanying Technical Report), the SIES 2007/08 has successfully produced the required quality of sample on which to make an assessment about the current financial position of HE students under both the old and the new systems of student finance. This process relied on high levels of co-operation from a large number of institutions and of course students themselves. We are grateful for the assistance they have given.

The report looks at the 'average student', both full-time and part-time, (as in 2004/05) although it is becoming increasingly evident that the 'average' is becoming less typical and therefore a less useful concept. The student body becomes ever more diverse and this is reflected in their income and expenditure patterns, eg as older students have access to wider sources of funds and students who are parents have greater spending needs. The average student concept is even less applicable with the distinctions in the old and new student finance systems, coupled with a diverging student finance system in Wales (and for Welsh-domiciled students studying in Wales, whose numbers have increased from 61 per cent to 66 per cent in our sample), increasingly targeted forms of student support, and the added complexity that this brings.

In order to truly focus on changes in students' financial position over time and explore the impact that the new system of student finance has made, the rest of these conclusions focus on comparisons between first year students in 2004/05 and in 2007/08 (for full-timers) and on all students (for part-timers). Focusing on first year full-time students is the best indication we have of the impact of the new funding system because it does not confound differences in the student finance and support systems (including those resulting from higher tuition fees) with differences between students by year of study.

11.1 Full-time students

11.1.1 Income

Generally income has risen in real terms to reflect the increase in fees and there are some interesting shifts in the balance of sources of income with government support and income from paid work appearing to play a stronger role.

Overall, total average income among first years has increased by 24 per cent in real terms since 2004/05, compared with an eight per cent increase overall. This is driven by increased income from the sources of student support (which includes the tuition fee loan, not available in 2004/05, as well as the maintenance loan, Assembly Learning Grant, tuition fee grant, and other important forms of student funding such as support from universities/colleges in the form of bursaries). Notably, and in contrast to the findings for English-domiciled first year students, income from paid work has also increased among first years between the two studies. The rise in earnings for first year students outstripped that among students in other years.

At the same time, income from family and friends fell (both as a proportion of first year's total average income and in monetary terms). Income from this source fell more steeply among full-time first year students, than among students in other years.

If we focus just on maintenance, first years were less likely to take out a student maintenance loan compared with first years in 2004/05 and average income from this source has declined overall. The lower average income from student maintenance loans is partly linked to the expansion of the Assembly Learning Grant, as, under the new finance system, students receiving ALG have the amount of student maintenance loan they can take out capped. First years' average income from the Assembly Learning Grant in 2007/08 was higher in real terms than in 2004/05, not just because of the higher amount of funding available under the new system ALG compared with the old system, but also because the proportion receiving it more than doubled as a result of wider eligibility criteria under the new system, from 15 per cent to 35 per cent. Overall these findings suggest that the balance of funding for maintenance costs among first years has shifted (slightly) away from student loans and towards grants.

11.1.2 Expenditure

First year's expenditure rose by slightly less than their income between the two studies (up by 18 per cent in real terms). This rise was almost entirely driven by increased participation costs, namely the introduction of variable tuition fees. Spending on fees among first years more than doubled between the two surveys.

The amount students spend on living costs is almost exactly the same in real terms in each of the two surveys. There is little evidence to suggest that student living costs are increasing faster than living costs more generally⁵⁸. However, first year housing costs had increased somewhat compared with 2004/05, in real terms.

11.1.3 Overall financial position

Average borrowing among full-time students has increased by eight per cent since 2004/05 (in real terms) and by a similar amount among first years – mainly due to tuition fee loans. However, Welsh-domiciled first year students experienced a much

⁵⁸ Using the RPI as the measure of inflation.

lower rate of increase in student loan debt than English-domiciled ones, which reflects the greater amount of tuition fee support available to those who study in Wales, and the correspondingly lower amount of tuition fee loan they take out. Welsh-domiciled students also appeared to be saving more, and using their savings less during the academic year, than in 2004/05.

It is possible to calculate 'net' student debt by subtracting savings from borrowings. This reveals that net debt among Welsh-domiciled students hardly changed among first years between the two studies, in real terms (in contrast to English-domiciled first year students where it increased substantially). Among final year students, net debt also remained reasonably stable (increasing by just five per cent) although it should be noted that this does not yet reflect the impact of the new system of student support. Net debt was substantially lower among final year Welsh-domiciled students studying in Wales, than among those studying in England. Taken together these findings appear to suggest that Welsh-domiciled students are financially better off (ie they accrue less debt) studying in Wales than in England.

11.1.4 The impact of finance on HE choices and attitudes

The proportion of full-time students who said their decisions about HE had been affected by student funding and financial support remained stable, although fewer said it had influenced them to study at home or away.

Overall, students' confidence that the long-term benefits of HE outweighed the costs increased (from 75 per cent to 82 per cent).

11.2 Part-time students

There has been less change in the financial position for part-time students between the two studies, reflecting fewer changes in the financial support policy for part-timers.

11.2.1 Income

Average total income among part-time students remained static in real terms between 2004/05 and 2007/08.

Although there were rises in income from the main and other sources of student support, and from social security benefits, average income from paid work (the most important source among part-time students) fell by 11 per cent. Income from social security benefits was relatively more important to part-time students in 2007/08 compared to 2004/05.

11.2.2 Expenditure

Taking account of inflation, total average expenditure declined slightly for part-time students between 2004/05 and 2007/08. The composition of spending remained relatively steady.

The impact of variable tuition fees was much less marked for part-time students than for full-time students: tuition fee costs among part-timers in their first year faced increases of around one-fifth.

11.2.3 Overall financial position

Average predicted borrowing across all sources increased only very slightly (by five per cent), but was up by one-third for commercial credit. Savings fell by 21 per cent over the same period. This resulted in a small net debt for part-time students in 2007/08, reversing the pattern in 2004/05 when they averaged an estimated surplus. This is driven mainly by lower savings than by higher borrowing.

11.2.4 The impact of finance on HE choices and attitudes

Attitudes to HE remained largely unchanged among part-time students across the two studies, although the proportion who felt that the long-term benefits of going to university are greater than the costs increased from 74 to 83 per cent.

12 Technical Appendix

12.1 Background to the Study

This is a report on the research methods used in the Student Income and Expenditure Survey 2007/08 (SIES 2007/08) carried out on behalf of the Department for Innovation, Universities and Skills (DIUS) and the Welsh Assembly Government (WAG).

SIES is a large-scale comprehensive survey that collects detailed information on income and expenditure of higher education (HE) students and investigates associated issues such as student debt and hardship.

The 2007/08 survey is the latest in a series of surveys carried out at approximately three-year intervals, and its methods and design drew heavily from the baseline study carried out in 2004/05. The 2004/05 study had differed in key ways from its predecessors. In particular the 2004/05 study used a different sampling methodology, the interview content was very different, Open University (OU) students were included for the first time, there were alternative options open to respondents completing the spending diary and incentives were used to maximise response.

For the 2007/08 study, the methods and interview content were kept as similar as possible to the previous wave, in order to make any trend comparisons as robust as possible. Some updating of the interview content was necessary, in order to reflect the changes in the student support system that were introduced in 2006.

12.1.1 Collaboration

As for 2004/05, the National Centre for Social Research (NatCen) and the Institute for Employment Studies (IES) conducted the 2007/08 SIES in close collaboration.

NatCen had overall responsibility for the delivery of the survey, lead responsibility for the sample design, questionnaire design, fieldwork with students and data preparation. IES had lead responsibility for collecting sample data from institutions, and data analysis and report writing.

12.1.2 Overview of methodology

Later sections of this technical report give detailed descriptions of all aspects of the survey and data collection, including the development phases. However, in order to give an overview of the research process, the key activities within the main stage of the survey are outlined here, with the overall project timetable shown in Table 12.1 overleaf.

Table 12.1: Project timeline

Quarter	Task
April – June 2007	Start of the contract Initial contact with institutions
July – September 2007	Development of interview questionnaire and expenditure diary (for pilot) Opt-in questionnaire finalised for main-stage Recruitment of institutions for mainstage
October – December 2007	Dress rehearsal pilot of opt-in procedures, interview and diary Initial contact with students (opt-in stage) Interview questionnaire and expenditure diary finalised for main-stage
January – March 2008	Main-stage fieldwork: face to face interviews with students and diary completion
April – June 2008	Data editing, coding and checking Preliminary analysis of the dataset
July – December 2008	Main analysis and report drafting
January – March 2008	Finalisation of report

Source: NatCen/IES SIES 2007/08

As for 2004/05, interviews for students were carried out during January-March (broadly corresponding to the Spring Term in the academic year). This was felt to be the optimum time for interviewing students as it allowed sufficient time for enrolment databases for the academic year to be finalised (which was particularly important in covering first-year students fully) but did not clash with major examination periods.

Sampling – selection of institutions

NatCen selected a number of institutions in England and Wales based on Higher Education Statistics Agency (HESA)⁵⁹ figures about the student populations at each.

Letters were sent from DIUS and WAG to the Vice Chancellors and Principals at selected institutions containing information about the research and an invitation to take part.

IES made individual contact with institutions, explained their role in sampling and contacting students and secured their agreement to take part.

Sampling – selection of students and opt-in stage

NatCen identified the numbers of full-time and part-time students to be sampled from each institution taking part (numbers differed by type and country of institution). IES instructed institutions about the numbers of students to sample and helped institutions to do this using random selection.

⁵⁹ Learning and Skills Council (LSC) Learner Record data were used to provide FEC information.

Institutions produced a list of sampled students and two sets of labels containing names and addresses. They then attached labels to pre-prepared 'opt-in' packs and posted these packs to the selected students.

Students each received an initial opt-in pack with an ID number, containing a letter explaining about the survey and what their involvement would consist of, a short opt-in questionnaire and £3 of Love2Shop vouchers to thank them for their time and encourage their involvement.

Institutions posted 'reminder' opt-in packs to all students to encourage those who had not yet returned the opt-in questionnaire (containing a letter and opt-in form, but no vouchers).

Students returned opt-in questionnaires to NatCen (although not all gave contact details and consent to be re-contacted). All returned questionnaires were keyed. NatCen then selected students for interview based on their consent to be re-contacted, availability of contact details and their eligibility for the study based on answers given to questions in the opt-in form (eg the qualification towards which students were working and their country of domicile). The database was also checked for any duplicate returns, which were excluded.

Fieldwork and data collection

Students selected for interview were sent a letter in advance letting them know an interviewer would contact them.

Interviewers contacted students and carried out face-to-face interviews using a computer assisted personal interview (CAPI) on a laptop. All students giving an interview were asked to complete a seven-day diary of spending. Interviewers instructed students how to complete the diary at the end of the interview. There was also an Internet version of the diary which students could complete instead of the paper version if they preferred. Interviewers made a reminder (phone) call and attempted a pick-up visit for the diary.

Students completing and returning a diary were sent a letter and £12 of Love2Shop vouchers to thank them for their help with the study.

12.2 Sampling

12.2.1 Background and overview of the sampling methodology

The sample design of this survey was very similar to that used for the 2004/05 survey (although the 2004/05 design was substantially altered from that of earlier surveys in the SIES series).

For the study, the student sample was obtained using an opt-in process.

Institutions were asked to draw a random sample of the student populations of interest and mail survey materials supplied by the researchers to the selected students. The mailing packages included an opt-in questionnaire which the students were invited to fill in, providing some key characteristics and contact details. Students indicated on the questionnaire whether they gave consent to be re-contacted for the research, and then returned them directly to the researchers. The sample for the interview stage was then drawn from the returned questionnaires of eligible students who had opted in. This methodology had proved feasible in 2004/05.

The details of the design were complex and a full account of each stage is given in the following sections. In the remainder of this section, we give an overview of the approach.

In total, the survey was designed to include 63 higher education institutions (HEIs) (53 in England and ten in Wales), 20 further education colleges (FECs) and the Open University (OU).

The eligibility definition⁶⁰ for the survey specified that students had to be English- or Welsh-domiciled; studying at an English or Welsh HEI or FEC, or the OU; studying for a higher education qualification (namely a first degree, foundation degree, PGCE/ITT, Dip HE, HND, HNC, Certificate of Higher Education, or University Certificate or Diploma) and studying full-time or if part-time for 50 per cent or more of the full-time equivalent course.

Each participating HEI in England was asked to draw a sample of 305 students, comprising (up to) four discrete samples of full-time English-domiciled students, full-time Welsh-domiciled students, part-time, and (where applicable) medical students. HEIs in Wales were asked to select a slightly larger sample of 495 students, again comprising (up to) four discrete samples.⁶¹ Medical and part-time students were also oversampled to ensure sufficient numbers for analysis.

Each participating FEC was asked to sample 100 of their students on higher education courses who were eligible for the survey. The OU was also included in the sample, and asked to select 500 eligible students.

In general, HESA counts were used as a guide for determining the numbers of students to be selected from each sample group. In practice, however, the HESA counts often differed from the numbers of students from whom institutions actually selected, and this meant that selection probabilities could vary.

12.2.2 Piloting the opt-in phase

Pilot of sampling processes

The piloting involved four institutions, three HEIs and one FEC (none of which had any medical students). The pilot aimed to identify any problems which might arise in the selection of students and the opt-in forms and processes. The main difference for institutions from 2004/05 was that they were asked to mail out different (coloured) envelopes/questionnaires to the different sample groups (ie English-domiciled full-time, Welsh-domiciled full-time and part-time). As the mailings were undertaken in July/August during the summer vacation, the pilot could not test response rates (as the mainstage mailing would take place during term-time).

The findings of the pilot showed that the basic sampling method was still feasible and acceptable to institutions. The piloting had also tested the feasibility of pre-printing institutional details and serial numbers on the questionnaires, and suggested some refinement of the logistical aspects of the mail-out process (eg the order in which documents were packed by the printer for mail-out). Broadly, the mail-out process was found to work well.

⁶⁰ Two other groups (sandwich students on their paid placement year, and students on a foreign placement) were also excluded for practical reasons.

⁶¹ The projected sample sizes for English HEIs were smaller than those in the 2004/05 study, while the projected Welsh HEI sample was larger.

Inspection of opt-in questionnaires

In total, 114 completed forms were returned to NatCen as part of the pilot (41, 30 and 24 from the three HEIs and 19 from the FECs). Of these, 96 students gave their consent to the study and fulfilled the eligibility criteria.

Although it was not feasible to contact opt-in respondents for their views on the questionnaire, completed returns were inspected. A couple of minor amendments were made, namely to update the initial question about payment of fees, and to refine the code frame for previous qualifications.

12.2.3 Selecting and approaching institutions and students

Selecting institutions and allocating numbers of students to select

The target numbers of institutions for the study were 53 English HEIs, 10 Welsh HEIs, 20 FECs and the OU (84 in total).

The sample selection was divided into three main subgroups of institution: English HEIs, Welsh HEIs, and English FECs. Within these separate samples were selected across a number of student groups: medics; English-domiciled full-time; Welsh-domiciled full-time and part-time.

English HEIs

For English HEIs our aim was to select a total of 16,165 students from 53 institutions, with the 16,165 divided as

- 420 medical students
- 4,040 part-time students
- 800 Welsh-domiciled full-time students
- 10,905 English-domiciled full-time students.

Students in each of these groups were to be selected with as close to equal probability as possible (at least for the non-medic groups), but with each institution contributing a total sample of 305.

In practice this meant selecting English-domiciled full-time students with a sampling fraction of about 1 in 78, Welsh-domiciled full-time students with a sampling fraction of about 1 in 23, and part-time students with a sampling fraction of about 1 in 32. In order to approximate equal probability samples for a two-stage sample we selected the 53 HEIs with probability proportional to a weighted size:

$$(Full-time\ English * 0.442) + (full-time\ Welsh * 1.398) + (part-time)$$

where the weights are based on the desired sampling fraction relative to the sampling fraction for part-time students. The counts of students in the sum were based on 2005/06 HESA returns.

Institutions were selected from a stratified (sorted) list: sorted firstly by Government Office Region, then by whether pre- or post-1992, and finally by weighted size. A cumulative size column was also constructed, and a sampling interval calculated by dividing the total (cumulative) size of all institutions by the number of institutions to be selected. The 53 HEIs were then selected systematically from the sorted list using a

random start (ie if n =the random start and k =the sampling interval, then the institutions containing the n th student, the $n+k$ th student, the $n+2k$ th student etc were selected).

In practice six HEIs proved to be large enough to give selection with certainty (ie their weighted size was larger than the sampling interval). Only the remaining 47 were selected with probability strictly *proportional* to weighted size.

Although the 53 institutions were selected based on probability sampling methods, procedures were put in place to replace any institutions that dropped out of the study at an early stage with another, similar, HEI. This was achieved by selecting, at random, either the HEI immediately before the original HEI in the sorted list, or the one immediately after.

As noted above, the aim was to select 305 students within each of the 53 HEIs selected, with an overall sample of approximately:

- 420 medical students
- 4,040 part-time students
- 800 Welsh-domiciled full-time students
- 10,905 English-domiciled full-time students.

In practice this meant allocating 305 students across the three non-medical groups in those HEIs *without* a medical school; and allocating 270 students across these three groups for the 12 HEIs *with* a medical school (with the remaining 35 selected as medical students).

This was achieved as follows:

- For part-time students we set the initial sample size per HEI proportionate to the part-time component of the weighted sum (ie $N \cdot pt/wtsum$ where $N=305$ or 270).
- But as this gave slightly fewer than the 4,040 required we scaled up all the part-time sample counts by 1.1 to reach 4,040.
- For the Welsh-domiciled, we set the sample size proportionate to the Welsh component of the weighted sum (ie $N \cdot Welsh \cdot 1.398/wtsum$).
- As this gave some HEIs with a Welsh-domiciled sample of just one or two, the minimum sample size was set to be five. This gave 817 in total.
- Finally, we set the English-domiciled full-time count so that the total for the HEI added to 305.

Welsh HEIs

For Welsh HEIs, the aim was to select 4,950 students overall, divided as

- 1,980 part-time students
- 2,240 Welsh-domiciled full-time students
- 730 English-domiciled full-time students.

This equates to sampling fractions of 1 in 38 for English-domiciled full-time students; 1 in 14 for Welsh-domiciled full-time students and 1 in 4 for part-time students.

To generate a sample with these approximate sampling fractions ten (out of 12) Welsh HEIs were (in principle) to be selected with probability proportional to:

$$(Full-time\ English*0.103)+(full-time\ Welsh*0.275)+(part-time)$$

In practice nine HEIs proved to be large enough to give selection with certainty (ie their weighted size was larger than the sampling interval). Only the remaining one was selected with probability strictly *proportional* to weighted size.

Within each Welsh HEI, 495 students were selected. This was achieved as follows:

- For part-time students we set the initial sample size per HEI proportionate to the part-time component of the weighted sum (ie $495*pt/wtsum$).
- This gave slightly fewer than the 1,980 required; so the part-time sample counts were scaled up by 1.07 to reach 1,980.
- For full-time Welsh-domiciled, we set the initial sample size proportionate to the Welsh full-time component of the weighted sum (ie $495*Welsh*0.275/wtsum$).
- This gave slightly more than the 2,240 required; so we scaled down all the sample counts by 0.95 to reach 2,240.
- Finally, we set the English-domiciled full-time count so that the total for the HEI added to 495.

FECs

The Learning and Skills Council data we had for FECs on HE students was of rather poorer quality than the HEI data: although we had a total number of HE students many of these are in an 'unknown' category which did not allow us to quantify the number of full-time and part-time students per FEC. To allow for this we made *estimates* of the full-time and part-time numbers per FEC, so that we could draw a reasonable sample. But the uncertainty in the numbers means that the probabilities of selection for the final sample of FEC students are more variable than might have been the case with precise counts.

In practice we estimated the total number of full-time students per FEC as the specified 'known' number plus 50 per cent of the unknowns, and similarly for part-time. (The 50 per cent was derived from the fact that, for the 'knowns' the split between full-time and part-time was approximately 50:50.)

FECs with fewer than 100 HE students were excluded from the sampling frame. This means excluding 34 per cent (N=127) of colleges, but just three per cent of HE students.

Twenty FECs were selected from the remaining 252. For the 252 the number of full-time students was estimated at 64,665, and the number of part-time students as 64,040. The FECs were selected with probability proportional to:

$$(Full-time*2)+part-time$$

The 20 were selected from a stratified (sorted) list, sorted firstly by Government Office Region, then by weighted size. The 20 FECs were selected systematically from the sorted list using a random start.

Within each of the 20 FECs 100 students were selected, to generate an overall sample of approximately:

- 1,333 full-time students
- 667 part-time students

This was achieved as follows:

- For part-time students we set the sample size per FEC proportionate to the part-time component of the weighted sum (ie $100 \times \text{pt/wtsum}$).
- But this gave slightly fewer than the 667 required; so we scaled up all the part-time sample counts by 1.1 to reach 667.
- Finally we set the full-time sample size equal to $100 - (\text{pt sample size})$.

As with English HEIs, FECs that were selected but did not wish to take part in the survey were replaced with a 'similar' FEC. The 'reserve' FEC was selected at random from the FECs immediately before and after the original FEC in the sorted list. More replacements were used for FECs than for HEIs (see section 'Approaching institutions' for more details).

The OU

A separate sample of 500 part-time students studying at the OU was obtained directly from the OU. The sample was designed to closely resemble the part-time student population eligible for the study, rather than to represent the overall OU population. Our sample was drawn from the group of students who fulfilled all of the following criteria: those working towards a named qualification (either a first degree, foundation degree, PGCE or ITT, Dip HE, Cert HE, HND or HNC); working towards a qualification that made them eligible for support (registered for one or more courses worth at least 60 credits which equates to 50 per cent FTE); and resident in England or Wales only. The sample included new and continuing students, and was drawn from those with October 2007 starts. It should be noted that the sample is therefore not representative of OU students as whole.

Approaching institutions

As a first step, a letter signed by the Minister of State for Education and Lifelong Learning was sent (in May 2007) to the vice-chancellors or principals of all HE institutions (not just those selected) and to the selected FE institutions. This informed them about the study and asked them for their help if they were selected. In July 2007, further information about the study was sent to all selected institutions, containing an agreement form to be faxed back if the institution could take part, along with information such as the main contact person. IES also liaised extensively with institutions in this period to answer any general queries about the study as well as specific questions on how to sample students for the study. In total, 108 institutions were followed up by the IES research team.

Eighty institutions (including the OU) eventually took part in the research (Table 12.2). The participation rate for HEIs was very high: no Welsh and only two English HEIs had to be replaced, while three English HEIs dropped out at a late stage of the project, when it was too late to replace them. A relatively high number of replacement FECs were used. This was primarily because many FECs did not have sufficient numbers of students studying for higher educational qualifications to be eligible for the study. (In addition to the numbers shown in the table, a number of other FECs were contacted as potential replacements, but did not satisfy the eligibility criteria.) One FEC also dropped out at a late stage of the study, and could not be replaced. The OU also consented to take part in the study.

Table 12.2: Co-operation by institutions

	English HEIs	Welsh HEIs	English FECs	OU	Total
Originally issued	53	10	20	1	84
Reserves used	2	0	9	n/a	11
Agreeing to take part	53	10	20	1	84
Actually taking part	50	10	19	1	80

Base: Institutions agreeing to take part in SIES 2007/08

Source: NatCen/IES SIES 2007/08

One issue arose (primarily amongst FECs) of merging institutions. For this scenario, an institution was retained if it had merged with a smaller institution, but dropped (and replaced) if it had been absorbed by a larger institution.

Selecting and approaching students (opt-in stage)

Random selection

Written instructions were sent to institutions on how to draw separate random samples of qualifying students. An Excel spreadsheet designed by NatCen was also provided to assist institutions with this task.

In English HEIs, the total number of students selected per HEI was 305. In most cases just three separate samples were drawn: full-time English-domiciled, full-time Welsh-domiciled and part-time students, with the numbers assigned in advance for each institution by the research team. A definition for part-time students eligible for selection was given to institutions: they had to be 50 per cent+ full-time equivalent students. An additional sample group – medical students – was defined for English HEIs with a medical school and for these institutions 35 of the 305 students chosen were medical students.

In Welsh HEIs the process was the same but the total was 495 rather than 305 and no medical student group was defined.

The process was also similar for FECs, where 100 students were selected per institution. In practice, only two sample groups were requested: full-time (English-domiciled) and part-time students.

In a small number of institutions, fewer students were selected than requested, as occasionally the number of students specified for selection in a particular group was higher than the total number of students at the institution in that group. A total of 22,465 students was sampled by institutions for the opt-in process.⁶²

In contacting institutions, IES researchers found that there were potential difficulties caused by franchised students (ie taught at the institution but registered elsewhere), which was a particular issue for FECs. Institutions were told to include students registered at the sampled institution, even if they were taught elsewhere (so long as

⁶² Some institutions did not return information about how many students had actually been selected, so for these institutions it is assumed that the full numbers were selected.

this is within England or Wales) but exclude students taught at the institution but registered elsewhere. This gave the closest correspondence to their treatment in the HESA statistics which had been used as the original guide in deciding numbers of students to sample.

Although the sample was designed to minimise the variation in the probabilities of selection for the full-time and part-time opt-in samples, in practice a lot of variation did result. The reasons for this are as follows:

- The HESA full-time and part-time counts did not match the counts found at sampling particularly well (especially the part-time counts). This meant that the sampling fractions used within institutions were often very far from what was anticipated.
- Some HEIs were selected with certainty. To equalise sampling probabilities these institutions would have had to select a larger sample of students. Equalising the burden on institutions took precedence over equalising the sampling probabilities.
- The allocation of part of the sample to medical students reduced the probability of selection for other students in some HEIs.

Opt-in mailings and response rates

In October 2007 institutions who had agreed to take part in the study were sent packages containing the student opt-in packs to be mailed out. Students were sent two mailings by their institutions. The initial mailing package included an opt-in questionnaire which requested some key characteristics and contact details, and asked that students indicate whether they gave consent to be re-contacted for the research. A £3 incentive was included to help encourage response. A second mailing, which institutions were asked to send two weeks later to all selected students, contained a reminder letter and second copy of the opt-in questionnaire. Students were sent differently coloured questionnaires depending on which sample group they had been drawn from, pre-printed with a serial number and institutional details. This meant that the sample group a student was drawn from could be identified (an improvement from the 2004/05 study).

Welsh HEIs received all materials translated into English and Welsh, and their mailing contained English and Welsh language versions of the covering letters and questionnaires.

Institutions were asked to send two mailings out in October/November to students' term-time addresses. The majority of institutions (57) managed to do this. Of the remainder, 17 had to do the reminder mailing in December and two had already notified researchers that a reminder mail-out was not possible. In addition, three institutions had to make their initial mail-outs in December or during the Christmas holidays to home addresses. These delays to mailings mainly occurred because enrolment databases had not been finalised, or because there were difficulties with staffing in the busy start-of-year period.

Table 12.3 shows the final opt-in return rates, by type of institution. In all, 6,656 opt-in returns were received, or approximately 30 per cent of those despatched⁶³. The number of returns was lower than originally hoped for, particularly in comparison to

⁶³ Percentage of forms received based, where information was received, on the numbers of forms institutions said they had sent out, rather than the number originally requested.

the 2004/05 study when 45 per cent of forms had been returned. As a result of this, the deadline for receiving forms was put back (from the beginning of December to the beginning of January), to accommodate late mailings. A higher proportion of Welsh HEIs mailed out late so for three Welsh HEIs, additional returns were added in to the sample at the end of January. However, this was not logistically possible for all institutions.

As in 2004/05, the rate of return varied greatly by institution. Excluding non-mailers, the proportion of forms returned varied from 8 per cent to 45 per cent. Although late mailing institutions tended to have lower response rates (as some returns only arrived after the latest possible cut-off date), variation in response rates was also observed among institutions which mailed out earlier (where the cut-off had little or no effect in terms of excluding any returns). For example, among institutions which mailed out before the middle of November the response rates varied from 15 per cent to 45 per cent. This suggests institutional factors still played a part in influencing return rates. These factors could include out of date or incomplete student contact details and errors in the mailing process (for example mailings sent in the wrong order or without postage). However, although it seemed likely that the mailings did not reach all sampled students, the research team did not have access to information that would allow it to identify what the shortfall in coverage was.

Opt-in returns were checked (using Access) to identify any duplicate responses based on the student's name, sex and date of birth. A small number of forms (three per cent) were identified as duplicates.

Table 12.3: Opt-in return and consent rates

	English HEIs	Welsh HEIs	English FECs	OU	All
Number despatched (actual)	15,220	4,916	1,829	500	22,465
Number returned	4,423	1,474	534	225	6,656
<i>% returned</i>	29	30	29	45	30
<i>Minimum return rate (%)</i>	8	23	15	-	8
<i>Maximum return rate (%)</i>	43	38	43	-	45
Duplicates	150	48	20	8	226
<i>% duplicates, of all returned</i>	3	3	4	4	3
Number consenting to contact	3,555	1,150	4,36	185	5,326
<i>% consenting, of all returned</i>	80	78	82	82	80
<i>% consenting, of all despatched</i>	23	23	24	37	24

Base: Institutions participating in SIES 2007/08. Figures include all returns received by beginning of January, and additional late returns accepted for three Welsh HEIs.

Source: NatCen/IES SIES 2007/08

Of those students returning a questionnaire, 5,326 consented to be contacted and gave contact details, ie approximately 80 per cent of forms returned or 24 per cent of students sampled and sent a form by their institution. This return rate was lower than expected, particularly compared to the return rates in 2004/05 (when 35 per cent of forms despatched had resulted in a consenting student). The downward trend in the

response rates means that any future use of opt-in methods for this study should be carefully reviewed.

There was little variation in the return and consent rates between English and Welsh HEIs and FECs, although OU students did have higher rates of return.

Selecting and approaching students (interview stage)

As well as consenting to be contacted, students who were allocated for the main survey needed to be identified as eligible for the study according to the information they gave in the opt-in questionnaire. Although instructions to institutions had been designed to exclude some of these groups, institutions were not always able to do so.

Ninety per cent of consenting students were classified as eligible and ten per cent as ineligible (Table 12.4). This was slightly higher than the figure in 2004/05 (86 per cent). Overall, the proportion of sampled students who consented and were eligible was 20 per cent.

The OU had the highest rates of ineligibility (19 per cent), while FECs had the lowest (7 per cent). The main causes of ineligibility were:

- part-time students (other than PGCE/ITT students) who reported that they already had a degree (six per cent of consenting returns, and a particular factor in OU ineligibility)
- students who reported studying for a postgraduate qualification other than a teaching qualification (three per cent)
- sandwich students who were in their placement year (two per cent).

Table 12.4: Eligibility rates

	English HEIs	Welsh HEIs	English FECs	OU	All
Number consenting to contact	3,555	1,150	436	185	5,326
Number eligible for study	3,196	1,023	405	149	4,773
% eligible of consenting	90	89	93	81	90
Number not eligible for study	356	126	31	36	549
% not eligible of consenting, of which:	10	11	7	19	10
- part-time with degree (exc PGCE)	5	7	4	16	6
- postgraduate qualification	3	4	*	1	3
- sandwich student in placement year	2	1	2	1	2
- not domiciled in England or Wales	1	*	1	2	1
- qualification below degree level	*	1	*	1	*
Number issued for study	3,194	1,018	405	149	4,766
Target issued number for study	2,836	1,314	565	241	4,956

Base: Students responding to opt-in stage of SIES 2007/08. * indicates <0.5%. The number issued is slightly lower than the number eligible as a small number of students were excluded

because they were not available during the fieldwork period (mainly because they were studying abroad).

Source: NatCen/IES SIES 2007/08

These patterns were very similar to those observed in 2004/05. Very few students were ineligible because they were domiciled outside England and Wales or studying for a qualification below degree level, suggesting that institutions were better equipped to exclude these groups than in 2004/05.

The design had sought to generate a larger sample of consenting and eligible students, both to give some contingency and to allow some lower incidence groups to be over-sampled. Due to the lower than expected response rate however, there was no spare capacity and all consenting and eligible returns had to be issued for interview. A few cases had to be excluded at a later stage, for other reasons (mainly because they were studying abroad during the fieldwork period).

In total, 4,766 students were issued for interview⁶⁴. This comprised higher than expected numbers of students at English HEIs, but lower than expected numbers for students at other types of institution. The bulk of the sample was issued for interview in mid-January but an additional sample of Welsh HEI students was issued at the end of January.

12.3 Questionnaire and diary of spending development

All students – whether at a higher education institution (HEI), further education college (FEC) or the Open University – were interviewed using the same methods. First, there was a face-to-face interview using computer assisted personal interview (CAPI) methods. All students were then asked to complete a seven-day diary of spending after the interview, which could be filled in on paper or online.

The combination of the main questionnaire and the seven-day diary of spending meant that all areas of income and spending could be monitored. For example the questionnaire was able to pick up on larger and more memorable spending such as rent, travel, childcare, maintenance and holidays whilst day-to-day spending on items such as food and entertainment was recorded in the diary of spending.

An important feature of the study was to measure trends since 2004/05. For this reason, a deliberate attempt was made to keep the interview and diary instruments as similar as possible to the last study. However, amendments were needed, for the following main reasons:

- The student support system had undergone considerable reform (mainly in 2006). Student Loans for Fees were introduced to help students pay for the newly introduced variable tuition fees. Institutions could now charge up to a maximum of £3,070 for tuition fees (a rise on previous levels), and were obliged to offer bursary support to lower-income students. The sample included both 'new system' students on the post-2006 funding regime and 'old system' students who were still on the old funding regimes (but who could access elements of the new system as well). To accommodate these changes, new and amended information had to be collected in relation to tuition fees and fee support.

⁶⁴ After issuing for interview, a further 8 cases were discovered to be duplicates. These were students who had returned the form twice, but where the date of birth or other details had been recorded differently on the duplicate forms, hence they were not picked up in the main duplicate checks.

- There were a number of other smaller reforms (eg the withdrawal of the Higher Education Grant) that required questions to be deleted, added or amended.
- Based on the experiences of the 2004/05 study, a small number of improvements had been noted. These mainly related to a question about income from work, and the addition of two diary categories related to parking.

12.3.1 Questionnaire development

Initial development

The 2004/05 questionnaire was taken as the starting point for the 2007/08 development. Initial amendments (to reflect the changes above) were made and agreed with DIUS and WAG.

Dress Rehearsal Piloting

A 'dress rehearsal' pilot was carried out in October 2007, with the aim of testing the final version of the questionnaire and the fieldwork processes in preparation for the mainstage survey. The pilot was also the first opportunity to identify the length of the full interview.

Six institutions (four English HEIs, one Welsh HEI and one FEC) were involved in the pilot. Students for the dress rehearsal pilot at the English institutions were selected from the pilot opt-in sample of institutions. In addition, one interviewer used snowball sampling to interview students at a Welsh HEI, in order to check questions specific to studying in Wales and the related routing within the questionnaire. (As all Welsh HEIs had been selected to take part in the main sample or as a reserve institution, it was not possible to use any of them at the pilot opt-in stage.)

In total, 44 interviews were conducted, with a good spread across respondent and course characteristics. (Interviewers were asked to attempt rough 'quotas' to achieve this.)

A number of amendments were suggested to the advance letter, instructions and briefing materials, and interviewer documents. Some amendments were also made to question wording or code frames, but only where this was judged not to have a major impact on trends. Many queries on the interview were addressed by the inclusion of additional interviewer instructions or noted as briefing points. It was noted that many students did not know or were confused by their student support arrangements. This occurred, for example, where parents or employers paid tuition fees directly. There was particular confusion over Student Loans for Fees as opposed to Maintenance, as well as evidence of double-counting of some types of support (eg Student Loans and tuition fee grants). To combat this, a number of strategies were used including clarifying the wording of some questions and the introduction of a showcard at the beginning of the fees section which outlined the types of grants or loans available.

The average interview length in the pilot was 54 minutes, longer than the target interview length (45 minutes). This was due to the inclusion of new questions related to the new fee support arrangements. Further questions were removed, namely:

- follow-up questions on awareness and take-up of the Access to Learning and Financial Contingency Funds

- some of the questions relating to hardship (how respondents manage their money, items they may go without, past arrears)
- distance between (parental) home and education institution
- some questions on access to computers and reasons for not owning one.

12.3.2 Diary of spending

Early development

As with the questionnaire, the 2004/05 version of the diary was taken as the starting point of development. Based on the experiences in the last survey, two new categories of expenditure were added to the diary to collect specific information about parking costs for study-related and other reasons. Both paper and online versions were available for students to use, depending on their preferences.

Dress rehearsal pilot

The diary was tested as part of the overall dress rehearsal pilot in October 2007. Students who were interviewed in the pilot were asked to fill in a diary of spending for the seven days after the interview. Due to the short time period of the fieldwork, interviewers were asked to pick up the diaries where this was possible. Office staff then made reminder phone calls for any diaries that were due to be returned or completed after the fieldwork period had finished. The pilot was not therefore seen as a test of the diary return rate, as the mainstage procedures would fully involve the interviewer in the reminder and pick-up process and this strategy had been proven to maximise returns.

Of the 44 respondents who gave a pilot interview, around 18 also filled out paper diaries, while three filled the diary out online.

Completed diaries were inspected, in order to spot any potential problems in filling them out. No amendments were suggested for the diary, but a number of changes were made to the pick-up procedures and how interviewers were briefed about the diary.

12.3.3 Welsh language versions

A Welsh language version of the 2004/05 interview program was already available, so any amended questions for the 2007/08 survey were translated and added into the program. Full Welsh language showcards (to be seen by respondents) were also produced. This allowed the full interview to be carried out in Welsh by a Welsh speaking interviewer or an interviewer accompanied by a translator. A Welsh language version of the paper and web seven-day diaries of spending were also created and made available to interviewers in Wales.

After the Welsh translation of the CAPI questionnaire had been programmed alongside the English text, a Welsh speaking interviewer checked that the amendments made sense and matched the English version.

12.4 Fieldwork

CAPI interviews covered all the students in the issued sample. This represented a change from the 2004/05 study when Open University (OU) students had been

interviewed using computer assisted telephone interviewing (CATI) methods. However, it was felt that the cost and logistical benefits in interviewing this group separately were outweighed by the difficulties in comparing the resulting (fewer) data for OU students with the main sample of students and the complexities of programming more than one interview instrument.

12.4.1 Briefing and interviewer numbers

Around 210 interviewers were briefed over a two-week period from the 8-17 January 2008, in half-day briefings. Five of these briefings were held in London, with the remaining briefings held in Cardiff, Brentwood, Bristol, Derby, Leeds and Manchester. An additional briefing was also held in Bristol on the 26 February. The briefings covered the background to the survey, the sample of respondents, use of the study documents (eg the advance letter, reminder letter and letter to vice chancellors), approaching the sample, an overview of the questionnaire content and showcards and use of the seven-day diary of spending.

12.4.2 Contact and interviewing procedures

Advance letter, address record form and showcards

Advance letters were sent to all sample members notifying them that they were about to be contacted by an interviewer from NatCen. These letters were sent by the interviewers themselves to minimise the amount of time between the respondent receiving the letter and the interviewer calling at the address. For those students attending a Welsh institution, the advance letter was double sided in English and Welsh.

For each student issued in the main sample, interviewers were given an address record form (ARF) showing the contact details of the student including landline and mobile phone numbers where these were available. Interviewers also used the ARF to record details of their contact with the student. Interviewers were allowed to make contact by telephone if it was not possible to make initial contact face to face.

On contact with the student, the interviewer was able to ascertain if they required an interview in Welsh. For those who did, a Welsh language version of the programme and Welsh showcards were also available.

Contact and liaison with institutions

In December 2007, prior to the start of fieldwork, NatCen researchers wrote to the main contact person who had dealt with the sampling. The letter reminded them that student interviews would begin in January and asked them to pass the letter on to any relevant staff or contacts. It also asked about any contact procedures NatCen interviewers needed to follow if they came onto institutional premises (including halls of residence). A reminder e-mail was also sent shortly before fieldwork in January.

A number of institutions replied with additional contact procedures or contact names, and these details were circulated to all NatCen interviewers working on the project. Interviewers were also given a copy of the letter sent to institutions which they could produce when visiting university campuses, and were advised to register with the local police station whilst interviewing.

There were no reported problems with access to university or college premises during fieldwork.

Seven-day diary of spending

On completion of the CAPI interview, students were also asked to complete a diary of spending for the seven days following the interview. Interviewers were prompted at the end of the interview to brief the student on how to fill in the diary and were provided with a 'diary briefing card' giving basic instructions and an example to assist their explanation. A paper version of the diary was left with all students who agreed to fill it in. This also contained details of how to access and complete a diary online, using a unique ID number and password.

Several methods were applied to encourage students to fill in and return diaries, in order to maximise response rates for diary completion.

- **Reminder calls** — Interviewers were asked to contact students either face-to-face or by telephone two or three days after the interview with the aim of reminding students to fill in the diary (if not already underway) and answering any queries students might have. Reminder calls were made to students filling in either the paper or internet version of the diary.
- **Diary pick up** — Interviewers were asked to try to pick up the diary from the student to maximise the return of diaries. If the diary pick-up was not successful, interviewers were asked to leave a reminder letter and a reply pre-paid envelope to send the completed diary back to NatCen. For those students who planned to fill in the diary online, interviewers generally made a second telephone reminder call instead of a pick-up visit.

Incentives

On receipt of the completed diary by post or online the student received a thank you letter and £12 of Love2Shop vouchers (in addition to the £3 of vouchers received at the opt-in stage).

12.4.3 Fieldwork period and monitoring

Fieldwork began on 17 January 2008. Fieldwork was originally scheduled to end in the week commencing the 10 March.

Weekly response reports were issued to DIUS and WAG. There was one difficulty in monitoring returns, as the CAPI interview could only be transmitted back to the office once the interviewer had attempted at least one reminder call for a diary (as this information was required for completion of the interview program). In fact, in most cases, the CAPI interview was only transmitted on completion and pick-up of a full diary, which took place around ten days after the interview. The weekly response reports therefore had a built-in time lag, and the exact number of achieved interviews could not be determined.

However, by the middle of February, it was clear that the coverage of interviews was low, particularly in Wales. The initial sample for this area was large, but there had also been additional cases issued at the end of January for a number of Welsh institutions. To try to counter this low coverage, additional interviewers were briefed towards the end of February and cases reallocated to them. One other fieldwork area also briefed an additional interviewer for the study. Interviewers in other areas were reminded of the deadlines for the study, which reflected end of term dates when many students would leave their institutions.

The final cut-off for fieldwork was extended to the end of March 2008. Very few interviews were in fact conducted in these last few weeks. By the original end of fieldwork dates, 92 per cent of the sample had been covered and 93 per cent of all productive interviews had been returned.⁶⁵

12.4.4 Response rates

Interview response

Table 12.5 shows the final response rates for the interview phase. Overall, 72 per cent of the issued sample of students was interviewed. The original target for the 2007/08 study was 78 per cent (based on the response rate achieved in 2004/05 of 78 per cent, which had exceeded its target of 70 per cent). The main reason why students did not take part was due to refusal (15 per cent), followed by non-contact (five per cent). A further five per cent of students were found to be ineligible when the interviewer contacted them or when their details were checked at the start of the interview (eg they had dropped out of their course).

Table 12.6 shows the response rates by type of institution and student. Response was highest for students at Welsh higher education institutions (HEIs), and lowest for those studying at further education colleges (FECs) or the OU. This was largely related to the rates of refusal amongst the different groups. Response was also lower for part-time students (and older students, more of whom tended to be part-time), mainly due to the higher rates of ineligibility amongst such students.

Table 12.5: Final productive and unproductive interview rates

	N	%
Issued	4,758	100
Covered	4,758	100
Productive:	3,432	72
Full interview	3,426	72
Partial interview	6	0
Unproductive:		
Refusal	697	15
Non-contact	240	5
Ineligible	219	5
Address problems	87	2
Other unproductive	83	2

Base: Students sampled and issued for interview for SIES 2007/08. The number issued differs slightly from that shown in Table 12.4 as a few cases were removed shortly after fieldwork started as they were ineligible or duplicate.

Source: NatCen/IES SIES 2007/08

⁶⁵ Note that these figures excluded interviews conducted but not yet returned, so a higher proportion of interviews might have been completed.

Table 12.6: Interview response rates, by institution and type of student

	Response rate (%)	Refusal rate (%)	Ineligibility rate (%)
All	72	15	5
English HEI	72	15	4
Welsh HEI	74	12	5
FEC	69	16	6
OU	62	20	7
Full-time	74	14	3
Part-time	67	16	10
Male	75	11	4
Female	71	16	5
Age at start of academic year:			
Under 20	75	14	2
20-24	72	15	3
25 or older	71	15	8

Base: Students sampled and issued for interview for SIES 2007/08.

Source: NatCen/IES SIES 2007/08

12.4.5 Diary response

Table 12.7 shows the level of diary returns. In total, 86 per cent of respondents who completed a full interview also returned a diary (close to the target of 88 per cent). The majority of respondents completed the paper version of the spending diary, although around a fifth of returns (20 per cent of completed diaries) were online. The proportion of diaries completed online had risen since the 2004/05 study, when it was 13 per cent of completed diaries.

Table 12.7: Final productive and unproductive diary rates

	N	% of (full) interviews	% of issued sample
Sample members issued	4,758	--	100
Achieved main interviews	3,432	100	72
Diary received	2,953	86	62
Paper diary	2,356	69	50
Web diary	597	17	13

Base: Students giving full interview and those sampled and issued for interview for SIES 2007/08. The number issued differs slightly from that shown in Table 12.4 as a few cases were removed shortly after fieldwork started as they were ineligible or duplicate.

Source: NatCen/IES SIES 2007/08

The level of diary returns did not vary substantially for different groups (Table 12.8), although it was a little lower amongst FEC and OU students, and mature students (these groups would overlap). Younger and full-time students were more likely to complete the diary online.

Table 12.8: Diary return rates, by institution and type of student

	Diary return rate (% of full interviews)		
	All	Paper	Online
All	86	69	17
English HEI	88	70	17
Welsh HEI	84	65	19
FEC	82	69	14
OU	79	64	15
Full-time	87	68	19
Part-time	84	71	14
Male	84	71	14
Female	87	70	17
Age			
Under 20	89	69	20
21-24	86	67	19
25 or older	85	70	15

Base: Students giving full interview for SIES 2007/08. Age is based on information given in interview (rather than at opt-in stage), and excludes a small number of diaries removed after coding.

Source: NatCen/IES SIES 2007/08

12.4.6 Interview length

The average length of the interview was 52 minutes. Interviews tended to be longer for part-time students (56 minutes compared to 51 minutes for full-time students), as they often had more income sources to report.

12.4.7 Fieldwork and quality control procedures

As with all surveys conducted by NatCen, a programme of back-checking on interviewer work was carried out. A subset (around ten per cent) of respondents were telephoned to check that the interviews were conducted correctly.

12.5 Data checking, coding and editing

12.5.1 Data checking

CAPI interview

Interviewers in the field carried out most of the validation of data for this study.

Interviewer checks in the questionnaire program allowed interviewers to clarify and query data discrepancies directly with the respondent. Generally, 'soft checks' (which could be suppressed by the interviewer) were used where unusually high values or inconsistent answers were reported, so that these could be checked before the answer was confirmed. It should be noted that this still allowed the original answers to be accepted, and interviewers were encouraged to record additional remarks if this

was the case. Less often, 'hard checks' (which could not be suppressed by the interviewer) were used when an answer contradicted an answer earlier in the interview – the interviewer had to resolve such discrepancies before proceeding. Also within the program each numeric answer was given a set range of possible answers. This allowed only potentially valid answers. For example, if the maximum amount of course grant received by a part-time student is £250, this would be the upper limit of the range within a question asking about this.

Interim data were also inspected by researchers from NatCen and IES.

Diary of spending

Given that spending may legitimately be very high or very low in a given week, it was not feasible to set validation checks on individual entries in the spending diary. However, diaries were checked after receipt in the office for suspicious patterns of spending (see 'Diary of spending' in section 12.5.2 below).

12.5.2 Coding and editing of data

CAPI interview

A data processing team carried out the coding and editing of computer assisted questionnaires. Coding data was necessary to enable the analysis of information collected by the interviewers typing in verbatim answers and to take into account any notes made by interviewers during the interview.

Factsheets were used to code and edit the data. These provided a summary of a productive interview and alerted editors to possible errors or inconsistencies that needed to be dealt with. A typical factsheet contained a listing of the respondent's details, key data items, open and 'other, specify' responses, and interviewer comments.

Code frames used in editing were developed by the researchers based primarily on those developed for the 2004/05 study. Where no previous list existed, researchers inspected question responses from the first completed interviews. Any complex editing decision was referred to the researchers for adjudication. These cases were documented and instructions relayed to the data processing team.

Diary of spending

A data processing team also carried out the coding and editing of the seven-day diaries of spending.

One purpose of the editing was to ensure that the diary had been completed for the seven different days of the week (so that a weekend or weekday was not over- or under-represented in the data). If the diary indicated that days of the week had been duplicated (eg Sunday missing, but two Tuesdays), the diary was not accepted. However, diaries were acceptable if there were entries for each different day of the week, even if the seven days were not consecutive. In a small number of cases,

diaries with other suspicious patterns⁶⁶ of spending (eg duplicate entries for every day of the week) were also rejected.

The other major purpose of the diary editing was to allocate a code to any spending that students had entered as 'other' spending. The same rules that were developed for the 2004/05 study were adopted here. They were necessarily complicated because the aim of editing was for 'other' spending to be coded back into an existing category of spending within the diary, or, categorised by both a broad *type* of spending and whether this information had already been collected in the main interview. This categorisation was needed because the diary data and the interview data were looked at in combination in analysis. It was key that data about an item of spending was not double-counted by the interview and diary.

12.5.3 Summary measures of income, expenditure, debt and savings

Within the main report the majority of monetary figures refer to the total amounts of money spent, received or owed over the whole academic year. However in the questionnaire and diary, these monetary amounts may have been recorded referring to a week, four weeks, a month, a term, a quarter, a vacation or over the whole academic year in order that students could give as accurate figures as possible. It was therefore necessary to create summary derived variables which totalled the amount of money spent or received over the full academic year, assuming that answers given in the questionnaire or diary represented average weeks.

The derived variables relating to the day-to-day spending recorded in the diary follow the same principles. Again it was assumed that spending within the recorded week was an average week. The weekly amount spent on different types of item was therefore multiplied by 39 to give the spending for college- and university-based students over an academic year, whereas the money spent by Open University students was multiplied by 52 to give figures for their academic year.

12.6 Data and analysis

12.6.1 Dataset

Interview and diary data were merged together to form one complete dataset. This dataset also included all the derived variables for the interview and diary instruments.

Extreme values

Once the summary measures of income, spending, borrowing and savings were created and tested, they were reviewed by the research team. This allowed them to correct any unfeasible answers and also trim any outliers that would skew the analyses if left untreated. Trimming involved identifying outliers through boxplots and then trimming these outliers to the highest amount within the accepted range. In the questionnaire data around 115 high outliers were trimmed. In the diary data 133 high outliers were trimmed. (In some cases, inspection of the outliers revealed errors in how information had been entered, eg answers entered as pounds and pence, when only pounds were acceptable (thus multiplying the resulting figure by 100). These data were also corrected.)

⁶⁶ It should be noted that blank days (ie with no spending) were acceptable, as was generally a blank week (ie no spending recorded at all for the week) as it was plausible that this could occur.

12.6.2 Adjustments for joint income and expenditure

In the questionnaire and diary students were asked to give answers about their individual income and expenditure whenever this was feasible. However, for some items it was not feasible to record an individual amount when a student lived with a partner (for example, mortgage payments, social security benefits, and household spending on food and entertainment). Therefore, joint amounts were collected and these were adjusted in analysis.

The adjustment was made where students were married or had joint financial responsibility with a partner (defined as sharing responsibility for housing and other essential expenditure or having a joint bank or building society account). The method of adjustment was to divide the stated expenditure by half. A similar adjustment had been carried out in previous years of SIES.

Social security benefits and miscellaneous income from maintenance payments, rent from lodgers and sales of books and equipment were treated as joint income. Shared borrowings and savings were also treated as joint. Among items of expenditure, the items treated as joint expenditure were food and drink to consume at home, landline and mobile telephone costs, the costs of glasses, contact lenses, dental treatment, computer equipment, televisions and hi-fi equipment, furniture, household goods and appliances, holidays, and the costs of vehicles and their maintenance.

12.6.3 Additional data adjustments

A number of additional adjustments were made to the data, primarily in relation to the new questions asking about fees. It should be noted that adjustment was only made where it was felt an error had been made and there was evidence from the data or additional information recorded by the interviewer that a change should be made. In cases where information was not consistent (eg total contributions to fees were more or less than the course fees) but there was no identifiable correction strategy, no adjustment was made. The main adjustments made were:

- 24 NHS students had not identified themselves as such in the introductory section, so were mistakenly asked the fees section. (In the dataset, the fees information has been removed and the question asking about whether or not they applied for tuition fee support (TUITAP) set to a new code 3 denoting support from the NHS.) Some of these students also recorded amounts under general student support questions that should have been recorded in specific questions on NHS support – the data were amended to reflect this.
- Some students had not included their Student Loan for Fees (FLOAN) in the amount recorded under their own contribution (DTFWHAM/ITFWHAM). This applied to around 350 cases. The amount of Student Loan was generally added on to any contribution made by themselves. In some cases, it had been recorded as an 'other' contribution so any amount recorded here was removed.
- A small number of old system and Welsh new system students recorded Student Loans for Fees that were higher than their course fees. For these cases, the course fees were amended to the higher amount.
- For a small number of Welsh new system students, there was sometimes confusion between the amounts given for the (fixed) tuition fee grant and the Student Loan. These were made consistent if it was felt amounts had been duplicated or switched; however, where this was not clear and the amount of the tuition fee grant was less than £1,845, no amendment was made.

- For around 40 students, changes were made to the fees section (eg amount of course fee, employer or other contributions) based on additional information recorded by the interviewer.
- For a small number of cases, additional information recorded by the interviewer indicated that different or higher amounts should have been recorded for certain types of student support, and the data were amended to reflect this. This applied mainly to course grants, training bursaries, Student Loans for Maintenance, Maintenance Grants and Higher Education Grants.

12.6.4 Data errors and imputation

Although interim data was inspected, a number of errors or other issues were detected with the data during checking and analysis. In general these affected different sub-groups of the sample, and are detailed below.

Open University students

It was found that some information for (the 92 interviewed) Open University (OU) students had not been correctly recorded. This applied to the job information (on which NS-SEC (National Statistics – Socio-Economic Classification) was based) and the income information. This information is therefore not available for such students.

Fee information and support for fees

It was found that some full-time old system students had missing information relating to how they paid their fees and what grants and Student Loan for Fees they had received (131 students in total). In the last study in 2004/05, such students were asked if their parents had to contribute to their fees (DTFAM or ITFAM). If they answered 'No', it was assumed that they got a full grant and no further questions about how they paid their fees were asked.

In 2007/08, the same question was asked of old system students. However, in addition, the interview also checked whether or not the student got a full grant (DTWTFG/DTWTFGA or ITWTFG/ITWTFGA). If the answers to the questions were inconsistent, the interviewer was alerted via a check. Whether or not the student was asked the remaining questions about fees was dependent on the first question (as per the last survey) rather than the specific questions about grants.

Despite the interview check, some students gave inconsistent answers, ie they said 'no' to the question about whether their parents had to contribute to fees, but also indicated no or a low grant for fees. They therefore were not asked questions about how they actually covered their fees, including the questions about Student Loans for Fees.

It looked likely that these students should have answered 'yes' to the first question about parental contribution, and been asked the remaining questions about fees. This was backed up by comparisons with 2004/05 data about the proportion of students receiving full grants (and figures from the Student Loans Company confirmed this had not changed over this period).

The missing information on parental/own/college (and other) contributions to fees as well as the questions relating to amount of Student Loan for Fees was therefore imputed for these cases, for the following reasons:

- Excluding students from analysis implicitly assumes that they are fairly similar to the students who have responded. In this case, there was evidence that the missing group were more like students who did **not** receive full grants and were therefore more likely to use other means of paying for their fees eg by Student Loans. Excluding such students would be likely to undercount these other types of funding, and it was felt more desirable to adjust the data to some degree to correct for this potential bias.
- Although the overall number of students with missing information would not have too large an effect on 'all sample' analysis, or analysis by other subgroups, it would affect comparisons between old and new system students within the 2007/08 wave, which were of interest to the study. (The missing information had only a very limited effect on trend comparisons between 2004/05 and 2007/08.)
- As missing information at the question level also affected derived variables, it also affected more general expenditure measures, and comparison measures based on income and expenditure.
- There was a large amount of background information available on each student which meant it was possible to impute fee information based on students with similar characteristics.

A hot-deck procedure was used to impute values of missing data. This works by matching a case with missing values to a similar case with full responses, on the basis of background information. For this study, there was background information available on socio-demographics (eg sex, marital status) and their course/institution attended (year of study, subject of course).

Table 12.9 shows the variables used to divide the sample into groups of people sharing similar characteristics. The hot-deck procedure then used these classes. For example, a person in the first main class with missing values had these values replaced by those of someone from that main class with the same marital status, sex and degree-type (medical/not medical). The variables used to define the classes were chosen taking into account the type of analysis planned, the sample size available and the predictive power of the variable.

Table 12.9: Variables used to create imputation groups

Characteristics of the main class	Variables used to define the subclasses
1 Full-time, independent, English-domiciled	Medic, marital status, sex, course fee
2 Full-time, dependent, English-domiciled	Year of study, London, sex, course fee
3 Full-time, independent, Welsh-domiciled	Medic, marital status, sex, course fee
4 Full-time, dependent, Welsh-domiciled	Year of study, sex, course fee
5 Part-time teacher-trainers	No finer breakdown required (only 1 case required imputation)

Source: NatCen/IES SIES 2007/08

The imputed variables therefore corrected for non-response bias in calculating means and proportions of national population estimates and estimates of most major subgroups. Hot-decking, like many other imputation methods can introduce bias in estimates of standard deviations and other secondary statistics. Although this can be a problem, it is unlikely to be a big problem unless a high proportion of respondents have imputed values. Because of this any subgroup analysis using the imputed variables should be checked by counting the number of imputed cases used. However, checks comparing the original dataset with data including imputed variables indicated that there were no strong effects on computed means.

In the dataset, imputed cases can be identified by the condition DVFLAG1>0. All summary derived variables include the imputed information but question-level variables have not been altered. Additional variables were added which contain the imputed question-level data.

Maintenance Grant

English-domiciled students studying in Wales (N=78) were not asked the specific prompt question asking about receipt of Maintenance Grants. In the main report, figures for receipt of this funding stream are based on English-domiciled students studying in England only. If it is assumed that a similar proportion of students in Wales would have received the Maintenance Grant⁶⁷ as in England, the proportion of English-domiciled students receiving it overall would rise to 43 per cent (compared to 41 per cent based on those studying in England only). This should also make very little difference to the total average income figure as it only affects a relatively small number of students and Maintenance Grant income could also have been recorded under the general 'other' category of student support.

Financial status and NS-SEC

During analysis, it was also noted that the proportion of independent students was higher than that found in 2004/05 and compared to information available from the Student Loans Company. This increase was mainly attributable to a change in how these students were classified in the questionnaire. The previous method of classifying students was no longer viable as it was linked to the old system of student financial support.

⁶⁷ In fact, figures from the higher education awards data indicate that the proportion of students receiving Maintenance Grants is lower for those studying in Wales compared to those studying in England.

In 2007/08, students were classified as independent if they were (a) part-time or (b) full-time and in one of the following groups: aged 25 or over, married, living with dependent children or had supported themselves financially for three years or more prior to their course (based on a new question SUPFIN). However, some students seem to have misinterpreted this question.

It was therefore agreed to recode student status from independent to dependent, where:

- students were only classified as independent because they reported they had supported themselves financially for three years or more at SUPFIN

and

- where they also reported that their parents', step-parents', or guardians' income was taken into account when assessing support (at the question LEASS1).

The status recode applied to 158 English-domiciled students and 46 Welsh-domiciled students.

NS-SEC is also linked with student status because it relies on information about parental or own occupation. In the survey, dependent students were asked about their parents' (or equivalent) occupation whereas students classified as independent were asked about their own. Therefore, the recoding of status also had an impact on NS-SEC. In effect, students who were re-coded from independent to dependent now have a missing NS-SEC (because they were not asked about their parents' occupation).

Among Welsh-domiciled students, the recoded students were no different to the rest of the Welsh dependent students by gender, age and ethnicity. However, for English-domiciled students there were some significant differences:

- newly recoded students average income was lower, with less coming from the main sources of support and their family, but more from work
- recoded students were more likely to be aged 20-24 at the start of the academic year, BME, and their parents were less likely to have gone to university.

12.6.5 Weighting⁶⁸

Summary of approach

The SIES weights were calculated from the estimated probability of being both selected and responding to the survey. For the survey this overall probability was calculated as the product of three main components:

- probability that the institution/student was selected (described in 'Computing the probability that the institution/student was selected')
- probability of agreeing to be followed-up by interviewer (described in 'Modelling the probability of agreeing to be followed up by interviews')

⁶⁸ Please note that throughout the section on weighting, part-time students studying for PGCE/ITT are treated as part-time students, following the sampling definitions. However, in interview and during analysis for the main report, these part-time students were treated as full-time students, reflecting the similarity in their student support arrangements.

- probability of taking part in the main interview (described in ‘Modelling the probability of taking part in the main interview’).

The weights were calculated as the *inverse* of the overall probability. Extreme weights were trimmed so as to reduce their impact (detailed in ‘Trimming the extreme selection weights’). Finally, the weights were adjusted so that the characteristics of the weighted sample matched that of the student population (as recorded by HESA) in terms of age and sex (described in ‘Post-stratification to HESA totals’).

The overall aim was to generate a weighted sample that matched the population of students⁶⁹ as closely as possible, whilst at the same time generating weights that were not so variable that the standard errors of survey estimates were unnecessarily inflated.

Computing the probability that the institution/student was selected

Section 12.2.3 gives full details of how institutions and students within institutions were selected, and the resulting selection probabilities.

Dealing with non-response by institutions

In principle the selection probabilities for the institutions in the survey were simply calculated as set out above. However not all selected institutions agreed to take part, and we adopted a policy of replacing any that refused with other ‘similar’ institutions. This means that the final sample of institutions is not, as was intended, a strict probability sample. Nevertheless we have treated the sample as a probability sample when calculating the weights, with ‘replacement’ institutions being assumed to have been selected with probability equal to their calculated probability of selection prior to replacement.

Even with replacement, four ‘co-operating’ institutions did not mail out to students. This potentially gives a small non-response bias to the survey, but given that the response rate by institutions was very high we have not adjusted the weights to account for this loss. In part the final adjustment stage of the weights (see section 5) is an attempt to deal with any bias this non-response introduces.

Probability of selection for students within institutions

Section 12.2.3 describes how we specified the number of students to select per institution. For instance, in Queen Mary and Westfield we specified that 245 English-domiciled full-time students were to be selected. From HESA we assumed that they would select these 245 from a population of around 6,905 English-domiciled full-time students, giving a sampling probability of 0.035. In practice we knew that the HESA figure of 6,905 would not be exact, so the actual probability would be higher or lower than 0.035.

For each institution selected who took part in the survey we asked for information to be returned on the number of students per group that were selected *and* the size of

⁶⁹ To recap, the eligibility definition for the survey specified that students had to be English- or Welsh-domiciled; studying at an English or Welsh HEI or FEC, or the OU; studying for a higher education qualification (namely a first degree, foundation degree, PGCE/ITT, Dip HE, HND, HNC, Certificate of Higher Education, or University Certificate or Diploma) and studying full-time or if part-time for 50 per cent or more of the full-time equivalent course.

the population groups from which the samples were selected. This information allowed us to calculate the actual selection probabilities.

However not all institutions provided us with the population counts: for those that did not we have assumed that the actual number of students within an institution equals their HESA count.

In some institutions there was quite a marked difference between the HESA count and the population that institutions told us they had drawn their sample from.⁷⁰ We have taken the numbers provided by the institutions as correct. But the result is that the selection probabilities, and hence the survey weights, vary more than we might have hoped for across institutions. Below we explain how we have dealt with this.

12.6.6 Trimming the extreme selection weights

As noted above, the selection weights calculated for the survey (within categories defined by sector and mode of study) were very variable. Given that variance in weights tends to inflate standard errors of estimates, it is standard practice to trim the weights at the extreme tails of the distribution to reduce the variance, even at the risk of introducing a small bias.

The trimming was carried out as follows:

1. We listed the institutions in order of the selection weights for the following nine subgroups (note that the same selection weight applies to all individuals within the same subgroup in the same organization so ordering weights by institutions is possible):
 - ☐ English higher education institutions (HEIs), Medics
 - ☐ English HEIs, full-time English-domiciled
 - ☐ English HEIs, full-time Welsh-domiciled
 - ☐ English HEIs, part-time
 - ☐ Welsh HEIs, full-time English-domiciled
 - ☐ Welsh HEIs, full-time Welsh-domiciled
 - ☐ Welsh HEIs, part-time
 - ☐ Further education colleges (FECs), full-time
 - ☐ FECs, part-time
2. Within each group we trimmed the selection weights for those institutions with either extremely large or extremely small values.

However this approach does not entirely eliminate the problem of extreme weights. One of the differences between the 2004/05 and 2007/08 surveys is that in 2007/08 we knew exactly which group a student had been selected from, whereas in 2004/05 we did not. For example, if in 2004/05 a student self-reported in their postal questionnaire that they were full-time we simply assumed that they were selected by

⁷⁰ This may be due to the different stages of the academic year at which the SIES and HESA counts were made. Also, franchised students may not be counted in the same way.

their institution as part of the full-time sample. In 2007/08 we were able to test this assumption and found that a small number of students gave a self-report different to that of the institution.

The consequence of this change is that in 2007/08 the students with a mismatch had selection weights very different to other students who self-reported as they did. For instance, in QMW, English-domiciled full-time students were selected with probability 0.033 whereas part-time students were selected with probability 0.27. Students selected as full-time but self-reporting as part-time would be given a weight of $1/0.033$ which is very different to the weight of $1/0.27$ given to other self-reporting part-time students.

To deal with this the following strategy was adopted: any student with a self-report different to their sample group was given the selection weight equal to their self-reporting equivalents. Again, this may introduce a small bias but the benefits in terms of decreased variance in the weights were felt to compensate for this. The number of students affected is shown in Table 12.10

Table 12.10: Number of students moving from their original sampling group

	Medics	Final group		
		Eng Dom FT	Wel Dom FT	PT
Original sample group:				
Medics	-	0	0	0
Eng Dom FT	0	-	10	13
Wel Dom FT	0	12	-	3
PT	0	49	10	-

Source: NatCen/IES SIES 2007/08

Modelling the probability of agreeing to be followed up by interviews

Having calculated and trimmed the selection weights the next stages for the weighting were adjustments for non-response. This comprised the following three stages:

- adjustment for refusal to be followed-up by an interviewer (conditional on returning a postal questionnaire and being eligible for follow-up)
- adjustment for non-response to the survey (conditional on agreeing to follow-up)
- a final adjustment of the survey to the HESA age-sex distribution.

This section describes the first of these.

The probability of agreeing to be followed-up by an interviewer was estimated using a non-response model. The approach adopted was to use a logistic regression model to predict a binary variable defined as:

1 = eligible for re-contact and agree to re-contact

0 = eligible for re-contact but do not agree to re-contact.

The predictors of this variable entered into the model were (using the question numbers from the opt-in questionnaire)⁷¹:

- Q1 – payment of tuition fees
- Q2 – how well manages financially
- Q3 – applications for access/hardship funds
- Q4 – sex
- Q7 – highest qualification before course
- Q8 – whether parents went to university
- Q10 – whether full-time or part-time course
- Age (derived from date of birth)
- Sector – English HEI, English FEC, OU or Welsh HEI

Variables were entered forward stepwise into the model so as to avoid generating an overly complex model that would lead to more variability in the non-response weights. Six variables were found to be significant: Q1, Q2, Q3, Q4, Q10 and Age. The model coefficients are given in Table 12.11.

Modelling the probability of taking part in the main interview

For those agreeing to follow-up, the probability of agreeing to take part in the main interview was also estimated using a logistic regression model, the predictors in the model being the same list as used in the model to predict consent to follow-up (see previous footnote for a full list of variables). The binary dependent variable in this case was 1 for a productive interview.

Four variables were found to be significant: Q2, Q4 Q10 and Age. The model coefficients are shown in Table 12.12.

⁷¹ The full list of variables tested were Qs 1-5, 7-8, 10, whether part of medical boost and type/location of institution.

Table 12.11: Non-response model for agreement to be followed up by interviewer

	Coefficient	Standard error
Q1: How pay tuition fees		
Paid full tuition fees	(baseline)	
Paid contribution to tuition fees	-0.195	0.132
Paid no tuition fees	-0.260	0.082
Don't know	-0.413	0.196
Q2: How well manage financially		
Manage very well	(baseline)	
Manage quite well	0.205	0.119
Get by	0.259	0.119
Some financial difficulties	0.611	0.144
Lots of financial difficulties	0.942	0.216
Q3: Applied for access/hardship funds		
Yes – have applied	(baseline)	
Yes – expect to apply	0.545	0.242
Don't know/Not sure	0.201	0.161
No	-0.254	0.143
Q4: Gender		
Male	(baseline)	
Female	0.193	0.078
Q10: Mode of study		
Full-time	(baseline)	
Part-time	-0.168	0.098
Age		
19 or younger	(baseline)	
20 to 25	-0.077	0.103
26 to 29	-0.142	0.172
30 to 39	-0.162	0.143
40 or older	-0.382	0.135
Constant	1.587	0.192

Source: NatCen/IES SIES 2007/08

Table 12.12: Non-response model for taking part in the main interview

	Coefficient	Standard error
Q2: How well manage financially		
Manage very well	(baseline)	
Manage quite well	0.311	0.126
Get by	0.120	0.121
Some financial difficulties	-0.061	0.129
Lots of financial difficulties	0.142	0.164
Q4: Gender		
Male	(baseline)	
Female	-0.182	0.074
Q10: Mode of study		
Full-time	(baseline)	
Part-time	-0.435	0.089
Age		
19 or younger	(baseline)	
20 to 25	-0.059	0.087
26 to 29	0.004	0.148
30 to 39	0.063	0.124
40 or older	0.281	0.126
Constant	1.054	0.132

Source: NatCen/IES SIES 2007/08

Post-stratification to HESA totals

Applying the selection weights multiplied by the non-response weights described above does not appear to give a final weighted dataset that is genuinely representative of the student population – in the sense that the survey does not match HESA statistics particularly well. This survey bias probably arises because most of the non-response to the survey arises at the first stage: that is, non-response to the postal survey. Biases introduced at this stage are not adjusted for in the non-response models described in the previous two sections.

To reduce the bias, we included a final adjustment to the weights to bring the survey into line with HESA. This final stage adjusted the existing weights (the previous components of weighting described above multiplied together) to HESA counts by age and sex within each of the following nine groups:

1. English HEI, English-domiciled full-time
2. English HEI, Welsh-domiciled full-time
3. English HEI, English- & Welsh-domiciled part-time
4. Welsh HEI, English-domiciled full-time
5. Welsh HEI, Welsh-domiciled full-time
6. Welsh HEI, English- & Welsh-domiciled part-time

7. FEC, full-time
8. FEC, part-time
9. OU

The population figures used for the calibration adjustment are shown in Table 12.13.

Table 12.13: HESA 2006/07 population estimates

	HESA Population estimate			
	Age		Gender	
	<= 25	26+	Female	Male
English HEI, English-domiciled FT	736,165	122,000	486,500	371,665
English HEI, Welsh-domiciled FT	17,065	815	9,855	8,025
English HEI, English- & Welsh-domiciled PT	35,950	88,770	74,705	50,015
Welsh HEI, English-domiciled FT	25,290	1,345	13,655	12,980
Welsh HEI, Welsh-domiciled FT	27,285	6,875	20,600	13,560
Welsh HEI, English & Welsh-domiciled PT	2,320	6,660	5,155	3,825
FEC, FT	18,480	9,515	15,285	12,710
FEC, PT	13,890	21,360	17,955	17,295
OU	4,254	24,154	20,048	8,360

Source: NatCen/IES SIES 2007/08

Distribution of the final weights

Table 12.14 gives the distribution of the final trimmed and calibrated weights.

Table 12.14: Distribution of weights by sector and mode of study

	English HEIs	English FECs	OU	Welsh HEIs	Total
Full-time					
Mean	1.41	0.45	-	0.36	1.13
Median	1.31	0.41	-	0.28	1.17
Std. Deviation	0.61	0.20	-	0.26	0.70
Minimum	0.09	0.15	-	0.10	0.09
Maximum	3.46	0.89	-	1.91	3.46
5 th percentile	0.29	0.20	-	0.13	0.17
95th percentile	2.52	0.84	-	0.76	2.44
Part-time					
Mean	0.79	1.08	0.91	0.10	0.64
Median	0.63	1.03	0.89	0.09	0.48
Std. Deviation	0.58	0.69	0.36	0.07	0.60
Minimum	0.13	0.26	0.44	0.04	0.04
Maximum	3.25	3.55	1.83	0.45	3.55
5 th percentile	0.16	0.36	0.49	0.04	0.05
95th percentile	1.96	2.40	1.69	0.21	1.80

Source: NatCen/IES SIES 2007/08

The effect of the weights on effective sample size for key groups

The effective sample size of a given weighted base is the equivalent simple random sample size which would have the same statistical power. It is calculated as the squared sum of all weights (summed over all cases in the sample) divided by the sum of all squared weights.

Tables 12.15 and 12.16 present the effective sample sizes for full-time and part-time students for each sector and overall, followed by figures by domicile. Note that the greatest losses of effective sample size, in percentage terms, occur for Welsh HEIs (where it is primarily caused by the over-sampling of Welsh-domiciled students relative to English and because most Welsh HEIs were selected with certainty and the sample size per Welsh HEI was not set proportional to the population size⁷²) and part-time students (where, as in 2004/05 the probabilities of selection of students within institutions proved hard to control because the HESA counts were only moderately correlated with the population counts that institutions drew their samples from).

⁷² The sample size per HEI was set equal so that the burden of the survey was distributed equally across institutions. This is not statistically 'optimal' for Welsh HEIs.

Table 12.15: Effective sample sizes by sector and mode of study

	English HEIs	English FECs	OU	Welsh HEIs	Total
Full-time					
Sample size	1,839	182		499	2,520
Effective sample size	1,546	153		326	1,816
Effective as % of actual	84	84	-	65	72
Part-time					
Sample size	467	96	92	255	818
Effective sample size	301	69	80	178	406
Effective as % of actual	64	72	87	70	50

Source: NatCen/IES SIES 2007/08

Table 12.16: Effective sample sizes by domicile

	English-domiciled	Welsh-domiciled
Full-time		
Sample size	2,005	513
Effective sample size	1,647	383
Effective as % of actual	82	75
Part-time		
Sample size	590	228
Effective sample size	368	140
Effective as % of actual	62	61

Source: NatCen/IES SIES 2007/08

Diary weights

In 2004/05, separate weights for the diary analysis (which took account of non-completers) were considered but discounted due to the high diary return rate and considerable complications of analysis that separate weights would introduce. The same situation applied in 2007/08, with a similarly high diary return rate. A comparison of the profiles of students being interviewed and completing a diary also showed no obvious differences. It was therefore agreed with DIUS/WAG not to have separate diary weights.

12.6.7 Identifying old and new system students

The tuition fee and student support system underwent great change between the 2004/05 and 2007/08 surveys, primarily with the introduction of variable tuition fees and Student Loans for Fees. Broadly speaking, these changes affected students starting their courses in England in September 2006 and after (although there were a number of exceptions to this eg students applying in 2005/06 but deferring their courses to September 2006, and students in Wales who were subject to variable fees a year later). The sample for the study therefore included students under both the 'old' and 'new' fee arrangements. Students subject to the arrangements prior to the main reforms and paying fixed tuition fees of £1,225 (full-time) for the year were 'old' system students. Students paying variable tuition fees (up to £3,070 for the

year) were 'new' system students. It should be noted though that 'old' system students could also access some of the 'new' system support (principally Student Loans for Fees).

In order to class students under the appropriate system for the survey, the following procedures were used:

- students were asked which academic year they started their course;
- those starting in 2006/07 were asked if they had deferred their course
- the program then derived an old/new system indicator based on responses to these questions (those starting before 2006 or taking up a deferred place in 2006 were classed as 'old'; all others were classed as 'new')
- the interviewer then checked back with the students to see if they agreed with this classification. Definitions of old/new systems were provided for the interviewer to read out if necessary
- if a student disagreed with the program derivation, the interviewer would change it as necessary. Students who agreed or did not know stayed as classified by the computer.

It is difficult to give an absolute assessment of the reliability of this self-classification. However, it should be noted that only a small proportion of students (six per cent overall) disagreed with the computer-derived classification based on when they had started their course. Of these, most said they did not know whether they were old or new system students (rather than stated that the computer-derived classification was wrong). Part-time students (who were less affected by the reforms) were more likely to say they did not know which system they were under. Interestingly, students starting their courses in 2006 (whether deferred or not) were most likely to change the classification assigned to them, implying that they were more aware of what system they were under.

12.6.8 Conducting analysis

In conducting analysis of SIES data for the main report, all percentages and means quoted are based on weighted data. The unweighted number of cases on which figures are based is also included. All regression analyses were also carried out on weighted data.

Thirty was taken as the minimum subgroup size for which percentages and means could be quoted. Figures based on subgroup sizes of less than 50 are shown in brackets.

In the regression analysis, 30 was again taken as the minimum subgroup size that would be included in the analysis. If a category was smaller than this, it was either:

- a. merged with another category where this was meaningful to do so (and where it resulted in a larger subgroup with 30 or more respondents)
- b. excluded from the analysis, if no options for collapsing categories were available.

All cross-tabulation, description of means, regression analysis and significance testing for the main report was carried out using SPSS. Commands from the Complex Samples procedures were used, to ensure the correct treatment of complex sampling weights in these procedures.

12.7 Future lessons

In conducting the 2007/08 wave of the Student Income and Expenditure Survey, the following issues have emerged as important in carrying out any future waves of this study:

- Generating the sample of students. The methodology used to identify students in the 2007/08 was the same as that used in the 2004/05 study, namely recruiting a sample of institutions and using opt-in procedures to identify students. However, using an opt-in procedure is not ideal in terms of maximising coverage and the opt-in rate has dropped since 2004/05, and for any future waves the methodology should be carefully reviewed to ensure it is still feasible. A more radical alternative would be to explore scenarios allowing an *opt-out* approach. This would require negotiations between the institutional sector and DIUS/WAG to set up procedures (at enrolment) where students could give their consent to be contacted by the survey contractors. (This is the approach used for the National Student Satisfaction Survey.) Such procedures would need to be in place some time before the next wave of the study was due to start.
- After the opt-in, the response rate among students was good and completion of the diary also remained high, giving a high level of correspondence between the samples used for income and expenditure analyses. This makes the combination of interview and diary information a viable data collection option for future surveys.
- Trend measurement and therefore retaining the consistency of measures between studies will remain important. However, a number of questions – particularly in relation to the payment of fees – required additional editing or imputation (see Sections 12.6.3 and 12.6.4). The questions concerned along with their routing should be reviewed in order to avoid imputation procedures and minimise any additional editing. The questions for Open University (OU) students also need review and correction. The procedures used for determining whether students are dependent or independent also need attention.
- Response among part-time and OU students was lower than for full-time students. One strategy may be to place more emphasis on the full range of students eligible for the study in the covering letters at the opt-in and interview stages, eg by including a sentence 'We're interested in the experiences of all types of students, including full- and part-time students, those at the Open University and distance learners' or by developing special letters for each group.
- It may also be useful to carry out some review of certain key measures or approaches taken in the study to measuring students' income and expenditure. Some possible areas for review could include exploring in detail how students estimate future income or outgoings, identify student support and their own financial status (eg through cognitive interviewing), or whether some kind of online calculator may be useful for interviewers.
- Weighting schemes are likely to continue to have a major impact on the study results, and it would be useful to explore further the reasons for the discrepancy between HESA and study counts of students. Consideration should be given to the use of HESA counts as at 1 December instead of end of year counts⁷³, since one hypothesis for the reason for differences between the survey and HESA

⁷³ It should be noted that (as for the 2004/05 study) only HESA data relating to the previous academic year (ie 2006/07) were available at the time of constructing the weights for the 2007/08 survey.

weighting targets is that the respective figures relate to different points of time in the academic year.